OFFICE OF THE CONTROLLER OF BUDGET

REPUBLIC OF KENYA

COUNTY GOVERNMENTS BUDGET IMPLEMENTATION REVIEW REPORT

THE FIRST HALF OF FY 2024/25

FEBRUARY, 2025

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FOREWORD

The Office of the Controller of Budget (OCoB) was established under Article 228 of the Constitution of Kenya in 2010. Its primary role is to oversee the implementation of budgets for National and County Governments by authorising withdrawals from public funds and reporting to each House of Parliament every four months. Additionally, Article 228(6) of the Constitution and Section 9 of the Controller of Budget Act, 2016, mandate the Controller of Budget (CoB) to submit quarterly budget implementation reports for the National and County Governments to Parliament thirty days after the end of each quarter.

I am pleased to present the County Governments' Budget Implementation Review Report for the first half of the Financial Year (FY) 2024/25, covering the period from July 1 to December 31, 2024. This report is based on data from the approved and revised county budgets for FY 2024/25, financial and non-financial reports from the County Governments, exchequer requisition records, and reports generated from the Integrated Financial Management Information System (IFMIS).

The report reviews how the forty-seven County Governments implemented their budgets. It analyses approved budgets, revenue received into the County Revenue Funds, exchequer issues, and expenditures. The expenditures are categorised into compensation to employees, operations and maintenance, and development spending, among others. It also presents the status of pending bills, programme expenditures, and absorption rates compared to the approved budgets.

Further, the report identifies key issues that affected budget implementation and provides recommendations for improvement. County Governments must act on these recommendations to ensure better budget implementation in the remaining FY 2024/25 period. This report offers the legislature and executive vital information on budget implementation, empowering them to make informed decisions about managing public funds. I urge all stakeholders in public finance to use this report to evaluate how County Governments utilise public money.

Lastly, I thank my staff for their hard work and commitment in reviewing the numerous reports from county governments to prepare this report. I also extend my appreciation to all County Treasuries that sent in their quarterly reports on time, which greatly facilitated the preparation of this report. My office is unwavering in its commitment to promoting good financial management in the public sector, a commitment that should reassure all stakeholders in public finance of our dedication to ensuring transparency and accountability.



FCPA Dr Margaret Nyakang'o, CBS

CONTROLLER OF BUDGET

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ACRONYMS

ABDP	Aquaculture Business Development Programme
ASDSP	Agriculture Sector Development Support Programme
CAIP	County Aggregation and Industrial Parks
CARA	County Allocation Revenue Act
CGBIRR	County Governments Budget Implementation Review Report
CECMF	County Executive Committee Member for Finance
CHP	Community Health Promoters
COB	Controller of Budget
COVID-19	Corona Virus Disease
CRF	County Revenue Fund
DANIDA	Danish International Development Agency
Dev	Development
DRPNK	Drought Resilience Programme in Northern Kenya
ECDE	Early Childhood Development Education
EU	European Union
EXP	Expenditure
FIF	Facility Improvement Fund/Financing
FLLoCA	Financing Locally-Led Climate Action
FSRP	Food System Resilience Project
FY	Financial Year
ICT	Information Communication Technology
IDA	International Development Association
IDEAS	Instrument for Devolution Advice and Support
IFMIS	Integrated Financial Management Information System
IPPD	Integrated Payroll Personnel Database
KCSAP	Kenya Climate Smart Agriculture Project
KDSP	Kenya Devolution Support Programme
KeLCoP	Kenya Livestock Commercialisation Project
KISIP	Kenya Information Settlement Improvement Project
Kshs.	Kenya Shillings
KUSP	Kenya Urban Support Programme
MCA	Member of County Assembly
NARIGP	National Agricultural and Rural Inclusive Growth Project
NAVCDP	National Agricultural Value Chain Development Project

O&M	Operations and Maintenance
OCoB	Office of the Controller of Budget
OSR	Own Source Revenue
PE	Personnel Emoluments
PFM	Public Finance Management
Rec	Recurrent
RMLF	Road Maintenance Fuel Levy
SME	Small and Medium Enterprises
SRC	Salaries and Remuneration Commission
THSUCP	Transforming Health Systems for Universal Health Care Project
WSDP	Water and Sanitation Development Project

EXECUTIVE SUMMARY

This is the First Half County Governments' Budget Implementation Review Report (CGBIRR) for FY 2024/25, covering July 2024 to December 2024. The report is prepared to fulfil the requirements of Article 228(6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016. It provides the status of budget implementation of each of the 47 County Governments during the period under review through analysis of revenue and expenditure performance, highlighting the challenges experienced and providing appropriate recommendations to address them from now on.

The combined County Governments' budgets for FY 2024/25, as approved by the County Assemblies, amounted to Kshs.588.38 billion, with Kshs.211.53 billion (36 per cent) being allocated to development expenditure and Kshs.376.86 billion (64 per cent) allocated to recurrent expenditure. The allocation for development expenditure met the Public Finance Management (PFM) Act, 2012 requirement, which mandates that at least 30 per cent of the budget be dedicated to development expenditure.

To finance the FY 2024/25 budget, the County Governments expect to receive Kshs.387.43 billion as an equitable share of revenue raised nationally to receive an equitable share of revenue raised nationally arrears for FY 2023/24 relating to June 2024 of Kshs.30.83 billion; raise Kshs.85.36 billion from ordinary own source of revenue, including Facility Improvement Fund (FIF)/Appropriation in Aid (A-I-A) of Kshs.20.88 billion; and utilise Kshs.29.31 billion of unspent funds from FY 2023/24. We, however, note that the County Governments Additional Allocations Bill, 2024, under which the County additional conditional allocations are anchored, was yet to be adopted by Parliament as of 31st December 2024.

The total available funds to the County Governments in the first half of FY 2024/25 amounted to Kshs.234.71 billion. This amount comprised of Kshs.160.78 billion as an equitable share of revenue raised nationally, which was authorised for withdrawal from Consolidated Fund to respective County Revenue Funds (CRF) accounts by the Controller of Budget (CoB) in line with Article 206(4) of the constitution; equitable share of revenue raised nationally arrears for FY 2023/24 relating to June, 2024 of Kshs.30.83 billion; Kshs.17.56 billion as cash balances brought forward from FY 2023/24; and Kshs.25.54 billion as revenue generated from own source revenue, which included Facility Improvement Fund (FIF)/Appropriation in Aid (A-I-A) of Kshs.9.81 billion.

During the reporting period, the County Governments generated a total of Kshs.25.54 billion from local revenue sources, which accounted for 30 per cent of the annual local revenue target of Kshs.84.52 billion. This represented an increase of 28 per cent compared to a similar FY 2023/24 period when the County Governments cumulatively generated a total of Kshs.19.95 billion. The Counties that achieved the higher proportion of their local revenue collection to their respective annual revenue targets were Narok County at 87 per cent, Elgeyo Marakwet County at 60 per cent, Samburu County at 59 per cent, Laikipia County at 55 per cent, Garissa County at 53 per cent and Wajir County at 52 per cent. The Counties that had the lowest proportion of their local revenue collection to their respective annual revenue targets included Kiambu and Bungoma Counties, each attaining 20 per cent, Kajiado County at 19 per cent, Kisumu County at 18 per cent, Bomet County at 16 per cent and Machakos County at 12 per cent and

In the first half of FY 2024/25, the Controller of Budget authorised the withdrawal of Kshs.182.05 billion from the County Revenue Funds (CRF) accounts to the County Operational Accounts for the County Governments. Of this amount, Kshs.150.22 billion (83 per cent) was for recurrent activities, and Kshs.31.83 billion (17 per cent) was for development activities. This was an increase of 4.2 per cent from Kshs.174.63 billion authorised in a similar FY 2023/24 period.

The County Government' cumulative expenditure in the period under review amounted to Kshs.184.83 billion. This expenditure consisted of Kshs.151.26 billion (82 per cent) for recurrent activities and Kshs.33.56 billion (18 per cent) for development activities. The expenditure represented an absorption rate of 31 per cent of the aggregate annual County Governments' budget, and a slight improvement from an absorption rate of 30 per cent achieved in a similar FY 2023/24 period.

The Counties that attained the highest absorption rates of their overall annual budgets were Narok at 53 per cent, Nandi at 40 per cent, Mandera at 39 per cent, Uasin Gishu at 39 per cent and Machakos at 38 per cent. On the other hand, Nakuru, Kisumu and Kericho recorded the lowest aggregate absorption rates, each at 26 per cent, followed by Tana River, Nyamira and Lamu, each at 23 per cent and Kisii County at 20 per cent.

In the first half of FY 2024/25, the County Governments' development expenditure amounted to Kshs.33.60 billion, translating to an absorption rate of 16 per cent of their aggregate annual development budget of Kshs.211.53 billion. This represented an increase from the 12 per cent absorption rate realised in a similar FY 2023/24 period when the County Governments' cumulative expenditure on development activities was Kshs.203.11 billion. Mandera County achieved the highest absorption rate of their approved development budget at 32 per cent, followed by Narok County at 30 per cent, Garissa County at 28 per cent, Uasin Gishu County at 27 per cent and Marsabit County at 26 per cent. Conversely, the following Counties attained the lowest absorption rates of their respective approved development budgets, i.e., Baringo and Tana River each at 7 per cent, followed by Taita-Taveta, Kisumu, Nairobi City and Nyeri each at 6 per cent and Elgeyo-Marakwet, Lamu, Nakuru and Kitui each at 5 per cent.

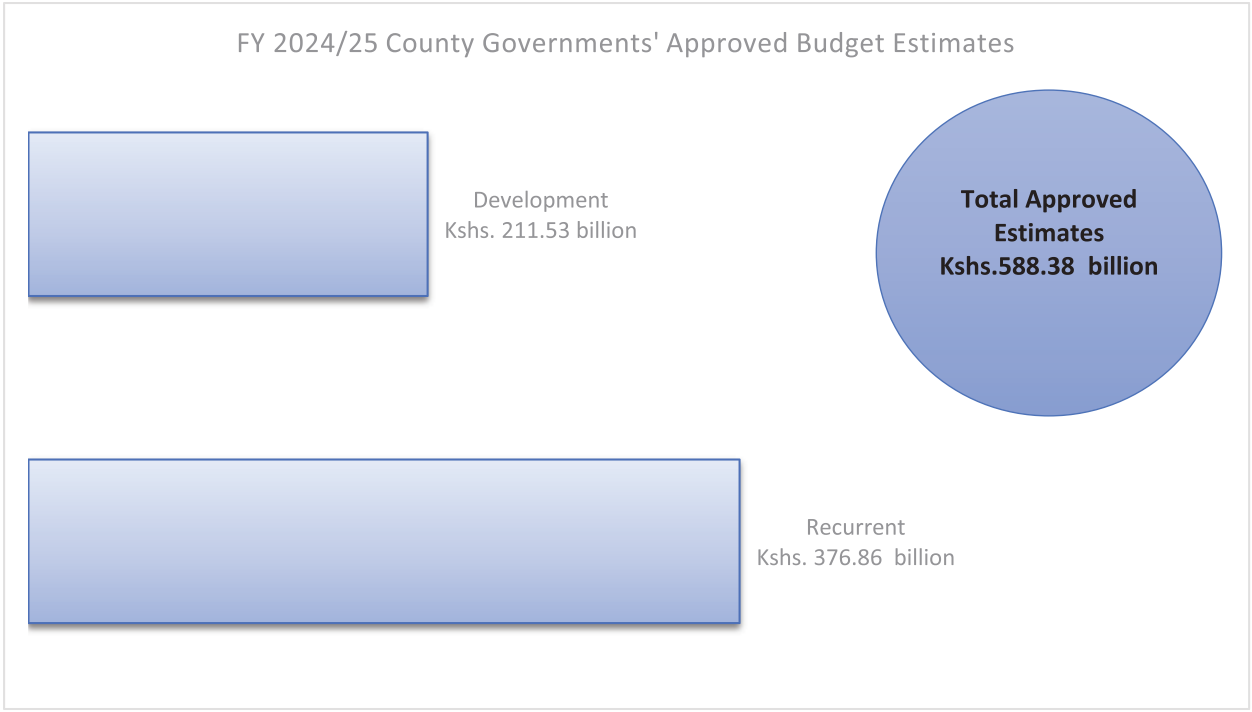
The County Governments' recurrent expenditure during the period under review amounted to Kshs.151.26 billion, accounting for 40 per cent of the annual County Governments' budget for recurrent activities, which is consistent with the absorption rate recorded in a similar period in FY 2023/24 when expenditure for recurrent activities was Kshs143.72 billion. The expenditure comprised Kshs.102.32 billion (68 per cent) on compensation to employees and Kshs.48.95 billion (32 per cent) on operations and maintenance. Moreover, the County Assemblies incurred Kshs.722.89 million on MCAs' sitting allowances against an approved annual budget allocation for MCAs' sitting allowances of Kshs.1.95 billion, translating to 37 per cent of the approved MCAs sitting allowance budget, and an increase from an absorption rate of 35 per cent realised in FY 2023/24 when Kshs.703.62 million was incurred.

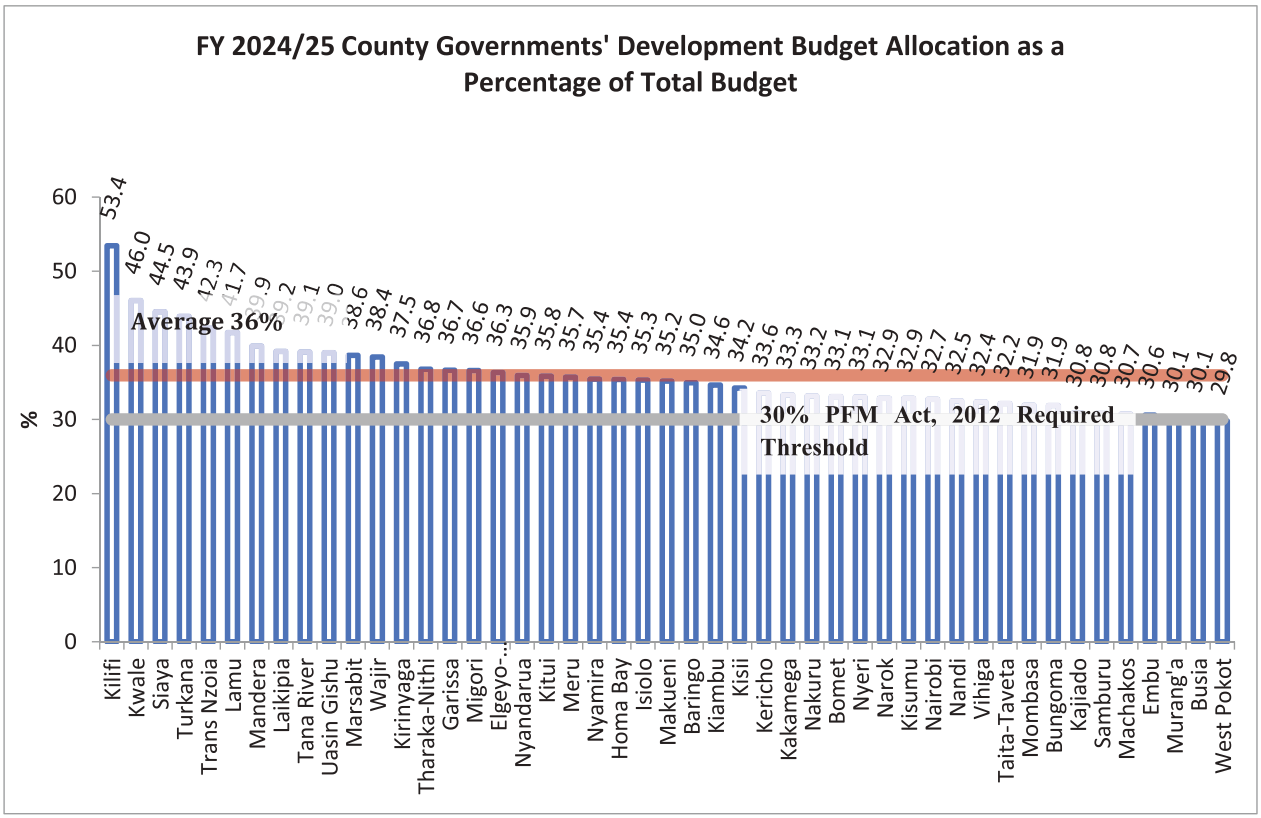
In the first half of FY 2024/25, the County Governments reported outstanding pending bills stock of Kshs.180.52 billion comprising of Kshs.143.49 billion for recurrent activities and Kshs.37.03 billion for development activities. The Counties with significant pending bills stock included Nairobi City at Kshs.118.26 billion, Kiambu at Kshs.5.63 billion, Machakos at Kshs.5.07 billion, Mombasa at Kshs.3.72 billion, and Bungoma at Kshs.2.83 billion.

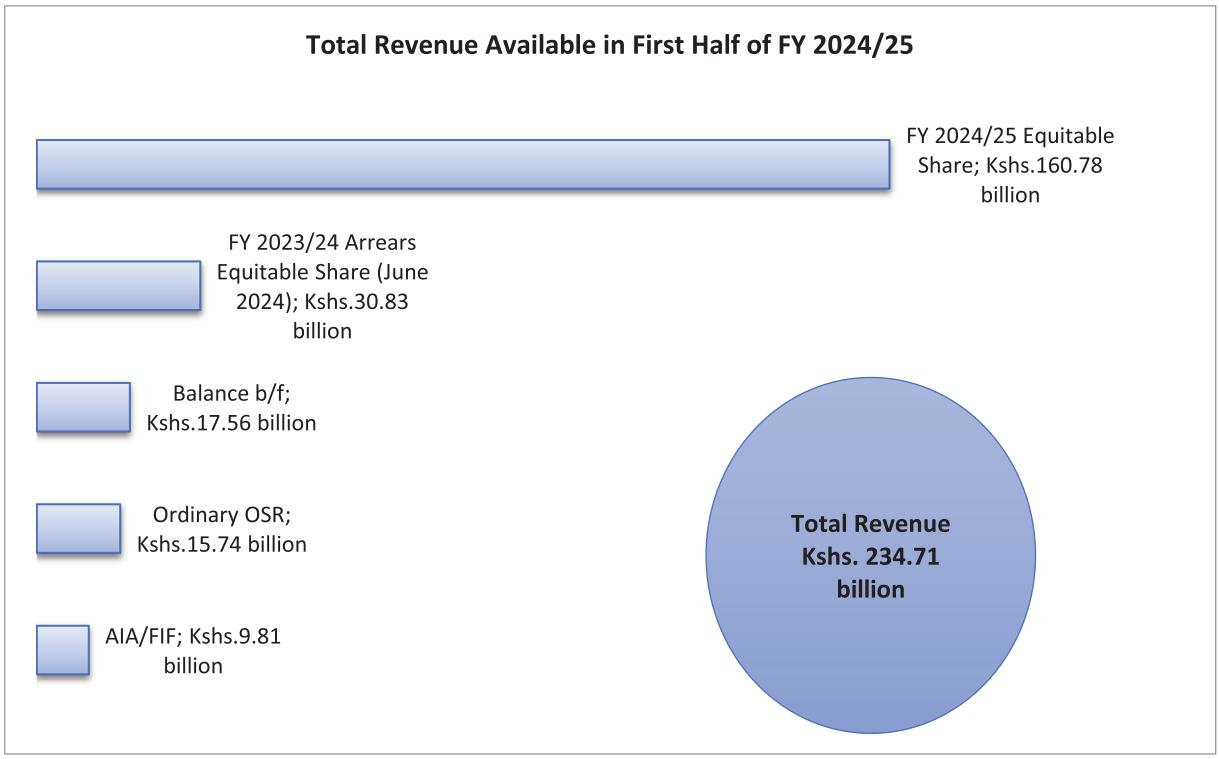
During the reporting period, the Controller of Budget identified several challenges that hindered effective budget execution, including (i) Delay by the Parliament to enact the Government Additional Allocations Bill 2024, (ii) Under-performance in Own Source revenue collection, (iii) Overdependence on revenues from Appropriations in Aid, particularly the Facility Improvement Fund in the Health Sector, (iv) Non-Adherence to Pending Bills Payment Plans, (v) Non-adherence to Exchequer Workplans Submitted to the OCoB, (vi) Low Expenditure on Development Programmes, and (vii) Delay in submission of Financial and Non-Financial Reports to the Controller of Budget.

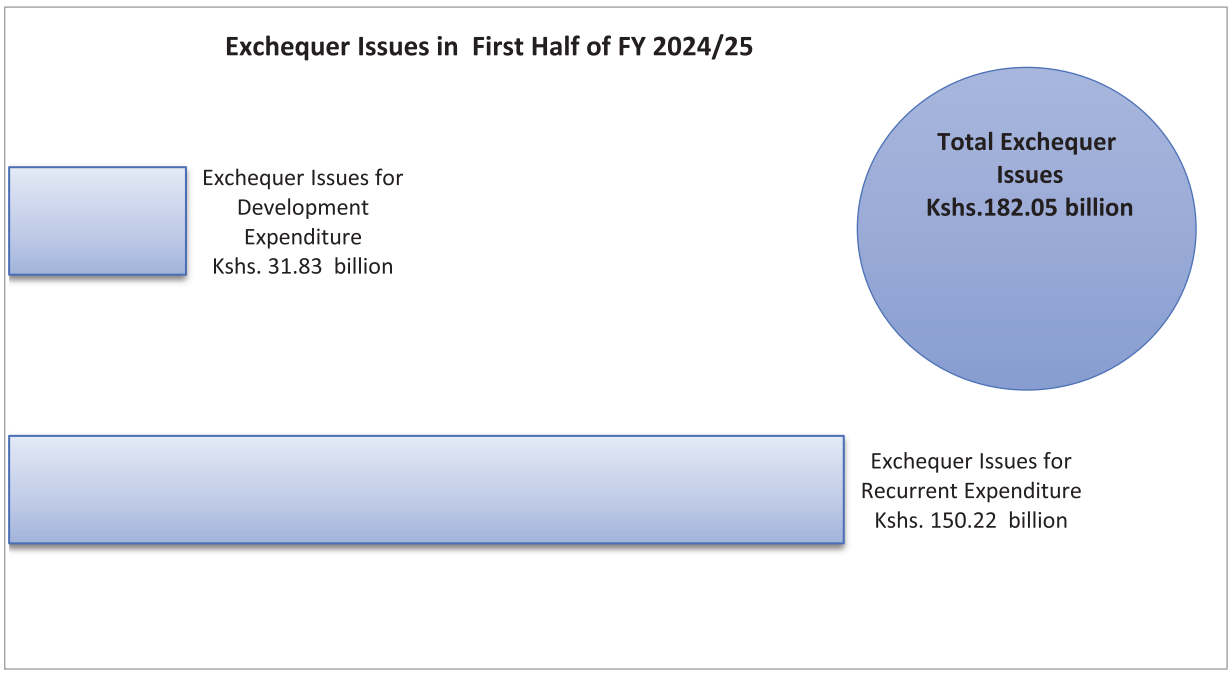
Based on the findings, the Controller of Budget recommends the following actions to improve budget implementation: (i) Parliament and relevant stakeholders should continue to address the outstanding issues related to mediation in the County Governments Allocation Act Budget (CGAAB); (ii) County Governments should enhance their efforts to collect own-source revenue during the remaining period of FY 2024/25; (iii) County Governments should explore and grow other own source revenue streams (iv) County Governments must adhere to their plans for paying pending bills; (v) the National Treasury should collaborate with key stakeholders to expedite the automation of the exchequer process for County Governments, ensuring that approved exchequer work plans are linked to actual execution; (vi) Robust project planning, monitoring, and implementation mechanisms should be adopted to improve the absorption rate of development funds; and (vii) Financial and non-financial reports should be submitted to the Controller of Budget promptly during the next reporting period).

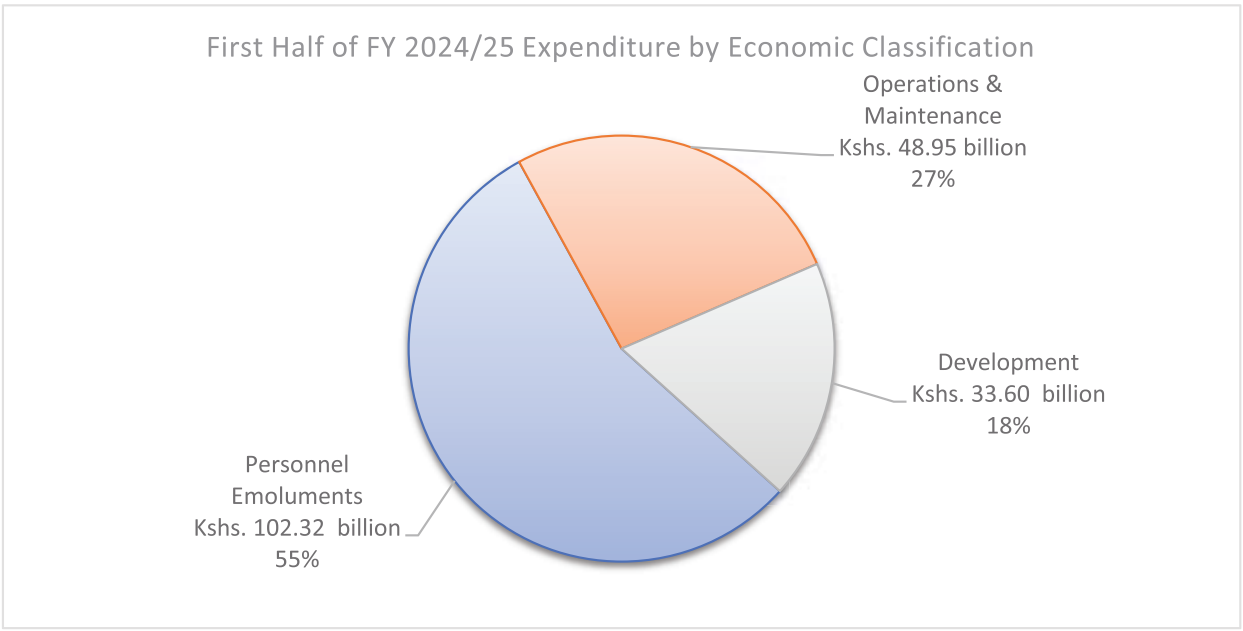
KEY HIGHLIGHTS

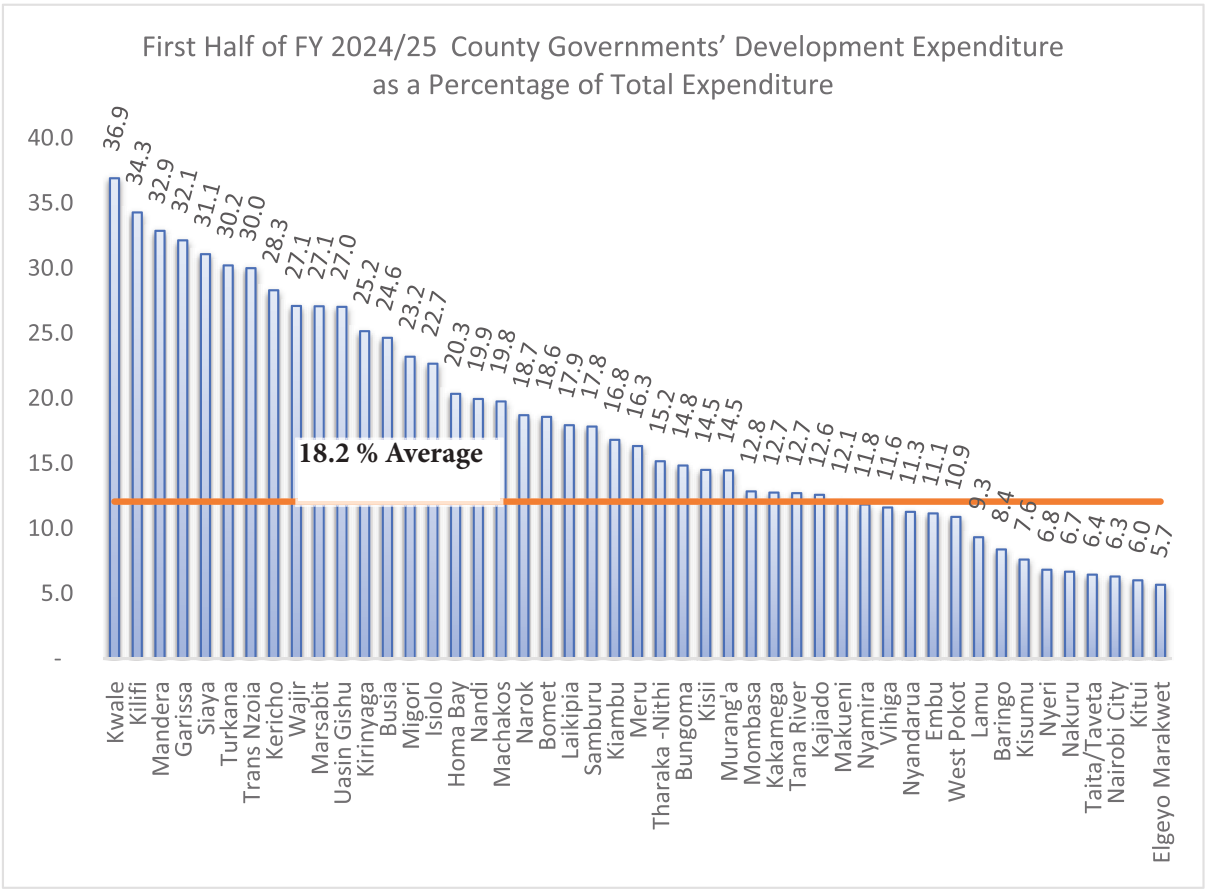





Total Revenue Available in First Half of FY 2024/25
FY 2024/25 Equitable Share; Kshs.160.78 billion
FY 2023/24 Arrears Equitable Share (June 2024); Kshs.30.83 billion
Balance b/f; Kshs.17.56 billion
Ordinary OSR; Kshs.15.74 billion
AIA/FIF; Kshs.9.81 billion
Total Revenue Kshs. 234.71 billion


Exchequer Issues in First Half of FY 2024/25
Exchequer Issues for Development Expenditure Kshs. 31.83 billion
Total Exchequer Issues Kshs.182.05 billion
Exchequer Issues for Recurrent Expenditure Kshs. 150.22 billion


First Half of FY 2024/25 Expenditure by Economic Classification
Operations & Maintenance Kshs. 48.95 billion 27%
Development Kshs. 33.60 billion 18%
Personnel Emoluments Kshs. 102.32 billion 55%


First Half of FY 2024/25 County Governments' Development Expenditure as a Percentage of Total Expenditure
18.2 % Average
Kwale 36.9
Kilifi 34.3
Mandera 32.9
Garissa 32.1
Siaya 31.1
Turkana 30.2
Trans Nzoia 30.0
Kericho 28.3
Wajir 27.1
Marsabit 27.1
Uasin Gishu 27.0
Kirinyaga 25.2
Busia 24.6
Migori 23.2
Isiolo 22.7
Homa Bay 20.3
Nandi 19.9
Machakos 19.8
Narok 18.7
Bomet 18.6
Laikipia 17.9
Samburu 17.8
Kiambu 16.8
Meru 16.3
Tharaka -Nithi 15.2
Bungoma 14.8
Kisii 14.5
Murang'a 14.5
Mombasa 12.8
Kakamega 12.7
Tana River 12.7
Kajiado 12.6
Makueni 12.1
Nyamira 11.8
Vihiga 11.6
Nyandarua 11.3
Embu 11.1
West Pokot 10.9
Lamu 9.3
Baringo 8.4
Kisumu 7.6
Nyeri 6.8
Nakuru 6.7
Taita/Taveta 6.4
Nairobi City 6.3
Kitui 6.0
Elgeyo Marakwet 5.7
40.0
35.0
30.0
25.0
20.0
15.0
10.0
5.0
-

1. INTRODUCTION

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 both 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 half of the fiscal year 2024/25, from July 2024 to December 2024.

The CBIRR presents an overview of budget execution by the County Governments. It analyses data on counties' local revenue collected, transfers received from the National Government and development partners, and total expenditures during the first half 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 obtained 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 half 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 expenditures. Recurrent expenditures are categorised into Compensation of Employees and Operations and Maintenance. A summary of the pending bills for the forty-seven county governments as of 31 December 2024 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, the 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 half of FY 2024/25

Chapter Four summarises the key challenges identified by the OCoB in budget implementation in the counties during the first half 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.

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

2.1. Introduction

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

2.2. Revenue Analysis

The combined County Governments' budgets approved by the County Assemblies amounted to Kshs.588.38 billion, comprising Kshs.211.53 billion (36 per cent) allocated to development expenditures and Kshs.376.86 billion (64 per cent) to recurrent expenditures.

County Governments expect to receive an equitable share of nationally raised revenue for the FY 2024/25, amounting to Kshs.387.43 billion. Additionally, they expect arrears for the equitable share for the FY 2023/24 (for June 2024), totalling Kshs.30.83 billion. Own Source Revenue is estimated at Kshs.85.36 billion, which includes Appropriations in Aid (A-i-A) and the Facility Improvement Fund (FIF) of Kshs.20.88 billion. The unspent balance from FY 2023/24 is projected at Kshs.29.31 billion. The County Governments Additional Allocations Bill, 2024, proposes an allocation of Kshs.55.45 billion will be disbursed through the respective Ministries, Departments, and Agencies. However, Parliament had not yet approved the bill as of 31 December 2024.

2.2.1 Revenue Out-turn

The total funds available to the County Governments in the first half of FY 2024/25 amounted to Kshs.234.71 billion. This includes Kshs.160.78 billion in equitable shares of revenue raised nationally for FY 2024/25 and equitable share arrears for FY 2023/24 (June 2024) of Kshs.30.83 billion; own source revenue collection of Kshs.25.54 billion, which includes A-i-A/FIF of Kshs.9.81 billion, and the available balance brought forward was Kshs.17.56 billion.

2.2.2 Own-Source Revenue

During the reporting period, County Governments generated a total of Kshs.25.54 billion from their own-source revenue (OSR), which was 30 per cent of the annual target of Kshs.84.52 billion. The realised OSR is an increase compared to Kshs.19.95 billion generated in a similar period in FY 2023/24. Analysis of own-source revenue collection for July to December 2024 is shown in Table 2.1

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

County	Ordinary OSR Target (Kshs. Million)	FIF/ AIA Target (Kshs.Million)	Total Revenue Target (Kshs. Million)	OSR Actual Realised (Kshs. Million)	FIF/AIA Actual (Kshs.Million)	Actual Revenue (Kshs. Million)	Performance (%)
	A	B	C=A+B	D	E	F=D+E	G=F/C*100
Baringo	450.72	149.38	600.1	132.51	47.07	179.58	30
Bomet	280.03	175.72	455.75	26.83	45.39	72.22	16
Bungoma	1,193.25	1,063.65	2,256.89	141.91	314.98	456.89	20
Busia	442.26	204.74	647.01	74.11	66.94	141.06	22
Elgeyo-Marakwet	105.78	195	300.78	28.74	150.57	179.31	60
Embu	454.38	498.26	952.63	120.41	197.28	317.69	33
Garissa	140	160	300	38.13	121.97	160.09	53
Homa Bay	501.74	981.07	1,482.81	141.66	376.21	517.87	35
Isiolo	271.21	100	371.21	88.18	31.43	119.6	32
Kajiado	1,200.00	370	1,570.00	143.96	157.45	301.41	19
Kakamega	1,359.00	841	2,200.00	340.39	365.23	705.61	32

County	Ordinary OSR Target (Kshs. Million)	FIF/ AIA Target (Kshs.Million)	Total Revenue Target (Kshs. Million)	OSR Actual Realised (Kshs. Million)	FIF/AIA Actual (Kshs.Million)	Actual Revenue (Kshs. Million)	Performance (%)
	A	B	C=A+B	D	E	F=D+E	G=F/C*100
Kericho	573.74	646.36	1,220.10	61.68	315.84	377.52	31
Kiambu	5,880.14	2,100.00	7,980.14	958.45	676.95	1,635.40	20
Kilifi	1,570.80	400	1,970.80	308.36	159.58	467.94	24
Kirinyaga	410.45	200	610.45	83.3	150.75	234.05	38
Kisii	650	1,561.19	2,211.19	139.98	443.9	583.88	26
Kisumu	2,877.95	926.12	3,804.07	232.8	444.83	677.63	18
Kitui	390.64	598.01	988.65	74.73	249.73	324.46	33
Kwale	350	300	650	79.79	84.25	164.04	25
Laikipia	842.5	602.5	1,445.00	158.94	632.5	791.44	55
Lamu	160	130	290	26.88	60.96	87.83	30
Machakos	2,788.96	687	3,475.96	334.45	80	414.45	12
Makueni	905.18	176.43	1,081.61	161.54	144.35	305.89	28
Mandera	278.61	57.92	336.53	75.78	17.96	93.74	28
Marsabit	110	141.16	251.16	28.41	50.8	79.21	32
Meru	500	550	1,050.00	112.55	309.63	422.17	40
Migori	550	140	690	115.92	104.45	220.37	32
Mombasa	4,941.02	1,050.00	5,991.02	1,176.04	507.52	1,683.56	28
Murang'a	750	500	1,250.00	191.46	229.84	421.3	34
Nairobi City	20,060.93	0	20,060.93	3,763.14	902.37	4,665.51	23
Nakuru	2,226.95	1,880.21	4,107.16	509.89	840.6	1,350.50	33
Nandi	306.1	301.23	607.33	81.85	77.93	159.78	26
Narok	4,859.05	164.95	5,024.00	4,328.62	54	4,382.62	87
Nyamira	400	450	850	29.6	162.84	192.43	23
Nyandarua	600	250	850	130.51	111.99	242.5	29
Nyeri	800	836.3	1,636.30	232.66	299.22	531.88	33
Samburu	262.93	18.7	281.63	160.22	5.37	165.59	59
Siaya	849.36	194.7	1,044.06	58.25	236.95	295.19	28
Taita-Taveta	500	250	750	98.36	96.4	194.76	26
Tana River	92.67	3.96	96.63	38.78	3.79	42.57	44
Tharaka-Nithi	285	165	450	74.49	108.51	183	41
Trans Nzoia	368.3	311.7	680	69.68	89.99	159.66	23
Turkana	241	79	320	66.98	74.82	141.8	44
Uasin Gishu	1,318.20	76.8	1,395.00	360.08	16.39	376.46	27
Vihiga	200	140	340	53.17	86.23	139.4	41
Wajir	80	120	200	63.39	41.33	104.72	52
West Pokot	97.2	132.8	230	18.2	59.4	77.6	34
Total	**64,476.04**	**20,880.85**	**85,356.89**	**15,735.76**	**9,806.44**	**25,542.20**	**30**

***Source**: County Treasuries*

An analysis of own-source revenue (OSR) as a proportion of the annual revenue target revealed that six counties attained above 50 per cent of their annual targets, namely Narok County (87 per cent of target), Elgeyo-Marakwet County (60 per cent), Samburu County (59 per cent), Laikipia County (55 per cent), Garissa County (53 per cent), and Wajir County (52 per cent). Conversely, the Counties whose OSR performance fell below 20 per cent include Kiambu County (20 per cent), Bungoma County (20 per cent), Kajiado County (19 per cent), Kisumu County (18 per cent), Bomet County (16 per cent), Machakos County (12 per cent). A detailed analysis of own-source revenue by stream for each county is provided in Chapter Three.

For County Governments whose OSR performance in the review period is below their projected target for the first half of FY 2024/25, the Controller recommends implementing strategies to collect the remaining balance within the remaining period. Additionally, these counties should consider revising their OSR projections for the subsequent period to align with more realistic and achievable targets.

2.3. Funds Released to the Counties

2.3.1 Funds Released from the Consolidated Fund to the Counties

In the First Half of FY 2024/25, the COB approved the transfer of Kshs.191.62 billion as the equitable share of revenue raised nationally from the Consolidated Fund to the various 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 withdrawals of Kshs.182.05 billion from the County Revenue Funds to the County Operational Accounts comprising Kshs.150.22 billion (83 per cent) for recurrent expenditure and Kshs.31.83 billion (17 per cent) for development expenditure. This was an increase from the Kshs.174.63 billion authorised in a similar period in FY 2023/24. A detailed analysis of the funds released to each County is provided in Chapter Three.

2.4. Expenditure Analysis

The total expenditure by County Governments in the first half of FY 2024/25 was Kshs.184.86 billion, representing an overall absorption rate of 31 per cent of the total Annual County government's budget of Kshs.588.38 billion. This is an increase from an absorption rate of 30 per cent reported in a similar period in FY 2023/24 when the total expenditure was Kshs.168.52 billion.

Recurrent expenditure was Kshs.151.26 billion, representing 40 per cent of the annual recurrent budget, a similar absorption rate to that reported in the First Half of FY 2023/24, where recurrent expenditure was Kshs.143.72 billion. Development expenditure amounted to Kshs.33.60 billion, representing an absorption rate of 16 per cent and an increase from 12 per cent in the first half of FY 2023/23 when total development expenditure was Kshs.24.81 billion. The analysis of expenditure by economic classification in the First Half of FY 2022/23 is provided in Table 2.2.

Table 2.2: Expenditure by Major Economic Classification in the first half 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	1,629.95	733.18	2,363.13	216.12	2,579.25
Bomet	1,911.68	798.06	2,709.73	617.86	3,327.59
Bungoma	3,539.24	829.82	4,369.06	760.7	5,129.76
Busia	1,098.68	880.64	1,979.32	647.27	2,626.59
Elgeyo-Marakwet	1,565.97	279.26	1,845.23	110.8	1,956.03
Embu	1,564.90	364.53	1,929.43	242.08	2,171.51
Garissa	1,909.15	581.88	2,491.03	1,179.43	3,670.46
Homa Bay	2,822.75	660.56	3,483.31	889.32	4,372.63
Isiolo	1,177.68	466.36	1,644.04	481.52	2,125.56
Kajiado	2,499.36	872.65	3,372.00	485.14	3,857.15
Kakamega	3,471.64	1,308.75	4,780.39	698.49	5,478.88

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
Kericho	1,274.50	424.75	1,699.25	670.64	2,369.88
Kiambu	3,286.47	1,935.07	5,221.54	1,054.52	6,276.07
Kilifi	2,021.02	2,009.24	4,030.26	2,102.03	6,132.29
Kirinyaga	1,216.52	590.13	1,806.66	607.1	2,413.76
Kisii	2,435.76	298.86	2,734.62	463.48	3,198.10
Kisumu	2,883.59	797.57	3,681.16	302.84	3,984.01
Kitui	2,678.67	1,774.11	4,452.78	284.53	4,737.31
Kwale	1,853.23	1,156.27	3,009.50	1,645.75	4,655.26
Laikipia	1,715.04	393.83	2,108.87	460.64	2,569.52
Lamu	798.62	302.66	1,101.29	113.15	1,214.44
Machakos	3,496.87	1,294.18	4,791.05	1,179.33	5,970.38
Makueni	2,426.83	1,449.58	3,876.42	534.47	4,410.89
Mandera	2,264.06	1,619.14	3,883.20	1,900.99	5,784.19
Marsabit	2,086.67	539.83	2,626.50	974.75	3,601.25
Meru	2,633.89	1,394.89	4,028.77	786.05	4,814.83
Migori	1,461.91	1,223.03	2,684.94	810.59	3,495.53
Mombasa	2,750.12	1,244.84	3,994.95	588.55	4,583.50
Murang'a	1,963.90	737	2,700.89	456.41	3,157.30
Nairobi	9,028.13	3,788.12	12,816.25	861.57	13,677.81
Nakuru	3,231.56	1,928.92	5,160.49	368.76	5,529.24
Nandi	1,527.19	1,449.62	2,976.81	741.57	3,718.38
Narok	2,883.32	3,883.54	6,766.86	1,556.11	8,322.97
Nyamira	1,401.47	273.66	1,675.13	224.77	1,899.90
Nyandarua	1,418.29	999.13	2,417.41	307	2,724.41
Nyeri	2,001.89	387.85	2,389.74	174.94	2,564.67
Samburu	1,134.08	806.21	1,940.29	420.84	2,361.13
Siaya	1,229.19	938.23	2,167.42	977.04	3,144.46
Taita-Taveta	1,654.86	566.18	2,221.04	152.96	2,373.99
Tana River	1,013.73	816.84	1,830.58	266.43	2,097.01
Tharaka-Nithi	1,433.09	455.84	1,888.92	337.45	2,226.38
Trans Nzoia	1,456.10	530.12	1,986.22	851.08	2,837.31
Turkana	2,923.37	1,702.01	4,625.39	2,002.07	6,627.46
Uasin Gishu	2,355.07	1,105.57	3,460.64	1,281.45	4,742.09
Vihiga	1,569.12	521.01	2,090.13	274.35	2,364.48
Wajir	2,012.37	1,462.07	3,474.45	1,291.06	4,765.50
West Pokot	1,603.99	373.68	1,977.68	241.44	2,219.12
Total	**102,315.51**	**48,949.27**	**151,264.78**	**33,595.47**	**184,860.25**

Source: *OCoB and County Treasuries*

A review of cumulative expenditures by economic classification showed that Kshs.102.32 billion (55 per cent) was spent on Compensation to Employees, Kshs.48.95 billion (26 per cent) on Operations and Maintenance, and Kshs.33.60 billion (18 per cent) on Development Expenditures.

2.4.1 Development Expenditure

The County Governments spent Kshs.33.60 billion on development activities, representing an absorption rate of 16 per cent of the annual development budget of Kshs.211.53 billion, An increase from an absorption rate of

12 per cent reported in the first half of FY 2023/24, when development expenditure was Kshs.24.81 billion. Table 2.3 analyses County budget allocations, expenditures, and absorption rates during the period under review.

Table 2.3: County Budget Allocation, Expenditure, and Absorption Rate for the First Half 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	2,363.13	216.12	2,579.25	40	7	28
Bomet	6,544.32	3,235.81	9,780.13	2,709.73	617.86	3,327.59	41	19	34
Bungoma	10,621.09	4,968.36	15,589.45	4,369.06	760.7	5,129.76	41	15	33
Busia	6,510.52	2,803.20	9,313.72	1,979.32	647.27	2,626.59	30	23	28
Elgeyo-Marakwet	4,007.31	2,287.76	6,295.08	1,845.23	110.8	1,956.03	46	5	31
Embu	5,116.86	2,255.88	7,372.74	1,929.43	242.08	2,171.51	38	11	29
Garissa	7,259.24	4,200.99	11,460.23	2,491.03	1,179.43	3,670.46	34	28	32
Homa Bay	7,670.90	4,206.08	11,876.98	3,483.31	889.32	4,372.63	45	21	37
Isiolo	4,420.77	2,412.43	6,833.20	1,644.04	481.52	2,125.56	37	20	31
Kajiado	9,123.91	4,068.55	13,192.46	3,372.00	485.14	3,857.15	37	12	29
Kakamega	11,911.27	5,950.03	17,861.29	4,780.39	698.49	5,478.88	40	12	31
Kericho	6,123.32	3,094.80	9,218.12	1,699.25	670.64	2,369.88	28	22	26
Kiambu	15,409.91	8,164.84	23,574.75	5,221.54	1,054.52	6,276.07	34	13	27
Kilifi	9,966.39	11,440.10	21,406.50	4,030.26	2,102.03	6,132.29	40	18	29
Kirinyaga	5,050.29	3,028.88	8,079.17	1,806.66	607.1	2,413.76	36	20	30
Kisii	10,583.50	5,510.63	16,094.13	2,734.62	463.48	3,198.10	26	8	20
Kisumu	10,272.07	5,029.53	15,301.60	3,681.16	302.84	3,984.01	36	6	26
Kitui	9,524.05	5,315.96	14,840.02	4,452.78	284.53	4,737.31	47	5	32
Kwale	8,114.81	6,924.41	15,039.22	3,009.50	1,645.75	4,655.26	37	24	31
Laikipia	4,894.50	3,150.76	8,045.26	2,108.87	460.64	2,569.52	43	15	32
Lamu	3,082.74	2,206.03	5,288.78	1,101.29	113.15	1,214.44	36	5	23
Machakos	10,825.82	4,799.58	15,625.40	4,791.05	1,179.33	5,970.38	44	25	38
Makueni	7,928.82	4,299.67	12,228.49	3,876.42	534.47	4,410.89	49	12	36
Mandera	8,948.80	5,942.16	14,890.96	3,883.20	1,900.99	5,784.19	43	32	39
Marsabit	5,962.71	3,752.81	9,715.52	2,626.50	974.75	3,601.25	44	26	37
Meru	8,949.96	4,972.43	13,922.40	4,028.77	786.05	4,814.83	45	16	35
Migori	7,411.69	4,275.61	11,687.30	2,684.94	810.59	3,495.53	36	19	30
Mombasa	11,066.29	5,193.71	16,260.00	3,994.95	588.55	4,583.50	36	11	28
Murang'a	7,337.46	3,164.02	10,501.48	2,700.89	456.41	3,157.30	37	14	30
Nairobi	29,304.73	14,259.54	43,564.27	12,816.25	861.57	13,677.81	44	6	31
Nakuru	14,080.28	6,991.98	21,072.26	5,160.49	368.76	5,529.24	37	5	26
Nandi	6,210.89	2,991.52	9,202.41	2,976.81	741.57	3,718.38	48	25	40
Narok	10,526.98	5,155.56	15,682.54	6,766.86	1,556.11	8,322.97	64	30	53
Nyamira	5,232.29	2,870.61	8,102.90	1,675.13	224.77	1,899.90	32	8	23
Nyandarua	5,439.11	3,047.36	8,486.47	2,417.41	307	2,724.41	44	10	32
Nyeri	5,858.56	2,892.44	8,751.00	2,389.74	174.94	2,564.67	41	6	29
Samburu	5,068.47	2,257.20	7,325.67	1,940.29	420.84	2,361.13	38	19	32
Siaya	6,073.31	4,874.83	10,948.13	2,167.42	977.04	3,144.46	36	20	29
Taita-Taveta	5,713.98	2,707.52	8,421.50	2,221.04	152.96	2,373.99	39	6	28
Tana River	5,669.16	3,640.34	9,309.51	1,830.58	266.43	2,097.01	32	7	23

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
Tharaka-Nithi	4,098.68	2,383.50	6,482.18	1,888.92	337.45	2,226.38	46	14	34
Trans Nzoia	6,070.19	4,451.57	10,521.76	1,986.22	851.08	2,837.31	33	19	27
Turkana	11,085.00	8,675.26	19,760.26	4,625.39	2,002.07	6,627.46	42	23	34
Uasin Gishu	7,374.68	4,714.07	12,088.74	3,460.64	1,281.45	4,742.09	47	27	39
Vihiga	4,394.30	2,101.60	6,495.90	2,090.13	274.35	2,364.48	48	13	36
Wajir	8,473.39	5,286.03	13,759.42	3,474.45	1,291.06	4,765.50	41	24	35
West Pokot	5,562.09	2,358.45	7,920.54	1,977.68	241.44	2,219.12	36	10	28
Total	**376,855.34**	**211,528.02**	**588,383.35**	**151,264.78**	**33,595.47**	**184,860.25**	**40**	**16**	**31**

Source: OCoB and County Treasuries

The analysis of development expenditures reveals that the following counties had the lowest development absorption rate: Elgeyo Marakwet County, Lamu, Nakuru, Kitui each at 5 per cent, Taita-Taveta, Kisumu, Nairobi City, and Nyeri each at 6 per cent, Baringo and Tana River at 7 per cent.

The counties with the highest absorption rates for development expenditures were Mandera County (32 per cent), Narok County (30 per cent), Garissa County (28 per cent), Uasin Gishu County (27 per cent) and Marsabit County (26 per cent). Chapter Three provides a detailed analysis of the counties' implementation of development expenditures.

2.4.2 Recurrent Expenditure

The Counties spent an aggregate of Kshs.151.26 billion, or 82 per cent of the total expenditure, on recurrent activities. This expenditure represented 40 per cent of the annual County Government's budget for recurrent activities and had a similar absorption rate in a similar period in FY 2023/24 when expenditure stood at Kshs.143.72 billion.

The recurrent expenditure comprised Kshs.102.32 billion (68 per cent) on Compensation to Employees and Kshs.48.95 billion (32 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.722.89 million on MCA's Sitting allowances against an approved budget allocation of Kshs.1.95 billion during the reporting period. This expenditure translated to 37 per cent of the approved MCA sitting allowance budget, an increase from 35 per cent in the first half of FY 2023/24 when Kshs.703.62 million was spent. Table 2.4 shows the budgetary allocation and expenditure on MCAs' and Speakers' sitting allowances in the first half of FY 2024/25.

Table 2.4: MCAs Budget Allocation, Expenditure and Absorption Rate in the First Half of FY 2024/25

County	Budget (Kshs.)	Expenditure (Kshs.)	Absorption (%)	No. of MCAs	Average monthly sitting allowances per MCA (Kshs.)
	A	B	C=B/A*100	D	E=B/D/6
Baringo	50,784,000	15,591,626	31	45	57,747
Bomet	30,942,400	12,959,200	42	39	55,381
Bungoma	56,352,000	25,732,270	46	63	68,075
Busia	14,780,168	4,748,696	32	54	14,656
Elgeyo-Marakwet	30,221,100	15,445,800	51	34	75,715
Embu	28,599,900	11,402,600	40	31	61,304

County	Budget (Kshs.)	Expenditure (Kshs.)	Absorption (%)	No. of MCAs	Average monthly sitting allowances per MCA (Kshs.)
	A	B	C=B/A*100	D	E=B/D/6
Garissa	30,971,000	15,650,000	51	48	54,340
Homa Bay	45,052,800	30,899,452	69	54	95,369
Isiolo	10,503,758	6,749,000	64	18	62,491
Kajiado	51,244,800	8,016,125	16	42	31,810
Kakamega	131,153,160	41,880,100	32	89	78,427
Kericho	33,669,600	12,577,100	37	48	43,670
Kiambu	75,000,000	39,327,600	52	87	75,340
Kilifi	36,000,000	11,694,800	32	56	34,806
Kirinyaga	68,232,685	13,300,300	19	34	65,198
Kisii	65,000,710	28,714,300	44	71	67,404
Kisumu	60,748,000	19,214,268	32	48	66,716
Kitui	31,832,900	16,967,947	53	61	46,361
Kwale	36,419,322	6,628,600	18	31	35,638
Laikipia	22,968,000	3,577,600	16	22	27,103
Lamu	25,040,000	8,921,900	36	20	74,349
Machakos	50,000,000	21,359,000	43	61	58,358
Makueni	44,451,013	23,589,600	53	49	80,237
Mandera	41,212,400	4,036,500	10	51	13,191
Marsabit	36,100,000	13,198,900	37	33	66,661
Meru	72,243,600	24,355,400	34	70	57,989
Migori	43,524,000	18,036,500	41	60	50,101
Mombasa	30,000,000	16,732,000	56	43	64,853
Murang'a	38,937,600	11,117,279	29	48	38,602
Nairobi	27,560,000	2,750,525	10	124	3,697
Nakuru	53,000,000	24,634,300	46	74	55,483
Nandi	27,456,000	13,687,200	50	45	50,693
Narok	35,113,760	19,031,300	54	50	63,438
Nyamira	41,184,012	10,179,000	25	36	47,125
Nyandarua	39,487,500	13,500,000	34	42	53,571
Nyeri	20,200,000	10,990,200	54	43	42,598
Samburu	69,149,466	11,738,870	17	25	78,259
Siaya	31,635,119	13,128,400	41	42	52,097
Taita-Taveta	36,000,000	12,961,900	36	32	67,510
Tana River	25,000,000	10,419,100	42	27	64,315
Tharaka-Nithi	31,200,000	13,134,821	42	24	91,214
Trans Nzoia	42,432,000	10,676,400	25	34	52,335
Turkana	30,160,850	9,153,800	30	48	31,784
Uasin Gishu	39,918,400	17,182,375	43	44	65,085
Vihiga	30,680,000	14,418,600	47	37	64,949
Wajir	43,960,800	19,239,100	44	46	69,707
West Pokot	34,184,000	13,638,200	40	33	68,880
Total	**1,950,306,823**	**722,888,553**	**37**	**2,216**	**2,644,632**

Source: OCoB and County Treasuries

The County Assemblies with the highest absorption rate of their sitting allowance budget include the Homa Bay Assembly (69 per cent), Isiolo Assembly (64 per cent), Mombasa Assembly (56 per cent), Nyeri and Narok Assemblies (each at 54 per cent) and Kitui and Makueni Assemblies (each at 53 per cent).

2.4.4 Pending Bills as of 31 December 2024

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 adequately procured, delivered, or rendered at the end of a financial year.

As of 31 December 2024, Counties reported outstanding pending bills, which amounted to Kshs.182.13 billion, comprised of Kshs.145.06 billion for recurrent expenditure and Kshs.37.07 billion for development expenditure, as shown in Table 2.5.

Table 2.5: Pending Bills for the Counties as of 31 December 2024

County	County Executive (Kshs.Million)			County Assembly (Kshs.Million)			Grand Total (Kshs.Million)
	Recurrent	Development	Sub-Total	Recurrent	Development	Sub-Total	
Baringo	142.12	94.57	**236.69**	3.91	11.33	**15.24**	**251.93**
Bomet	75.68	634.33	**710**	1.27	82.44	**83.71**	**793.72**
Bungoma	1,355.82	1,453.84	**2,809.66**	16.01	0	**16.01**	**2,825.67**
Busia	1,461.28	563.68	**2,024.96**	0	15	**15**	**2,039.96**
Elgeyo-Marakwet	7.11	10.78	**17.89**	0	0	**0**	**17.89**
Embu	815.16	969.74	**1,784.90**	0	0	**0**	**1,784.90**
Garissa*	691.84	1,906.54	**2,598.38**	0	73.02	**73.02**	**2,671.40**
Homa Bay	0	349.04	**349.04**	64	89.23	**153.22**	**502.26**
Isiolo	587.51	272.17	**859.68**	5.81	8.09	**13.91**	**873.58**
Kajiado	327.16	1,283.32	**1,610.48**	15.39	20.77	**36.17**	**1,646.64**
Kakamega	446.01	853.68	**1,299.69**	219.71	0	**219.71**	**1,519.39**
Kericho	135.23	489.29	**624.52**	0	0	**0**	**624.52**
Kiambu	3,608.12	1,874.56	**5,482.67**	115.69	30.56	**146.25**	**5,628.92**
Kilifi	721.59	1,336.16	**2,057.75**	68.18	0	**68.18**	**2,125.93**
Kirinyaga	340.64	686.72	**1,027.36**	0	0	**0**	**1,027.36**
Kisii	778.62	1,773.20	**2,551.82**	1.56	55.43	**56.99**	**2,608.80**
Kisumu	993.54	1,313.74	**2,307.27**	4.19	2.1	**6.28**	**2,313.56**
Kitui	201.59	634.29	**835.87**	0	0	**0**	**835.87**
Kwale	456.33	5.45	**461.79**	114.55	186.85	**301.4**	**763.19**
Laikipia	677	802.64	**1,479.65**	18.36	0	**18.36**	**1,498.01**
Lamu	23.82	25.31	**49.12**	0	0	**0**	**49.12**
Machakos	3,035.35	1,909.27	**4,944.63**	128.31	0	**128.31**	**5,072.93**
Makueni	106.32	187.24	**293.56**	29.28	2.03	**31.31**	**324.86**
Mandera	367.15	1,018.58	**1,385.73**	0	0	**0**	**1,385.73**
Marsabit	0	229.55	**229.55**	0	284.43	**284.43**	**513.98**
Meru	209.54	460.41	**669.96**	0	0	**0**	**669.96**
Migori	437.77	531.7	**969.47**	117.47	36.06	**153.53**	**1,123.00**
Mombasa	2,201.53	1,506.70	**3,708.24**	9.63	0	**9.63**	**3,717.87**
Murang'a	843.32	58.08	**901.4**	39.37	0	**39.37**	**940.77**
Nairobi	113,185.02	4,657.64	**117,842.65**	418.74	2	**420.75**	**118,263.40**
Nakuru	1,251.87	129.83	**1,381.70**	76.44	0	**76.44**	**1,458.14**
Nandi	244.39	156.76	**401.14**	0.00	0.00	**0.00**	**401.14**
Narok	940.11	357.82	**1,297.92**	0.00	0.00	**0.00**	**1,297.92**

County	County Executive (Kshs.Million)			County Assembly (Kshs.Million)			Grand Total (Kshs.Million)
	Recurrent	Development	Sub-Total	Recurrent	Development	Sub-Total	
Nyamira	390.85	283.17	**674.03**	0	8.18	**8.18**	**682.21**
Nyandarua	338.82	778.12	**1,116.95**	94.91	0	**94.91**	**1,211.86**
Nyeri	77.35	89.07	**166.42**	4.32	0	**4.32**	**170.74**
Samburu	184.74	170.21	**354.95**	0	0	**0**	**354.95**
Siaya	411.31	283.69	**695**	0	0	**0**	**695**
Taita-Taveta	1,013.23	865.73	**1,878.96**	53.01	0	**53.01**	**1,931.98**
Tana River	1,107.18	679.17	**1,786.35**	0	0	**0**	**1,786.35**
Tharaka-Nithi	225.51	138.73	**364.24**	97.64	3.92	**101.56**	**465.8**
Trans Nzoia	785.84	519.5	**1,305.34**	0	0	**0**	**1,305.34**
Turkana	154.06	2,121.03	**2,275.09**	0	0	**0**	**2,275.09**
Uasin Gishu	159.99	299.55	**459.54**	29.94	0	**29.94**	**489.48**
Vihiga	525.07	834.84	**1,359.91**	0	0	**0**	**1,359.91**
Wajir	843.04	489.6	**1,332.64**	130.74	0	**130.74**	**1,463.38**
West Pokot	284.95	58.86	**343.81**	7.86	14.49	**22.35**	**366.16**
Total	**143,170.46**	**36,147.89**	**179,318.36**	**1,886.28**	**925.94**	**2,812.22**	**182,130.58**

Source: County Treasuries

**Garissa County reported pending bills totalling Kshs.6.11 billion as of 30 June 2024, comprised of Kshs.2.82 billion and Kshs.3.29 billion on eligible and ineligible pending bills, respectively. The eligible pending bill amount includes Kshs.2.69 billion from the County Executive and Kshs.132.91 million from the County Assembly (more details are provided in Chapter Three).*

During the period under review, several County Governments adjusted their pending bills as of 30 June 2024. Furthermore, several County Governments have not followed their scheduled payment plans for these outstanding bills. County Governments are expected to prioritise the payment of these outstanding bills according to their established payment plans.

The Office of the Controller of Budget (OCoB) recommends that the County Governments prioritise the settlement of all eligible pending bills in the budget as a first charge according to Regulation 55(2)(b) of the Public Finance Management (County Governments) Regulations, 2015. Furthermore, we urge the counties to comply with their pending bills payment plan for FY 2024/25 and the Senate resolutions, which were communicated in a letter to all the 47 County Governors Ref: SEN/RESOLS/05/2024(03) dated 9 May 2024.

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 I FY 2024/25 budget was Kshs.9.20 billion. It comprised Kshs.3.20 billion (35 per cent) and Kshs.6.00 billion (65 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs.0.35 billion (4 per cent) from the FY 2023/24 budget 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 the decrease in its own source revenue and the non-correct capture of balance carried forward. The County's Net Approved Supplementary I Budget is Kshs.9.20 billion, comprising Kshs.6.00 billion for recurrent and Kshs.3.20 billion for development.

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 was not indicated, and Kshs.600.10 million (7 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.149.38 million (2 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.450.72 million (5 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 half of FY 2024/25, the County had Kshs.3.00 billion to fund its development and recurrent activities. This amount consisted of Kshs.2.82 billion from the equitable share of revenue raised nationally, no additional allocations from government and development partners, and its source revenue (OSR) collection of Kshs.179.58 million. The County did not indicate a cash balance from FY 2023/24.

The total OSR collection of Kshs.179.58 million includes Facilities Improvement Financing (FIF) of Kshs.47.07 million, and Kshs.132.51 million as ordinary OSR, no Appropriations in Aid (AIA). Table 3.1 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.1: Baringo County, Revenue Performance in the First Half 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	2,820,504,627	38
Sub Total		**7,449,711,948**	2,820,504,627	**38**
B	**Conditional Grants**			
1	County Aggregation and Industrial Parks (CAIP) Programme	250,000,000		-
2	Community Health Promoters (CHPs) Project	63,810,000		
3	DANIDA Grant to Finance Primary Healthcare in a Devolved Context	7,848,750		
4	IDA (World Bank) Emergency Locust Response Project-ELRP	121,025,000		
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		
7	IDA (World Bank) Credit Kenya Urban Support Project (KUSP) Urban Institutional Grant (UIG)	35,000,000		
8	IDA (World Bank) Credit Kenya Urban Support Project (KUSP) Urban Development Grant (UDG)	18,190,995		
9	SWEDEN - Kenya Agricultural Business Development Project (KABDP)	10,918,919		

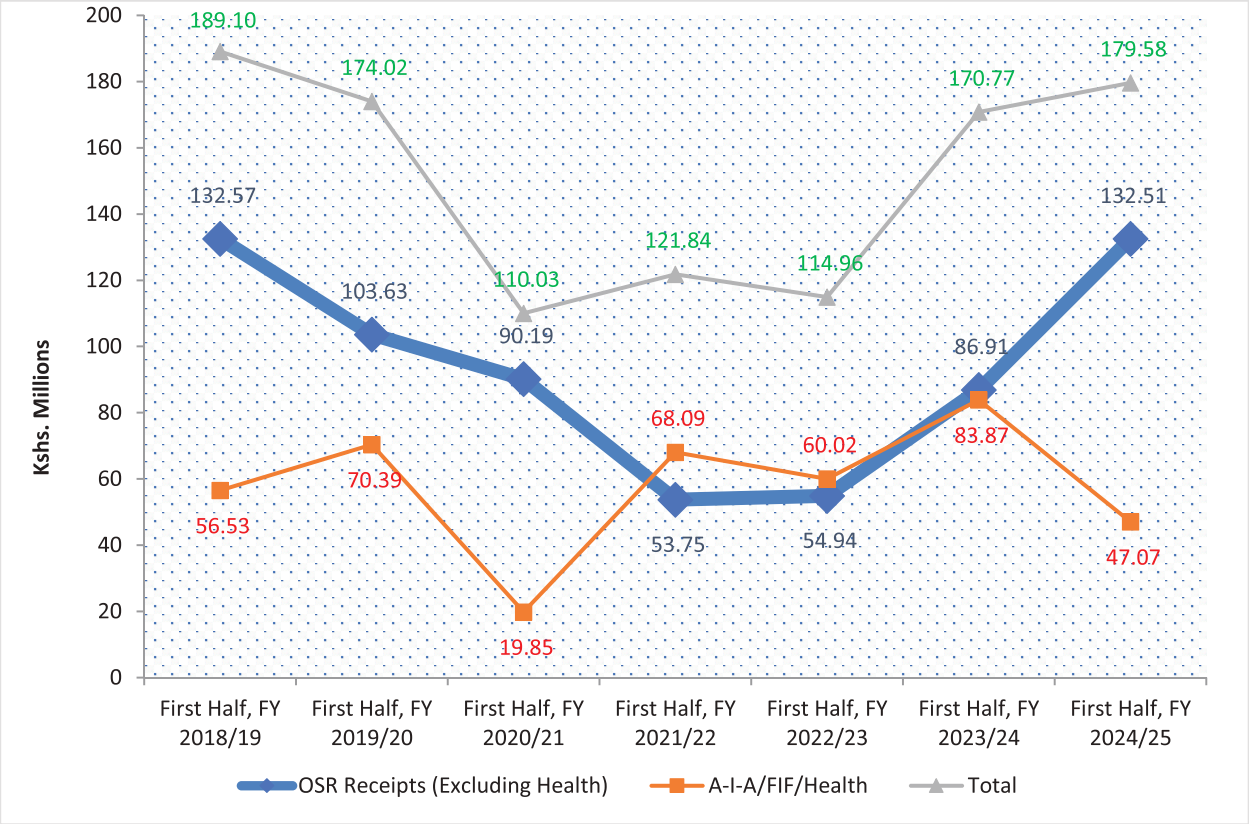
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
10	International Fund for Agricultural Development (IFAD) Loan for Kenya Livestock Commercialization Project (KeLCoP)	40,150,000		
11	United Nations Fund for Population Activities (UNFPA)	9,620,000		
12	County Aggregation and Industrial Parks (CAIP) Programme	21,782,624		
13	Road Maintenance Fuel Levy- Roll Over	844,546		
14	Rehabilitation of Youth Polytechnics	2,054,766		
15	Universal Care Project - THS	407,379		
16	SWEDEN: Agricultural Sector Development Support Programme (ASDSP) II	4,645		
17	World Bank Emergency Locusts Project	35,056,838		
18	Livestock Value Chain Support Project	11,402,752		
19	KDSP Grant Phase II	272,234		
20	DANIDA Grant Primary Health Care	9,709,060		
21	FIF	29,708,459		
22	COVID Emergency - Rollover	4,220,366		
23	IDA (World Bank) credit (FLLoCA) climate-SPA-Recurrent	11,132,220		
24	IDA (World Bank) credit (FLLoCA) climate-SPA-Development	239,003,641		
15	IDA (World Bank) credit (FLLoCA) climate-2024/2025	11,000,000		
Sub-Total		1,143,740,117	0	
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	450,719,215	132,513,000	29
2	Balance b/f from FY2023/24	0	0	
3	Facility Improvement Fund (FIF)	149,378,181	47,066,252	32
4	Other Revenues	0	0	
5	Appropriation in Aid (AIA)	0	0	
Sub Total		600,097,396	179,579,252	30
Grand Total		**9,193,549,461**	3,000,083,879	**33**

Source: *Baringo County Treasury*

The County has governing legislation on the operation of ordinary FIF.

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

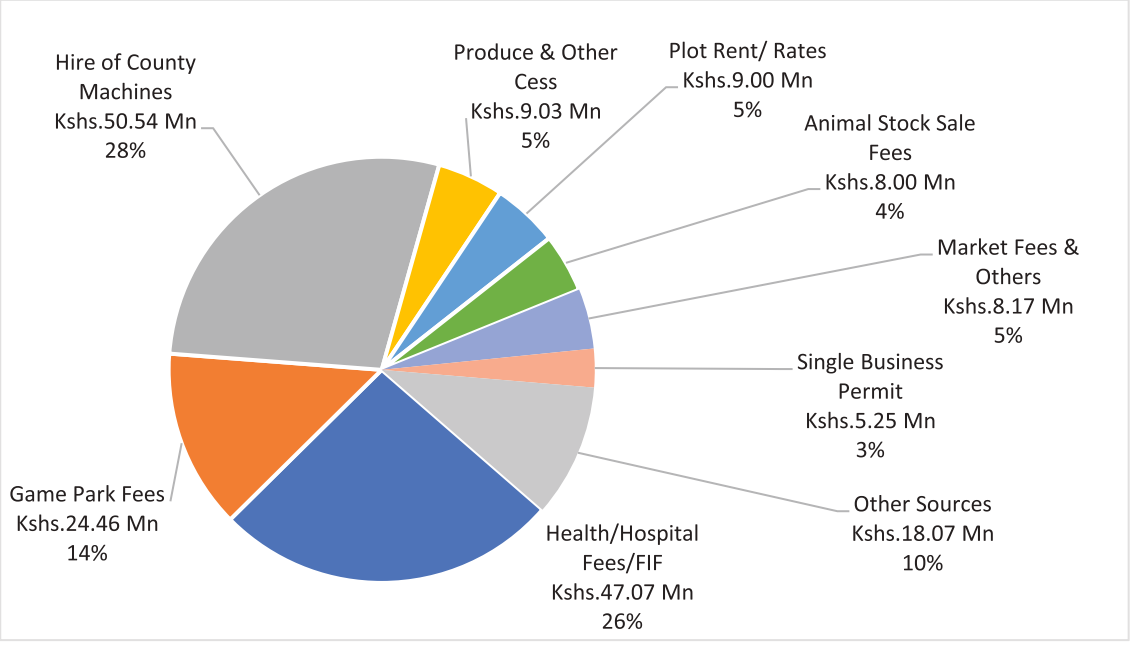
Figure 1: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: *Baringo County Treasury*

During the first half of FY 2024/25, the County generated Kshs.179.58 million from its revenue sources, including FIF. This amount was an increase of 8.2 per cent compared to Kshs.170.77 million realised in a similar period in FY 2023/24 and was 30 per cent of the annual target and 6 per cent of the equitable revenue share disbursed. The OSR report did not indicate revenue arrears and penalties charged on fees and levies from previous financial years.

Figure 2: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Baringo County Treasury

The highest revenue stream, Kshs.50.54 million, was from the Hire of County Machines, contributing 28 per cent of the total OSR receipts during the reporting period.

3.1.3 Borrowing by the County

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

3.1.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.3.00 billion from the CRF account comprised Kshs.344 million (11 per cent) for development programmes and Kshs.2.66 million (less than 1 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.63 million was released towards compensation of employees and Kshs.1.03 million for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to a delay in payroll processing.

Analysis of the operations and maintenance exchequer releases indicates that 9.3 per cent was for domestic travel and 0.05 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.98.54 million, including Kshs.66.53 million for the County Executive and Kshs.32.01 million for the County Assembly. The foreign exchequer totalled Kshs..488 million, comprising Kshs..488 million for the County Executive and Kshs.0.00 million for the County Assembly.

Table 3.2: Baringo 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	880.13	34.10	325.96	-	37	0
The Governor's Office	3,973.83	21.44	1,957.13	-	49	0
County Finance and Economic Planning	135.10	35.22	72.10	0.27	53	1
Roads, Transport, Energy and Public Works	57.75	463.23	37.87	44.93	66	10
Trade, Cooperatives and Industrialisation	25.25	391.36	13.95	-	55	0
Education and Vocational training	62.69	304.70	11.03	23.41	18	8
Health Services	569.43	259.29	179.70	27.42	32	11
Lands, Housing & Urban Development	76.40	63.74	5.65	-	7	0
Agriculture, Livestock, and fisheries management	37.78	613.26	9.50	42.43	25	7
Youth Affairs, Sports, Culture, Gender and Social services	49.49	120.18	21.76	0.92	44	1
Water and Irrigation	36.68	657.24	14.62	193.61	40	29
Environment, Tourism, Wildlife Management, Natural Resources and Mining	39.59	267.75	5.75	11.00	15	4
County Public Service Board	17.92	-	1.05	-	6	0
Total	**5,962.04**	**3,231.51**	**2,656.09**	**343.99**	**45**	**11**

***Source**: Baringo County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.1,021.84.

3.1.5 County Expenditure Review

The County spent Kshs.2.39 billion on development and recurrent programmes in the reporting period. The expenditure represented 80 per cent of the total funds released by the CoB and comprised Kshs.216.12 million and Kshs.2.55 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 7 per cent, while recurrent expenditure represented 37 per cent of the annual recurrent expenditure budget.

3.1.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.486.47 million as of 30 June 2024. This includes Kshs.475.03 million from the County Executive and Kshs.11.45 million from the County Assembly. The pending bills from the County Executive consist of Kshs.146.03 million for recurrent expenditures and Kshs.105.90 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.245.87 million, comprising Kshs.100.05 million for recurrent programmes and Kshs.145.82 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.7.54 million, which included Kshs.7.54 million for recurrent activities and Kshs.0.0 million for development activities.

At the commencement of FY 2024/25, the County Executive and the Assembly submitted a pending bills payment plan, committing to pay Kshs.236.67 million and Kshs.15.24 million in the first half of FY 2024/25. The County adhered to this payment plan, clearing Kshs.238.34 million for the Executive and Kshs.7.54 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.240.58 million, comprising Kshs.236.67 for the County Executive and Kshs.3.91 billion for the County Assembly.

3.1.7 Expenditure by Economic Classification

The County Executive spent Kshs.1,444.64 million on employee compensation, Kshs.534.92 million on operations and maintenance, and Kshs.216.12 million on development activities. Similarly, the County Assembly spent Kshs.185.31 billion on employee compensation, Kshs.12.95 million on operations and maintenance, and nil expenditure towards development activities, as shown in Table 3.3.

Table 3.3: 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	**5,962,035,989**	**880,134,270**	1,979,557,161	198,260,268	33	23
Compensation to Employees	3,582,906,608	464,355,142	1,444,640,050	185,310,998	40	40
Operations and Maintenance	2,379,129,381	415,779,128	534,917,111	12,949,270	22	34
Development Expenditure	3,197,417,857	34,095,616	216,121,869	-	7	0
Total	9,159,453,846	914,229,886	2,195,679,030	198,260,268	24	22

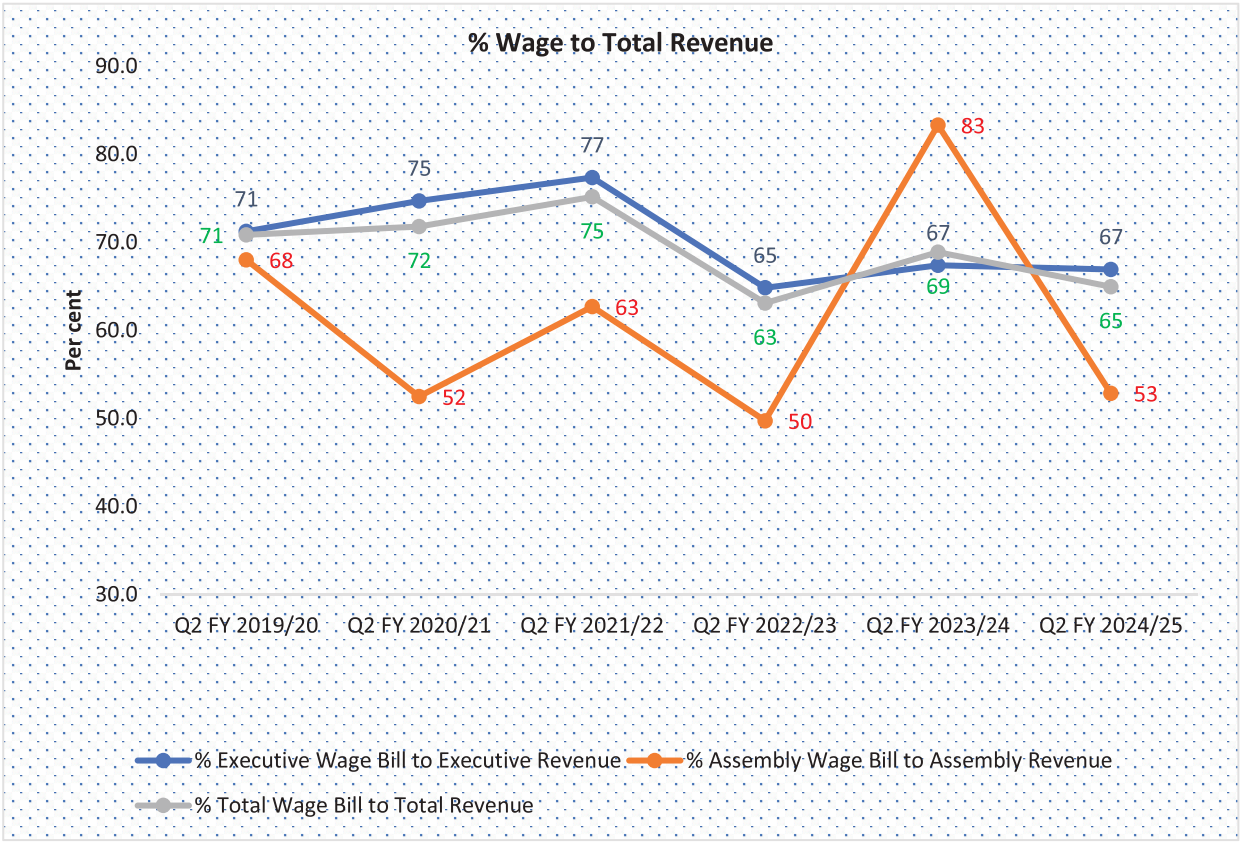
***Source**: Baringo County Treasury*

3.1.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.63 billion, or 54 per cent of the available revenue of Kshs.3.00 billion. This expenditure represented a decrease from Kshs.1.92 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.814.75 million paid to the Health Sector employees, translating to 50 per cent of the total wage bill.

Figure 3 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 3: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2019/20 to the First Half of FY 2024/25



Source: Baringo County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.51 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.121.05 million was processed through manual payrolls, which accounted for 8 per cent of the total PE cost.

The County Assembly spent Kshs.15.59 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.57,746.76 per MCA. The County Assembly had 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, or 2 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 3.4 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.4: Performance of County Established Funds in the First Half of FY 2024/25

	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues as of 30 December 2024 (Kshs.)	Actual Expenditure as of 30 December 2024 (Kshs.)	Cumulative disbursements to the Fund in FY 2023/24 (Kshs)	Submission of Annual Financial Statements (Yes/No.)
1.	Baringo Executive Car Scheme Fund	12,500,000				Yes

	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues as of 30 December 2024 (Kshs.)	Actual Expenditure as of 30 December 2024 (Kshs.)	Cumulative disbursements to the Fund in FY 2023/24 (Kshs)	Submission of Annual Financial Statements (Yes/No.)
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 serving 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**	

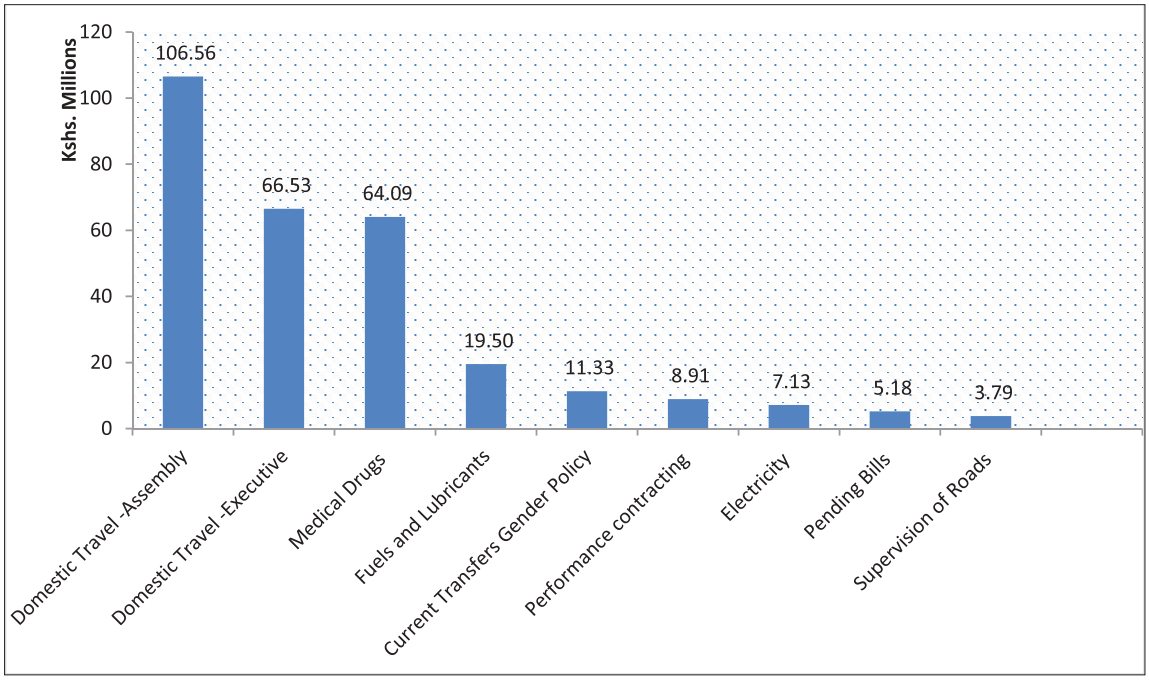
Source: Baringo County Treasury

During the reporting period, the CoB did receive quarterly financial reports from all Fund Administrators, as indicated in Table 3.4, as per the requirement of Section 168 of the PFM Act, 2012. The administration costs of all the Funds were not 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.

3.1.10 Expenditure on Operations and Maintenance

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

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



Source: *Baringo County Treasury*

Expenditure on domestic travel amounted to Kshs.173.08 million and comprised Kshs.106.56 million spent by the County Assembly and Kshs.66.53 million by the County Executive. Expenditure on foreign travel amounted to Kshs.12.9 million and comprised Kshs12.9 million by the County Assembly and none by the County Executive. Spending on foreign travel is summarised in Table 3.5.

Table 3.5: Summary of Highest Expenditure on Foreign Travel in the First Half 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	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 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 peace and conflict resolution workshop	Rwanda	1,002,000
			Total		**12,904,090**

Source: *Baringo County Treasury and Baringo County Assembly*

The operations and maintenance costs include no expenditure on garbage collection and Kshs.2.25 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.1.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.47.07 million as FIF, which was 32 per cent of the annual target of Kshs.149.38 million. The collected amount was retained and utilised at the source per the Facility Improvement Financing Act of 2023. The County has developed regulations to operationalise the FIF Act of 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 the health facilities amounted to Kshs.96.8 million as shown in Table 3.6.

Table 3.6: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	Baringo District Hospital	**104,228,802**	55,618,746	53
2	E/Ravine District Hospital	**46,930,649**	22,672,287	48
3	Kabartonjo District Hospital	**6,288,649**	3,905,687	62
4	Marigat District Hospital	**9,479,648**	4,845,501	51
5	Chemolingot District Hospital	**4,536,752**	4,496,309	99
6	Mogotio Distrct Hospital	**8,114,752**	5,281,989	65
	TOTAL	**179,579,252**	**96,820,519**	54

Source: *Baringo County Treasury*

The Health Facility with the highest absorption rate was Chemolingot sub-county Hospital.

3.1.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.216.12 million on development programmes, representing a decrease of 42.6 per cent compared to a similar period in FY 2023/24, when the

County spent Kshs.376.58 million. Table 3.7 summarises development projects with the highest expenditure in the reporting period.

Table 3.7: Baringo 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	Water and Irrigation	Electricity Subsidy for Kirandich	Kabarnet		14,500,000	100
2	County Finance and Economic Planning	Supply Of Four Revenue Vehicles	Kabarnet		21,500,000	100
3	Water and Irrigation	Lake Baringo Matching Funds	Saimo Soi		22,437,511	100
4	Education	Lelian College (BCTC) Classroom	Kabarnet	2,995,166	1,601,194.40	100
5	Health Services	Kabartonjo sub-county Hospital: Cash Transfer	Kabartonjo	1,699,864	1,688,243.12	100
6	Land Housing and Urban Development	Installation of Cabro works for Timboroa Centre - Nyakio Road	lembus	1,994,200	1,994,200	100
7	Agriculture, Livestock and Fisheries	Construction of cereal storage	Koibatek	1,998,600	1,998,600	100
8	Health Services	Purchase of Equipment for Kapluk Health Centre	Barwessa	2,000,000	1,999,700	100
9	Health Services	Kituro Health Centre	Ewalel Chapchap	1,999,970	1,999,970	100
10	Roads, Transport, Public works and infrastructure	Maintenance of Sokonin primary feeder Roads	Ravine	2,145,470	2,154,470	100

Source: *Baringo County Treasury*

3.1.13 Budget Performance by Department

Table 3.8 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.8: Baringo 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	880.13	34.10	325.96	-	325.96	-		-	37	-
The Governors Office	3,973.83	21.44	1,957.13	-	1,529.40	-	78	-	39	-
County Finance and Economic Planning	135.10	35.22	72.10	0.27	45.87	21.50	64	7,898	34	61
Roads, Transport, Energy and Public Works	57.75	463.23	37.87	44.93	17.27	11.42	46	25	30	3
Trade, Cooperatives and Industrialisation	25.25	391.36	13.95	-	7.80	15.05	56	-	31	4

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
Education and Vocational training	62.69	304.70	11.03	23.41	5.90	14.97	54	64	9	5
Health Services	569.43	259.29	179.70	27.42	191.33	13.69	107	50	34	5
Lands, Housing & Urban Development	76.40	63.74	5.65	-	4.93	-	87	-	7	-
Agriculture, Livestock, and fisheries management	37.78	613.26	9.50	42.43	6.69	34.97	70	82	18	6
Youth Affairs, Sports, Culture, Gender and Social services	49.49	120.18	21.76	0.92	23.61	2.42	109	263	48	2
Water and Irrigation	36.68	657.24	14.62	193.61	11.43	56.48	78	29	31	9
Environment, Tourism, Wildlife Management, Natural Resources and Mining	39.59	267.75	5.75	11.00	7.63	45.64	133	415	19	17
County Public Service Board	17.92	-	1.05	-	-	-	-	-	-	-
Total	**5,962.04**	**3,231.51**	**2,656.09**	**343.99**	**2,177.82**	**216.12**	**82**	**63**	**37**	**7**

***Source**: Baringo County Treasury*

Votes whose reported expenditures exceeded the approved exchequers were due to non-adherance to the exchequer approved workplans submitted by the County Treasury, an indication of fiscal indiscipline.

Analysis of department expenditures shows that the Department of Finance and Economic Planning recorded the highest absorption rate of the development budget, at 61 per cent, followed by the Department of Youth Affairs, at 29 per cent. The Department of Youth Affairs had the highest percentage of recurrent expenditures to budget, at 48 per cent, while the Department of Education had the lowest, at 9 per cent.

3.1.14 Budget Execution by Programmes and Sub-Programmes

Table 3.9 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.9: Baringo County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates 2024-25 (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Assembly							
	General administration-Salaries	464.36		185.31		40	
	General Administration / Support Services	415.78		140.65		34	
	Landscaping and beautification of Speakers residential buildings						
	Drilling and equipping of 2No. Water boreholes at County Assembly and Speaker residence						
	Proposed Construction of Office Block II		24.40				
	Equipping the Speaker's residence with furniture and other equipment		9.70				
	Sub Total	**880.13**	**34.10**	**325.96**	-	**37**	
Office of the Governor and Deputy Governor	General Administration						
	Office of the Governor and Deputy Governor	58.73		8.50		15	
	Office of the Deputy Governor	19.66		10.28		52	
	SP 3: Office of County Secretary Services	168.23		2.05		1	
	County Attorney Services	14.00		0.20		1	
	Intergovernmental and Liason office	7.25		5.18		72	
	External Resource Mobilisation, Partnership and linkages	3.20		0.11		4	
	Disaster Risk Management	6.90		5.26		76	
	Civic Education	2.00		0.07		4	
	KDSP II Programme	44.50		14.99		34	
	Systems and Application development		21.44				
	Research and Public Policy	1.80		0.76		43	

Programme	Sub-Programme	Approved Estimates 2024-25 (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Finance & Economic Planning	General administration, salaries and Operations	3,587.80		1,206.23		34	
	SP 5: Human Resource Management	4.90		4.60		94	
	P2: ICT Development and Management Services	9.40	2.00	3.91		42	
	SP 6: Devolution Support Services- Sub-county Offices	15.93	15.60	10.43		66	
	Communication Services	2.10		4.26		203	
	Baringo North Sub-County	4.99		2.37		47	
	Baringo Central Sub-County	5.22		1.67		32	
	Baringo South Sub-County	4.98		1.40		28	
	Baringo Mogotio Sub-county	5.01		1.41		28	
P2: Economic Planning Services	Eldama Ravine Sub-County	4.98		1.74		35	
	Tiaty Sub-County(TIATY WEST)	5.03		0.99		20	
	Tiaty Sub-County(Tiaty East Sub County)	4.75		1.47		31	
P. Roads, Transport and Infrastructure							
Industry, Commerce, Tourism, Cooperatives and Enterprise Development	SP 1: General Administrative Services	41.83		15.65		37	
	Accounting Services	1.80		1.04		58	
	Supply chain Services	1.80		1.56		87	
	Internal Audit Services	1.80		2.04		114	
	Emergency Relief (food, medicine, blankets, cash grant, tents and other temporary shelter, etc.)	20.00					
	SP 1: Revenue Administration Services	18.80		5.23		2	
Tourism Development Services	Pending Bills	4.06					
	P2: Economic Planning Services						
	Revenue Infrastructure Services		35.22		21.50		61
	P2: Economic Planning Services	20.99		7.71		37	
Education	Budget Supply Services	5.00		3.01		60	
	Monitoring and Evaluation Services	1.50		0.63		42	
	SP 1: General Administrative Services	47.75		17.27		36	
	SP 2 Public Works Development	10.00		-		0	
P 3:Vocational Training Development	Rural Infrastructure Development and Footbridges		432.23		0.84		0

Programme	Sub-Programme	Approved Estimates 2024-25 (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
P 2: Early Childhood Development	Rural road development and management		8.70				0
	Installation of Floodlights		3.80		10.58		278
COUNTY HEALTH SERVICES	Construction of Public Works		18.50				
P 2: PREVENTIVE AND PROMOTIVE HEALTH SERVICES	RMLF Funds						
P 2: CURATIVE AND REHABILITATIVE SERVICES	Culverts and Bridges						
	SP 1: General Administrative Services	5.25		6.14		117	
	P 2: Trade Development and Marketing Services	1.50		0.17		12	
Lands and Physical Planning	P 4: Industrial Development and Investment	0.80	296.25	-	15.05	0	5
Housing and Urban Development	P 5: Cooperative and Tourism Development and Services	6.50	45.30	0.44		7	
Land use planning and Information management	Infrastructure development		4.50				
Land use planning and Information management	P 6: Weight and Measures, Legal Metrology	1.00		-		0	
Eldamaravine Town- Urban Development	SP 1: Tourism Development Services	9.00		1.04		12	
Kabarnet Municipality Services	SP 2: Wildlife Management Services	1.20		-		0	
Housing Development and management	Industrial Development and Investment Services						
Land use planning and Information management	Revenue Infrastructure Services		45.30				
Land use planning and Information management	SP 1: General Administrative Services	19.49		5.85	-	30	
Land use planning and Information management	Sp2 Library Services	0.80		0.06		7	
General Administration, Planning and Support Services							

Programme	Sub-Programme	Approved Estimates 2024-25 (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Kabarnet Municipality Services	Bursary and Scholarship Programme						
	VTC capitation/ Development	15.00	8.30	-		0	
	SP 1:Bursary and Scholarship	7.00	94.75		14.97	0	16
	SP 1: School Feeding Programme	20.40					
Eldama Ravine Town Services	Infrastructure development		96.51			0	
Eldama Ravine Town Services	SP 1: General Administrative Services	33.33				0	
Agricultural Services	SP 1: Primary Health Care Services	177.39	125.29	10.06	13.69	6	11
Livestock resources management and development	SP 1: Curative and Rehabilitative Services	358.71		167.86		47	
Milk Processing Plant-Eldama Ravine							
Kabartonjo Milk Cooling Plant	Infrastructural development		134.00				
Livestock Saleyards	SP 1: General Administrative Services	25.13		2.09		8	
Slaughterhouses Maintainance	SP 2: General Administrative Services	5.16		1.54		30	
Livestock resources management and development	Land Policy and Planning Services		17.65				
Livestock Resources management and development	Land Survey Services		6.20				
Barwessa Slaughter House	SP 1: General Administration Planning and Support Services	4.54	15.17			0	
Livestock Resources management and development	Infrastructure development						
Crop production and management	SP 1: General Administrative Services	6.00				0	
Crop production and management	Land Adjudication Services						
Crop Production & Management	Land adjudication and demarcation		15.50				

Programme	Sub-Programme	Approved Estimates 2024-25 (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Support to ATC Services	Cabro Parking Kabarnet Hospital Road For Waenta Enterprises Limited		1.72				
Agricultural Machinery	General Administration Planning and Support Services	36.28					
Conditional Grants for provision of Fertiliser subsidy programme	Sanitation & waste management						
IDA World Bank (KCSAP)	Urban Safety and Disaster Control Services						
Matching fund to IDA World Bank (KCSAP)	Infrastructure development						
SWEDEN: Agricultural Sector Development Support Programme (ASDSP) II	Urban Infrastructure development and management						
World Bank Emergency Locusts Project	Sanitation and waste management		2.50				
Certified pasture and maise	Infrastructure development		5.00				
Purchase of Mangoes, Macadamia and Coffee Seedlings	SP !: General Administration and Planning	37.78		6.69			
Cattle Dips and Animal Vaccinations	Livestock upgrading		61.65	-			
Cooperative stores	Completion of Milk Processing Plant						
Motor Boats	Construction of Ossen Milk Cooling Plant						
	Maintenance of Livestock Sale Yards- Emining, Loruk and Loitip						
	Maintainance of slaughterhouses and slabs						
	Livestock market and value addition		4.50				
Fisheries development and management	Livestock disease management and control		25.10				
Culture, Youth and Gender	Apiculture development		4.00				
Social Services and Safety nets	Pasture Development		4.53				
Social Services and Safety nets	Agriculture Training Centre Koibatek		36.00				

Programme	Sub-Programme	Approved Estimates 2024-25 (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Cultural and Creative Arts Development	Food security initiatives		326.12		34.97		11
Gender development and management	Affruitation		19.25				
Youth, Sports and Gender Development	Support to ATC Services						
Sports Development and Management	Purchase of Tractor						
Culture and Creative Arts Development	Conditional Grants for provision of Fertiliser subsidy programme						
Culture and Creative Arts Development	IDA World Bank (KCSAP)		132.11				
Gender development and management	Matching fund to IDA World Bank (KCSAP)						
Youth Development and Management	SWEDEN: Agricultural Sector Development Support Programme (ASDSP) II		61.84				
Youth Development and Management	World Bank Emergency Locusts Project						
	Provision of pastures and maise seeds						
Water and Irrigation Department	Purchase of Mangoes, Macadamia and Coffee Seedlings for Mochongoi						
Water resource development and supplies management	Renovations of Cattle Dips						
Irrigation infrastructure development	Construction of Cooperative stores						
Environment, Tourism, Wildlife Management, Natural Resources and Mining	Purchase of motorboats						
Environmental Conservation and Management							
Natural Resources Conservation, Exploitation and Management							

Programme	Sub-Programme	Approved Estimates 2024-25 (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Environmental conservation and management							
Environmental Conservation and Management	Fish breeding cages at Lake Baringo and Kirandich Dam						
Natural Resources Conservation, Exploitation and Management	P1: General Administration, Planning and Support Services	20.94		7.37			
Climate Change Fund Projects	Affirmative Action Initiatives		44.53				
P1: Kabarnet Municipality Services	Infrastructure Development						
	Culture, Heritage and Social activities	2.00		0.05			
	Gender Development	4.10		12.62			
County Public Service Board	SP 1: General Administrative Services	7.31		3.57			
	Sports Development	11.64	17.85	-			
	Infrastructural development		4.00		2.42		61
	Infrastructural development-social Halls						
	Gender Initiatives-Women Empowerment		28.26				
	Youth Development	1.50	25.55				
	Infrastructural development-Playing Grounds						
Water and Irrigation Department	SP 1: General Administrative Services	29.88		3.58		3	
	Water resource management and storage	6.50	628.13		14.50	3	2
	Irrigation Infrastructure	0.30	29.11	0.85	41.98		144
Environment Administration and Planning	SP 1: General Administrative Services	8.60		1.69			
Environment Conservation and Management	SP1: Environmental conservation and protection	0.70	5.00	5.94	-		
Natural Resources Conservation, Exploitation and Management	SP1: Forestry and wildlife conservation, Mining and Management	0.70					
Environmental Conservation and Management	Solid Waste management						
	County climate change fund -Matching fund		55.00		45.64		83

Programme	Sub-Programme	Approved Estimates 2024-25 (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Natural Resources, Conservation, Exploitation and Management	Forestry and Wildlife Conservation and Management						
	Water resource/ pasture development and supplies management		207.75	267.75			
Kabarnet Municipality Services	SP 1: General Administration Planning and Support Services	41.56		1.30		3	
	Infrastructure development		7.50				
	Infrastructure Development-IDA World Bank		18.19				
County Public Service Board	Administration and Planning	17.22		3.18		18	
	Grand Total	5,962.04	3,231.51	2,177.82	216.12	37	7

***Source**: BaringoCounty Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Disaster Risk Management in the Office of the Governor and Deputy Governor at 87 per cent, Supply Chain Services in the Department of Trade, Cooperatives and Industrialisation at 85 per cent, and County Climate Change Fund – Matching Fund in the Department of Environment, Tourism, Wildlife Management, Natural Resources and Mining at 83 per cent of budget allocation.

3.1.15 Accounts Operated Commercial Banks

The County Government operated 265 accounts with commercial banks, including 230 accounts for Health Facilities, nine accounts for Established Funds, ten revenue accounts, five special purpose accounts (additional allocations), one interest account, and ten payment accounts (recurrent and development).

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.

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 underperformance of own-source revenue at Kshs.179.58 million against an annual target of Kshs.600.1 million, representing 30 per cent of the yearly target.
ii. Use of manual payroll. Personnel emoluments amounting to Kshs.121.05 million were processed through manual payroll, accounting for 7.4 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.
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 mainly for the Health Facilities.

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 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.*

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.*

3.2. 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 budget will be financed from different sources of revenue. These include Kshs.7.25 billion (74 per cent) as the equitable share of revenue raised nationally, Kshs.1.35 billion (14 per cent) as additional allocations/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 3.1.

3.2.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.3.80 billion to fund its development and recurrent activities. This amount consisted of Kshs.2.91 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.83.56 million, and its own source revenue (OSR) collection of Kshs.72.22 million. In addition, the County had a cash balance of Kshs.736.22 million from FY 2023/24.

The total OSR collection of Kshs.72.22 billion includes Facilities Improvement Financing (FIF) of Kshs.45.39 million, and Kshs.26.83 million as ordinary OSR. Table 3.10 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.10: Bomet County, Revenue Performance in the First Half 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 -**	7,251,128,230	2,911,275,200	40
Subtotal		7,251,128,230	2,911,275,200	40
B	**Additional Allocations**			
	Road Maintenance Fuel Levy (KRB)	163,685,211		
	Community Health Promoters	74,070,000		
	Conditional Allocation for Libraries	950,259		
	Primary Healthcare in a Devolved Context	8,482,500		
	Kenya Urban Support Programme (KUSP) - UIG	35,000,000		

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
	IDA Kenya Urban Development Grant (UDG)	18,278,289		
	KDSP (Level 1)	37,500,000		
	KDSP (Level 1 Grant) B/F-Recurrent	3,300,000		
	WASH - Health & Water- DIG DEEP	80,000,000		
	Kenya Water, Sanitation and Hygiene (K-WASH) Program	197,903,000		
	Nutritional International	15,000,000	7,500,000	50
	HSSF DANIDA	20,056,500		
	IDA Kenya/Climate Change Resilience Invest (CCRI) - Bal C/F	65,063,344	65,063,344	100
	Balance c/f County Contribution to FLLoCA	60,000,000		
	IDA Kenya/Climate Change Resilience Invest (CCRI)KfW	85,000,000		
	IDA Kenya/Climate Change Resilience Invest (CCRI)	130,126,688		
	IDA Kenya/Climate Change Institutional Support (CCIS)	11,000,000	11,000,000	100
	Fertiliser Subsidy Program	131,684,382		
	Agriculture Sector Development Support Programme (ASDSP)	1,716,655		
	Livestock Value Chain Support Project - GRANTS	57,294,720		
	IDA World Bank-Value Chain NAVCDP	151,515,152		
Subtotal		**1,347,626,700.00**	**83,563,344**	**6**
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	280,032,929	26,827,854	10
	Facility Improvement Fund (FIF)	175,718,000	45,387,248	26
Subtotal		**455,750,929**	**72,215,102**	**16**
D	**Other Sources of Revenue**			
	Unspent balance from FY 2023/24	725,624,018	736,215,351	102
Sub Total		**725,624,018**	**736,215,351**	**102**
Grand Total		**9,780,129,877**	**3,803,268,997**	**39**

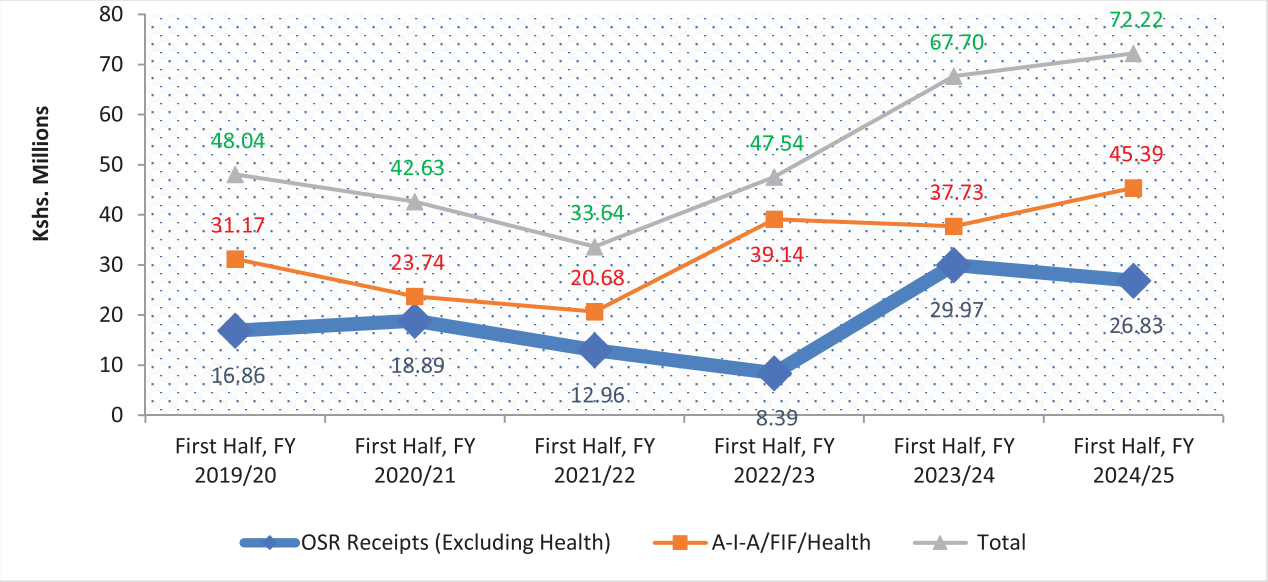
Source: *Bomet County Treasury*

The County Treasury has not fully budgeted for the balance from the previous FY, so the unspent balances from FY 2023/24 performed more than 100 per cent, as shown in Table 3.10.

The County has not finalised the approval process for the governing legislation to operationalise the Facility Improvement Fund (FIF).

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

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

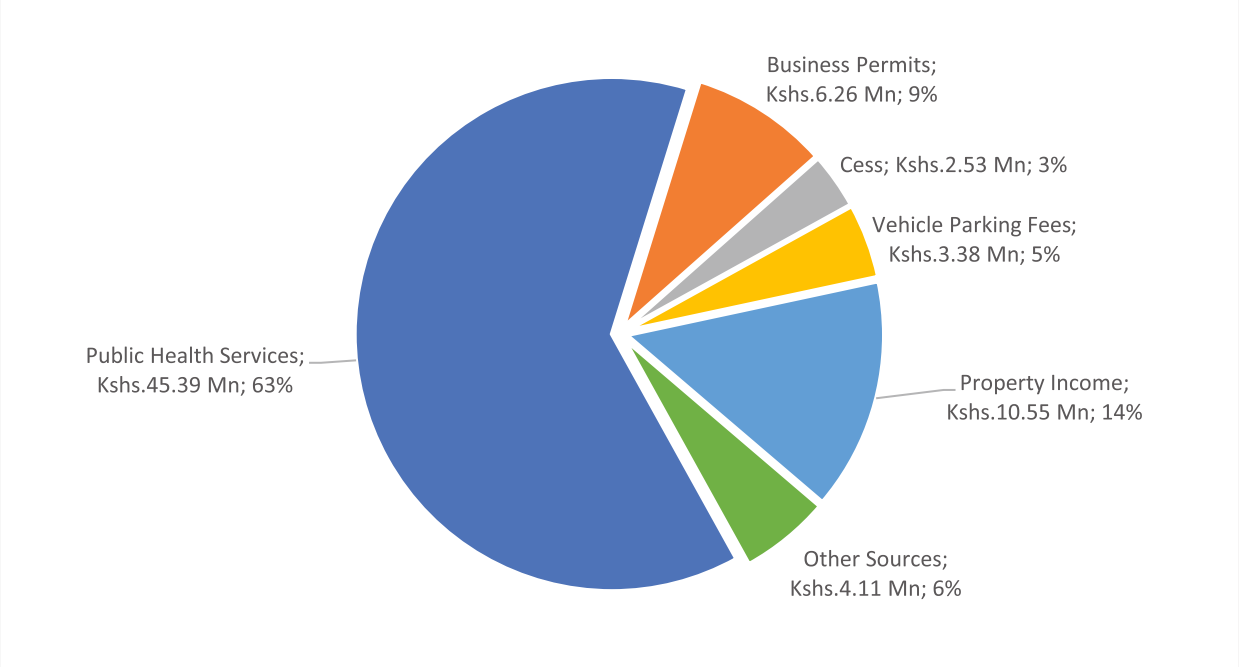


Source: *Bomet County Treasury*

During the first half of FY 2024/25, the County generated Kshs.72.22 million from its revenue sources, including FIF. This amount was an increase of 7 per cent compared to Kshs.69.70 million realised in a similar period in FY 2023/24 and was 16 per cent of the annual target and less than 1 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 Streams of Own Source Revenue in the First Half FY 2024/25



Source: *Bomet County Treasury*

The highest revenue stream, Kshs.45.39 million, was from the Public Health Services, which contributed 63 per cent of the total OSR receipts during the reporting period.

3.2.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.3.41 billion from the CRF account comprised Kshs.698.42 million (20 per cent) for development programmes and Kshs.2.71 billion (80 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.92 billion was released towards compensation of employees and Kshs.797.35 million for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer requests for the County Executive and the County Assembly due to delays in payroll processing due to the new HRIS Payroll System hitches.

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.84.27 million and included Kshs.44.34 million for the County Executive and Kshs.39.93 million for the County Assembly. The foreign travel exchequer totalled Kshs.4.65 million and was entirely for the County Assembly.

Table 3.11: Bomet 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
Administration and Public Service	2,540.55	56.00	1,078.86	7.33	42	13
Finance, Economic Planning & ICT	260.29	240.00	107.66	25.28	41	11
Lands, Housing and Urban Planning	184.02	131.40	32.97	5.85	18	4
Gender, Culture and Social Services	45.65	6.97	11.67	2.95	26	42
Medical Services and Public Health	2,222.51	165.00	940.74	4.55	42	3
Agriculture, Livestock and Cooperatives	36.57	510.01	6.62	50.00	18	10
Water Sanitation and Environment	133.79	889.99	68.29	207.93	51	23
Education, Vocational Training, Youth & Sports	235.32	280.62	87.68	62.54	37	22
Roads, Public Works and Transport	75.79	646.19	16.14	284.10	21	44
Trade, Energy, Tourism and Industry	11.37	58.80	5.78	18.14	51	31
County Assembly	798.46	250.82	357.05	29.75	45	12
Total	**6,544.32**	**3,235.81**	**2,713.47**	**698.42**	**41**	**22**

Source: *Bomet County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.357.87 million.

3.2.4 County Expenditure Review

The County spent Kshs.3.33 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.617.86 million and Kshs.2.71 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 19 per cent, while recurrent expenditures represented 41 per cent of the annual recurrent expenditure budget.

3.2.5 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.11 billion as of 30 June 2024. This includes Kshs.1.02 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 first half of FY 2024/25, the County Executive paid 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. Meanwhile, the County Assembly settled pending bills worth Kshs.3.24 million on recurrent bills.

The County Executive and the Assembly submitted pending bill payment plans at the commencement of FY 2024/25, committing to pay Kshs.615.00 million and Kshs.3.00 million, respectively, in the first half 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.301.11 million.

As of 31 December 2024, the outstanding bills amounted to Kshs.793.72 million, comprising Kshs.710 million for the County Executive and Kshs.83.71 million for the County Assembly.

3.2.6 Expenditure by Economic Classification

The County Executive spent Kshs.1.74 billion on employee compensation, Kshs.614.16 million on operations and maintenance, and Kshs.588.20 million on development activities. Similarly, the County Assembly spent Kshs.172.84 million on employee compensation, Kshs.183.90 million on operations and maintenance, and Kshs.29.66 million on development activities, as shown in Table 3.12.

Table 3.12: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Approved Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**5,745,862,285**	**798,458,555**	**2,352,996,724**	**356,737,186**	**41**	**45**
Compensation to Employees	3,491,268,219	400,387,231	1,738,838,700	172,838,484	50	43
Operations and Maintenance	2,254,594,066	398,071,324	614,158,024	183,898,702	27	46
Development Expenditure	2,984,985,019	250,824,018	588,201,821	29,658,221	**20**	12
Total	**8,730,847,304**	**1,049,282,573**	**2,941,198,545**	**386,395,407**	**34**	**37**

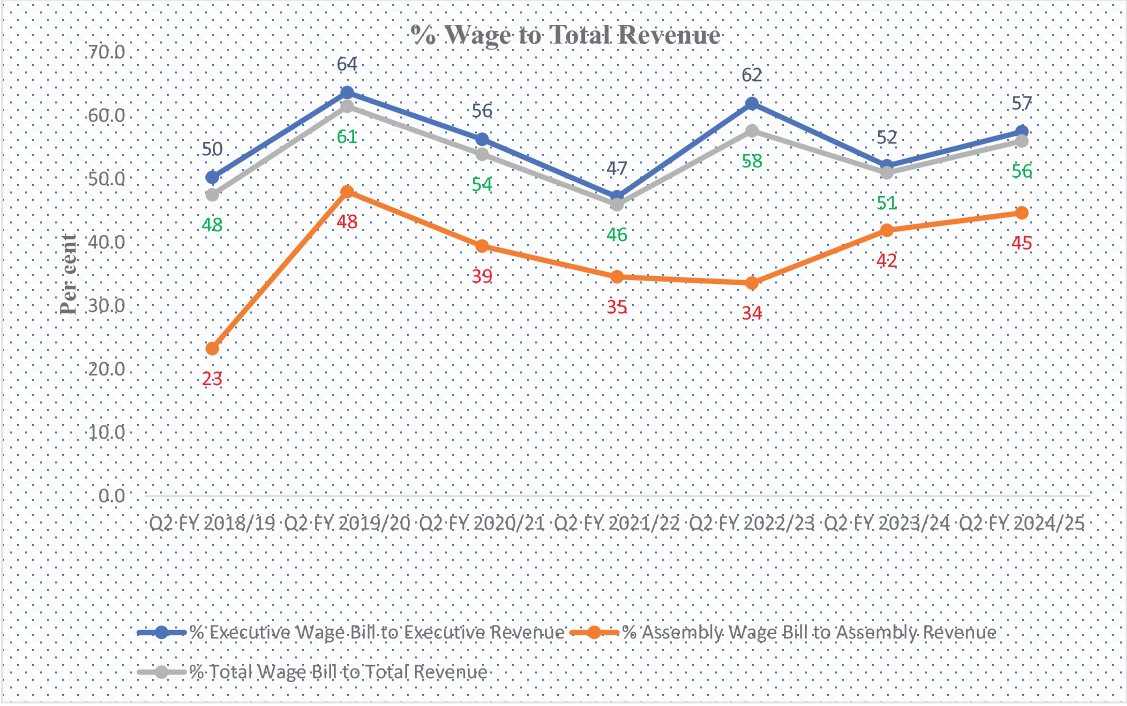
***Source**: Bomet County Treasury and Bomet County Assembly*

3.2.7 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.91 billion, or 50 per cent of the available revenue of Kshs.3.80 billion. This expenditure represented an increase from Kshs.1.54 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.552.00 million paid to the Health Sector employees, translating to 29 per cent of the total wage bill. The more than 10 per cent increase in Personnel Emoluments compared to a similar period in the previous financial year is attributed to, among other factors - the recruitment of 334 critical staff in all the county departments, settlement of arrears for staffs who didn't get their personnel numbers on time and also the introduction of housing levy at 1.5% of the gross salary of an employee with a matching contribution being made by the employer.

Figure 7 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 7: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: *Bomet County Treasury and Bomet County Assembly*

Further analysis indicates that PE costs amounting to Kshs.1.74 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.170.25 million was processed through manual payrolls, which accounted for 9 per cent of the total PE cost.

The County Assembly spent Kshs.12.96 million on committee sitting allowances for the 38 MCAs and the Speaker against the annual budget allocation of Kshs.30.94 million. The average monthly sitting allowance was Kshs.55,381 per MCA. The County Assembly had 21 House Committees.

1.1.1 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 per cent of the County's overall budget. Further, the County allocated Kshs.2 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 3.13 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.13: Performance of County Established Funds in the First Half 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.)
	County Executive Established Funds					
	Bursary	130,000,000.00	64,700,000.00	64,700,000.00	543,285,040.00	Yes
	Car and Mortgage	0.00	0.00	0.00	124,813,880.00	Yes

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.)
	County Assembly Established Funds					
	Car and Mortgage	0.00	0.00	22,307,071.00	483,307,071	Yes
	Total	130,000,000.00	64,700,000.00	87,007,071.00	1,151,405,991.00	

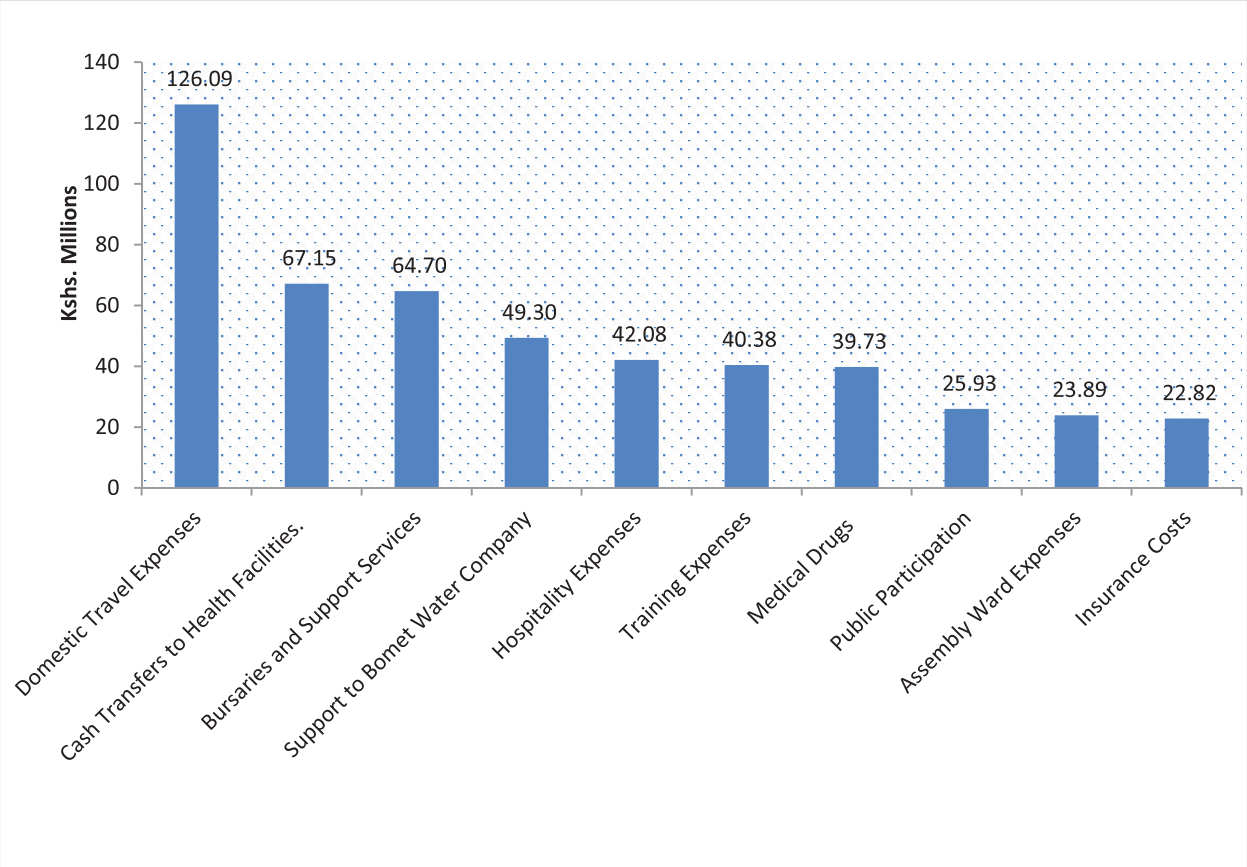
Source: *Bomet County Treasury and Bomet County Assembly*

During the reporting period, the CoB received the quarterly financial reports from the three Fund Administrators, as indicated in Table 3.4, 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.

3.2.8 Expenditure on Operations and Maintenance

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

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



Source: *Bomet County Treasury and Bomet County Assembly*

Expenditure on domestic travel amounted to Kshs.126.09 million and comprised Kshs.68.48 million spent by the County Assembly and Kshs.57.61 million by the County Executive. Expenditure on foreign travel amounted to Kshs.10.30 million and comprised Kshs.7.30 million by the County Assembly and Kshs.3.00 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.14.

Table 3.14: Summary of Highest Expenditure on Foreign Travel in the First Half 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	12	01st November - 9th November, 2024	The UN-Habitat Twelfth Session of the World Urban Forum in Cairo	Egypt	7,296,050
County Executive	1	01st October - 08th October, 2024	IPAC meeting in Winnipeg, Canada	Canada	711,916
County Executive	1	08th September - 17th September, 2024	Meeting on Pyrethrum Revival	United Kingdom	992,663
County Executive	1	01st October - 08th October, 2024	IPAC meeting in Winnipeg, Canada	Canada	1,301,596

Source: *Bomet County Treasury and Bomet County Assembly*

The operations and maintenance costs include an expenditure of Kshs.20.82 million on garbage collection and Kshs.5.00 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.2.9 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.45.39 million as FIF, which was 26 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. However, the county has not developed regulations to operationalise the FIF Act of 2023.

The entire collection of Kshs.45.39 million by the Health Facilities was expended, as shown in Table 3.15.

Table 3.15: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Longisa County Referral Hospital	90,000,000.00	23,374,119.00	26
	Cheptalal Sub County Hospital	16,300,000.00	1,484,555.00	9
	Sigor Sub County Hospital	15,100,000.00	8,370,802.00	55
	Ndanai Sub County Hospital	22,600,000.00	10,091,211.00	45
	Kapkoros Sub County Hospital	10,700,000.00	1,129,205.00	11
	Siongiroi Health Centre	2,300,000.00	47,784.00	2
	Other Health Facilities	201,608.00	889,572.00	5
	Total	**45,387,248.00**	**45,387,248.00**	**26**

Source: *Bomet County Treasury*

The Health Facilities with the highest absorption rates were Sigor and Ndanai Sub-County Hospitals, which reported 55 per cent and 45 per cent absorption levels, respectively.

3.2.10 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.617.86 million on development programmes, representing. a decrease of 5 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.647.99 million. Table 3.16 summarises development projects with the highest expenditure in the reporting period.

Table 3.16: Bomet 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, Public Works and Transport	Routine Road Maintenance	Countywide	295,845,799	295,836,790	100
2	Water Sanitation and Environment	Construction and Rehabilitation of Main Water Works and Pipeline Extensions	Countywide	45,412,668	45,399,848	100
3	Education, Vocational Training, Youth & Sports	Construction of ECDE Classrooms	Countywide	35,211,405	34,468,100	98
4	County Assembly	Construction of the Main County Assembly Chambers	Bomet Township	473,470,000	29,658,221	97
5	Agriculture, Livestock and Cooperatives	supply and delivery of acaricides, assorted fruit/silage seedlings and farm equipment	Countywide	16,432,160	16,432,160	100
6	Agriculture, Livestock and Cooperatives	Renovation of cattle dips and vaccination crushes	Countywide	11,093,200	11,093,200	100
7	Trade, Energy, Tourism and Industry	Construction of Boda Boda sheds and installation of Floodlights/ streetlights	Countywide	10,306,759	10,226,234	99
8	Finance, Economic Planning & ICT	Construction of Dr Joyce Laboso Memorial Mother and Child Wellness Centre	Longisa	286,847,543	9,232,887	98
9	Water Sanitation and Environment	Construction of Gully, Desilting and Fencing of Water Pans	Tinet, Ndamichonik, Kipreres and Mutarakwa	8,000,000	7,945,570	99
10	Agriculture, Livestock and Cooperatives	Renovation works and Completion of Potato Processing Plants	Lelaitich and Ndaraweta	8,839,821	7,839,952	89

Source: *Bomet County Treasury and Bomet County Assembly*

3.2.11 Budget Performance by Department

Table 3.17 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.17: Bomet County, Budget Allocation and Absorption Rate by Department

Department	Approved 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
Administration and Public Service	2,540.55	56.00	1,078.86	7.33	1,077.22	6.66	100	91	42	12
Finance, Economic Planning & ICT	260.29	240.00	107.66	25.28	107.44	24.90	100	98	41	10
Lands, Housing and Urban Planning	184.02	131.40	32.97	5.85	32.76	5.31	99	91	18	4
Gender, Culture and Social Services	45.65	6.97	11.67	2.95	11.52	2.52	99	85	25	36

Department	Approved 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
Medical Services and Public Health	2,222.51	165.00	940.74	4.55	940.60	4.55	100	100	42	3
Agriculture, Livestock and Cooperatives	36.57	510.01	6.62	50.00	6.11	49.66	92	99	17	10
Water Sanitation and Environment	133.79	889.99	68.29	207.93	68.09	130.64	100	63	51	15
Education, Vocational Training, Youth & Sports	235.32	280.62	87.68	62.54	87.58	62.43	100	100	37	22
Roads, Public Works and Transport	75.79	646.19	16.14	284.10	16.04	284.06	99	100	21	44
Trade, Energy, Tourism and Industry	11.37	58.80	5.78	18.14	5.62	17.46	97	96	49	30
County Assembly	798.46	250.82	357.05	29.75	356.74	29.66	100	100	45	12
Total	**6,544.32**	**3,235.81**	**2,713.47**	**698.42**	**2,709.73**	**617.86**	**100**	**88**	**41**	**19**

***Source**: Bomet County Treasury and Bomet County Assembly*

Analysis of department expenditure shows that the Department of Roads, Public Works and Transport recorded the highest absorption rate of development budget at 44 per cent, followed by the Department of Gender, Culture and Social Services at 36 per cent. The Department of Water Sanitation and Environment had the highest percentage of recurrent expenditure to budget at 51 per cent, while the Department of Agriculture, Livestock and Cooperatives had the lowest at 17 per cent.

3.2.12 Budget Execution by Programmes and Sub-Programmes

Table 3.18 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.18: Bomet County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Administration and Public Service							
Administration and Public Service	County Executive	173,180,072	0	82,348,207	0	48	0
	County PSB	23,798,200	0	8,818,131	0	37	0
	Administration/Governance	129,816,291	56,000,000	60,763,150	6,660,741	47	12
	Public Service	2,213,752,795	0	925,289,891	0	42	0
	Sub-Total	**2,540,547,358**	**56,000,000**	**1,077,219,379**	**6,660,741**	**42**	**12**
Finance, Economic Planning and ICT							
Finance	Financial Management Services	134,885,173	59,000,000	62,005,921	12,000,000	46	20
	Sub-Total	**134,885,173**	**59,000,000**	**62,005,921**	**12,000,000**	**46**	**20**
Economic Planning	Administration	59,187,995	170,000,000	22,884,682.60	12,900,399	39	8
	Budget Preparation & Management	7,200,000	0	4,465,100	0	62	0
	Monitoring & Evaluation Services	6,548,574	0	2,928,000	0	45	0
	Planning & Statistics	22,800,000	0	6,562,050	0	29	0
	Sub-Total	**95,736,569**	**170,000,000**	**36,839,832.60**	**12,900,399**	**38**	**8**
ICT	Administration	29,670,000	11,000,000	8,598,642.45	0	29	0
	Sub-Total	**29,670,000**	**11,000,000**	**8,598,642.45**	0	**29**	**0**

Programme	Sub-Programme	Approved Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Lands, Housing and Urban Planning							
Lands, Housing and Urban Planning	Lands	16,676,000	52,000,000	4,079,400	2,000,000	24	4
	Urban Management	78,460,000	44,620,000	28,632,452	0	36	0
	Housing Development	3,466,000	7,000,000	0	3,314,041	0	47
	Municipality	85,420,000	27,778,289	45,800	0	0	0
	Sub-Total	**184,022,000**	**131,398,289**	**32,757,652**	**5,314,041**	**18**	**4**
Gender, Culture and Social Services							
Gender and Culture	Policy Development and Administrative Services	45,651,628	6,973,556	11,521,834.35	2,518,239	25	36
	Sub-Total	**45,651,628**	**6,973,556**	**11,521,834.35**	**2,518,239**	**25**	**36**
Medical Services and Public Health							
Medical Services and Public Health	Administration, Planning and Support Services	1,463,397,433	0	820,206,630	0	56	0
	Health Care Financing – Transfers to Health Facilities	184,726,421	0	67,527,898	0	37	0
	Curative Services	256,287,510	0	50,740,834	0	20	0
	Preventive and Promotive Services	308,100,782	0	1,110,000	0	0	0
	Reproductive Health Services	10,000,000	0	1,017,000	0	10	0
	Health Infrastructure Development	0	165,000,000	0	4,549,800	0	3
	Sub-Total	**2,222,512,146**	**165,000,000**	**940,602,362**	**4,549,800**	**42**	**3**
Agriculture, Livestock and Cooperatives							
Agriculture	Administration	16,040,000	0	2,587,200	0	16	0
	Crop Management	0	309,116,189	0	249,725	0	0
	Food & Nutrition Security	0	46,600,000	0	19,720,459	0	42
	Sub-Total	**16,040,000**	**355,716,189**	**2,587,200**	**19,970,184**	**16**	**6**
Livestock, Fisheries & Veterinary Services	Livestock Development	0	57,394,720	0	0	0	0
	Fisheries Development	0	300,000	0	0	0	0
	Veterinary Services	0	44,000,000	0	23,174,263	0	53
	Sub-Total	0	**101,694,720**	0	**23,174,263**	**0**	**23**
Cooperative & Enterprise Development	Administration	20,530,000	52,600,000	3,525,068.95	6,514,335	17	12
	Sub-Total	**20,530,000**	**52,600,000**	**3,525,068.95**	**6,514,335**	**17**	**12**
Water Sanitation and Environment							
Water and Irrigation	Administration	77,073,100	0	65,339,982	0	85	0
	Development of Water Supply for Domestic and Commercial purposes	0	487,770,853	0	67,774,064	0	14
	Sub-Total	**77,073,100**	**487,770,853**	**65,339,982**	**67,774,064**	**85**	**14**
Waste Water Management	Waste Water management	0	5,000,000	0	0.	0	0
	Sub-Total	0	**5,000,000**	0	0	**0**	**0**
Environment & Natural Resources	Administration	56,716,742	0	2,754,315	0	5	0
	Environmental and Natural Resources Protection and Conservation	0	397,223,290	0	62,866,256	0	16
	Sub-Total	**56,716,742**	**397,223,290**	**2,754,315**	**62,866,256**	**5**	**16**
Education and Vocational Training							

Programme	Sub-Programme	Approved Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Education and Vocational Training	Policy Planning & General Administration	206,614,159	0	79,439,355	0	38	0
	Early Childhood Development and Education	0	272,622,911	0	59,307,766	0	22
	Youths & Sports	28,706,245	8,000,000	8,144,051	3,125,693	28	39
	Sub-Total	**235,320,404**	**280,622,911**	**87,583,406**	**62,433,459.00**	**37**	**22**
Roads, Public Works and Transport							
Roads, Public Works and Transport	Policy Planning and Administrative Services	75,792,165	500,000	16,041,383	0	21	0
	Roads Construction & Maintenance	0	537,685,211	0	259,888,015	0	48
	Development and Maintenance of other Public works	0	105,000,000	0	23,296,240	0	22
	County Transport Infrastructure	0	3,000,000	0	879,393	0	29
	Sub-Total	**75,792,165**	**646,185,211**	**16,041,383**	**284,063,649**	**21**	**44**
Trade, Energy, Tourism and Industry							
Trade, Energy, Tourism and Industry	Administration	11,365,000	0	5,619,746	0	49	0
	Trade Development	0	25,800,000	0	8,597,164	0	33
	Energy Development	0	27,500,000	0	8,140,229	0	30
	Tourism Development	0	2,000,000	0	0	0	0
	Industry	0	2,000,000	0	0	0	0
	Investment	0	1,500,000	0	725,000	0	48
	Sub-Total	**11,365,000**	**58,800,000**	**5,619,746**	**17,462,392**	**49**	**30**
The County Assembly							
County Assembly	General Administration, Human Resources and Administrative Services	349,495,416	250,824,018	133,279,240	29,658,221	38	12
	Legislative Services	332,812,584	0	166,272,670	0	50	0
	Oversight and Representation	116,150,555	0	57,185,276	0	49	0
	Sub-Total	**798,458,555**	**250,824,018**	**356,737,186**	**29,658,221**	**45**	**12**
Grand Total		**6,544,320,840.00**	**3,235,809,037**	**2,709,733,909**	**617,860,042**	**41**	**19**

***Source**: Bomet County Treasury and Bomet County Assembly*

Based on absorption rates, the sub-programmes with the highest implementation levels were Administration in the Department of Water Sanitation and Environment at 85 per cent, Veterinary Services in the Department of Agriculture, Livestock and Cooperatives at 53 per cent, and Legislative Services in the County Assembly at 50 per cent of budget allocation.

3.2.13 Accounts Operated Commercial Banks

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.

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.

3.2.14 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.72.22 million against an annual target of Kshs.455.75 million, representing 16 per cent of the yearly target.
ii. High level of pending bills amounted to Kshs.793.72 billion as of 31 December 2024. 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.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.
iv. 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.
v. The County Treasury did not fully budget for the unspent balances from FY 2023/24, resulting in more than 100 per cent receipts vis the budgeted figures.

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

3.3. County Government of Bungoma

3.3.1 Overview of FY 2024/25 Budget

The Bungoma County approved FY 2024/25 budget is Kshs.15.59 billion. This comprises of 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 county government budget was attributed to a rise in its own-source revenue projection and equitable share of revenue raised nationally.

The Bungoma County Government budget will be financed from different sources. The County governments expect to receive Kshs.11.54 billion (74 per cent) as the equitable share of revenue raised nationally, Kshs.1.79 billion (12 per cent) as additional allocations/conditional grants, and generate Kshs.2.25 million (15 per cent) 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/conditional grants is provided in Table 3.19.

3.3.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.6.03 billion to fund its development and recurrent activities. This amount consisted of Kshs.4.62 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.314.89 million and its own-source revenue (OSR) collection of Kshs.141.91 million. In addition, the County had a cash balance of Kshs.888.96 million from FY 2023/24. This opening balance includes Kshs.888.96 million from the June 2024 disbursement of the equitable share of revenue, released in July 2024.

The total OSR collection of Kshs.456.89 million includes Facilities Improvement Financing (FIF) of Kshs.314.98 million and Kshs.141.91 million as ordinary OSR. Table 3.19 summarises the total revenue available to the County Government during the first half of FY 2024/25.

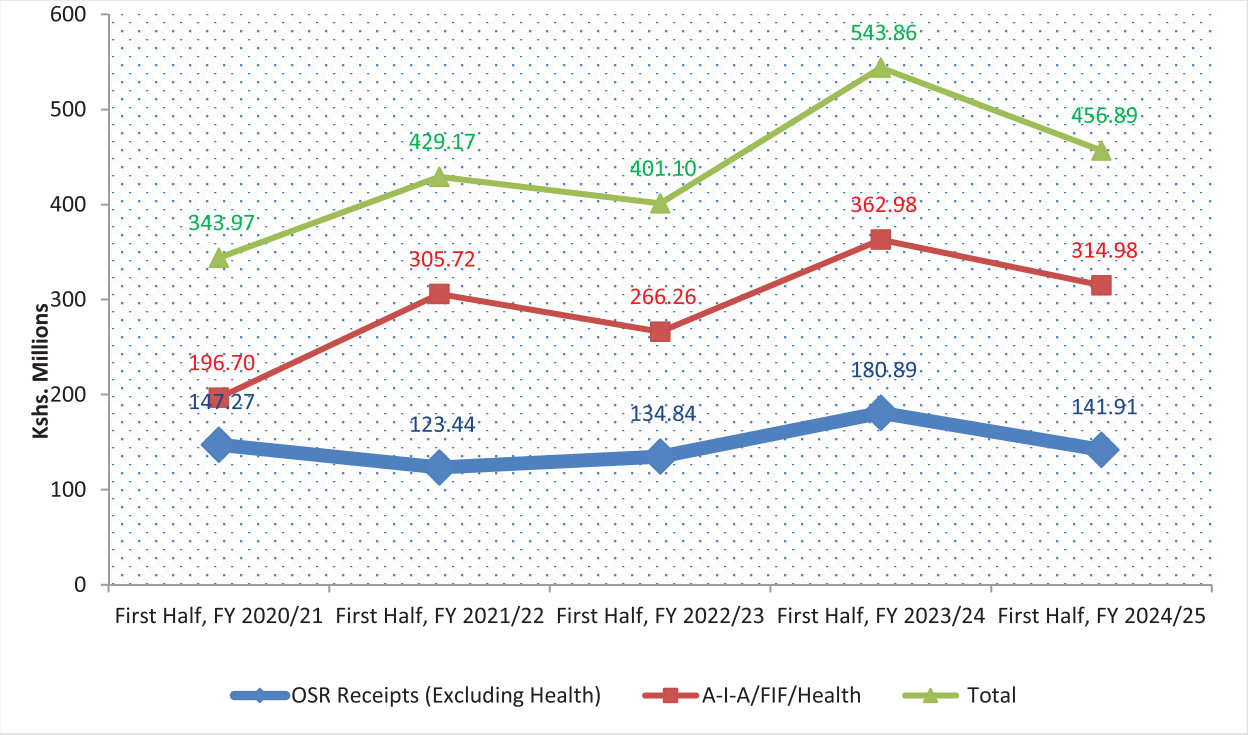
Table 3.19: Bungoma County, Revenue Performance in the First Half of FY 2024/25

County Revenue Performance in 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**	11,543,041,769	4,616,461,776	40
Sub Total		**11,543,041,769**	**4,616,461,776**	**40**
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 Commercialization Project (KELCLOP)	37,950,000		-
6	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	County Secretary: Kenya Devolution Support Programme- Level 1	37,500,000		-
11	Urban Support Programme (Development)	100,434,139		-
12	Urban Support Programme (Recurrent)	35,000,000		-
13	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	Climate Change Grant	153,488,888		-
16	Water and Natural Resources I) WATER KOICA	500,000,000		-
17	Aggregated Industrial Park Grant		54,131,579	-
Sub-Total		**1,789,513,118**	**65,131,579**	**4**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	1,193,245,420	141,906,269	12
2	Balance b/f from FY2023/24	-	888,958,689	0
3	Facility Improvement Fund (FIF)	1,063,647,395	314,981,554	30
Sub Total		**2,256,892,815**	**1,345,887,512**	**60**
Grand Total		**15,589,447,702**	**6,027,480,867**	**39**

Source: *Bungoma County Treasury*

Figure 9 shows the trend in own-source revenue collection from the first half of FY 2020/21 to the first half of FY 2024/25.

Figure 9: Trend in Own-Source Revenue Collection from the First Half of FY 2020/21 to the First Half of FY 2024/25

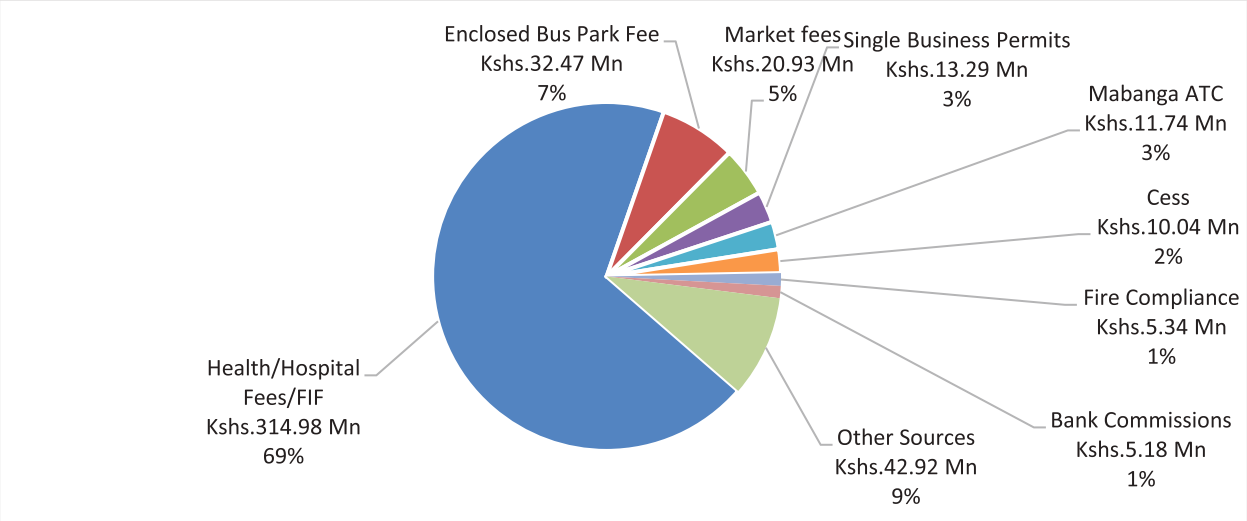


Source: *Bungoma County Treasury*

During the first half of FY 2024/25, the County generated Kshs.459.89 million from its revenue sources, including AIA and FIF. This amount was an increase of 9 per cent compared to Kshs.422.38 million realised in a similar period in FY 2023/24, which was 39 per cent of the annual target and 52 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 Streams of Own Source Revenue in the First Half FY 2024/25



Source: Bungoma County Treasury

The highest revenue stream, Kshs.314.98 million, was from Health /Hospital -FIF, contributing to 69 per cent of the total OSR receipts during the reporting period.

3.3.3 Borrowing by the County

The County Government borrowed Kshs.642.08 million from a commercial bank, the County Executive (Kshs.601.09 million), and the County Assembly (Kshs.40.99 million) to support its operations. As of 31 December 2024, the County had a short-term arrangement with the Kenya Commercial Bank, Bungoma Branch, to facilitate salary payments and avoid salary delays.

3.3.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.4.73 billion from the CRF account comprised Kshs.732.87 million (15 per cent) for development programmes and Kshs.4 billion (85 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.3.02 billion was released towards compensation of employees and Kshs.968.28 million for operations and maintenance expenditure.

Analysis of the operations and maintenance exchequer releases indicates that 18 per cent was for domestic travel and 0.4 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.171.61 million, including Kshs.119.09 million for the County Executive and Kshs.52.52 million for the County Assembly. The foreign exchequer totalled Kshs.4.66 million, comprising Kshs.2.62 million for the County Executive and Kshs.2.04 million for the County Assembly.

Table 3.20: Bungoma County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock, Fisheries and Co-operative Development	384,573,265	677,770,381	190,601,894	122,472,213	50	18
Tourism, Forestry, Environment	67,166,838	569,488,888	19,949,209	148,718,221	30	26
Water and Natural Resources	75,513,691	683,989,466	25,695,677	19,052,770	34	3
Roads and Public works	129,135,678	1,226,748,613	54,651,495	91,963,174	42	8
Education, Science and ICT	1,470,531,111	161,150,000	710,783,220	-	48	-
Health	4,284,475,335	156,750,053	1,473,834,298	29,254,263	34	19
Sanitation	1,248,349	-	-	-	-	-

Department	Revised Net Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Trade, Energy and Industrialisation	88,614,648	328,417,645	41,869,476	103,087,329	47	31
Gender, Culture, Youth and Sports	98,127,873	76,981,731	51,279,795	44,242,227	52	58
Land, Urban and Physical Planning	53,375,232	125,569,231	20,269,048	1,200,000	38	1
Bungoma Municipality	55,949,973	427,299,481	21,155,875	25,500,000	38	6
Kimilili Municipality	42,698,217	99,065,924	11,148,518	3,027,380	26	3
Housing	52,655,527	59,200,910	41,723,392		79	-
Finance and Planning	1,139,370,339	155,718,949	468,595,379	77,646,265	41	50
County Public Service	49,910,124	16,018,306	14,704,488	8,000,000	30	50
Governor's	700,716,300	14,191,092	202,480,379	-	29	-
D/Governor's Office	61,584,780	-	-	-	-	-
Public Administration	699,485,144	-	309,655,434	-	44	-
County Assembly	1,166,950,433	190,000,000	333,390,550	58,705,434	29	31
Total	**10,622,082,857**	**4,968,360,670**	**3,991,788,127**	**732,869,276**	38	15

***Source**: Bungoma County Treasury*

As of 31 December 2024, the County Government's cash balance in the CRF account was Kshs.794.10 million.

3.3.5 County Expenditure Review

The County spent Kshs.5.13 billion on development and recurrent programmes in the reporting period. The expenditure represented 109 per cent of the total funds released by the CoB and comprised Kshs.760.70 million and Kshs.4.37 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 15 per cent, while recurrent expenditure represented 41 per cent of the annual recurrent expenditure budget.

3.3.6 Settlement of Pending Bills

As of 30 June 2024, the County reported pending bills totalling Kshs.4.52 billion. This includes Kshs.4.49 billion from the County Executive and Kshs.28.57 million from the County Assembly. The pending bills from the County Executive consist of Kshs.2.45 billion for recurrent expenditures and Kshs.2.04 billion for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.1.68 billion, comprising of Kshs.1.1 billion for recurrent programmes and Kshs.580.58 million for development programmes. Meanwhile, 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.2.4 billion and Kshs.14.29 million in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.1.68 billion for the Executive and Kshs.12.46 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.2.83 billion, comprising Kshs.2.81 billion for the County Executive and Kshs.16.01 million for the County Assembly.

3.3.7 Expenditure by Economic Classification

The County Executive spent Kshs.3.32 billion on employee compensation, Kshs.668.13 million on operations and maintenance, and Kshs.700.29 million on development activities. Similarly, the County Assembly spent Kshs.78.06 million on employee compensation, Kshs.305.90 million on operations and maintenance, and Kshs.60.4 million on development activities, as shown in Table 3.21.

Table 3.21: 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**	**3,985,102,050**	**383,960,269**	**42**	**33**
Compensation to Employees	6,326,673,271	505,377,748	3,316,969,911	222,269,459	52	15
Operations and Maintenance	3,127,463,329	661,572,685	668,132,139	161,690,810	21	46
Development Expenditure	4,778,360,669	190,000,000	700,291,889	60,404,398	15	32
Total	**14,232,497,269**	**1,356,950,433**	**4,685,393,939**	**444,364,667**	**33**	**33**

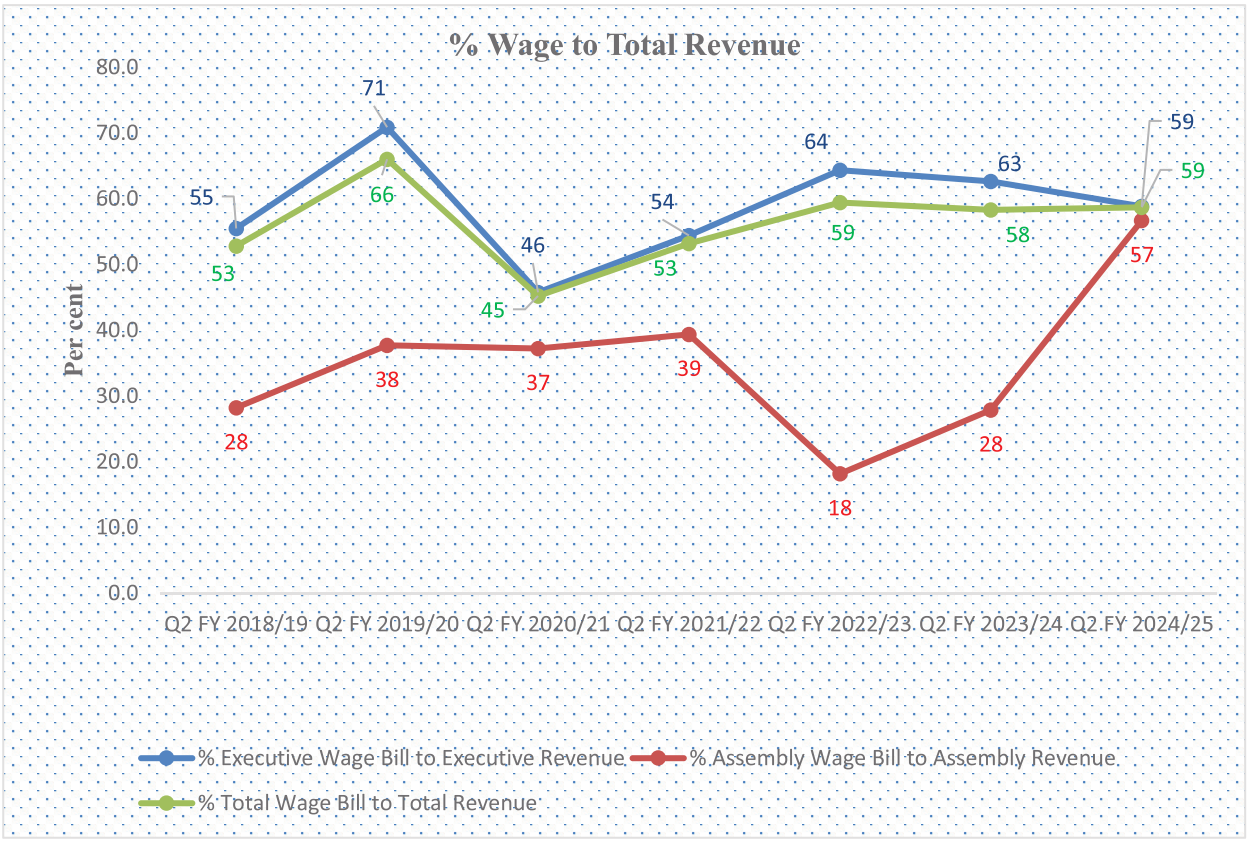
***Source**: Bungoma County Treasury*

3.3.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.3.54 billion, or 59 per cent of the available revenue of Kshs.6.03 billion. This expenditure represented an increase from Kshs.2.58 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.60 billion paid to the Health Sector employees, translating to 45 per cent of the total wage bill. 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 trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 11: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Bungoma County Treasury

Further analysis indicates that PE costs amounting to Kshs.3.44 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.99.12 million was processed through manual payrolls, which accounted for 3 per cent of the total PE cost.

The County Assembly spent Kshs.25.73 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.68,075 per MCA. The County Assembly had 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, in line with Section 110 of the PFM Act, 2012, allocated Kshs.100 million to the Emergency Fund (less than 1 per cent of the total budget).

Table 3.22 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.22: Performance of County Established Funds in the First Half 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.)
County Executive Established Funds						
1.	Trade Loan	30,000,000		982,015	129,190,287	Yes
2.	Education Support Scheme	255,000,000		25,923,964	1,865,000,000	Yes
3.	Disability Fund	5,000,000			7,535,256	Yes
4.	Youth and Women Fund	5,000,000		1,920	75,414,500	Yes
5.	Emergency Fund	100,000,000		1,191		Yes
County Assembly Established Funds						
6.	Members Car Loan and Mortgage Loan			2,126,247	314,606,924	Yes
7.	Employees Car Loan and Mortgage Fund			2,126,247	255,071,946	Yes
Total		**395,000,000**		**31,161,584**	**2,077,140,043**	

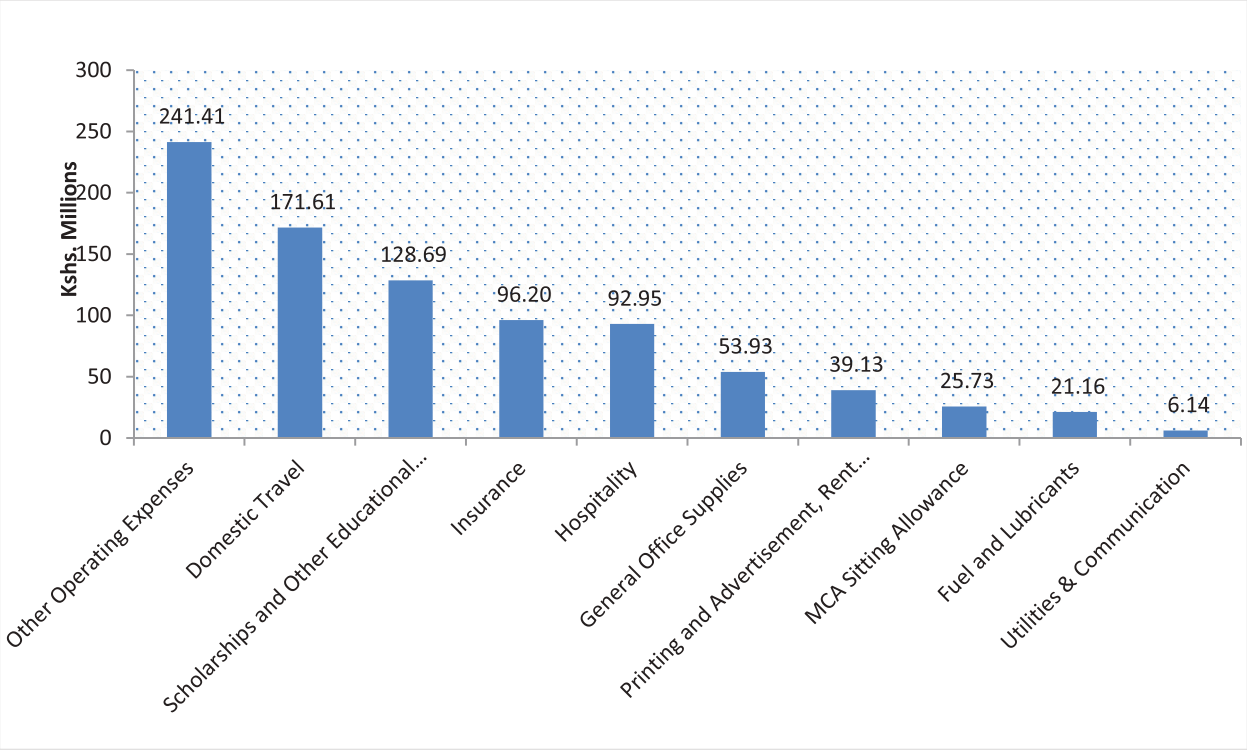
Source: *Bungoma County Treasury*

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 3.22, as per the requirement of Section 168 of the PFM Act, 2012. The administration costs of the 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.

3.3.10 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.171.61 million and comprised Kshs.52.52 million spent by the County Assembly and Kshs.119.09 million by the County Executive. Expenditure on foreign travel amounted to Kshs.4.66 million and comprised Kshs.2.04 million by the County Assembly and Kshs.2.62 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.23.

Table 3.23: Summary of Highest Expenditure on Foreign Travel in the First Half 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	2	21/10/2024	Capacity Building programme organised by the Eastern & Southern African Management Institute (ESAMI)	Dubai	2,616,440
County Assembly	1	23-28/7/24	Attendance of the 1st Africa Health Summit.	Ghana	356,229
	5	25-27/9/24	Attendance of the East African Law Society Construction Law Conference and FIDIC Conditions of Contract Workshop.	Rwanda	1,683,135

Source: *Bungoma County Treasury and Bungoma County Assembly*

Items included under Other Operating Expenses are; - Bank Services Commission and Charges (Kshs.0.3 million), Other Operating Expenses-Other (Kshs.158.26 million), Membership Fees, Dues and Subscriptions to Professional and Trade Bodies (Kshs.1.81 million), Management Fees (Kshs.18.85 million), Contracted Professional Services (Kshs.1.19 million), Constituency Office Expenses (Kshs.12.75 million), Gratuity and Honorarium (kshs.12.17 million, purchase of office equipment (Kshs.6.03 million), Research (Kshs.13.80) and Staff Mortgage (Kshs.8.92 million).

The operations and maintenance costs include Kshs.173.33 million for garbage collection and Kshs.2.72 million for Legal Fees/Dues, Arbitration, and Compensation Payments.

3.3.11 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.315.02 million as FIF, which was 33 per cent of the annual target of Kshs.956.25 million. The collected amount was retained and utilised at the source in accordance with the Facility Improvement Financing Act of 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.300.76 million, as shown in Table 3.24.

Table 3.24: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility (Kshs.)	Absorption rate (%)
	Bungoma Referral Hospital	375,328,308	122,318,415	33
	Webuye County Hospital	356,313,803	78,988,343	22
	Kimilili Sub County Hospital	34,719,019	25,708,908	74
	Naitiri Sub County Hospital	29,537,736	8,738,917	30
	Chwele Sub County Hospital	26,494,123	10,767,585	41
	Mt. Elgon Sub County Hospital	21,555,383	9,698,665	45
	Cheptais Sub County Hospital	30,936,198	15,328,965	50
	Bokoli Sub County Hospital	12,706,253	5,439,921	43
	Bumula Sub County Hospital	21,225,958	10,245,945	48
	Sirisia Sub County Hospital	39,973,313	12,137,228	30
	Sinoko Sub County Hospital	7,458,313	1,388,580	19
Total		**956,248,407**	**300,761,472**	**39**

Source: *Bungoma County Treasury*

The health facility with the highest absorption rate was Kimilili Sub County Hospital, which was 74 per cent of the budget.

3.3.12 Development Expenditure

In the first half of FY 2024/25, the county reported spending Kshs.760.70 million on development programmes, an increase of 134 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.324.73 million. Table 3.25 summarises the development projects with the highest expenditure in the reporting period.

Table 3.25: Bungoma County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Budget (Kshs. Million)	Amount Paid to date (Kshs. Million)	Implementation Status (%)
1	Agriculture, Livestock, Fisheries and Co-operative Development	Farm Input Support – Fertiliser for 500 Beneficiaries per Ward	45 Wards	270.00	55.45	21
2	County Assembly	Debating Chambers	Bungoma County Assembly	190.00	47.75	30
3	Trade, Energy and Industrialisation	Industrial Development and Management Co-Funding	Musikoma	80.00	40.00	50
4	Trade, Energy and Industrialisation	Completion of Kamukuywa Market	Kamukuywa	70.00	40.00	41
5	Roads and Public Works	Upgrading of Urban Roads - Salmond – Khalaba River	Khalaba	74.50	28.25	60

No.	Sector	Project Name	Project Location	Budget (Kshs. Million)	Amount Paid to date (Kshs. Million)	Implementation Status (%)
6	Finance and Planning	Purchase of ICT Networking and Communication Equipment	County Headquarters	37.47	26.43	71
7	Bungoma Municipality	Construction of Modern Market Stalls and Bus-Park	Kanduyi, Bungoma Municipality	25.00	25.00	100
8	Gender, Culture, Youth and Sports	Construction and Modernisation of Masinde Muliro Stadium	Kanduyi	23.39	23.39	100
9	Roads and Public Works	Maintenance of Rural Unpaved Roads - Framework (100KMs)	45 Wards	36.50	23.45	100
10	Gender, Culture, Youth and Sports	Completion of High-Altitude Training Centre	Mt Elgon Sub County	25.43	20.86	80

Source: *Bungoma County Treasury*

3.3.13 Budget Performance by Department

Table 3.26 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.26: Bungoma County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.Millions)		Exchequer Issues (Kshs.Millions)		Expenditure (Kshs.Millions)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock, Fisheries and Co-operative Development	384.57	677.77	190.6	122.47	202.62	91.27	106	75	53	14
Tourism, Forestry, Environment	67.17	569.49	19.95	148.72	29.52	229.41	148	154	44	40
Water and Natural Resources	75.51	683.99	25.7	19.05	29.19	8.05	114	42	39	1
Roads and Public works	129.14	1,226.75	54.65	91.96	61.41	91.96	112	100	48	8
Education, Science and ICT	1,470.53	161.15	710.78	-	810.28	-	114	-	55	-
Health	4,284.48	156.75	1,473.83	29.25	1,685.42	29.22	114	100	39	19
Sanitation	1.25	-	-	-	-	-	-	-	-	-
Trade, Energy and Industrialisation	88.61	328.42	41.87	103.09	34.76	90.76	83	88	39	28
Gender, Culture, Youth and Sports	98.13	76.98	51.28	44.24	51.9	44.24	101	100	53	58
Land, Urban and Physical Planning	53.38	125.57	20.27	1.2	20.27	3.78	100	315	38	3
Bungoma Municipality	55.95	427.3	21.16	25.5	21.12	25.95	100	102	38	6
Kimilili Municipality	42.7	99.07	11.15	3.03	11.15	-	100	-	26	-
Housing	52.66	59.2	41.72	-	31.72	-	76	-	60	-
Finance and Planning	1,139.37	155.72	468.6	77.65	426.92	77.65	91	100	38	50
County Public Service	49.91	16.02	14.7	8	15.71	8	107	100	32	50
Governor's	700.72	14.19	202.48	-	241.7	-	119	-	35	-
D/Governor's Office	61.58	-	-	-	-	-	-	-	-	-
Public Administration	699.49	-	309.66	-	319.97	-	103	-	46	-
County Assembly	1,166.95	190	333.39	58.71	383.96	60.4	115	103	33	-
Total	**10,622.08**	**4,968.36**	**3,991.79**	**732.87**	**4,377.60**	**760.7**	**110**	**104**	**41**	**15**

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 58 per cent, followed by the Departments of Finance and Planning and County Public Service at 50 per cent. The Department of Housing had the highest percentage of recurrent expenditure to budget at 60 per cent, while the Department of Kimilili Municipality had the lowest at 26 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 Co-operative Development, Kimilili Municipality, Environment, Water and Natural Resources. The County Assembly had overcommitted funds in the system.

3.3.14 Budget Execution by Programmes and Sub-Programmes

Table 3.27 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.27: Bungoma County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock, Fisheries and Co-Operative Development							
Programme 1: General Administration, Planning and Support Services		**366.28**	-	**197.53**	-	**54**	-
	S. P 1.1 Human Resource Management and Development	344.66	-	181.47	-	53	-
	SP 1.2 Administrative and Support Services	21.62	-	16.06	-	74	-
Programme 2: Crop Development and Management		**1.70**	**580.70**	-	**75.72**	-	13
	Crop Extension and Training Services	1.20	-	-		-	
	Crop Production and Productivity (Food, Industrial and Horticultural Crops)	-	326.00	-	61.75	-	19
	Agricultural Value Addition and Agro Processing	-	10.00		2.10		21
	Food Safety	0.50	-	-	-	-	-
	Agribusiness, Marketing and Information Management	-	6.00	-	-	-	-
	National Agricultural Value Chain Development Programme (NAVCDP)/NARIGP	-	151.52		8.00		5
	Co-funding NAVCD-P&NARIGP		5.00				-
	Ward Based Projects		82.18		3.87		5
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		**10.50**	**57.14**	**0.71**	**15.55**	7	27

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Livestock and Veterinary Extension and Training Services	3.00		0.71		24	
	Food Safety and Quality Control	7.50	4.34			-	-
	Pending Bill		6.35				-
	Disease and Vector Control		5.00				-
	Animal Breeding		3.50				-
	Kenya Livestock Commercialization 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 Mechanization Centre (AMC)		3.29				-
	Development and Management of Chwele Fish Farm (CFF)		8.00				-
Programme 7: Cooperatives Development and Management		**4.50**	**7.83**	**4.38**	-	97	-
	Cooperative Governance, Advisory and Training Services	4.50		4.38		97	
	Pending bills		3.83				-
	Cooperative Infrastructural/ Financial Support Services		4.00				-
Sub Total		**383.58**	**677.77**	**202.62**	**91.27**	**53**	**14**
Public Administration							
Programme 1: General Administration, Planning and Support Services		**570.28**	-	**303.96**	-	53	
	SP 1: Administration Services	70.03	-	11.68	-	17	
	SP 2: Human Resource Management and Development	223.07	-	222.31	-	100	
	SP 3: Security and Cleaning Services	67.18	-	19.96	-	30	
	SP 4: Medical Insurance	200.00	-	50.00	-	25	
	SP 5: Information Communication Technology	10.00	-	-	-	-	
Programme 2: Stakeholder Engagement, Civic Education and Outreach Services		**18.00**	-	**4.24**	-	24	
	SP 1: Civic Education	7.00	-	-	-	-	
	SP 2: Public Participation	1.00	-	-	-	-	
	SP 3: Commemoration of National Events	10.00	-	4.24	-	42	
Programme 3: Service Delivery and Organisational Transformation		**37.50**	**14.19**	-	-	-	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Sp3.1Service Delivery and Organizational Transformation	-	14.19	-	-		-
	Sp3.2 Kenya Devolution Support Programme	37.50	-			-	
Sub Total		**625.78**	**14.19**	**308.20**	-	**49**	-
Office of the County Secretary and Head of Public Service							
General Administration, Planning and Support services	SP 1: Administration Services	52.83		11.77		22	
Pending Bills for legal Dues/Fees, Arbitration and Compensation Payments	Legal Dues	20.87		-		-	
Sub Total		**73.70**	-	**11.77**	-	16	
Governors & Deputy Governor's							
Programme 1: General Administration, Planning and Support Services		**661.80**	-	**241.70**	-	37	
	Sp1.1: Employee Compensation	531.45		186.20		35	
	SP 2: Administrative Costs	130.35		55.50		43	
Programme 2: Governance and Public Relations		**100.50**	-	-	-	-	
	SP 1: County Strategic Management	32.86				-	
	SP 2: Leadership and Governance	26.60				-	
	SP 6: Special Programme	41.05				-	
Sub Total		**762.30**	-	**241.70**	-	**32**	
Health and Sanitation							
Programme 1: General Administration Planning and Support Services		**3,024.94**	**146.32**	**1,656.39**	**29.22**	55	20
	SP 1. 1 Health Administrative and Support Services	145.37		16.34		11	
	SP 1. 2. Leadership and Governance.	7.74				-	
	SP 1. 6 Human Resource Management	2,871.84		1,640.05		57	
	SP 1. 7 Infrastructural Development		146.32		29.22		20
Programme 2: Preventive and Promotive		**1,260.78**	**10.43**	**29.03**	-	2	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	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**	**1,685.42**	**29.22**	**39**	**19**
Roads and Public Works							
Programme 1: General Administration, Planning, and Support Services		**129.14**	-	**61.41**	-	48	
	SP1.1: Human Resource Management	88.27		49.56		56	
	SP1.3: Administration Services	29.11		11.84		41	
	SP1.4: Financial Services, Planning and Stewardship	11.76				-	
Programme 2: Transport Infrastructure Development and Management			**1,226.75**	-	**91.96**		8
	SP2.1: Construction of Roads Bridges and Drainage Works		1,003.70		73.52		7
	SP2.3: Rehabilitation of Roads, Bridges and Drainage Works RMLF		184.55		-		-
	Pending Bill		38.49		18.44		48
Sub Total		**129.14**	**1,226.75**	**61.41**	**91.96**	**48**	**8**
Environment, Tourism and Climate Change							
Programme 1: General Administration Planning and Support Services		**45.17**	-	**24.28**	-	54	
	SP. Human Resources Management	39.86		23.96		60	
	Sp. Planning and Support Services	5.30		0.31		6	
Programme 2: Protection and Conservation of the Environment			**339.10**	-	**115.56**		34
	SP. Dumpsite Management		3.10				-
	SP. Waste Management and Control		336.00		115.56		34
Programme3: Climate Change Coordination and Management		**22.00**	**233.49**	**5.24**	**113.85**	24	49
	Sp. Climate Change Resilience Investment Grant		153.49		113.85		74
	Sp. Climate Change Fund		80.00				-
	SP. Climate Change Institutional Support Grant	22.00		5.24		24	

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Programme5: Tourism Product Promotion, Marketing and Branding		-	**0.50**	-	-		-
	SP. County Tourism, Art and Cultural Festival	-	0.50				-
Sub Total		**67.17**	**573.09**	**29.52**	**229.41**	**44**	**40**
Water and Natural Resources							
Programme 1: General Administration Planning and Support Services		**55.51**	-	**29.19**	-	53	
	SP. Human Resources Management	46.09		25.39		55	
	Sp. Planning and Support Services	9.42		3.80		40	
Programme 2: Water and Sanitation Development and Management		**20.00**	**680.89**	-	**8.05**	-	1
	SP. Borehole Development		26.09		2.35		9
	SP. KOICA Counterpart Funding	20.00				-	
	KOICA Grant		500.00				-
	Ward Based Projects		144.10				-
	Pending Bills Water Projects		10.70		5.70		53
Sub Total		**75.51**	**680.89**	**29.19**	**8.05**	**39**	**1**
Finance and Economic Planning							
Programme 1: General Administration, Planning and Support Services		**947.12**	-	**353.04**	-	37	
	SP: Human Resource Management and Development	803.37		247.04		31	
	SP: Leadership and Governance	13.47				-	
	SP: Administration Support Services	118.15		106.01		90	
	SP: Staff Training and Development	12.13				-	
Programme 2: County Planning Management		**76.29**	-	**19.09**	-	25	
	SP: Economic Policy and County Planning Services	19.40		4.17		22	
	SP: Budgeting	36.47		11.51		32	
	SP: Monitoring and Evaluation	10.42		1.62		16	
	SP: Statistics	10.00		1.79		18	
Programme 3: County Financial Service Management		**91.67**	-	**46.20**	-	50	
	SP: Revenue Mobilisation	40.19		24.37		61	
	SP: Accounting Services	18.34		11.47		63	
	SP: Audit Services	16.61		4.90		30	
	SP: Supply Chain Services	16.52		5.47		33	
Programme 4: Service Delivery and Organisational Transformation		**24.29**	**155.72**	**8.59**	**77.65**	35	50
	SP: Special Coordination Unit	24.29		8.59		35	
	SP: Emergency Fund		100.00		51.22		51
	ICT Development		37.47		26.43		71
	Health Management System		18.25				-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Sub Total		**1,139.37**	**155.72**	**426.92**	**77.65**	**38**	**50**
Education and Vocational Training							
Programme 1: General Administration, Planning and Support Services		**1,207.03**	-	680.61	-	56	
	SP: Human Resource Management and Development	1,197.26		678.25		57	
	SP: Administrative and Support Services	9.78		2.36		24	
Programme 2: Education Improvement Support Services		**255.00**	-	**128.69**	-	51	
	SP: Bursary and Scholarship Support program	225.00		128.69		57	
	SP: School Feeding Initiative	30.00				-	
Programme 3: Early Childhood Development Education		-	**121.15**	-	-		-
	SP: Educational Materials and Library Supplies		23.00				-
	SP: Infrastructure Development		98.15				-
Programme 4: Vocational Training and Development		**8.50**	**40.00**	**0.98**	-	12	-
	SP: Administration Support Services	8.50		0.98		12	
	SP: Tuition Support Initiative	Development	15.00				-
	SP: Infrastructure Development		25.00				-
Sub Total		**1,470.53**	**161.15**	**810.28**	-	**55**	-
County Public Service Board							
Programme 1: General Administration, Planning and Support Services		**29.03**	**16.02**	**7.92**	**8.00**	27	50
	SP: Administrative services	29.03		7.92		27	
	SP: Infrastructure Development		16.02		8.00		50
Programme 2: Human Resource Management and Development		**15.10**	-	**7.79**	-	52	
	SP: Personnel Remuneration	11.71		6.81		58	
	SP: Human Resource Development	3.39		0.98		29	
Programme 3: Governance and National Values		**5.78**	-	-	-	-	
	SP: Quality Assurance	2.06				-	
	SP: Ethics Governors and National	3.72				-	
Sub Total		**49.91**	**16.02**	**15.71**	**8.00**	**32**	**50**
Trade, Energy and Industrialisation							
Programme 1: General Administration, Planning and Support Services		**88.61**	-	**30.49**	-	34	
	SP: Human Resource Development and Management	23.42		15.68		67	
	SP: Administrative, Planning and Support Services	65.19		14.81		23	

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Programme 2: Trade and Enterprise Development		-	**30.00**	-	**10.76**		36
	SP: Business Loan		30.00		10.76		36
Programme 3: Market Infrastructure Development and Management		-	**153.38**	-	**40.00**		26
	SP 3.1. Market Infrastructure		80.00		40.00		50
	SP 3.2. Ward Based Projects		59.47				-
	SP 3.3. Supplier Credit		13.92				-
Programme 4: Energy Development and Management		-	**65.03**	-	-		-
	SP: Energy Access		20.03				-
	REREC		45.00				-
Programme 5: Industrial Investment and Development		-	**80.00**	-	**40.00**		50
	SP: Industrial Development		80.00		40.00		50
Sub Total		**88.61**	**328.42**	**30.49**	**90.76**	**34**	**28**
Gender and Culture							
Programme 1: General Administration, Planning and Support Services		**68.62**	-	**43.51**	-	63	
	SP: Human Resource Development and Management	51.29		29.70		58	
	SP: Administrative, Planning and Support Services	17.33		13.81		80	
Programme 2: Cultural Development and Management		**4.00**	**18.16**	-	-	-	-
	Communities Cultural Festivals	2.00				-	
	Liquor and Licensing Enforcement Exercise	2.00				-	
	Infrastructure Development		18.16				-
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**	**43.51**	-	58	-
Youth and Sports							
Programme 1: General Administration, Planning and Support Services		**23.01**	-	**8.39**	-	37	
	SP: Human Resource Development and Management	13.15		5.99		46	
	SP: Administrative, Planning and Support Services	9.86		2.40		24	
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		-				

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Sub Total		**23.01**	**48.82**	**8.39**	**44.24**	**37**	**91**
Lands, Urban and Physical Planning							
Programme 1: General Administration, Planning and Support Services		**53.38**	-	**23.14**	-	43	
	SP: Human Resource Development and Management	33.25		18.13		55	
	SP: Administrative, Planning and Support Services	20.12		5.01		25	
Programme 2: Land Development and Management		-	**126.79**	-	**3.78**		3
	SP: Land Acquisition		95.00				-
	SP: Physical and Land Use Plans		2.27				-
	SP: Auction Ring		2.50				-
	Supplier Credit		1.22				-
	Ward Based Projects		25.80		3.78		15
Sub Total		**53.38**	**126.79**	**23.14**	**3.78**	**43**	**3**
Housing							
Programme 1: General Administration, Planning and Support Services		**52.66**	-	**24.46**	-	47	
	SP: Human Resource Development and Management	11.41		5.51		48	
	SP: Administrative, Planning and Support Services	3.74		0.95		25	
	KUSP UIG	37.50		18.00		48	
Programme 2: Housing Development and Human Settlement		-	427.30	-	-		-
	SP: Housing Infrastructural Development		129.90				-
	SP: Housing Financing Services		297.40				-
Sub Total		**52.66**	**427.30**	**24.46**	-	**47**	-
Bungoma Municipality							
Programme 1: General Administration, Planning and Support Services		**55.95**	-	**17.18**	-	31	
	SP: Human Resource Development and Management	20.24		12.97		64	
	SP: Administrative, Planning and Support Services	26.96		six,118,187		15	
	KUSP UIG	8.75		0.09		1	
Programme 2: Urban Land Use, Policy and Planning		-	**16.00**	-	-		-
	SP: Urban Land Planning		16.00				-
Programme 3: Urban Infrastructure Development and Management		-	**80.57**	-	**25.95**		32
	SP: Urban Transport and Infrastructure Development		80.57		25.95		32
Programme 4: Urban Environment, Health, Water, Culture and Human Social Services		-	**2.50**	-	-		-
	SP: Urban Environment and Public Health Services		2.50				-
Sub Total		**55.95**	**99.07**	**17.18**	**25.95**	**31**	**26**

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Kimilili Municipality							
Programme 1: General Administration, Planning and Support Services		**42.70**	-	**15.21**	-	36	
	SP: Human Resource Development and Management	16.32		9.83		60	
	SP: Administrative, Planning and Support Services	17.63		5.38		31	
	KUSP UIG	8.75		-		-	
Programme 2: Urban Infrastructure Development and Management		-	**57.98**	-	-		-
	SP: Infrastructure, Housing and Public Works		57.98				-
Sub Total		**42.70**	**57.98**	**15.21**	-	**36**	-
Grand Total		**9,454.14**	**4,778.86**	**3,985.10**	**700.29**	**42**	**15**
Programme 1: Legislation, Oversight and Representation		**149.97**	-	**68.21**	**0.00**		
	SP 1.1 Legislative services	9.49	-	2.09	0.00		
	SP 1.2 Oversight services	133.17	-	63.00	0.00		
	SP 1.3 Representation services	7.31	-	3.12	0.00		
Programme 2: General Administration, Planning and Support Services		**1,016.98**	**190.00**	**315.75**	**60.40**	**31**	**32**
	SP 2.1 Human Resource Management and Development	681.61	-	232.56	-	34	-
	SP 2.2 ICT and Public Communication Services	17.80	-	-	-	-	-
	SP 2.3 Management and Periodic Evaluation on Emerging Policy and Development	86.26	-	30.43	-	35	-
	SP.2.4 Infrastructural Development	25.61	190.00	1.41	60.40	6	**32**
	SP 2.5 Workplace Efficiency and Productivity	205.71	-	51.35	-	25	-
Sub Total		**1,166.95**	**190.00**	**383.96**	**60.40**	-	**32**
Grand Total		**10,621.09**	**4,968.86**	**4,369.06**	**760.70**	**41**	**15**

***Source**: Bungoma County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were Human Resource Management Development in the Department of Public Administration at 100 per cent, Co-operative, Governance, Advisory and Training Services in the Department of Agriculture, Livestock, Fisheries and Co-operative at 97 per cent, Administration Support and Services at 90 per in the Department of Finance and Economic Planning, Administration, Planning and Support Services in the Department of Gender and Culture at 80 per cent, of budget allocation.

3.3.15 Accounts Operated Commercial Banks

The County Government operated 301 accounts with commercial banks, including 145 accounts for Health Facilities and Dispensaries,12 accounts for Level 4 and 5 Hospitals, 116 accounts for Vocational Training Centers, nine accounts for Established Funds, four revenue accounts, seven special purpose accounts (additional allocations), two imprest accounts, and six recurrent operational accounts (County Assembly).

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.

3.3.16 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 underperformance of own-source revenue at Kshs.141.91 million against an annual target of Kshs.1.19 billion, representing 12 per cent of the yearly target.
ii. The County Treasury failed to appropriate the unspent cash balance from the previous financial year, which amounted to Kshs.888.96 million
iii. High pending bills amounted to Kshs.2.83 billion as of 31 December 2024. 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.99.12 million were processed through manual payroll, accounting for 2.8 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.
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 Health Facilities and Dispensaries, accounts for Level 4 and 5 Hospitals, Vocational Training Centres, Established Funds, revenue accounts, special purpose accounts (additional allocations), interest accounts, and recurrent operational accounts (County Assembly).

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. *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 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.*
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.*

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.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 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 is 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. A breakdown of the conditional grants includes FLLoCA – Development grant Kshs.434.10 million, National value chain development program Kshs.250.00 million, Kenya climate-smart agriculture project Kshs.90.00 million, Kenya devolution support program II Kshs.37.50 million, Kenya livestock commercialisation project Kshs.33.50 million, Agriculture business development project Kshs.22.59 million, FLLoCa – CCIS grant Kshs.11.00 million, DANIDA Kshs.10.97 million, Nutrition international Kshs.10.00 million and Agricultural sector development Kshs.2.45 million. A breakdown of the additional allocations is shown in Table 3.28.

3.4.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.4.12 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.12 billion from the equitable share of revenue raised nationally and its own-source revenue (OSR) collection of Kshs.141.05 million. In addition, the County had a cash balance of Kshs.857.08 million from FY 2023/24.

The total OSR collection of Kshs.141.05 million includes Facilities Improvement Financing (FIF) of Kshs.66.94 million, and Kshs.74.11 million as ordinary OSR. Table 3.28 summarises the total revenue available to the County Government of Busia during the first half of FY 2024/25.

Table 3.28: Busia County, Revenue Performance in the First Half 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	3, 117, 698, 512	40
Subtotal		**7, 764, 601, 080**	**3, 117, 698, 512**	**40**
B	**Additional Allocations**			
	Name of the Conditional Grant			
	FlLOCA – Development grant	434, 101, 083	0	0
	National Value Chain Development Program	250, 000, 000	0	0
	Kenya climate-smart agriculture project	90, 000, 000	0	0
	Kenya Devolution Support Program II	37, 500, 000	0	0
	Kenya livestock commercialisation project	33, 500, 000	0	0
	Agriculture business development project	22, 585, 000	0	0
	FlLOCA – CCIS grant	11, 000, 000	0	0
	DANIDA	10, 972, 500	0	0
	Nutritional international	10, 000, 000	0	0
	Agricultural sector development support P.	2, 450, 905	0	0
Subtotal		**902, 110, 048**	**0**	**0**
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	442, 262, 490	74, 112, 715	17
	Facility Improvement Fund (FIF)	204, 744, 506	66, 943, 733	33
Subtotal		**647, 006, 996**	**141, 056, 448**	**22**
D	**Other Sources of Revenue**			
	Unspent balance from FY 2023/24	0	804, 449, 943	0
	Other Revenues (CAIP grant)	0	52, 631, 579	0

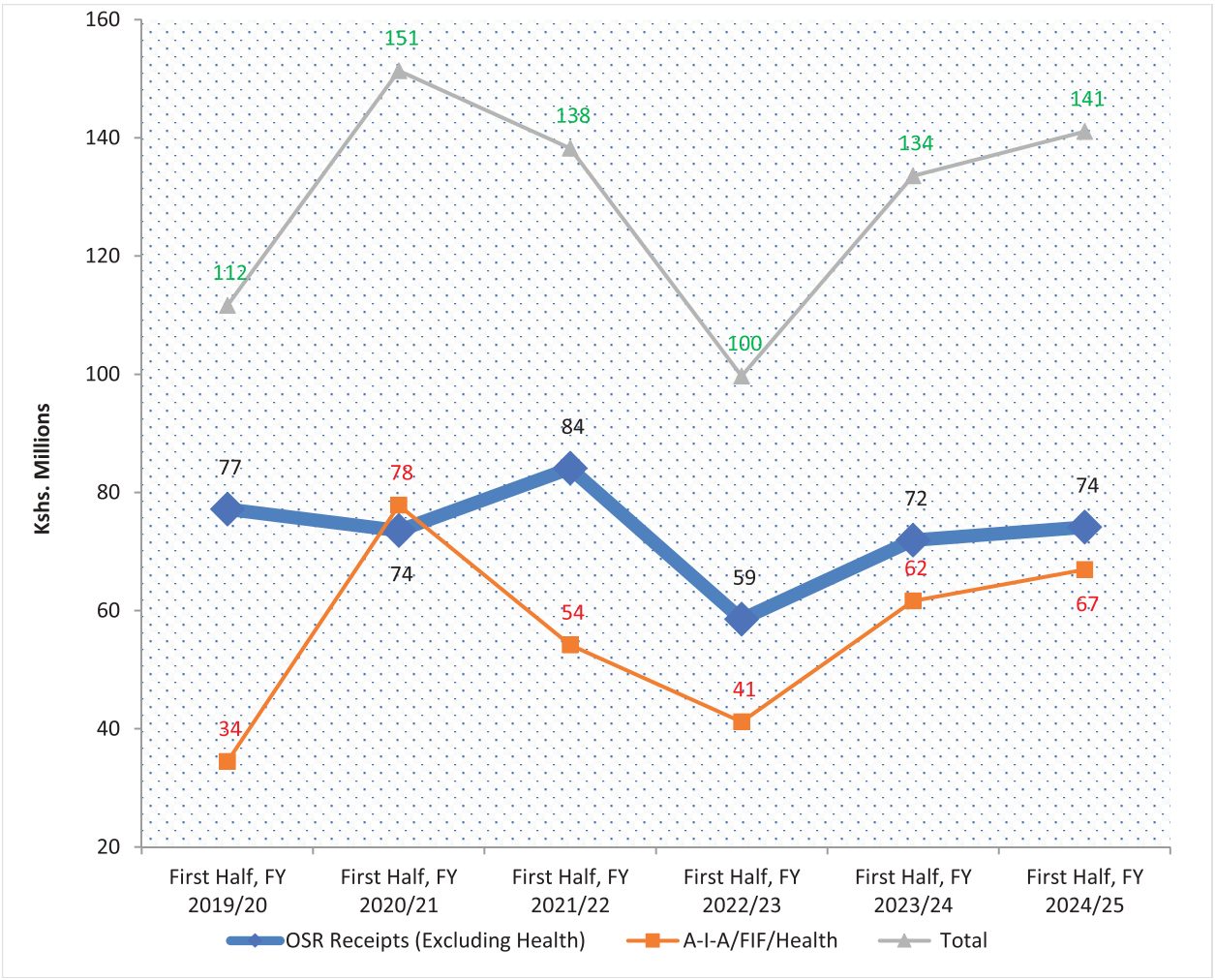
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
Sub Total		0	857, 081, 522	0
Grand Total		9, 313, 718, 124	4, 115, 836, 482	44

Source: *Busia County Treasury*

The County has governing legislation on the operation of FIF.

Figure 13 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 13: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

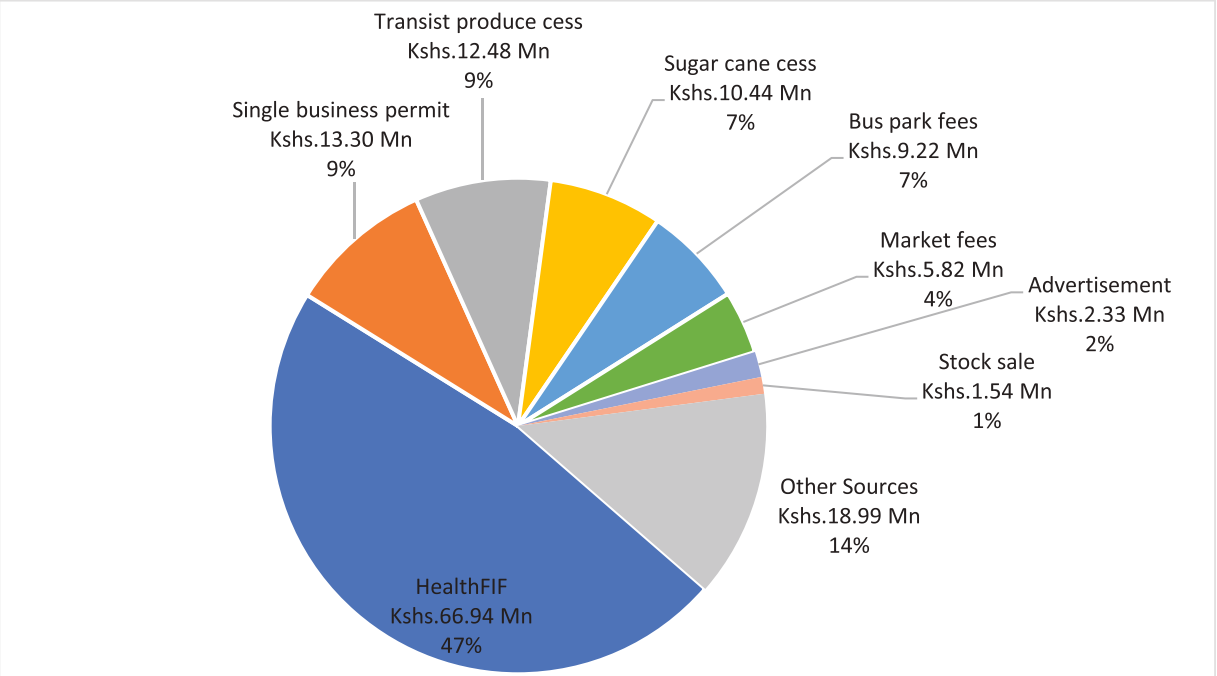


Source: *Busia County Treasury*

During the first half of FY 2024/25, the County generated Kshs.141.05 million from its revenue sources, including AIA and FIF. This amount was an increase of 6 per cent compared to Kshs..133.56 million realised in a similar period in FY 2023/24, 22 per cent of the annual target and 5 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 14.

Figure 14: Top Streams of Own Source Revenue in the First Half FY 2024/25.



***Source**: Busia County Treasury*

The highest revenue stream, Kshs.66.94 million, was from the Health Facility Improvement Fund, which contributed 47 per cent of the total OSR receipts during the reporting period.

3.4.3 Borrowing by the County

Busia's county government did not report any borrowings made during the review period.

3.4.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.79 billion from the CRF account during the reporting period, which comprised Kshs.575.62 million (15 per cent) for development programmes and Kshs.3.22 billion (84 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.78 billion was released towards compensation of employees and Kshs.1.34 billion for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to a delay in uploading staff data in the new HRIS – Kenya payroll management system.

Analysis of the operations and maintenance exchequer releases indicates that 6 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.103.45 million, including Kshs.30.10 million for the County Executive and Kshs.73.35 million for the County Assembly. The foreign exchequer totalled Kshs.23.77 million, comprising Kshs.13.77 million for the County Executive and Kshs.10.00 million for the County Assembly.

Table 3.29: 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	104.68	192.12	37	28
Trade, cooperative, Tourism & Industry	83.36	109.62	49.32	54.13	59	50
Education & vocational training	721.34	114.04	330.46	0	46	0
Finance & economic planning	736.22	9.00	352.53	0	48	0

Department	Budget Allocation Net (Kshs.million)		Exchequer Issues (Kshs. million)		Exchequer issues to Net budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Youths, sports, culture, gender, arts	174.42	38.3	73.54	0	42	0
Transport, roads & Public works.	157.70	529.60	53.52	184.76	34	35
Public service management	581.27	-	262.68	-	45	-
Lands, housing & urban development	145.73	74.25	38.08	0	26	0
Water, environment, irrigation	136.13	786.05	58.00	101.32	43	13
Health and sanitation	1,847.13	378.30	1,174.32	18.29	64	5
Public service board	119.31	-	49.74	-	42	-
Office of the Governor	296.33	28.00	127.84	0	43	0
County Assembly	891.70	40.00	402.09	25.0	45	63
County Attorney	85.49	-	23.47	-	28	-
Strategic partnerships & digital econ	48.08	6.00	24.77	0	52	0
	6,305.78	**2,803.20**	**3,125.06**	**575.62**	**50**	**21**

***Source**: Busia County Treasury*

As of 31 December 2024, the County Government's cash balance in the CRF account was Kshs.476.24 million.

3.4.5 County Expenditure Review

The County spent Kshs.2.63 billion on development and recurrent programmes in the reporting period. The expenditure represented 69 per cent of the total funds released by the CoB and comprised of Kshs.647.27 million and Kshs.1.98 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 23 per cent, while recurrent expenditures represented 30 per cent of the annual recurrent expenditure budget.

3.4.6 Settlement of Pending Bills

As of 30 June 2024, the County reported pending bills totalling Kshs.2.25 billion. This 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 half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.183.59 million, comprising Kshs.45.55 million for recurrent programmes and Kshs.135.04 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.25.00 million 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 in **monthly** instalments of Kshs.118.38 million, while the Assembly committed to paying Kshs.5.0 million. In the first half of FY 2024/25, the county executive did not adhere to this payment plan, clearing a cumulative Kshs.180.59 million in the review period. The County Assembly adhered to the pending plan, clearing Kshs.25 million in the review period.

As of 31 December 2024, 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.1.00 billion on employee compensation, Kshs.581.06 million on operations and maintenance and Kshs.623.38 million on development activities. The County Assembly spent Kshs.95.77 million on employee compensation, Kshs.299.58 million on operations and maintenance and Kshs.23.90 on development activities, as shown in Table 3.30.

Table 3.30: 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**	**1, 583, 974, 525**	**395, 349, 108**	**28**	**44**
Compensation to Employees	3, 351, 399, 770	451, 425, 104	1, 002, 918, 580	95, 765, 201	30	21
Operations and Maintenance	2, 267, 422, 679	440, 273, 023	581, 055, 945	299, 583, 907	27	68
Development Expenditure	**2, 763, 197, 548**	**40, 000, 000**	**623, 375, 307**	**23, 895, 650**	**27**	**60**
Total	**8, 382, 019, 997**	**931, 698, 127**	**2, 207, 349, 832**	**419, 244, 758**	**26**	**45**

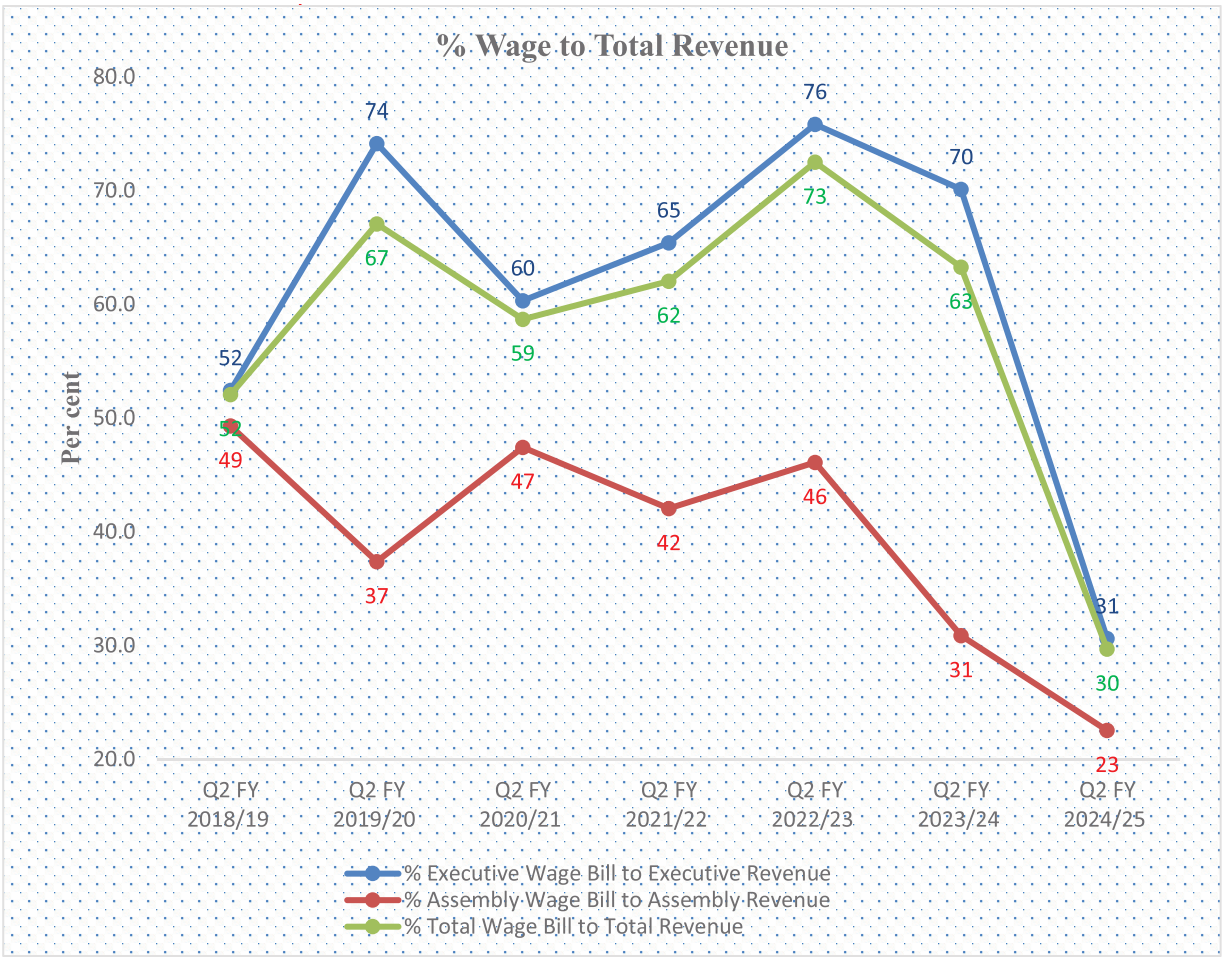
***Source**: Busia County Treasury*

3.4.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.1 billion, or 27 per cent of the available revenue of Kshs.4.12 billion. This expenditure represented a decrease from Kshs.1.96 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.614.44 million paid to the Health Sector Employees, translating to 56 per cent of the total wage bill.

Figure 15 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 15: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Busia County Treasury

Further analysis indicates that PE costs amounting to Kshs.975.97 million were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.122.71 million was processed through manual payrolls, which accounted for 11 per cent of the total PE cost.

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 funds in FY 2024/25, or 2 per cent of the County's overall budget. Further, the County allocated Kshs.20.00 million to the Emergency Fund (0.2 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.31 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.31: Performance of County Established Funds in the First Half of FY 2024/25

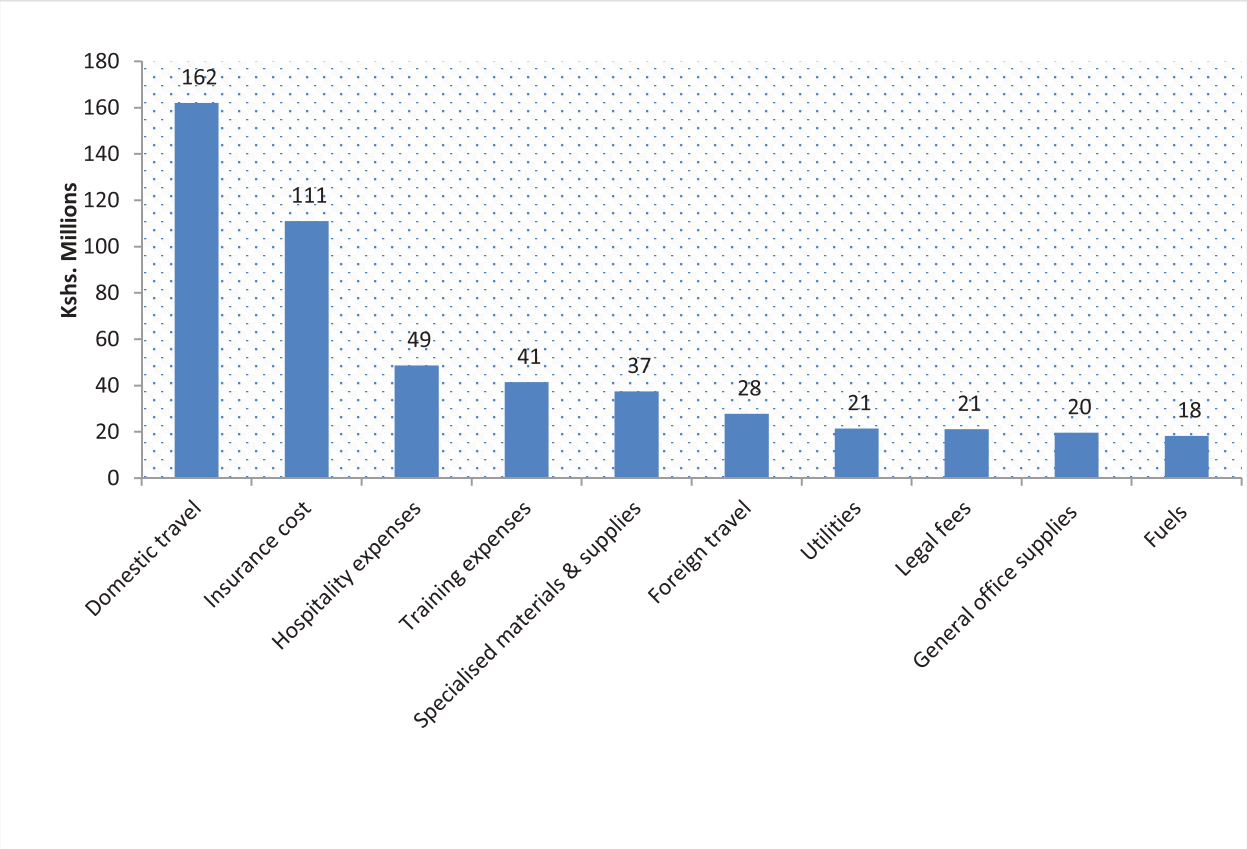
S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Half of FY 2024/25 (Kshs.)	Actual Expenditure in First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Half Financial Statements (Yes/No.)
	County Executive Established Funds					
	Agriculture development fund	25, 000, 000	0	0	90, 000, 000	No
	Bursary and scholarships	136, 300, 000	0	0	117, 800, 000	No
	Co-operative enterprise fund	38, 500, 000	0	0	123, 005, 000	No
	County executive revolving fund	0	0	0	222, 000, 000	No
	County Assembly Established Funds					
	County Assembly revolving fund	0	0	0	641, 249, 842	Yes
	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 5 Fund Administrators, as indicated in Table 3.31, contrary to the requirement of Section 168 of the PFM Act, 2012. Expenditure on Operations and Maintenance

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

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



Source: *Busia County Treasury*

Expenditure on domestic travel amounted to Kshs.162.09 million and comprised Kshs.102.06 million spent by the County Assembly and Kshs.60.04 million by the County Executive. Expenditure on foreign travel amounted to Kshs.27.77 million and comprised Kshs.16.86 million by the County Assembly and Kshs.10.92 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.32.

Table 3.32: Summary of Highest Expenditure on Foreign Travel in the First Half 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	22nd - 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	3	22nd to 28th August 2024	Conference on HIV/AIDS	Ontario, Canada	1, 503, 397
County Executive	1	4th to 8th October 2024	12th World Urban Forum	Cairo, Egypt	634, 983
County Executive	1	22nd to 30th September 2024	79th UN General Assembly	New York, USA	685, 100
					11, 887, 468

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

The operations and maintenance costs include Kshs.21.12 million in legal fees/dues, arbitration and compensation payments, and legal fees.

3.4.10 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.66.94 million as FIF, which was 32.7 per cent of the annual target of Kshs.204.74 million. The collected amount was retained and utilised at the

source in accordance with the Facility Improvement Financing Act of 2023. The County developed regulations in 2024 to operationalise the FIF Act 2023.

The expenditure by the health facilities amounted to Kshs.85.04 million, as shown in Table 3.33.

Table 3.33: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Busia Referral hospital	70, 048, 432	16, 756, 225	24
	Khunyangu Sub-county hospital	22, 681, 996	3, 844, 807	17
	Alupe Sub-county hospital	16, 595, 825	2, 133, 008	13
	Sio port Sub-county hospital	8, 949, 532	1, 117, 479	13
	Nambale Sub-county hospital	15, 103, 647	3, 343, 857	22
	Port Victoria Sub-county Hospital	30, 368, 757	4, 487, 982	15
	Teso North sub-county hospital	16, 423, 794	4, 212, 900	26
	Matayos SCH Headquarters	1, 789, 528	70, 054	4
	Lupida SCH Headquarters	1, 789, 528	60, 000	3
	Amukura SCH Headquarters	1, 789, 528	25, 000	1
	Bumala SCH Headquarters	1, 789, 528	60, 000	3
	Mukhobola SCH Headquarters	1, 789, 528	50, 000	3
	Angurai SCH Hospital	1, 789, 528	17, 000	1
	Total	**190, 909, 151**	**85, 036, 093, 312**	**45**

Source: *Busia County Treasury*

The Health Facility with the highest absorption rate was Teso North sub-county hospital at 26 per cent.

3.4.11 Development Expenditure

The First Half of FY 2024/25, the County reported spending Kshs.647.27 million on development programmes, an increase of 99 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.324.73 million. Table 3.34 summarises the development projects with the highest expenditure in the reporting period.

Table 3.34: Busia County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	status (%)
1	Roads & transport	Upgrading of C778 Junction -Bukiri-Tahumba junction-Bunandi Pry school road	Samia sub-county	249,186,500	181, 766, 477	60
2	County assembly	Purchase of land	Countywide	27, 703, 000	21, 772, 000	100
3	Agriculture	Supply & delivery of 7, 760litres of Deci	County HQ	6, 994, 502	6, 994, 502	100
4	Health	Supply, delivery, installation, and testing of 12 bodies of mortuary coolant	Busia County Referral Hospital	3, 982, 000	3, 982, 000	100
5	Health	Supply, delivery, installation, testing & commissioning of X-Ray printer	Khuyangu Sub-county hospital	2, 871, 200	2, 871, 200	100
6	Agriculture	Supply of 3,937 bags of agriculture lime	County HQ	4, 999, 990	4, 999, 990	100
7	Agriculture	Supply of 7,778 kgs of Tilapia fish feed	County HQ	3, 500, 100	3, 500, 100	100

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	status (%)
8	Agriculture	Supply of 7,650 kgs of maise seeds	County HQ	3, 498, 825	3, 498, 825	100
9	Agriculture	Supply of 54,600 kg of cassava cuttings	County HQ	3, 276, 000	3, 276, 000	100
10	Agriculture	Supply & delivery of 1, 400 litres of Duduthrin	County HQ	3, 136, 000	3, 136, 000	100

Source: *Busia County Treasury*

3.4.12 Budget Performance by Department

Table 3.35 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.35: 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	104.68	192.12	81.00	255.71	77	133	29	37
Trade, Cooperative, Tourism & Industry	83.36	109.62	49.32	54.13	7.37	66.12	15	122	9	60
Education & vocational training	721.34	114.04	330.46	0	221.60	0	67	0	31	0
Finance & economic planning	736.22	9.00	352.53	0	202.03	0	57	0	27	0
Youths, sports, culture, gender, arts	174.42	38.3	73.54	0	48.38	0	66	0	27.7	0
Transport, roads & Public works.	157.70	524.60	53.52	184.76	9.87	196.85	18	107	6	37
Public service management	581.27	-	262.68	-	131.55	-	50	-	23	-
Lands, housing & urban development	145.73	74.25	38.08	0	28.37	0	75	0	20	0
Water, environment, irrigation	136.13	786.05	58.00	101.32	10.74	78.93	19	78	8	10
Health and sanitation	1,847.13	378.30	1,174.32	18.29	697.30	25.76	59	141	34	7
Public service board	119.31	-	49.74	-	27.64	-	56	-	23	-
Office of the Governor	296.33	28.00	127.84	0	95.35	0	75	0	32	0
County Assembly	891.70	40.00	402.09	25.0	395.35	23.90	98	96	44	60
County Attorney	85.49	-	23.47	-	20.20	-	86	-	23.6	-
Strategic partnerships & digital econ	48.08	6.00	24.77	0	2.58	0	10	0	5	0
	6,305.78	**2,803.20**	**3,125.06**	**575.62**	**1,979.32**	**647.27**	**63**	**112**	**30**	**23**

Source*: Busia County Treasury*

The County Treasury did not provide an explanation for why certain departments' expenditures exceeded their respective exchequer receipts.

Analysis of expenditure by departments shows that the Department of Trade, Cooperatives, Tourism & Industry recorded the highest absorption rate of development budget at 60 per cent, followed by the Department of County Assembly at 60 per cent. The Department of County Assembly had the highest percentage of recurrent expenditure to budget at 44 per cent, followed by the Department of Health and Sanitation at 34 per cent. The Department of Strategic Partnerships & Digital Economy had the lowest at 5 per cent.

3.4.13 Budget Execution by Programmes and Sub-Programmes

Table 3.36 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.36: 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. General administration & support services		**281, 770, 906**	**0**	**81, 006, 354**	**0**		
	SP. 1. General administration & support services.	281, 770, 906	0	81, 006, 354	0	28.2	0
Programme 19.		**0**	**690, 036, 465**	**0**	**255, 705, 531**		
	SP. 1. Production Productivity & Probability	0	242, 100, 000	0	52, 423, 743	0	21.7
	SP. 2. Market development	0	32, 000, 000	0	11, 498, 625	0	35.7
	SP. 3. Farm resource organisation & manage	0	9, 000, 000	0	0	0	0
	SP. 4. NAVCDP grant	0	250, 000, 000	0	123, 270, 864	0	49.3
	SP. 5. Kenya agriculture BDP grant	0	95, 000, 000	0	45, 085, 755	0	47.4
	SP. 6. Aquaculture business development prog	0	23, 436, 465	0	11, 372, 000	0	48.5
	SP. 7. Kenya livestock commercialisation prog	0	38, 500, 000	0	12, 054, 544	0	31.3
	Subtotal	**281, 770, 906**	**690, 036, 465**	**81, 006, 354**	**255, 705, 531**	**28.7**	**37.1**
Department of Trade, Cooperatives, Tourism and Industry							
Programme 1. Policy General administration		**83, 356, 894**	**0**	**7, 373, 681**	**0**		
	SP. 1. General administration & support service	83, 356, 894	0	7, 373, 681	0	8.8	0
Programme 10.		**0**	**56, 120, 000**	**0**	**38, 884, 020**		
	SP. 1. MSME promotion	0	3, 000, 000	0	0	0	0
	SP. 2. Market modernisation & development	0	53, 120, 000	0	38, 884, 020	0	73.2
Programme 11.		**0**	**5, 000, 000**	**0**	**2, 500, 000**	**0**	
	SP. 1. Weights and measures	0	5, 000, 000	0	2, 500, 000	0	50.0
Programme 13		**0**	**48, 500, 000**	**0**	**24, 739, 576**		
	SP. 1. Cooperative development	0	48, 500, 000	0	24, 739, 576	0	51.0
	Subtotal	**83, 356, 894**	**109, 620, 000**	**7, 373, 681**	**66, 123, 596**	**8.8**	**60.3**
Department of Education and Vocational Training.							
Programme 1. General admin & support services		**721, 344, 017**	**0**	**221, 595, 261**	**0**		
	SP. 1. General administration & support service	721, 344, 017	0	221, 595, 261	0	30.7	0

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 2. ECDE		**0**	**41, 640, 000**	**0**	**0**	**0**	
	SP. 4. ECDE Infrastructure development	0	33, 100, 000	0	0	0	0
	SP. 5. ECDE learning materials	0	3, 540, 000	0	0	0	0
	SP. 6. Inclusive education for disabled learners	0	5, 000, 000	0	0	0	0
Programme 3.		**0**	**72, 400, 000**	**0**	**0**	**0**	
	SP. 2. VTCs infrastructure development	0	72, 400, 000	0	0	0	0
	Sub-Total	**721, 344, 017**	**114, 040, 000**	**221, 595, 261**	**0**	**30.7**	**0**
Department of Finance and Economic Planning							
Programme 1. General admin, policy & support services		**736, 223, 114**	**0**	**202, 030, 947**	**0**		
	SP. 1. General administration & support service	736, 223, 114	0	202, 030, 947	0	27.4	0
Programme 2.		**0**	**5, 000, 000**	**0**	**0**	**0**	
	SP. 4. Resource mobilisation	0	5, 000, 000	0	0	0	0
Programme 10.		**0**	**4, 000, 000**	**0**	**0**	**0**	
	SP. 1. Statistics	0	4, 000, 000	0	0	0	0
	Sub-Total	**736, 223, 114**	**9, 000, 000**	**202, 030, 946**	**0**	**27.4**	**0**
Department of youths, culture, Sports and social services							
Programme 1. General admin & support services		**174, 222, 448**	**0**	**48, 384, 563**	**0**	**0**	
	SP. 1. General administration & support service	174, 222, 448	0	48, 384, 563	0	27.8	0
Programme 3.		**0**	**2, 000, 000**	**0**	**0**	**0**	
	SP. 1. Youth enterprise and empowerment	0	2, 000, 000	0	0	0	0
Programme 4.		**0**	**30, 300, 000**	**0**	**0**	**0**	
	SP. 3 Sports promotion & infrastructure develop	0	30, 300, 000	0	0	0	0
Programme 8.		**0**	**5, 000, 000**	**0**	**0**	**0**	
	SP. 2. Tourism promotion & development	0	5, 000, 000	0	0	0	0
	Subtotal	**174, 222, 448**	**38, 300, 000**	**48, 384, 563**	**0**	**27.8**	**0**
Department of Roads, transport and public works.							
Programme 1. General admin & support services		**157, 697, 446**	**0**	**9, 869, 850**	**0**		
	SP. 1. General administration & support services	157, 697, 446	0	9, 869, 850	0	6.3	0
Programme 3.		**0**	**5, 000, 000**	**0**	**0**		
	SP. 3. Alternative transport development	0	5, 000, 000	0	0	0	0
Programme 9.		**0**	**514, 900, 000**	**0**	**196, 849, 298**		
	SP. 1. Road infrastructure development	0	514, 900, 000	0	196, 849, 298	0	38.2

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 10.		**0**	**9, 700, 000**	**0**	**0**		
	SP. 2. Mechanical and fabrication workshop	0	9, 700, 000	0	0	0	
	Subtotal	**157, 697, 446**	**529, 600, 000**	**9, 869, 850**	**196, 849, 298**	**6.3**	**37.1**
Department of Public Service Management.							
Programme 4. General admin & support services.		**581, 267, 482**	**0**	**131, 546, 202**	**0**		
	SP. 1. General administration & support service	581, 267, 482	0	131, 546, 202	0	22.6	0
	Subtotal	**581, 267, 482**	**0**	**131, 546, 202**	**0**	**22.6**	**0**
Department of Lands, housing and urban development.							
Programme 1.		**145, 734, 770**	**0**	**28, 368, 860**	**0**		
	SP. 1. General administration & support services	145, 734, 770	0	28, 368, 860	0	19.5	0
Programme 7.		**0**	**24, 000, 000**	**0**	**0**		
	SP. 2. Housing development	0	20, 000, 000	0	0	0	0
	SP. 3. Housing management	0	4, 000, 000	0	0	0	0
Programme 17.		**0**	**21, 750, 000**	**0**	**0**		
	SP. 2. Land use administration and management	0	21, 750, 000	0		0	0
Programme 18.		**0**	**28, 500, 000**	**0**	**0**		
	SP. 1. Urban management	0	21, 000, 000	0	0	0	0
	SP. 2. Urban infrastructure development & mgt	0	7, 500, 000	0	0	0	0
	Subtotal	**145, 734, 770**	**74, 250, 000**	**28, 368, 860**	**0**	**19.5**	**0**
Department of Water, environment, irrigation, natural resources and climate change.							
Programme 1.		**136, 125, 655**	**0**	**10, 736, 793**	**0**		
	SP. 1. General administration & support services	136, 125, 655	0	10, 736, 793	0	7.9	0
Programme 4.		**0**	**230, 950, 000**	**0**	**32, 092, 134**		
	SP. 3. Urban water infrastructure development	0	20, 000, 000	0	0	0	0
	SP. 4. Rural water infrastructure development	0	210, 950, 000	0	32, 092, 134	0	15.2
Programme 6.		**0**	**11, 600, 000**	**0**	**0**		
	SP. 2. Afforestation and Agro- forestation	0	5, 000, 000	0	0	0	0
	SP. 3. Catchment & watershed conservation	0	6, 600, 000	0	0	0	0
Programme 7.		**0**	**486, 101, 083**	**0**	**46, 840, 140**		
	SP. 1. Climate change mitigation & resilience	0	486, 101, 083	0	46, 840, 140	0	9.6

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 8.		**0**	**57, 400, 000**	**0**	**0**	**0**	
	SP. 1. Irrigation infrastructure development	0	5, 000, 000	0	0	0	0
	SP. 2. Irrigation farmer & institution support	0	2, 000, 000	0	0	0	0
	SP. 3. Renewable energy technology	0	13, 500, 000	0	0	0	0
	SP. 4. Rural electrification	0	36, 900, 000	0	0	0	0
	Subtotal	**136, 125, 655**	**786, 051, 083**	**10, 736, 793**	**78, 932, 274**	**7.9**	**10.0**
Department of Health Services.							
Programme 1.		**2,051,873,319**	**0**	**697, 298, 515**	**0**		
	S.P. 1. General administration & support services	2,051,873,319	0	697, 298, 515	0	34.0	0
Programme 5.		**0**	**241, 000, 000**	**0**	**21, 379, 798**		
	SP. 1. Diagnostic services in higher-level facility	0	10, 000, 000	0	7, 991, 978	0	80.0
	SP. 3. Infrastructure development tier 3 facilities	0	191, 000, 000	0	5, 299, 495	0	2.8
	SP. 4. Ambulance and referral services	0	15, 000, 000	0	0	0	0
	SP. 5. Higher level hospital equipment	0	25, 000, 000	0	8, 088, 325	0	32.4
Programme 6.		**0**	**137, 300, 000**	**0**	**4, 384, 810**	**0**	
	SP. 8. Infrastructure development in tier 2 level	0	132, 900, 000	0	0	0	0
	SP. 9. Lower-level hospital equipment	0	4, 400, 000	0	4, 384, 810	0	99.7
	Subtotal	**2,051,873,319**	**378, 300, 000**	**697, 298, 515**	**25, 764, 608**	**34.0**	**6.8**
Department of County Public Service Board.							
Programme 1.		**119, 308, 935**	**0**	**27, 635, 302**	**0**		
	SP. 1. General administration & support services	119, 308, 935	0	27, 635, 302	0	23.2	0
	Subtotal	**119, 308, 935**	**0**	**27, 635, 302**	**0**	**23.2**	**0**
Department of Office of the Governor.							
Programme 1.		**296, 330, 901**	**0**	**93, 107, 687**	**0**		
	SP. 1. General administration & support services	296, 330, 901	0	93, 107, 687	0	31.4	0
Programme 14.		**0**	**28, 000, 000**	**0**	**0**	**0**	**0**
	S.P. 1. Disaster preparedness	0	28, 000, 000	0	0	0	0
	Subtotal	**296, 330, 901**	**28, 000, 000**	**93, 107, 687**	**0**	**31.4**	**0**
Department of County Assembly.							

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 1.		**891, 698, 127**	**40, 000, 000**	**389, 784, 822**	**23, 895, 650**		
	SP. 1. General administration & support services	891, 698, 127	0	389, 784, 822	0	43.7	0
	SP. 2. Infrastructure development	0	40, 000, 000	0	23, 895, 650	0	59.7
	Subtotal	**891, 698, 127**	**40, 000, 000**	**389, 784, 822**	**23, 895, 650**	**43.7**	**59.7**
Department of County Attorney.							
Programme 1.		**85, 489, 885**	**0**	**20, 201, 502**	**0**		
	SP. 1. Administration support & services	85, **489, 885**	0	20, 201, 502	0	23.7	0
	Subtotal	**85, 489, 885**	**0**	**20, 201, 502**	**0**	**23.7**	**0**
Strategic partnership and digital economy.							
Programme 1.		**48, 076, 677**	**0**	**2, 576, 712**	**0**		**0**
	SP. 1. General administration & support services	48, 076, 677	0	2, 576, 712	0	5.4	0
Programme 18.		**0**	**6, 000, 000**	**0**	**0**	**0**	**0**
	SP. 1. ICT	0	6, 000, 000	0	0	0	0
	Subtotal	**48, 076, 677**	**6, 000, 000**	**2, 576, 712**	**0**	**5.4**	**0**
Grand Total		**6,510,720,576**	**2,803,197,548**	**1,979,323,631**	**647, 270, 957**	**30**	**23**

Source: *Busia County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: lower-level hospital equipment in the Department of Health and Sanitation at 100 per cent, diagnostic services in higher-level hospitals in the Department of Health and Sanitation at 80 per cent, market modernisation and development in the Department of Trade, Cooperative, Tourism and Industry at 73 per cent and Infrastructure Development in the County Assembly at 60 per cent of budget allocation.

3.4.14 Accounts Operated Commercial Banks

The County Government operated thirteen accounts with commercial banks, including five accounts for Health Facilities, two accounts for Established Funds, one revenue account, two special purpose accounts (additional allocations), and two imprest accounts.

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.

3.4.15 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 underperformance of own-source revenue at Kshs.141.06 million against an annual target of Kshs.647.00 million, representing 22 per cent of the yearly target.
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 Fund reports were not submitted to the Controller of Budget as of 15 January 2025.
iii. High pending bills amounted to Kshs.2.04 billion as of 31 December 2024. Further, the county executive did not adhere to the payment plan for the pending bills.
iv. Use of manual payroll. Personnel emoluments amounting to Kshs.122.71 million 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.

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 operational purposes.

vi. The programmes and sub-programmes in Table 3.35 were not aligned with the approved budget for each Department; for example, the IFMIS data does not capture programmes under respective departments but only at the sub-programme level.

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 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 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.*

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.*

vi. *The County Treasury must ensure compliance with the approved programme and sub-programmes in the approved county government budget.*

3.5. County Government of Elgeyo Marakwet

3.5.1 Overview of FY 2024/25 Budget

The Elgeyo Marakwet County approved FY 2024/25 budget is Kshs.6.29 billion. It comprises Kshs.2.29 billion (36 per cent) and Kshs.4.00 billion (64 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs.0.5 billion (7 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.2.55 billion and a recurrent budget of Kshs.4.24 billion. The decrease in the budget was attributed to the decline in the expected total revenue.

The budget will be financed from different sources of revenue. These include; Kshs.4.87 billion (77 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.12 billion as additional allocation/Conditional grant (18 per cent), and Kshs.300.78 million (5 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.195.0 million (3 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.105.78 million (2 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.37.

3.5.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.2.56 billion to fund its development and recurrent activities. This amount consisted of Kshs.2.00 billion from the equitable share of revenue raised nationally and its own-source revenue (OSR) collection of Kshs.179.31 billion. In addition, the County had a cash balance of Kshs.384.12 billion from FY 2023/24.

The total OSR collection of Kshs.179.31 billion includes Facilities Improvement Financing (FIF) of Kshs.150.57 million, and Kshs.28.74 million as ordinary OSR. Table 3.37 summarises the total revenue available to the County Government during the first half of FY 2024/25.

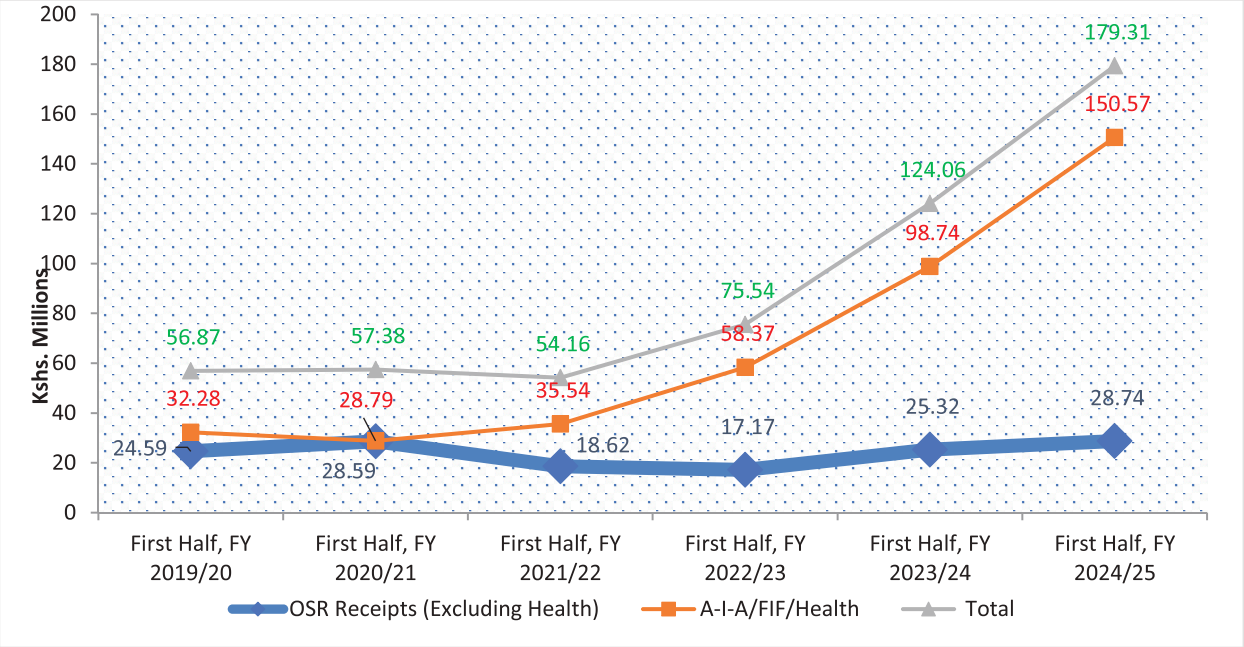
Table 3.37: Elgeyo Marakwet County, Revenue Performance in the First Half of FY 2024/25

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 -**	**4,873,385244**	**2,003,093,843**	**41**
	Subtotal			
B	**Additional Allocations**			
	DANIDA	5,947,500	-	-
	Kenya Livestock Commercialization Project	40,150,000	-	-
	Emergency Locust Response Project	121,025,000	-	-
	Food Systems Resilience Project (FSRP)	173,076,923	-	-
	Kenya Informal Settlement Improvement Program	278,419,270	-	-
	County Integrated Industrial Park	250,000,000	-	-
	Kenya Urban Support Program	35,000,000	-	-
	Kenya Devolution Support Program (KDSP)II	37,500,000	-	-
	Community Health Promoters	29,142,734	-	-
	Roads Maintenance Levy Fund (RMLF)	150,644,148	-	-
	Subtotal	**1,120,905,575**	**-**	**-**
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	105,784,971	28,741,042	27
	Appropriation in Aid (A-I-A)	-	-	-
	Facility Improvement Fund (FIF)	195,000,000	150,570,814	77
	Subtotal	**300,784,971**	**179,311,856**	**60**
D	**Other Sources of Revenue**			
	Unspent balance from FY 2023/24	-	384,116,256	
	Other Revenues (provide a list)			
	Sub Total			
Grand Total		**6,295,075,790**	**2,566,521,955**	**41**

Source: *Elgeyo Marakwet County Treasury*

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

Figure 17: Trend in Elgeyo Marakwet County Own Source Revenue Collection



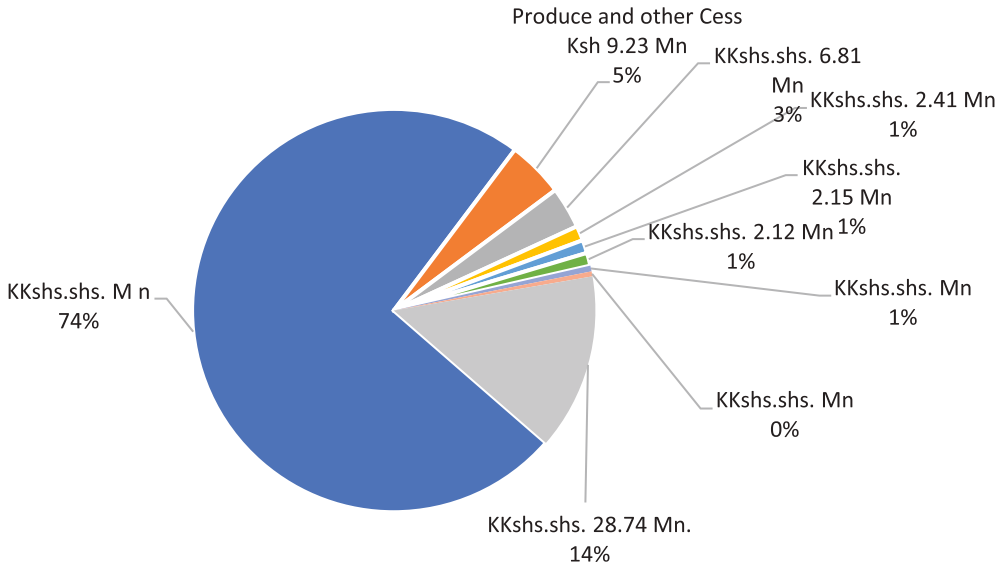
Source: *Elgeyo Marakwet County Treasury*

During the first half of FY 2024/25, the County generated Kshs.179.31 million from its revenue sources, including A-i-A and FIF. This amount was an increase of 44.5 per cent compared to Kshs.124.06 million realised in a similar period in FY 2023/24 and was 59.6 per cent of the annual target and 8.9 per cent of the equitable revenue share disbursed. The OSR includes revenue arrears and penalties on fees and levies from previous financial years of Kshs.0.94 million.

The increase in OSR can be attributed to ongoing automation, enhanced compliance, widening revenue streams, and implementation of the FIF Act of 2023.

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

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



Source: Elgeyo Marakwet County Treasury

The highest revenue stream, Kshs.150.57 million, was from the Facility Improvement Fund, which contributed 74 per cent of the total OSR receipts during the reporting period.

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.2.00 billion from the CRF account during the reporting period comprised Kshs.159.96 million (8 per cent) for development programmes and Kshs.1.84 billion (92 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.56 billion was released towards compensation of employees and Kshs.276.65 million for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 include the December 2024 exchequer request for the County Executive and County Assembly.

Analysis of the operations and maintenance exchequer releases indicates that 51 per cent was for domestic travel and 26 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.51.18 million and included Kshs.16.36 million for the County Executive and Kshs.34.91 million for the County Assembly. The foreign exchequer totalled Kshs.9.47 million, for the County Assembly. The County Executive did not incur any expenditure on foreign travel.

Table 3.38: County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer issues to revised budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	701.88	-	332.20	-	47.3	-
Office of the Governor and Executive Administration	143.96	6.30	70.39	-	47.8	-
Finance and Economic Planning	213.02	-	92.07	-	41.8	-
Agriculture, Fisheries and Livestock	146.92	426.85	66.99	42.88	45.4	10.1
Water, Environment, Natural Resources and Climate Change Management	44.38	247.45	17.55	57.94	39.0	20.0
Education and Technical Training	306.55	222.26	137.32	1.65	44.8	2.2
Health and Sanitation	1,805.56	223.39	785.30	7.49	43.7	3.4
Lands, Housing, Physical Planning and Urban Development	56.47	355.78	27.92	44.22	47.9	-
Roads, Public Works and Transport	112.07	413.13	50.35	5.77	50.6	1.4
Tourism, Culture, Wildlife, Trade and Industry	69.00	279.03	28.27	-	41.0	-
Youth, Affairs, Sports, ICT and Social Services	44.84	71.98	17.16	-	37.9	-
Public Service Management and County Administration	317.25	41.58	198.11	-	62.4	-
County Public Service Board	45.38	-	18.95	-	41.1	-
TOTAL	**4,007.31**	**2,287.76**	**1,842.61**	**159.96**	**46.0**	**4.8**

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

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.856.51 million.

3.5.5 County Expenditure Review

The County spent Kshs.1.96 billion on development and recurrent programmes in the reporting period. The expenditure represented 97.7 per cent of the total funds released by the CoB and comprised Kshs.110.81 million and Kshs.1.85 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 5 per cent of the annual Development expenditure Budget, while recurrent expenditure represented 46 per cent of the annual recurrent expenditure budget.

3.5.6 Settlement of Pending Bills

As of 30 June 2024, the County reported pending bills totalling Kshs.103.63 million, including Kshs.103.63 billion from the County Executive. The County Assembly did not have any pending bills. The pending bills from the County Executive consist of Kshs.92.85 million for recurrent expenditures and Kshs.10.78 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.85.74 million, comprising Kshs.85.74 million for recurrent programmes and none for development programmes. Meanwhile, the County Assembly did not have any pending bills to settle.

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 half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.85.74 million for the Executive.

As of 31 December 2024, the outstanding bills amounted to Kshs.17.89 million, comprising all from the County Executive.

3.5.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.37 billion on employee compensation, Kshs.125.58 million on operations and maintenance, and Kshs.110.80 million on development activities. Similarly, the County Assembly spent Kshs.178.52 million on employee compensation and Kshs.153.67 million on operations and maintenance, as shown in Table 3.39

Table 3.39: 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	**3,305,437,155**	**701,876,015**	**1,513,023,334**	**332,202,835**	**46**	**47**
Compensation to Employees	2,759,825,493	362,135,066	1,387,439,879	178,528,535	50	49
Operations and Maintenance	545,611,662	339,740,949	125,583,455	153,674,300	23	45
Development Expenditure	**2,287,762,620**	-	**110,804,322**	-	**5**	-
Total	**5,593,199,775**	**701,876,015**	**1,623,827,656**	**332.202,835**	**29**	**47**

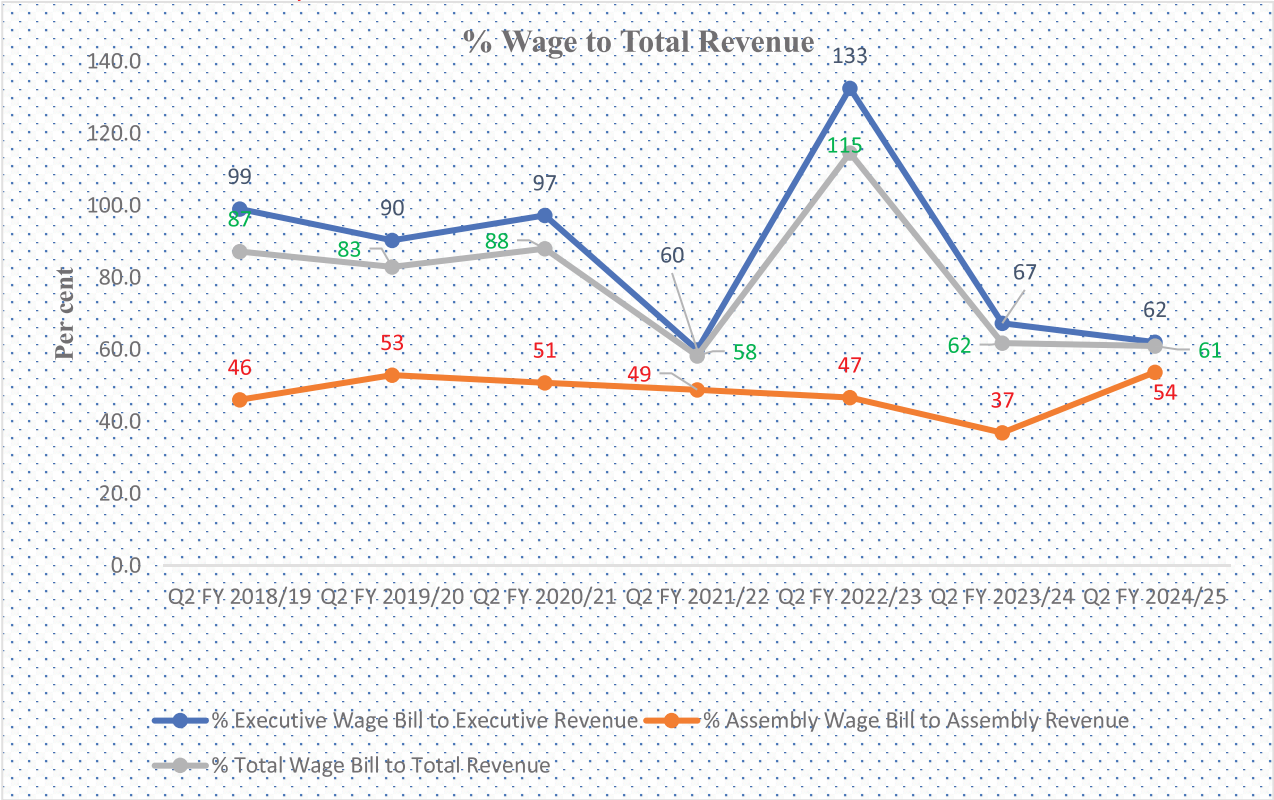
***Source**: Elgeyo Marakwet County Treasury*

3.5.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.56 billion, or 61.0 per cent of the available revenue of Kshs.2.57 billion. This expenditure represented an increase from Kshs.1.47 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.701.47million paid to the health sector employees, translating to 45.0 per cent of the total wage bill

Figure 19 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 19: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Elgeyo Marakwet County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.24 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.325.96 million was processed through manual payrolls, which accounted for 21 per cent of the total PE cost.

The County Assembly spent Kshs.15.44 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.75,715 per MCA. The County Assembly had 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, or 2.0 per cent of the County's overall budget. Further, the County allocated Kshs.3.0 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 3.40 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.40: Performance of County Established Funds in the First Half 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					
	Elgeyo Marakwet County Education Fund	101,865,154	-	-	539,606,962	YES

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 Car and Mortgage Loan Revolving Fund	-	-	-	120,000,000	Yes
	Elgeyo Marakwet County Alcoholic Drinks and Control Fund	-	-	-	4,000,000	Yes
	Emergency Fund		-	-	3,000,000	-
	County Assembly Established Funds					
	Elgeyo Marakwet County Assembly MCA's and staff Car Loan and Mortgage Fund		-	-	139,000,000	YES
	Elgwyo Marakwet (County Assembly) Catering Services Revolving Fund	-	-	-	11,000,000	YES
	Total	**101,865,154**	-	-	**816,606,962**	

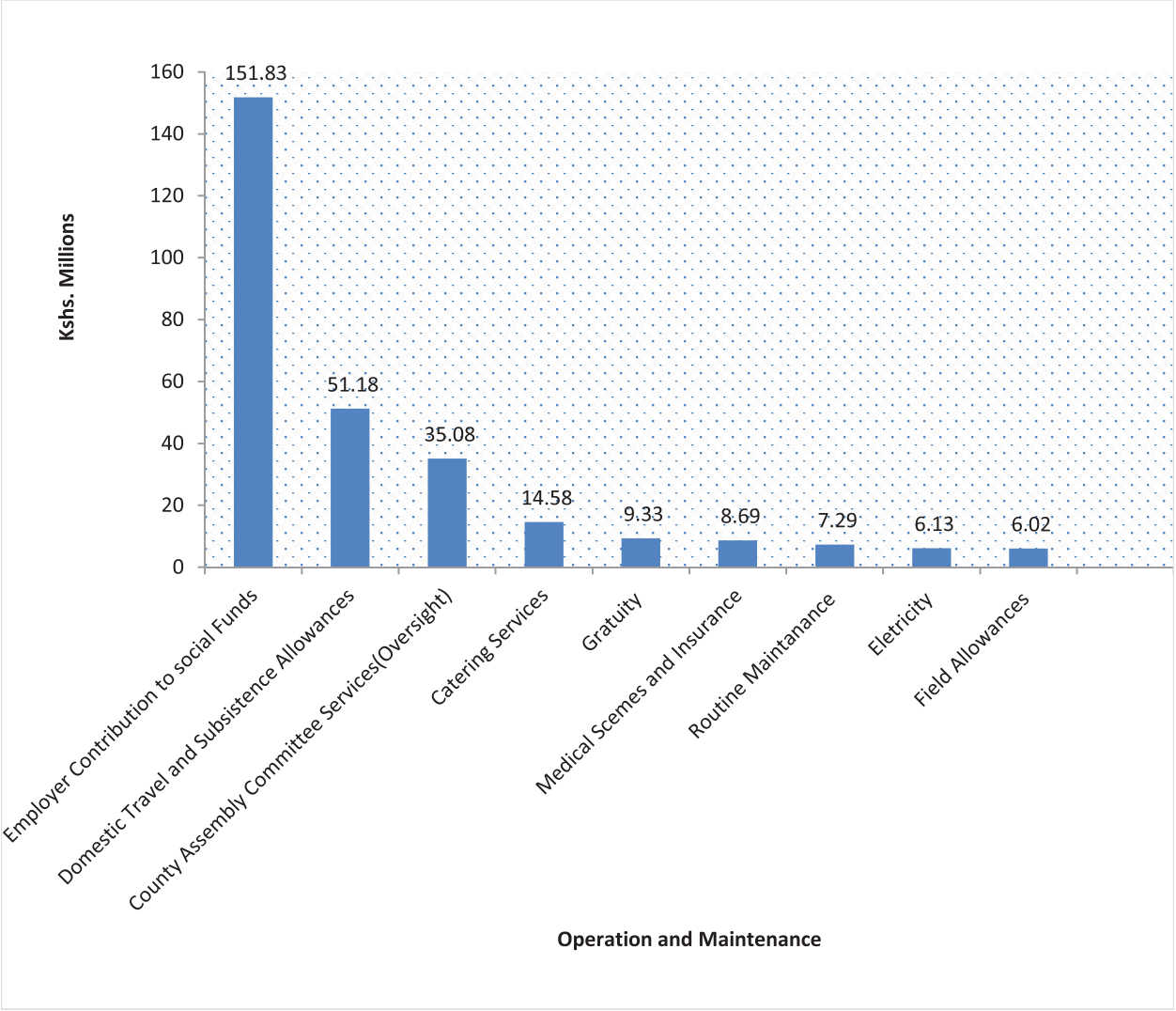
Source: *Elgeyo County Treasury*

The CoB received quarterly financial reports from all Fund Administrators during the reporting period, as indicated in Table 3.40. The Elgeyo Marakwet Alcoholic Control Fund's administration costs 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.

3.5.10 Expenditure on Operations and Maintenance

Figure 20 summarises the Operations and Maintenance expenditure by major categories.

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



Source: *Elgeyo Marakwet County Treasury*

Expenditure on domestic travel amounted to Kshs.51.19 million and comprised Kshs.34.93 million spent by the County Assembly and Kshs.16.26 million by the County Executive. Expenditure on foreign travel amounted to Kshs.9.47 million and comprised Kshs.9.47 million by the County Assembly. Expenditure on foreign travel is summarised in Table 3.41.

Table 3.41: Summary of Highest Expenditure on Foreign Travel in the First Half 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 October to 12th October 2024	Benchmarking visit to the East African Legislative Assembly (EALA)	Arusha	4,443,185
County Assembly	12	1st December to 7th December,2024	Benchmarking Visit to Tanzania Agricultural Research Institute	Arusha	3,812,867
County Assembly	2	15th to 22nd November, 2024	East Africa County and Local Government Association Annual Assembly	Kampala	333,649
County Assembly	1	7th to 14th December,2024	Training on Effective Leadership and Management Committees	Singapore	878,442

Source: *Elgeyo Marakwet County Treasury and Elgeyo Marakwet County Assembly*

3.5.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.150.57 million as FIF, which was 77.2 per cent of the annual target of Kshs.195.0 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed regulations,2024(Waiting to be tabled at the County Assembly) 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.153.99 million, as shown in Table 3.42.

Table 3.42: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Iten County Referral Hospital	164,100,000	127,960,052	78
	Kaptatakwa Sub County Hospital	2,393,000	1,542,587	65
	Chebiemit Sub County Hospital	9,600,000	8,165,963	85
	Kamwosor Sub County Hospital	5,329,000	3,452,766	65
	Tot Sub County Hospital	2,688,000	2,653,928	99
	Tambach Sub County Hospital	4,416,000	4,268,932	97
	Kocholwo Sub County Hospital	1,343,000	1,281,000	95
	Chesoi Health Centre	431,000	180,000	42
	Chebororwa Sub County Hospital	2,400,000	2,167,336	90
	Kapcherop Sub County Hospital	2,400,000	2,315,529	97
	Total	**195,000,000**	**153,988,093**	**79**

Source: *Elgeyo County Treasury*

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

3.5.12 Development Expenditure

In the first half of FY 2024/25, the County reported spending Kshs.110.80 million on development programmes, a 15 per cent decrease compared to a similar period in FY 2023/24, when the County spent Kshs.130.0 million. Table 3.43 summarises the development projects with the highest expenditure in the reporting period.

Table 3.43: Elgeyo Marakwet 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	Water, Environment and Climate Change	Segut Community Borehole	Soy Northward	7,693,313.25	7,693,313.25	100
2	Water, Environment and Climate Change	50M Masonry Tank for Cheptangat Spring Water Project	Kapsowar Ward	4,263,447.30	4,263,447.30	100
3	Water, Environment and Climate Change	Two Aggregation Sorghum stores at Kabulwo Chief's camp	Emsoo and Arror wards	2,730,986	2,730,986	100
4	Water, Environment and Climate Change	One Aggregation Sorghum store at Kabonon/Kapkamak	Arror ward	2,735,440	2,730,440	100
5	Agriculture, Livestock, Irrigation and Fisheries	Purchase of breeding stock (Sheep)	Chepkorio ward	1,329,760	1,329,760	100

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
6	Health and Sanitation	Kipsoen Dispensary	Kamariny ward	4,589,723	4,589,723	100
7	Health and Sanitation	Chebororwa Health Centre	Cherangany/Chebororwo ward	1,499,790	1,499,790	100
8	Education	ECDE Capitation	Endo ward	3,000,000	2,899,964	100
9	Roads and Transport	Chelikta Benon Road	Kapsowar ward	2,000,000	1,919,900	100
10	Roads and Transport	Ward Roads	Kaptarakwa Ward	4,400,000	1,000,000	27

Source: *Elgeyo Marakwet County Treasury*

3.5.13 Budget Performance by Department

Table 3.44 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.44: Elgeyo-Marakwet 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	701.88	-	332.20	-	332.20	-	100	-	47	-
Office of the Governor and Executive Administration	143.96	6.30	70.39	-	68.87	-	98	-	48	-
Finance and Economic Planning	213.02	-	92.07	-	88.95	-	97	-	42	-
Agriculture, Fisheries and Livestock	146.92	426.85	66.99	47.61	66.75	43.18	100	91	45	10
Water, Environment, Natural Resources and Climate Change Management	44.38	247.45	17.55	49.52	17.31	49.52	99	100	39	20
Education and Technical Training	306.55	222.26	137.32	5.15	137.20	4.85	100	94	45	2
Health and Sanitation	1,805.56	223.39	785.30	7.69	788.40	7.49	100	100	44	3
Lands, Housing, Physical Planning and Urban Development	56.47	355.78	27.92	44.22	27.05	-	97	-	48	-
Roads, Public Works and Transport	112.07	413.13	50.35	5.77	56.69	5.77	113	100	51	1
Tourism, Culture, Wildlife, Trade and Industry	69.00	279.03	28.27	-	28.30	-	100	-	41	-
Youth, Affairs, Sports, ICT and Social Services	44.84	71.98	17.16	-	17.01	-	99	-	38	-

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 Service Management and County Administration	317.25	41.58	198.11	-	197.86	-	100	-	62	-
County Public Service Board	45.38	-	18.95	-	18.63	-	98	-	41	-
TOTAL	**4,007.31**	**2,287.76**	**1,842.61**	**159.96**	**1,845.23**	**110.80**	100	69	46	5

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

Analysis of expenditure by departments shows that the Department of Roads, Public Works and Transport, Water, Environment, Natural Resources and Climate Change and the Department of Health and Sanitation recorded the highest absorption rate of development budget at 100 per cent, followed by the Department of Agriculture, Livestock, and Fisheries at 90.7 per cent. The Department of Roads, Public Works, and Transport had the highest percentage of recurrent expenditure to budget at 113 per cent, while the Department of Youth Affairs, Sports, ICT and Social Services had the lowest at 38 per cent.

The County treasury explained that the variances were caused by payments that had been validated at IFMIS, but funds had not yet been requisitioned,

3.5.14 Budget Execution by Programmes and Sub-Programmes

Table 3.45 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.45: Elgeyo Marakwet County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates (Kshs. Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%) (Kshs.Million)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Department Office of the Governor and Executive Administration						
Programme: General Administration and support services	General Administration support	141.47	-	68.15	-	48	-
	Disaster Management,	1.00	6.30	0.28	-	28	-
	peacebuilding and conflict resolution						
	Governance	1.50	-	0.45	-	30	-
	Sub Total	**143.97**	**6.30**	**68.88**	**-**		**-**
	Department County Assembly						
Legislation and Representation	Legislation and Representation	332.51	-	70.67	-	21	-
Legislative Oversight	Legislative Oversight	70.18	-	63.38	-	90	-
	Sub-programme						
General Administration and Support Services	General Administration	299.19	-	198.15	-	66	-
	Sub-Total	**701.88**	**-**	**332,20,835**	**-**		**-**
	Department of Finance and Economic Planning						

Programme	Sub-Programme	Approved Estimates (Kshs. Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%) (Kshs.Million)	
		Rec	Dev	Rec	Dev	Rec	Dev
General administration and support services	Finance and Planning Headquarters	200.01	-	86.14	-	43	-
	Economic Planning and Budgeting	2.11	-	1.24	-	59	-
	Accounting Services	1.53	-	0.25	-	16	-
	Supply Chain Management	1.23	-	0.24	-	19	-
	Revenue Management Services	8.15	-	1.08	-	13	-
	Sub-Total	**213.02**	**-**	**88.96**	**-**	**-**	**-**
	Department: Agriculture, Livestock, Fisheries and Irrigation						
General Administration and support services	General administration	146.92	-	66.76	-	45	-
Crop Development	Agriculture extension and training	-	295.10	-	38.26	-	13
Crop Development	Crop Commercialisation	-	23.15	-	3.60	-	16
Irrigation Development	Irrigation Development	-	10.40	-	-	-	-
Livestock Development	Livestock extension and training	-	40.15	-	-	-	-
Livestock Development	Livestock Commercialisation	-	29.69	-	1.33	-	4
Veterinary Services	Livestock Disease Control	-	24.46	-	-	-	-
Veterinary Services	Breeding		3.90	-	-	-	-
	Sub-Total	**146.92**	**426.85**	**66.76**	**43.19**	**-**	**-**
	Department: Water, Environment and Climate Change Management						
General Administration and support services	General administration and support services	44.38	-	17.31	-	39	-
Water services	Water services	-	203.10	-	8.94	-	4
Environmental Management	Environmental management	-	0.50	-	-	-	-
Climate Change Management	Climate change management	-	43.85	-	40.57	-	93
	Sub-Total	**44.38**	**247.45**	**17.31**	**49.52**	**-**	**-**
	Education and Technical Training						
General administration and support services	General Administration and support services	306.55	-	137.20	-	45	-
	Pre-primary infrastructure development	-	63.21	-	4.85	-	8
	Pre-primary Quality control	-	24.98	-	-	-	-
	VTC infrastructure development	-	32.20	-	-	-	-
	VCT Quality control and support	-	101.87	-	-	-	-
	Sub-Total	**306.55**	**222.39**	**137.20**	**4.85**	**-**	**-**
	Department: Health and Sanitation						

Programme	Sub-Programme	Approved Estimates (Kshs. Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%) (Kshs.Million)	
		Rec	Dev	Rec	Dev	Rec	Dev
General Administration and support services	General Administration and support services	1,805.60	-	788.37	-	44	-
	Community and Environmental Health	-	131.60	-	2.90	-	2
	Health Services	-	91.78	-	4.59	-	5
	Sub-Total	**1,805.60**	**223.39**	**788.37**	**7.49**	**-**	**-**
	Department: Lands, Physical Planning, Housing and Urban Development						
General Administration and Support services	General Administration and support services	56.47	-	27.05	-	50	-
	Energy	-	12.86	-	-	-	-
	Solid waste management	-	0.50	-	-	-	-
	County public land management	-	20.45	-	-	-	-
	Physical Planning	-	8.55	-	-	-	-
	Urban Infrastructure	-	313.42	-	-	-	-
	Sub- Total	**56.47**	**355.78**	**27.05**			
	Department: Roads, Public Works and Transport						
General Administration and support services	General administration and support services	108.37	-	55.89	-	52	-
Roads Improvement	Rural roads work	-	412.63	-	5.77	-	1
Public works	Public works	1.05	0.50	-	-	-	-
Transport Services	Transport services	2.64	-	-	-	-	-
	Sub Total	**112.07**	**413.13**	**55.89**	**5.77**	**-**	**-**
	Department: Co-operatives, Trade, Industry, Tourism and Wildlife						
General administration and support services	General administration and support services	68.90	-	28.30	-	41	-
	Co-operative development	-	23.90	-	-	-	-
	Tourism Development	-	1.92	-	-	-	-
	Trade and Enterprise development	0.10	253.21	-	-	-	-
	Sub Total	**69.00**	**279.03**	**28.30**	**-**	**-**	**-**
	Department: Sports, Youth Affairs, ICT and Social Services						
General Administration and support services	General administration and support services	44.84	-	17.01	-	38	-
	Sports infrastructure development	-	8.78	-	-	-	-
	Sports Talent promotion	-	25.21	-	-	-	-
	Social Empowerment	-	10.45	-	-	-	-
	Social protection	-	5.66	-	-	-	-
	Wezesha	-	21.89	-	-	-	-
	Sub Total	**44.85**	**72.00**	**17.01**	**-**	**-**	**-**
	Department: Public Service Management and County Administration						
General Administration and support services	General administration and support services	37.50	8.50		-	-	-
	ICT services	277.59	-	197.86	-	71	-
	County administration and Devolution	2.16	33.08	-	-	-	-
	Sub Total	**317.25**	**41.58**	**197.86**	**-**	**-**	**-**
	Department: County Public Service Board						

Programme	Sub-Programme	Approved Estimates (Kshs. Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%) (Kshs.Million)	
		Rec	Dev	Rec	Dev	Rec	Dev
General Administration and support	General Administration and support services	45.38	-	18.63	-	41	-
	Grand Total	**4,007.31**	**2,287.76**	**1,845.23**	**110.80**	**-**	**-**

Source: Elgeyo-Marakwet County Treasury

Sub-programmes with the highest levels of implementation based on absorption rates were Climate change management in the Department of Water, Environment and Climate Change at 93 per cent, Legislative Oversight in the County Assembly at 90 per cent, ICT Services in the Department of Public Service Management and County Administration at 71 per cent, and General Administration and planning in the County Assembly at 66 per cent of budget allocation.

3.5.15 Accounts Operated Commercial Banks

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.

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.

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. 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 20 January 2025
ii. Use of manual payroll. Personnel emoluments amounting to Kshs.325.96 million were processed through manual payroll, accounting for 20.8 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.
iii. Excessive foreign travel by the County Assembly is not prudent.
iv. Under budgeting for Emergency funds contrary to Section 110 of the PFM Act,2012.

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 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.*
iii. *The County Assembly should curb excessive foreign travel and train locally, if necessary, to conserve resources for development purposes.*
iv. *The County should consider allocating funds for the Emergency Fund in their subsequent supplementary in the requirements of Section 110 of the PFM Act, 2012*

3.6. County Government of Embu

3.6.1 Overview of FY 2024/25 Budget

The Embu County Approved FY 2024/25 budget is Kshs.7.37 billion. It comprises Kshs.2.26 billion (31 per cent) and Kshs.5.12 billion (69 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs.579.86 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 decrease in the county government budget was attributed to not factoring the FY 2023/24 cash balances in the budget. The County's Net Approved Budget is Kshs.6.87 billion, which consists of Kshs.4.62 billion for recurrent and Kshs.2.26 billion for development.

The Embu County Government budget will be financed from different sources of revenue. These include Kshs.5.55 billion (73 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.824.65 million as additional allocations, and Kshs.1.00 billion (14 per cent) generated as gross own source revenue. The own source revenue includes Kshs.47.37 million (1 per cent) as Appropriations-in-Aid (A-I-A), Kshs.498.26 million (7 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.454.38 million (6 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.46.

3.6.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.2.97 billion to fund its development and recurrent activities. This amount consisted of Kshs.2.66 billion from the equitable share of revenue raised nationally and its own-source revenue (OSR) collection of Kshs.318.21 million.

The total OSR collection of Kshs.318.21 billion includes Appropriations in Aid (AIA) of Kshs.526.02 thousand, Facilities Improvement Financing (FIF) of Kshs.197.28 million, and Kshs.120.41 million as ordinary OSR. Table 3.46 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.46: Embu County, Revenue Performance in the First Half of FY 2024/25

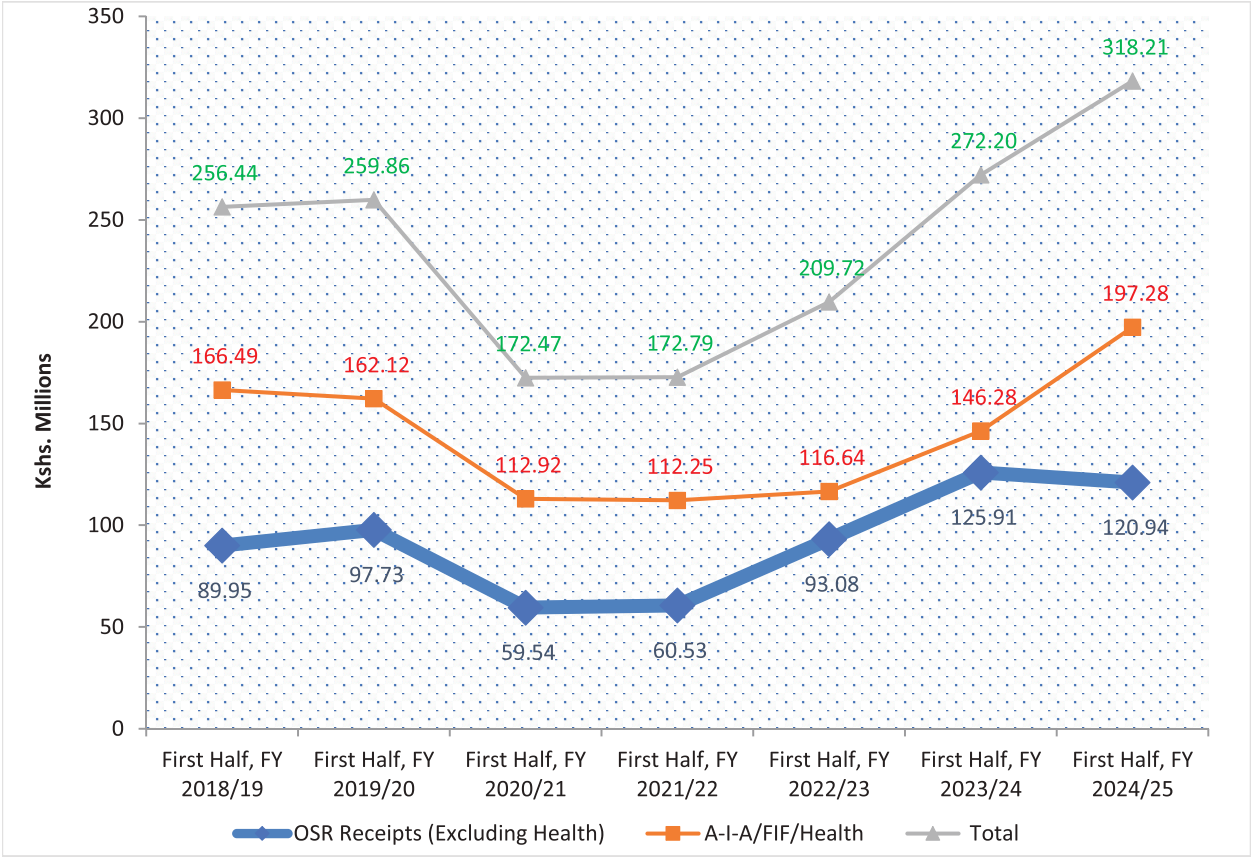
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	5,548,094,359	2,655,852,188	47.9
Sub Total		**5,548,094,359**	**2,655,852,188**	**47.9**
B	**Conditional Grants**			
1	Conditional Allocation for National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	0	0.0
2	DANIDA Grant To Finance Primary Health Care in a Devolved Context	6,630,000		
3	Conditional Additional Allocation for Community Health Promoters	60,300,000		
4	Financing Locally Led Climate Action (FLLoCA)- County Climate Resilience Investment (CCRI) Grant	137,500,000		
5	Emergency Locust Response Project (ELRP)	104,600,000		
6	Aquaculture Business Development Project (ABDP)	10,237,551		
7	Kenya Devolution Support Programme II	37,500,000		
8	Kenya Urban Support Programme-Urban Institutional Grants	35,000,000		
9	Kenya Urban Support Programme-Urban Development Grants	52,595,562		

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
10	Kenya Agricultural Business Development Project (KABDP)	10,918,919		
11	Conditional Additional Allocation for Maintenance of County Roads from the Road Maintenance Levy Fund (RMLF)	211,127,369		
12	Unspent Funds for the Youth Climate Action Fund Grant	6,724,310		
Sub-Total		**824,648,863**		
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	454,377,354	120,411,248	26.5
2	Balance b/f from FY2023/24			
3	Facility Improvement Fund (FIF)	498,255,343	197,275,093	39.6
4	Other Revenues			
5	Appropriation in Aid (AIA)	47,367,303	526,029	1.1
Sub Total		**1,000,000,000**	**318,212,370**	**31.8**
Grand Total		**7,372,743,222**	**2,974,064,558**	**40.3**

Source: *Embu County Treasury*

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

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



Source: *Embu County Treasury*

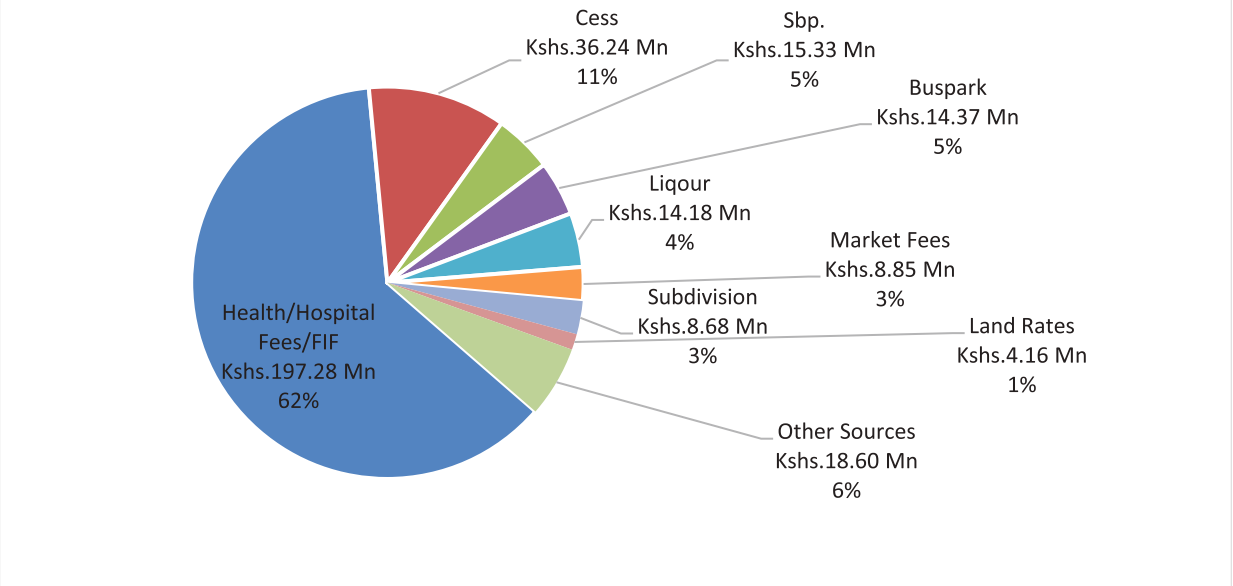
During the first half of FY 2024/25, the County generated Kshs.318.21 million from its revenue sources, including AIA and FIF. This amount was an increase of 15 per cent compared to Kshs.272.20 million realised in a similar period in FY 2023/24. It was 32 per cent of the annual target and 12 per cent 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 efficiency, transparency, and accountability in revenue collection and management.
(v) Mitigation of Revenue Leakages: Identifying and addressing potential revenue leakages through establishing robust monitoring systems, auditing procedures, and enhanced 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 aligned with fiscal objectives to ensure 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.

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



***Source**: Embu County Treasury*

The highest revenue stream, Kshs.197.28 million, was from Health/Hospital Fees/FIF, contributing 62 per cent of the total OSR receipts during the reporting period.

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.2.18 billion from the CRF account comprised Kshs.248.92 million (11 per cent) for development programmes and Kshs.1.93 billion (89 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.39 million was released towards compensation of employees and Kshs.627.97 million for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 include the December 2024 exchequer request for the County Executive and County Assembly.

Analysis of the operations and maintenance exchequer releases indicate that 6 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.102.80 million and included Kshs.36.00 million for the County Executive and Kshs.66.80 million for the County Assembly. The foreign exchequer totalled Kshs.15.16 million, comprising Kshs.2.98 million for the County Executive and Kshs.12.16 million for the County Assembly.

Table 3.47: Embu County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer Issues (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of Governor	262.68	13.00	108.50	4.38	67.39	4.38	62	100
County Public Service Board	35.85	-	13.27	-	11.83	-	89	-
Administration, Public Service, Devolution, Governance, ICT and GDU	782.73	4.00	375.95	-	209.99	-	56	-
County Assembly	705.38	100.00	297.22	7.27	297.22	7.27	100	100
Finance and Economic Planning	195.43	2.00	112.15	71.36	75.71	-	68	-
Trade, Tourism, Investment, Industrial Development and Marketing	33.00	198.72	9.33	-	10.20	71.36	109	-
Agriculture, Livestock, Blue Economy and Co-operative Development	281.87	213.62	84.08	7.99	39.39	-	47	-
Water, Irrigation, Environment, Climate Change and Natural Resources	38.25	101.92	11.95	21.70	12.32	4.00	103	18
Health	1,239.31	144.47	646.37	27.76	963.08	21.70	149	78
Embu Level 5 Hospital	337.13	90.28	2.46	56.06	4.50	27.76	183	50
Roads, Public Works, Energy and Transport	37.23	710.73	11.60	15.99	7.02	53.21	61	333
Education, Vocational Training Centres	394.30	194.60	173.84	19.50	149.58	15.99	86	82
Youth Empowerment and Sports, Gender, Culture, Children and Social Services	137.91	92.50	48.68	5.92	44.72	19.50	92	330
Lands, Mining Housing, Physical Planning, and Urban Development	60.02	107.22	25.63	-	24.06	5.92	94	-
Embu County Revenue Authority	23.50	31.00	2.85	-	6.43	-	226	-
Embu Municipality	53.97	67.60	6.00	11.00	6.00	-	100	-
Climate Change Unit	-	184.22	-	-	-	11.00	-	-
Total	**4,618.57**	**2,255.88**	**1,929.87**	**248.92**	**1,929.43**	**242.08**	**100**	**97**

***Source**: Embu County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.581.50 million.

3.6.5 County Expenditure Review

The County spent Kshs.2.17 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.234.81 million and Kshs.1.93 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 10 per cent, while recurrent expenditure represented 32 per cent of the annual recurrent expenditure budget.

3.6.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.2.4 billion as of 30th June 2024. 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 first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.527.93 million, comprising Kshs.431.05 million for recurrent programmes and Kshs.96.88 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.75.33 million for recurrent activities. 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.421.51 million and Kshs.75.33 million in the first half of FY 2024/25. However, the County did adhere to this payment plan, clearing Kshs.527.93 million for the Executive and Kshs.75.33 million for the Assembly.

As of December 31, 2024, the outstanding bills amounted to Kshs.1.78 billion for the County Executive only.

3.6.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.43 billion on employee compensation, Kshs.207.21 million on operations and maintenance, and Kshs.234.81 million on development activities. Similarly, the County Assembly spent Kshs.139.90 million on employee compensation, Kshs.157.32 million on operations and maintenance, and Kshs.7.27 million on development activities, as shown in Table 3.48.

Table 3.48: 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	**4,410,511,228**	**706,347,072**	**1,632,217,140**	**297,215,437**	**37**	**42**
Compensation to Employees	3,091,323,281	355,952,928	1,425,006,312	139,896,587	46	39
Operations and Maintenance	1,319,187,947	350,394,144	207,210,829	157,318,850	16	45
Development Expenditure	**2,155,884,922**	**100,000,000**	**234,807,541**	**7,270,698**	**11**	**7**
Total	**6,566,396,150**	**806,347,072**	**1,867,024,681**	**304,486,135**	28	38

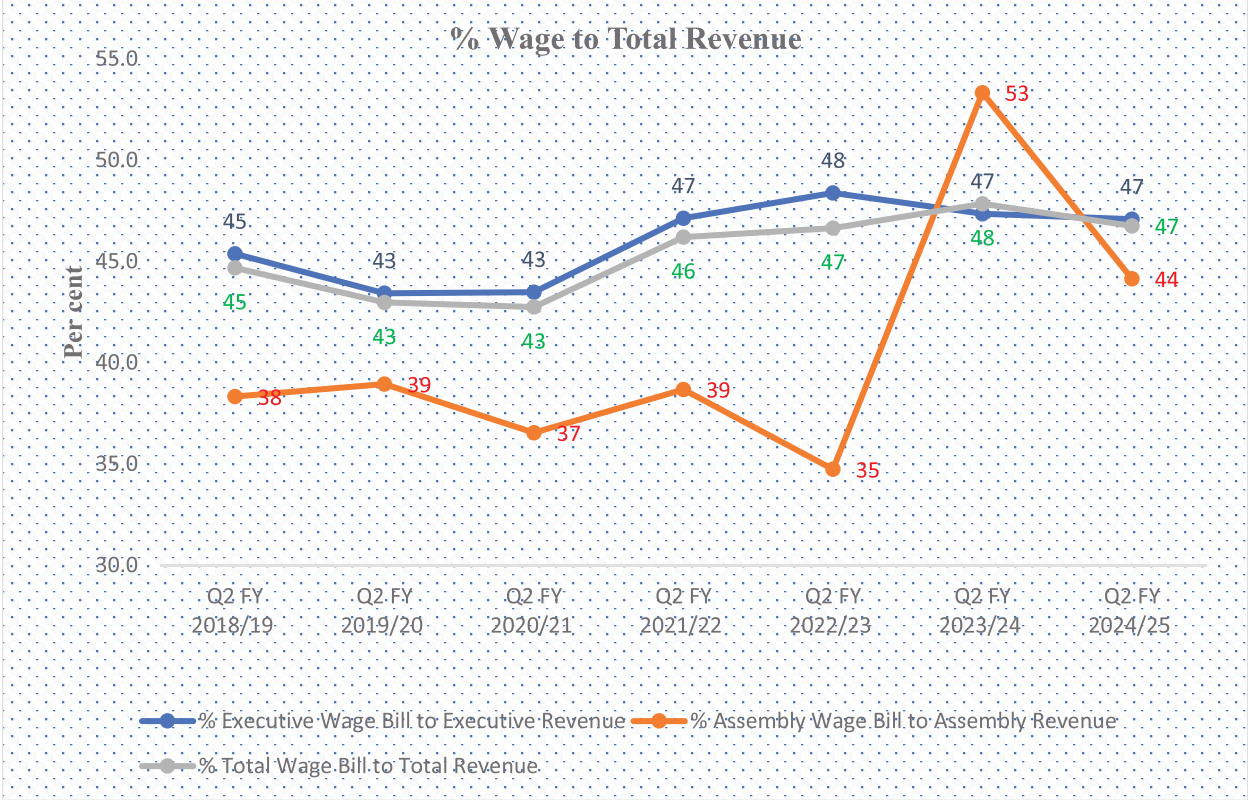
***Source**: Embu County Treasury*

3.6.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.56 billion, or 46 per cent of the available revenue of Kshs.2.97 billion. This expenditure represented a decrease from Kshs.1.66 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.950.75 billion paid to the Health Sector employees, translating to 61 per cent of the total wage bill.

Figure 23 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 23: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: *Embu County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.56 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.34.73 million was processed through manual payrolls, which accounted for 2 per cent of the total PE cost.

The County Assembly spent Kshs.11.40 million on committee sitting allowances for the 31 MCAs against the annual budget allocation of Kshs.28.60 million. The average monthly sitting allowance was Kshs.122,608 per MCA. The County Assembly had 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. The County allocated Kshs.307.22 million to County-Established funds in FY 2024/25, or 4 per cent of the County's overall budget. Further, the County allocated Kshs.8.00 million to the Emergency Fund (less than 1per cent of the total budget), which is not in line with Section 110 of the PFM Act, 2012.

Table 3.49 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.49: Performance of County Established Funds in the First Half of FY 2024/25

S/No.	Name of the Fund	Vote	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 30th September 2024 (Yes/No.)
i) **County Executive Established Funds**						
1	Embu County Education Support Fund	Development	105,000,000	0	0	Yes

S/No.	Name of the Fund	Vote	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 30th September 2024 (Yes/No.)
2	Embu County Emergency Fund	Development	8,000,000	0	0	Yes
3	Embu County Climate Change Fund	Development	184,224,310	11,000,000	11,000,000	Yes
Sub-Total			**297,224,310**	**11,000,000**	**11,000,000**	
ii) **County Assembly Established Funds**						
1	County Assembly of Embu Car Loan and Mortgage (MCAs)	Recurrent	10,000,000	0	0	Yes
Sub-Total			**10,000,000**	**0**	**0**	
TOTAL			**307,224,310**	**11,000,000**	**11,000,000**	

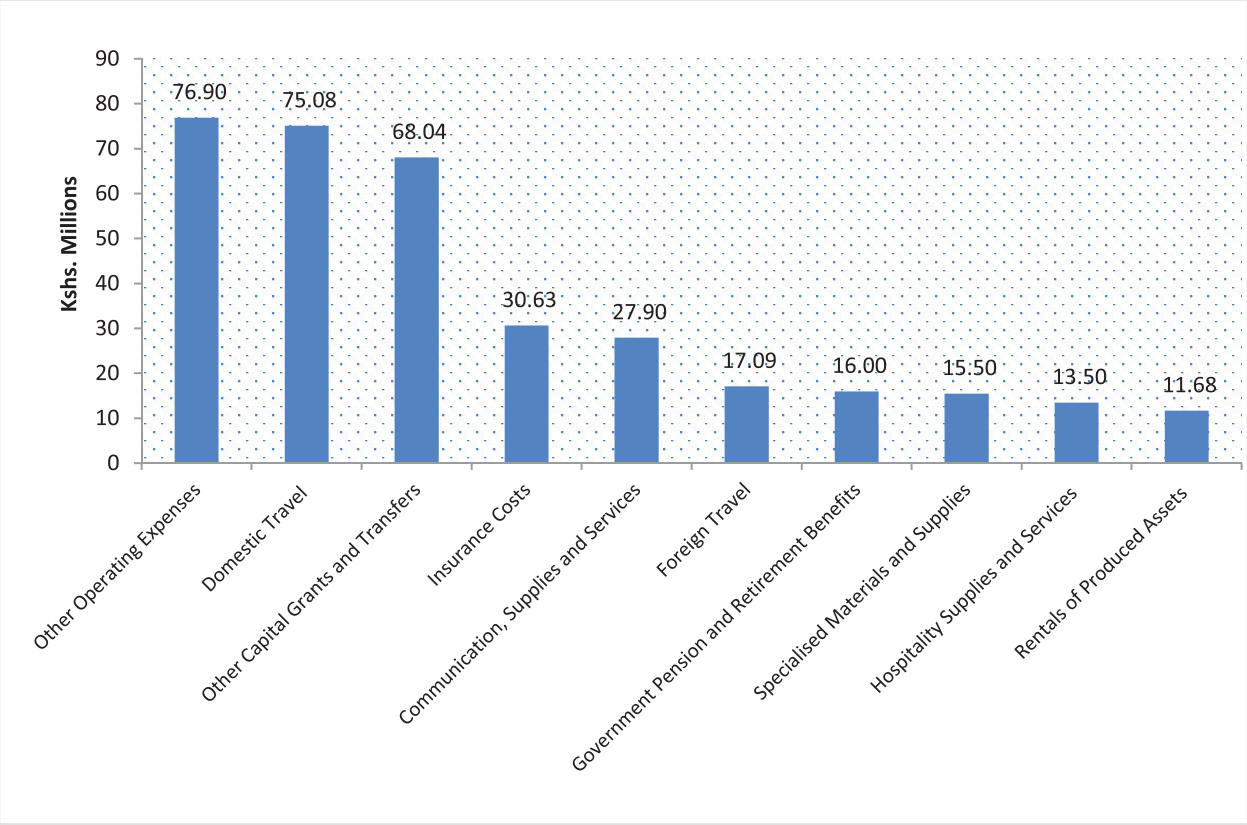
Source: *Embu County Treasury*

During the reporting period, the CoB did receive all the quarterly financial reports from the 4 Fund Administrators, as indicated in Table 3.49.

3.6.10 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.75.08 million and comprised Kshs.61.12 million spent by the County Assembly and Kshs.13.96 million by the County Executive. Expenditure on foreign travel amounted

to Kshs.15.60 million and comprised Kshs.12.63 million by the County Assembly and Kshs.2.98 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.50.

Table 3.50: Summary of Highest Expenditure on Foreign Travel in the First Half of FY 2024/25

S/No.	Arm of County Government	No. of Officers Travelled	Dates Travelled	Purpose of the Travel	Destination	Total Costs of the Travel (Kshs.)
1	County Executive	3	11th to 22nd November 2024	COP29 held in Baku, Azerbaijan	Baku in Azerbaijan	2,978,500
2	County Assembly	41	9th to 13th September 2024	To train participants in Legislative Competences Training by the Center for Parliamentary Studies.	Arusha, Tanzania	12,625,181
	TOTAL					**15,603,681**

Source: *Embu County Treasury and Embu County Assembly*

Table 3.51: Breakdown of Other Operating Expenses Items with Expenditure

Department	Item-Source	Title and Details	FY 2024/2025 Approved Budget	Cumulative Expenditure	Balance of Approved Budget	Absorption (%)
County Assembly	2211399-00001001-0723013660-36600001	General Office Operations	24,000,000	12,062,734	24,000,000	50.3
Youth Empowerment and Sports and Gender Empowerment	2211399-00001001-905013660-36600001	KICOSCA Games	8,000,000	8,000,000	0	100.0
County Assembly 2211399-00001001-0723013660-36600001 CASA Games-General Administration				10,632,000 5,343,791 10,632,000		50.3
Youth Empowerment and Sports and Gender Empowerment	2211399-00001001-905013660-36600001	County Sports Tournaments and League Support	3,575,717	3,575,717	0	100.0
Education, Science and Technology	2211399-00001001-0508013660-36600001	Service Charge for the Digital Learning Programme	3,000,000	3,000,000	406,501	100.0
Youth Empowerment and Sports and Gender Empowerment-Youth Empowerment and Sports	2211399-00001001-905013660-36600001	Boda Afya Na Karinda	5,000,000	3,000,000	4,000,000	60.0
County Assembly	2211399-00001001-0723013660-36600001	Oversight and Public Participation	5,400,000	2,714,115	5,400,000	50.3
County Assembly	2211399-00001001-0723013660-36600001	Staff Team Building Activities	4,417,260	2,220,176	4,417,260	50.3
County Assembly	2211399-00001001-0723013660-36600001	CASA Games- Legislature	4,368,000	2,195,418	4,368,000	50.3
Lands, Physical Planning and Urban Development & Water	2211399-00001001-0101023660-36600001	Planning, Surveying and Allocation of Market Plots	2,000,000	2,000,000	0	100.0
Trade Tourism Investment and Industrialization	2211399-00001001-0301013660-36600001	Investment Corporation Activities	2,000,000	2,000,000	0	100.0
Education, Science and Technology	2211399-00001001-0508013660-36600001	School Co-Curricular Activities (ECDE/Youth Polytechnics)	1,800,000	1,800,000	380,080	100.0
Office of Governor	2211399-00001001-0701013660-36600001	Public Participation	5,000,000	1,749,100	3,650,000	35.0
Youth Empowerment and Sports and Gender Empowerment	2211399-00001001-905013660-36600001	Preparation of the Sports Policy	1,500,000	1,500,000	0	100.0
Finance and Economic Planning.	2211399-00001001-0701013660-36600001	Monitoring And Evaluation	3,000,000	1,499,993	3,000,000	50.0
County Assembly	2211399-00001001-0723013660-36600001	Non-Current Asset Valuation	2,800,000	1,407,319	2,800,000	50.3

Department	Item-Source	Title and Details	FY 2024/2025 Approved Budget	Cumulative Expenditure	Balance of Approved Budget	Absorption (%)
Lands, Physical Planning and Urban Development & Water	2211399-00001001-0101023660-36600001	Delineation Of Runyenjes Municipality-Runyenjes Central	1,500,000	1,385,500	114,500	92.4
Lands, Physical Planning and Urban Development & Water	2211399-00001001-0101023660-36600001	Policy And Legal Framework (Land Use Policy, Mining Policy and Housing Policy)	1,100,000	1,100,000	0	100.0
Education, Science and Technology	2211399-00001001-0508013660-36600001	Monitoring And Evaluation of VTCs and ECDEs	1,000,000	1,000,000	0	100.0
Youth Empowerment and Sports and Gender Empowerment	2211399-00001001-905013660-36600001	Preparation of the Embu Youth Service Policy	1,000,000	1,000,000	0	100.0
Finance and Economic Planning.	2211399-00001001-0701013660-36600001	Resource Mobilisation Activities	2,000,000	999,996	2,000,000	50.0
County Assembly	2211399-00001001-0723013660-36600001	Fringe Benefits	1,600,000	804,182	1,600,000	50.3
Office of Governor	2211399-00001001-0701013660-36600001	Corporate Communications/Public relation Consultancy	2,200,000	640,900	1,559,100	29.1
Trade Tourism Investment and Industrialization	2211399-00001001-0301013660-36600001	Liquor Activities, Including Inspection and Licensing	2,800,000	602,200	2,197,800	21.5
County Assembly	2211399-00001001-0723013660-36600001	Audit Committee	1,000,000	502,764	1,000,000	50.3
Lands, Physical Planning and Urban Development & Water	2211399-00001001-0101023660-36600001	Establishment Of a County Land Inventory	500,000	500,000	500,000	100.0
Lands, Physical Planning and Urban Development & Water	2211399-00001001-0101023660-36600001	Planning And Surveying of Markets -Nginda	500,000	500,000	500,000	100.0
TOTAL			**101,692,977**	**63,103,905**	**72,525,241**	**62.1**

Source: *Embu County Treasury*

The operations and maintenance costs include an expenditure of Kshs.6.19 million on legal fees/dues, arbitration and compensation payments, and legal fees. There was, however, no expenditure on garbage collection.

3.6.11 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.197.28 million as FIF, which was 40 percent of the annual target of Kshs.498.26 million. The collected amount was retained and utilised at the source in accordance with the Facility Improvement Financing Act, 2023.

The expenditure by the health facilities amounted to Kshs.197,275,093, as shown in Table 3.52.

Table 3.52: Breakdown of Expenditure by Health Facilities in the First Half 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	14,947,660	0	0
2	Embu Level 5 Hospital	329,800,000	151,379,647	46
3	Siakago Level 4 Hospital	6,878,370	6,158,244	90
4	Runyenjes Level 4 Hospital	14,322,419	9,534,513	67
5	Ishiara Level 4 Hospital	12,639,100	8,958,104	71
6	Kianjokoma Level 3 Hospital	6,691,797	2,053,371	31

S/No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
7	Karurumo Level 3 Hospital	1,978,800	1,410,759	71
8	Kanja Level 3 Hospital	1,629,600	268,010	16
9	Kigumo Level 3 Hospital	1,210,560	255,280	21
10	Kiambere Level 3 Hospital	698,400	167,994	24
11	Gategi Level 3 Hospital	1,267,771	581,010	46
12	Nembure Level 3 Hospital	1,746,000	290,322	17
13	Kithimu Level 3 Hospital	1,746,000	554,876	32
14	Karau Level 3 Hospital	1,746,000	226,603	13
15	Kairuri Level 3 Hospital	2,910,000	791,811	27
16	Kibugu Level 3 Hospital	2,910,000	498,554	17
17	Dallas Level 3 Hospital	2,910,000	1,021,755	35
18	Kiritiri Level 3 Hospital	4,656,000	2,307,011	50
19	Hospice Dispensary	358,900	19,855	6
20	Gacabari Dispensary	465,600	6,497	1
21	Gachuriri Dispensary	814,800	122,934	15
22	Kabuguri Dispensary	582,000	62,580	11
23	Kamunyange Dispensary	671,240	51,015	8
24	Kangungi Dispensary	339,500	25,938	8
25	Karurah Dispensary	302,640	41,042	14
26	Kiamuringa Dispensary	970,000	183,420	19
27	Kirathe Dispensary	310,400	50,185	16
28	Machang'a Dispensary	601,400	28,670	5
29	Mbita Dispensary	698,400	58,385	8
30	Nganduri Dispensary	814,800	84,168	10
31	Mutuobare Dispensary	349,200	26,485	8
32	Gikiiro Dispensary	465,600	35,531	8
33	Ntharawe Dispensary	349,200	22,250	6
34	Ngiori Dispensary	611,100	36,159	6
35	Ugweri Dispensary	582,000	863,144	148
36	Rukuriri Dispensary	457,840	70,164	15
37	Mugui Dispensary	541,260	40,259	7
38	Mukuuri Dispensary	768,240	110,886	14
39	Ena Dispensary	384,120	103,706	27
40	Mufu Dispensary	836,673	36,977	4
41	Njeruri Dispensary	768,240	50,835	7
42	Kathanjuri Dispensary	634,380	62,510	10
43	Gikuuri Dispensary	203,700	48,135	24
44	Kigaa Dispensary	242,112	60,790	25
45	Gichiche Dispensary	704,220	87,647	12
46	Gitare Dispensary	355,990	48,996	14
47	Nduuri Dispensary	337,560	20,109	6
48	Kasafari Dispensary	659,600	4,626	1
49	Nyagari Hospital	395,760	32,872	8
50	Kanduri Dispensary	203,700	25,245	12
51	Gatumbi Dispensary	320,100	65,454	20
52	Kithunguthia Dispensary	362,780	18,955	5

S/No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
53	Gitaraka Dispensary	455,900	35,676	8
54	Kamweli Dispensary	388,000	32,608	8
55	Karaba Dispensary	465,600	188,573	41
56	Malikini Dispensary	698,400	25,928	4
57	Mbonzuki Dispensary	698,400	54,004	8
58	Makutano Dispensary	388,000	53,994	14
59	Makima Dispensary	970,000	149,118	15
60	Mbondoni Dispensary	465,600	63,141	14
61	Riakanau Dispensary	853,600	60,705	7
62	Wachoro Dispensary	582,000	54,419	9
63	Kyenire Dispensary	620,024	63,415	10
64	Kiambere Dam Dispensary	733,320	430,124	59
65	Kathanje Dispensary	485,000	280,990	58
66	Kanyuambora Dispensary	756,600	228,802	30
67	Kamumu Dispensary	378,882	192,905	51
68	Ciakanthukuri Dispensary	280,524	31,625	11
69	Kirie Dispensary	270,630	70,724	26
70	Muthanthara Dispensary	227,921	25,370	11
71	Muchonoke Dispensary	436,500	240,714	55
72	Karerema Dispensary	254,625	49,460	19
73	Riandu Dispensary	487,231	216,994	45
74	Gatituri Dispensary	339,985	37,803	11
75	Kathangari Dispensary	814,800	145,254	18
76	Muchagori Dispensary	1,687,800	28,460	2
77	Kiriari Dispensary	349,200	33,975	10
78	Kathangariri Dispensary	1,687,800	75,732	4
79	Kangaru Dispensary	1,757,640	322,030	18
80	Kithungururu Dispensary	873,000	54,609	6
81	Karurina Dispensary	942,840	112,990	12
82	GK Prisons Dispensary	849,720	75,790	9
83	Kithegi Dispensary	931,200	111,100	12
84	Rukira Dispensary	837,498	51,514	6
85	Makengi Dispensary	1,105,800	340,626	31
86	Gatunduri Dispensary	873,000	161,162	18
87	Itabua Dispensary	232,800	66,209	28
88	Itonguri Dispensary	349,200	102,195	29
89	Kevote Dispensary	471,420	66,727	14
90	Public Health Office, Embu West	11,143,246	1,081,740	10
91	Public Health Office, Embu North	5,834,424	413,200	7
92	Public Health Office, Embu East	8,122,115	677,800	8
93	Public Health Office, Mbeere North	7,128,249	551,700	8
94	Public Health Office, Mbeere South	7,101,878	794,300	11
95	Public Health Office, Mwea	5,773,439	356,600	6
TOTAL		**498,255,343**	**197,275,093**	**40**

Source: *Embu County Treasury*

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

3.6.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.242.08 million on development programmes, an increase of 30 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.213.62 million. Table 3.53 summarises development projects with the highest expenditure in the reporting period.

Table 3.53: Embu County, List of Development Projects with the Highest Expenditure

S/No.	Sector	Project Name	Project Location		Contract Sum (Kshs.)	Amount Paid to Date (Kshs.)	Implementation Status (%)
			Ward	Sub-County			
1	Trade Tourism Investment and Industrialization	The County Aggregated and Industrial Park Project	County Wide	County Wide	100,000,000	62,631,579	62.6
2	Embu Level 5 Hospital	Completion Of Badea Block B	County Wide	County Wide	46,420,314	23,259,655	50.1
3	Education, Science and Technology	Capitation For Youth Polytechnics	County Wide	County Wide	25,000,000	15,987,644	64.0
4	Youth Empowerment and Sports	Governor's Cup Programme	County Wide	County Wide	10,000,000	10,000,000	100.0
5	Lands, Physical Planning and Urban Development & Water	Completion Of Rondisho Boundary	Mbeti North	Manyatta	5,917,717	5,917,717	100.0
6	Youth Empowerment and Sports	Sports Empowerment Programmes	County Wide	County Wide	5,000,000	5,000,000	100.0
7	Finance and Economic Planning	Clean Energy Promotion For Targeted Women Groups-(Distribution Of Jikos Energy Saving Stoves) - In All Sub-Counties	County Wide	County Wide	10,000,000	5,000,000	50.0
8	Roads, Public Works and Housing.	Rehabilitation Of Kinyago (Kagunga) Dumpsite	Mbeti North	Manyatta	4,994,264	4,994,264	100.0
9	Trade Tourism Investment and Industrialization	Construction Of Gikuuri Market	Runyenjes Central	Runyenjes	4,728,166	4,728,166	100.0
10	Office of Governor	Refurbishment Of The Liaison Office	County Wide	County Wide	5,000,000	4,378,362	87.6

Source: *Embu County Treasury*

3.6.13 Budget Performance by Department

Table 3.54 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.54: Embu 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
Office of Governor	262.68	13.00	108.50	4.38	67.39	4.38	62	100	26	34
County Public Service Board	35.85	-	13.27	-	11.83	-	89	-	33	-
Administration, Public Service, Devolution, Governance, ICT and GDU	782.73	4.00	375.95	-	209.99	-	56	-	27	-
County Assembly	705.38	100.00	297.22	7.27	297.22	7.27	100	100	42	7

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	195.43	2.00	112.15	71.36	75.71	-	68	-	39	-
Trade, Tourism, Investment, Industrial Development and Marketing	33.00	198.72	9.33	-	10.20	71.36	109	-	31	36
Agriculture, Livestock, Blue Economy and Co-operative Development	281.87	213.62	84.08	7.99	39.39	-	47	-	14	-
Water, Irrigation, Environment, Climate Change and Natural Resources	38.25	101.92	11.95	21.70	12.32	4.00	103	18	32	4
Health	1,239.31	144.47	646.37	27.76	963.08	21.70	149	78	78	15
Embu Level 5 Hospital	337.13	90.28	2.46	56.06	4.50	27.76	183	50	1	31
Roads, Public Works, Energy and Transport	37.23	710.73	11.60	15.99	7.02	53.21	61	333	19	8
Education, Vocational Training Centers	394.30	194.60	173.84	19.50	149.58	15.99	86	82	38	8
Youth Empowerment and Sports, Gender, Culture, Children and Social Services	137.91	92.50	48.68	5.92	44.72	19.50	92	330	32	21
Lands, Mining Housing, Physical Planning, and Urban Development	60.02	107.22	25.63	-	24.06	5.92	94	-	40	6
Embu County Revenue Authority	23.50	31.00	2.85	-	6.43	-	226	-	27	-
Embu Municipality	53.97	67.60	6.00	11.00	6.00	-	100	-	11	-
Climate Change Unit	-	184.22	-	-	-	11.00	-	-	-	6
Total	**4,618.57**	**2,255.88**	**1,929.87**	**248.92**	**1,929.43**	**242.08**	**100**	**97**	**42**	**11**

***Source**: Embu County Treasury*

Analysis of expenditure by departments shows that the Department of Trade, Tourism, Investment, Industrial Development and Marketing recorded the highest absorption rate of the development budget at 36 per cent, followed by the Department of Office of Governor at 34 per cent. The Department of Health had the highest percentage of recurrent expenditure to budget at 78 per cent, while Embu Level 5 Hospital had the lowest at 1 per cent.

All expenditure percentages exceeding 100 per cent for Exchequer Issues are due to delays in fund disbursement by the National Treasury, which also affects the number and timeliness of processed requisitions.

3.6.14 Budget Execution by Programmes and Sub-Programmes

Table 3.55 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.55: Embu County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%)	
OFFICE OF GOVERNOR							
General Administration Planning and Support Services	Management of County Affairs (Office of Governor)	162.56	8.05	41.70	2.71	26	-
County Leadership and Coordination	Sub-County Administration and Field Services	50.06	2.48	12.84	834,379	26	-
County Government Advisory Services	Public Sector Advisory Services (Legal, Political, and Economic Advisors)	50.06	2.48	12.84	0.83	26	-
Sub Total		**262.68**	**13.00**	**67.39**	**4.38**	**26**	**34**
COUNTY PUBLIC SERVICE BOARD							
General Administration Planning and Support Services	Recruitment and Selection, Career Management, HR Policy & Audit	15.06	0.00	4.97	0.00	33	-
General Administration Planning and Support Services	Administration of Board programmes/ Agenda	12.55	0.00	4.14	0.00	33	-
General Administration Planning and Support Services	Performance Management & Discipline	8.25	0.00	2.72	0.00	33	-
Sub Total		**35.85**	**0.00**	**11.83**	**0.00**	**33**	
ADMINISTRATION, PUBLIC SERVICE, DEVOLUTION, GOVERNANCE, ICT AND GOVERNOR'S DELIVERY UNIT							
General Administration Planning and Support Services	Service delivery and management of County Affairs	350.64	1.79	94.07	0.00	27	-
Public Service	Human Resource Development and Culture Change Management	273.36	1.40	73.34	0.00	27	-
ICT Infrastructure	ICT Infrastructure Expansion	158.74	0.81	42.58	0.00	27	-
Sub Total		**782.73**	**4.00**	**209.99**	**0.00**	**27**	**-**
COUNTY ASSEMBLY							
General Administration, Planning and Support Services	Administrative Services	210.00	29.73	88.36	0.00	42	-
General Administration, Planning and Support Services	Legislation, Representation and Legislative Oversight	210.00	29.73	88.36	0.00	42	-
General Administration, Planning and Support Services	Representation Services	210.00	29.73	88.36	0.00	42	-
General Administration, Planning and Support Services	County Assembly Infrastructure Improvement	76.36	10.81	32.13	0.00	42	-
Sub Total		**706.35**	**100.00**	**297.22**	**0.00**	**42**	**-**
FINANCE AND ECONOMIC PLANNING							
General Administration Planning and Support Services	Administration, Planning and Support Services	65.73	0.67	25.47	0.00	39	-
Economic Policy and County Planning	Economic Development Planning and Coordination	25.39	0.26	9.84	0.00	39	-
Revenue Management	Revenue Management Services	62.37	0.64	24.16	0.00	39	-
Financial Management	Control and Management of Public Finances	31.29	0.32	12.12	0.00	39	-
Monitoring and Evaluation	Monitoring and Evaluation of projects	7.58	0.08	2.94	0.00	39	-
Research and Statistics	County Database	3.07	0.03	1.19	0.00	39	-
Sub Total		**195.43**	**2.00**	**75.71**	**0.00**	**39**	**-**
TRADE, TOURISM, INVESTMENT AND INDUSTRIALISATION							

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%)	
Administrative Support Services	Administrative Support Services	2.59	15.60	0.80	5.60	31	36
Trade Development and Promotion	Trade Development and Promotion	17.21	103.64	5.32	37.21	31	36
Industrial Development and Investment	Industrial Development and Investment	7.26	43.72	2.24	15.70	31	36
Tourism Development	Tourism Development	5.94	35.77	1.84	12.84	31	36
Sub Total		**33.00**	**198.72**	**10.20**	**71.36**	**31**	**36**
AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVE DEVELOPMENT							
Administrative Support Services	Administrative Support Services	50.83	38.52	7.10	0.00	14	-
Crop Development and Management	Crop Development and Management	57.13	43.30	7.98	0.00	14	-
Agribusiness and Information Management	Agribusiness and Information Management	51.25	38.84	7.16	0.00	14	-
Livestock Resources Management and Development	Livestock Resources Management and Development	48.36	36.65	6.76	0.00	14	-
Cooperative Development and management	Strengthening the Cooperatives	43.23	32.76	6.04	0.00	14	-
Aquaculture Development and management	Fisheries Development	31.08	23.55	4.34	0.00	14	-
Sub Total		**281.87**	**213.62**	**39.39**	**0.00**	**14**	**-**
WATER, IRRIGATION, ENVIRONMENT AND NATURAL RESOURCES							
General Administration, Planning and Support Services	General Administration, Planning and Support Services	3.82	10.19	1.23	0.40	32	-
Water Service Delivery	Domestic water supply	15.30	40.77	4.93	1.60	32	-
Irrigation Development	Development of Irrigation schemes	1.91	5.10	0.62	0.20	32	-
Sanitation Services	Sanitation Services	1.91	5.10	0.62	0.20	32	-
Environmental Management and Conservation	Environmental Management and Conservation	1.91	5.10	0.62	0.20	32	-
Forestry and Landscapes Conservation	Forestry and Landscapes Conservation	1.91	5.10	0.62	0.20	32	-
Climate Change Mitigation and Adaptation	Climate Change Mitigation and Adaptation	11.47	30.58	3.70	1.20	32	-
Sub Total		**38.25**	**101.92**	**12.32**	**4.00**	**32**	**4**
HEALTH							
Curative Health Services	Primary Health Care	916.80	84.46	563.04	12.68	61	-
Preventive and Promotive Health Services	Health Promotion & Disease Control	360.75	33.23	221.55	4.99	61	-
General Administration Planning and Support Services	General Administration services	290.63	26.77	178.49	4.02	61	-
Sub Total		**1,568.18**	**144.47**	**963.08**	**21.70**	**61**	**15**
EMBU LEVEL 5 HOSPITAL							
Curative Health Services	Primary Healthcare	4.97	61.18	3.05	18.81	61	-
Preventive and Promotive Health Services	Health Promotion and Disease Control	1.36	16.81	0.84	5.17	61	-
General Administration Planning and Support Services	General Administration Services	1.00	12.29	0.61	3.78	61	-
Sub Total		**7.33**	**90.28**	**4.50**	**27.76**	**61**	**31**
INFRASTRUCTURE, PUBLIC WORKS AND HOUSING.							

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%)	
General Administration Planning and Support Services	General Administration Services	5.58	106.61	1.05	7.98	19	-
Roads Development	Rural Roads Improvement and Maintenance	14.89	284.29	2.81	21.29	19	-
Public Works	Public Works	5.58	106.61	1.05	7.98	19	-
Renewable Energy Development	Streetlights and Floodlights	7.45	142.15	1.40	10.64	19	-
Transport and Logistics	Fleet management	3.72	71.07	0.70	5.32	19	-
Sub Total		**37.23**	**710.73**	**7.02**	**53.21**	**19**	**7**
EDUCATION, SCIENCE AND TECHNOLOGY							
General Administration, Planning and Support Services	General Administration and Support Services	39.43	19.46	14.96	1.60	38	-
Access and retention in ECDE centres	Access and retention in ECDE centres	157.72	77.84	59.83	6.40	38	-
Improve Quality And Relevance Of ECDE Services	Improvement Quality And Relevance of ECDE Services	39.43	19.46	14.96	1.60	38	-
Improve on Transition from pre-primary to primary school	Improve on Transition from pre-primary to primary school	39.43	19.46	14.96	1.60	38	-
Increase access and retention in Vocational training.	Increase access and retention in Vocational training.	118.29	58.38	44.87	4.80	38	-
Sub Total		**394.30**	**194.60**	**149.58**	**15.99**	**38**	**8**
YOUTH EMPOWERMENT AND SPORTS, GENDER, CULTURE, CHILDREN AND SOCIAL SERVICES							
Youth Development and Empowerment Services	Youth Development and Empowerment Services	30.07	20.17	9.75	4.25	32	-
Management and development of Sports and Sport facilities	Community Sports Programme	52.44	35.17	17.00	7.41	32	-
General Administration Planning and Support Services	General Administration services	17.63	11.82	5.72	2.49	32	-
Gender and Social Development	Communication mobilisation and development	8.55	5.73	2.77	1.21	32	-
	Social Welfare Services	8.56	5.74	2.77	1.21	32	-
	Gender mainstreaming and development	11.60	7.78	3.76	1.64	32	-
Children Services	Child Rehabilitation and Custody	3.30	2.21	1.07	0.47	32	-
Culture and Cultural Preservation	Cultural Preservation	5.78	3.88	1.87	0.82	32	-
Sub Total		**137.91**	**92.50**	**44.72**	**19.50**	**32**	**21**
LANDS, PHYSICAL PLANNING AND URBAN DEVELOPMENT							
General Administration and Support Services	General Administration and Support Services	5.46	9.75	2.19	0.54	40	-
Physical Planning	SP1.1: Physical Planning	2.73	4.87	1.09	0.27	40	-
Physical Planning	Survey and Spatial Planning	3.82	6.82	1.53	0.38	40	-
Survey and Spatial Planning	Urban Development	5.46	9.75	2.19	0.54	40	-
Automation of land records and operations	Automation	24.55	43.86	9.84	2.42	40	-
Valuation and Rating	Valuation	2.73	4.87	1.09	0.27	40	-
Mining	Mining	15.28	27.29	6.12	1.51	40	-
Sub Total		**60.02**	**107.22**	**24.06**	**5.92**	**40**	**6**

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%)	
EMBU COUNTY REVENUE AUTHORITY (ECRA)							
General Administration Planning and Support Services	General Administration Planning and Support Services	15.67	20.68	4.29	0.00	27	-
General Administration Planning and Support Services	Revenue Management Services	7.83	10.32	2.14	0.00	27	-
Sub Total		**23.50**	**31.00**	**6.43**	**0.00**	**27**	-
EMBU MUNICIPAL BOARD							
General Administration, Planning and Support Services	1) General Administration Services	3.39	4.25	0.38	0.00	11	-
Road Transport	1) Rural Roads Improvement and Maintenance Services	50.57	63.34	5.62	0.00	11	-
Sub Total		**53.97**	**67.60**	**6.00**	**0.00**	**11**	-
EMBU - FINANCING LOCALLY LED CLIMATE ACTION PROGRAM							
General Administration, Planning and Support Services	General Administration Services	0.00	101.32	0.00	6.05		6
Locally Led Climate Action Program	Environment and Natural Resource Management	0.00	18.42	0.00	1.10		6
Locally Led Climate Action Program	Urban and Rural Development	0.00	46.06	0.00	2.75		6
Locally Led Climate Action Program	Social Development and Protection	0.00	18.42	0.00	1.10		6
Sub Total		**0.00**	**184.22**	**0.00**	**11.00**		**6**
Grand Total		**4,618.60**	**2,255.88**	**1,929.43**	**234.81**	**42**	**10**

***Source**: Embu County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Primary Healthcare, Health Promotion and Disease Control and General Administration Services in the department of Embu Level 5 Hospital at 61 per cent, Primary Healthcare, Health Promotion and Disease Control and General Administration Services in the Department of Health at 61 per cent, Administrative Services, Legislation, Representation and Legislative Oversight, Representation Services and County Assembly Infrastructure Improvement of County Assembly at 42 per cent, General Administration and support Services, Urban Development, Automation, Physical Planning, Survey and Spatial Planning, Valuation and Mining of the department of Lands at 40 per cent and Economic Development Planning and Coordination, Administration Planning and Support Services, Revenue Management Services, Monitoring and Evaluation of projects, County database and Control & Management of Public Finances of Finance and Economic Planning at 39 per cent of budget allocation.

3.6.15 Accounts Operated Commercial Banks

The County Government operated 26 accounts with commercial banks for the Health department.

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.

3.6.16 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, which affected the timely preparation of the budget implementation report. The report was received on 27th January

2025

ii. Own-source revenue underperformed at Kshs.318.21 million against an annual target of Kshs.1.00 billion, representing 32 per cent of the yearly target.

iii. High level of pending bills, which amounted to Kshs.1.78 billion as of 31st December 2024. 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.34.73 million 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.

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 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 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.*

3.7. County Government of Garissa

3.7.1 Overview of FY 2024/25 Budget

The Garissa County Gross Approved FY 2024/25 budget 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.0.76 billion (7.1 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.4.31 billion and a recurrent budget of Kshs.6.39 billion. The increase in the budget was attributed to the rise in Equitable Share from 8.2 to 8.55 billion, the increase in OSR from 230 to 300 million, and the increase in carry forward for two months. The County's Net Approved Budget was the same as the (gross budget, as there were no AIA estimates.

The budget will be financed from different sources of revenue. These include Kshs.8.56 billion (74.6 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.27 billion as additional allocations/conditional grants, and a cash balance of Kshs.1.33 billion (11.6 per cent) was brought forward from FY 2023/24, and Kshs.300 million (2.6 per cent) was generated as gross own source revenue. The own-source revenue includes Kshs.160 million (1.4 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.140 million (1.2 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.56.

3.7.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.5.16 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.43 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.160.09 million. In addition, the County had a cash balance of Kshs.1.57 billion from FY 2023/24.

The total OSR collection of Kshs.160.09 billion includes Facilities Improvement Financing (FIF) of Kshs.121.97 million, and Kshs.38.13 million as ordinary OSR. Table 3.56 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.56: Garissa County, Revenue Performance in the First Half 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	3,426,774,887	40
Subtotal		8,555,015,575	3,426,774,887	40
B	Additional Allocations			
	Framework for the management Of Food System Resilience Project – (FSRP)-IDA FOR FY 2024/2025	173,076,923		
	DANIDA Grant-Primary health care in a devolved context	10,822,500		
	Kenya Devolution Support Program KDSP11	37,500,000		
	Kenya Urban Support Prorgam -KUSP UIG	35,000,000		
	Framework For Management of UNFPA Grant FOR GOK/UNFPA 10TH Country Programme for FY 2024/25	9,620,000		
	Emergency Locust Response Project World Bank (ELRP)	142,500,000		
	Water and Sanitation Development Project (World Bank) WSDP	450,000,000		
	Name of the Conditional Grant	137,000,000		
	Financing locally-led climate action program (FLLoCA) County Climate Institutional support (CCIS) Grant level 1 (World Bank)	11,000,000	11,000,000	100
	Road Maintenance Levy Fund (RMLF)	188,410,093		
	Conditional Grant Community Health Promoters	74,520,000		
	Transfer of Museum Function	2,462,567		
	Mineral Royalties	621,261		
Subtotal		1,272,533,343.81	11,000,000	1
C	Own Source Revenue			
	Ordinary Own Source Revenue	140,000,000	38,125,103	27
	Appropriation in Aid (A-I-A)	0		
	Facility Improvement Fund (FIF)	160,000,000	121,965,946	76
Subtotal		300,000,000	160,091,049	53
D	Other Sources of Revenue			
	Unspent balance from FY 2023/24	1,332,681,087	1,566,887,583	118
	Other Revenues (provide a list)	0		
Sub Total		1,332,681,087	1,566,887,583	118
Grand Total		11,460,230,006	5,164,753,519	45

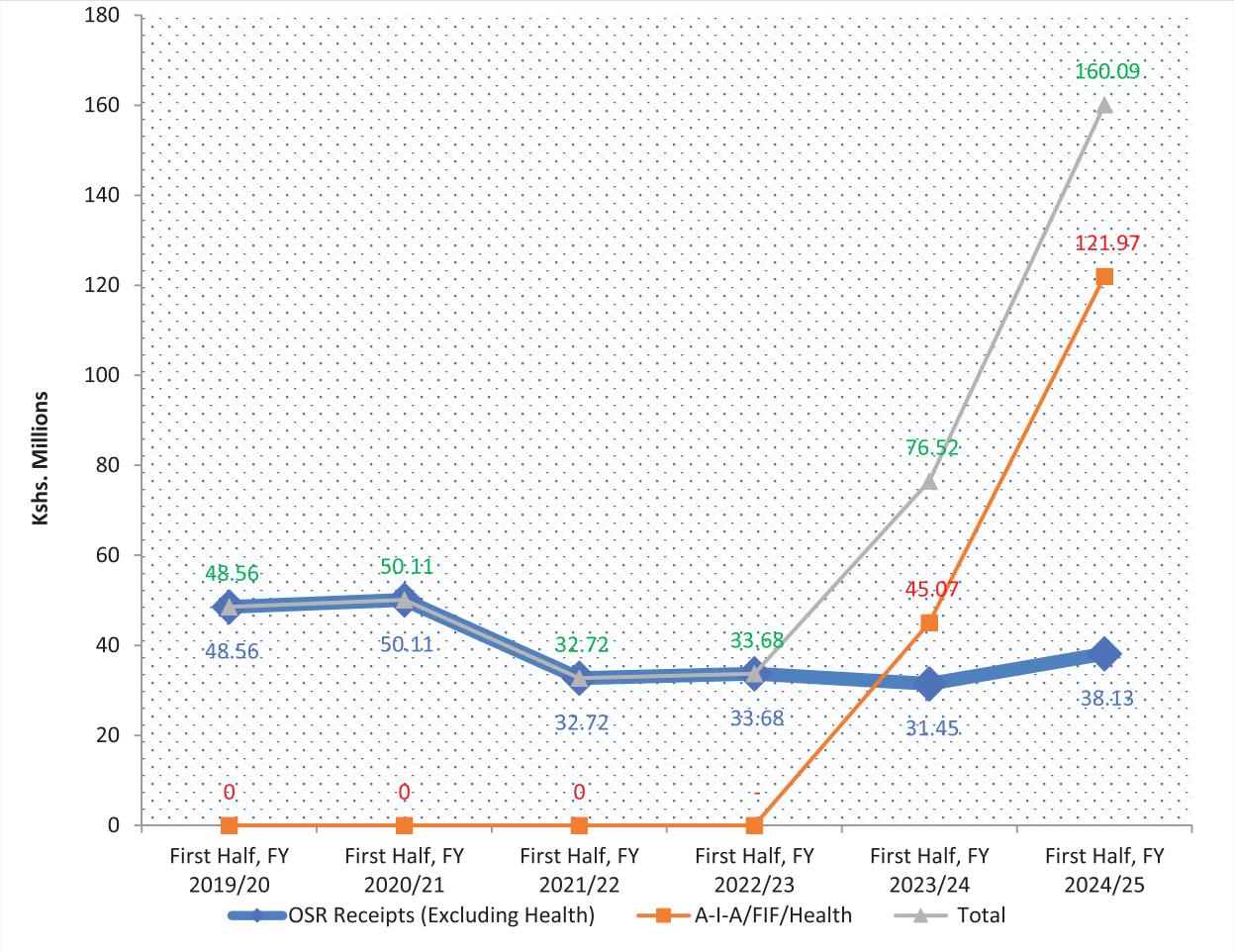
Source: *Garissa County Treasury*

The County has governing legislation on the operation of FIF.

Figure 25 shows the trend in own-source revenue collection from the first half of FY 2019/20 to the first half of

FY 2024/25.

Figure 25: Trend in Own-Source Revenue Collection from the First Half of FY 2019/20 to the First Half of FY 2024/25



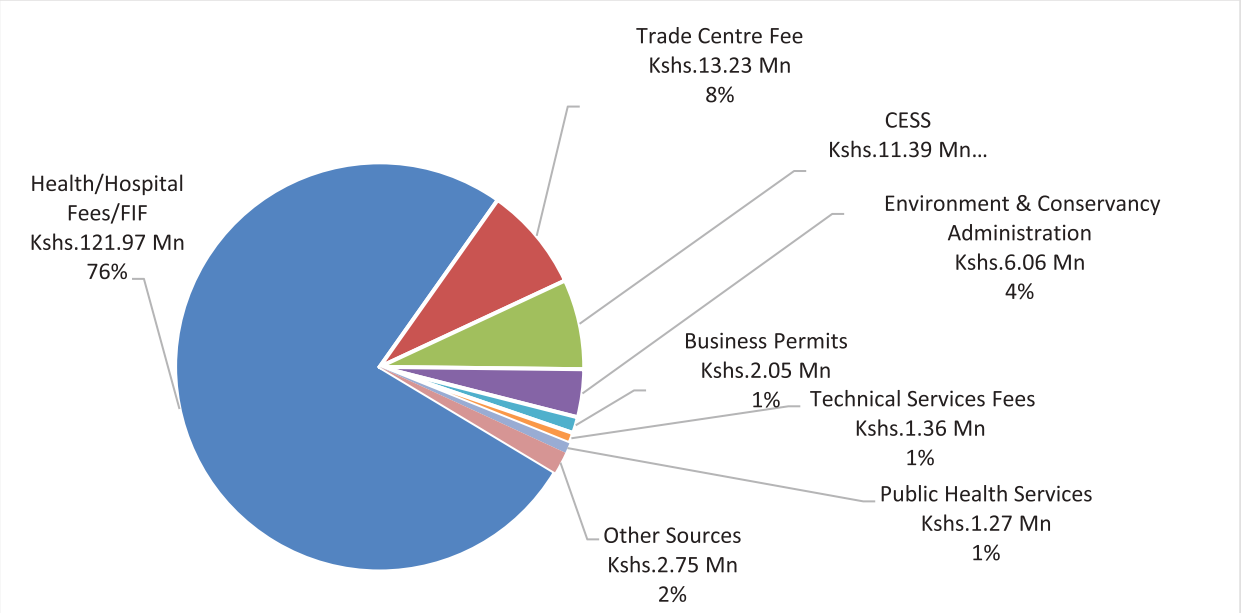
Source: *Garissa County Treasury*

During the first half of FY 2024/25, the County generated Kshs.160.09 million from its revenue sources, including AIA and FIF. This amount was an increase of 109 per cent compared to Kshs.76.52 million realised in a similar period in FY 2023/24 and was 53 per cent of the annual target and 5 per cent of the equitable revenue share disbursed.

The increase in OSR is attributed to the enactment of the FIF Act and a timely supply of drugs, which has occasioned seamless operations in health facilities, thus 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 for revenue collection. Further, enhanced staff welfare and adequate staffing have improved the ability to raise more OSR. There was a collection from gypsum transportation cess in previous years, which was later banned. We recommend that the executive lift the ban and undertake revenue automation.

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

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



Source: Garissa County Treasury

The highest revenue stream of Kshs.121.97 million was from Health (Hospital Fees/FIF), contributing to 76 per cent of the total OSR receipts during the reporting period.

3.7.3 Borrowing by the County

The county government has not borrowed so far.

3.7.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.18 billion from the CRF account during the reporting period, which comprised Kshs.1.24 billion (30 per cent) for development programmes and Kshs.2.94 billion (70 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.03 billion was released towards compensation of employees and Kshs.911.46 million for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 include the December 2024 exchequer request for the County Executive and County Assembly.

Analysis of the operations and maintenance exchequer releases indicate that 10 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.60.70 million, including Kshs.14.16 million for the County Executive and Kshs.46.55 million for the County Assembly. The foreign exchequer totalled Kshs.5.74 million, comprising nil for the County Executive and Kshs.5.74 million for the County Assembly.

Table 3.57: Garissa 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 & pastoral	147.16	477.78	35	-	24	-
Culture, Gender, Youth & Sports	70.73	183	27	-	38	-
Roads, Transport and Public Works	84.82	450.51	27.5	95.95	32	21
Education, Information and ICT	385.51	157.1	217	-	56	-
Lands, Physical Planning and Urban Development	368.93	110	178.54	-	48	-
Finance & Economic Planning	1,258.72	150	603.76	-	48	-

Department	Revised Net Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Health & Sanitation	2,935.72	420.5	962.93	163.71	33	39
Trade, Investments and Enterprise Development	95.31	470	20	181.92	21	39
Water, Environment and Natural Resources	183.26	1,472.10	112.83	745.44	62	51
County Affairs, Public Service and Intergovernmental Relations	589.56	12	319.32	-	54	-
County Public Service Board	55.74	15	20.66	-	37	-
Assembly	1,083.78	283	417.22	49.91	39	18
	7,259	**4,201**	**2,942**	**1,237**	**41**	**29**

***Source**: Garissa County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.986.04 million.

3.7.5 County Expenditure Review

The County spent Kshs.3.67 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.1.18 billion and Kshs.2.49 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 28 per cent, while recurrent expenditure represented 34 per cent of the annual recurrent expenditure budget.

3.7.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.6.11 billion as of 30 June 2024, comprised of Kshs.2.82 billion and Kshs.3.29 billion on eligible and ineligible pending bills, respectively. The eligible pending bill amount includes Kshs.2.69 billion from the County Executive and Kshs.132.91 million from the County Assembly. The eligible pending bills from the County Executive consist of Kshs.691.84 million for recurrent expenditures and Kshs.2.0 billion for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.91.77 million, comprising only development. Meanwhile, the County Assembly settled pending bills worth Kshs.108.29 million, which included Kshs.58.38 million for recurrent activities and Kshs.49.91 million for development activities.

The County Executive and the County Assembly submitted pending bills payment plans at the commencement of FY 2024/25, committing to pay Kshs.80 million and Kshs.100 million, respectively, in the first half of FY 2024/25. The County cleared Kshs.91.77 million for the Executive and Kshs.108.29 million for the Assembly.

As of 31 December 2024, the eligible outstanding bills amounted to Kshs.2.62 billion, comprising Kshs.2.60 billion for the County Executive and Kshs.24.62 million for the County Assembly.

3.7.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.62 billion on employee compensation, Kshs.469.87 million on operations and maintenance, and Kshs.1.13 billion on development activities. Similarly, the County Assembly spent Kshs.288.98 million on employee compensation, Kshs.112.02 million on operations and maintenance, and Kshs.49.91 million on development activities, as shown in Table 3.58.

Table 3.58: 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**	**2,090,029,562**	**400,998,786**	**34**	**37**
Compensation to Employees	4,018,691,551	694,580,507	1,620,163,967	288,982,446	40	42
Operations and Maintenance	2,156,770,632	389,200,310	469,865,595	112,016,340	22	29
Development Expenditure	3,917,987,006	283,000,000	1,129,521,482	49,907,500	29	18
Total	**10,093,449,189**	**1,366,780,817**	**3,219,551,044**	**450,906,286**	**32**	**33**

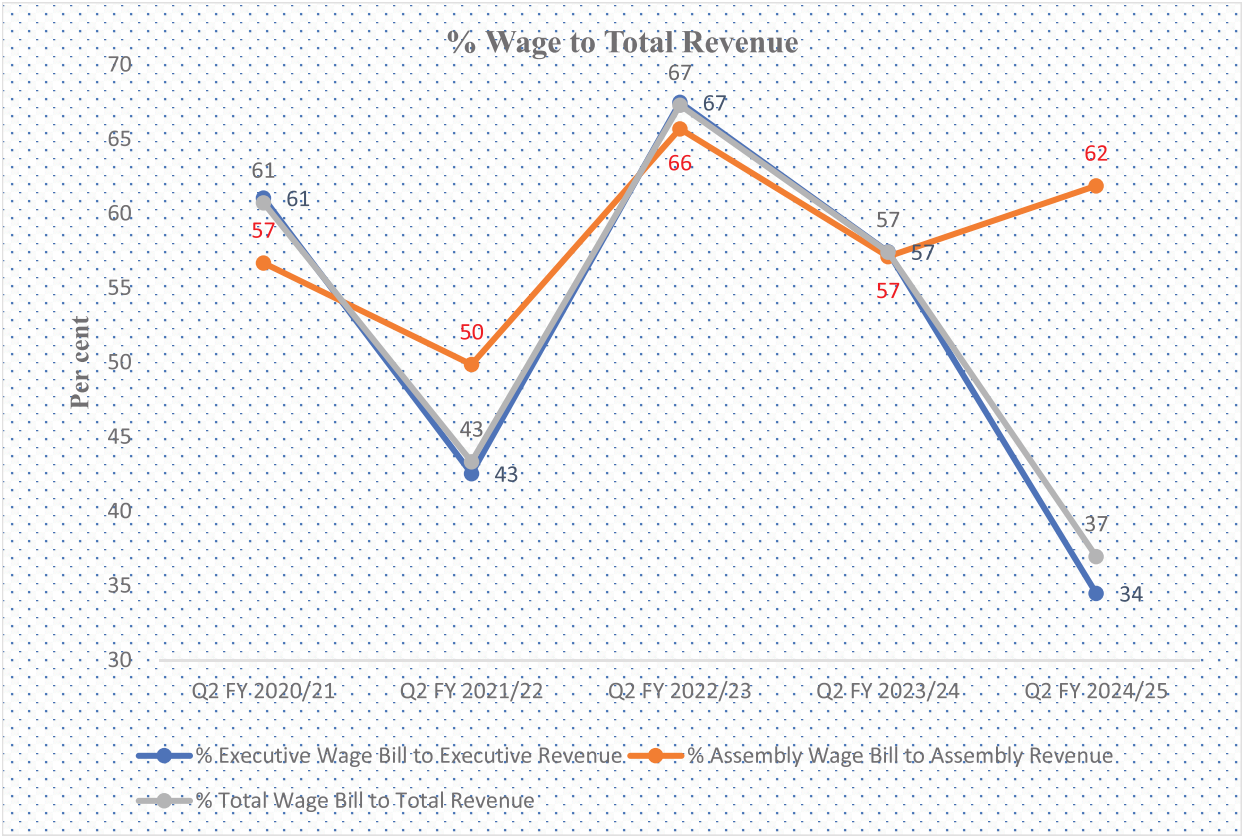
***Source**: Garissa County Treasury*

3.7.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.91 billion, or 37 per cent of the available revenue of Kshs.5.16 billion. This expenditure represented a decrease from Kshs.2.06 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.887.30 billion paid to the Health Sector employees, translating to 47 per cent of the total wage bill.

Figure 27 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2020/21 to the first half of FY 2024/25.

Figure 27: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2020/21 to the First Half of FY 2024/25



Source: Garissa County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.72 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.188.77 million was processed through manual payrolls, which accounted for xx per cent of the total PE cost.

The County Assembly spent Kshs.15.65 million on committee sitting allowances for the 48 MCAs, including the Speaker, against the annual budget allocation of Kshs.30.97 million. The average monthly sitting allowance was Kshs.108,680.56 per MCA. The County Assembly had 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 per cent of the County's overall budget. Further, in line with Section 110 of the PFM Act, 2012, the County allocated Kshs.60.00 million to the Emergency Fund (0.5 per cent of the total budget).

Table 3.59 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.59: Performance of County Established Funds in the First Half 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.)
	County Executive Established Funds					
	Disaster Management Fund/ Emergency	60,000,000				
	Bursary Fund	50,000,000	50,000,000	50,000,000		YES
	Micro and Small Enterprises Development Revolving Fund	20,000,000				
	County Assembly Established Funds					
	Total	**130,000,000**	**50,000,000**	**50,000,000**		

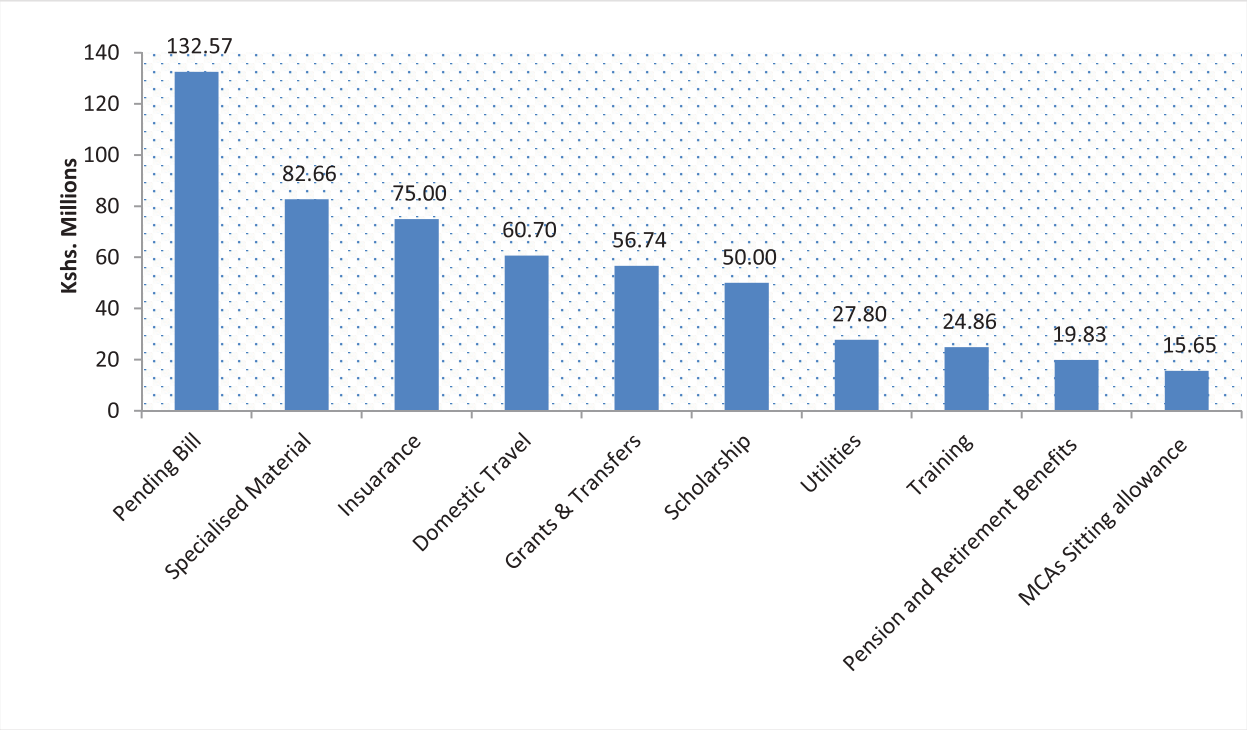
Source: *Garissa County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from Disaster Management Fund/Emergency and Micro and Small Enterprises Development Revolving Fund Administrators, as indicated in Table 3.59, contrary to the requirement of Section 168 of the PFM Act, 2012. The Bursary Fund's administration costs were within the 3 percent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

3.7.10 Expenditure on Operations and Maintenance

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

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



Source: *Garissa County Treasury*

Expenditure on domestic travel amounted to Kshs.60.70 million and comprised Kshs.46.55 million spent by the County Assembly and Kshs.14.15 million by the County Executive. Expenditure on foreign travel amounted to Kshs.5.74 million and comprised only the County Assembly. Expenditure on foreign travel is summarised in Table 3.60.

Table 3.60: Summary of Highest Expenditure on Foreign Travel in the First Half 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					
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
County Assembly					
TOTAL					**5,736,095.00**

Source: *Garissa County Treasury and Garissa County Assembly*

3.7.11 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.121.97 million as FIF, 76 per cent of the annual target of Kshs.160.00 million. The collected amount was retained and utilised at the source per the Facility Improvement Financing Act, 2023.

The expenditure by the health facilities amounted to Kshs.121.97, as shown in Table 3.61.

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

No.	Name of the Health Facility	Approved Budget for the Facility (Kshs.)	Actual Expenditure of the Facility (Kshs.)	Absorption rate (%)
	Garissa County Referral Hospital	185,000,000	100,810,877	54
	Iftin	10,000,000	4,666,154	47
	Ijara	12,000,000	6,668,130	56
	Dadaab	8,000,000	3,028,020	38
	Balambala	1,000,000	789,110	79
	Hulugho	1,000,000	1,000,800	100
	Modogashe	4,000,000	3,875,075	97
	Bura	4,000,000	1,127,780	28
	Total	225,000,000	121,965,946	54

Source: *Garissa County Treasury*

The Health Facility with the highest absorption rate was Hulugho Health Facility.

3.7.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.1.18 billion on development programmes, representing a 47 per cent increase compared to a similar period in FY 2023/24, when the County spent Kshs.804.73 million. Table 3.62 summarises the development projects with the highest expenditure in the reporting period.

Table 3.62: Garissa 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	County Assembly	Construction of Buildings-Construction of Additional office block extension	Garissa Township	113,589,947	110,253,950	97
2	County Assembly	Proposed Construction of a Chambers at the County Assembly offices	Garissa Township	51,811,724	45,941,032	89
3	County Assembly	Purchase, installation and commissioning of a Hansard system	Garissa Township	26,929,226	26,929,225	100
4	County Assembly	Refurbishment of offices complete with furniture and fittings	Garissa Township	19,268,550	18,385,650	95
5	Water, Environment and Natural Resources	Proposed Qone -Madogashe Pipeline Project,	Modogashe -Lagdera	457,911,266	324,459,301	71
6	Trade, Investments and Enterprise Development	County Industrial Park	Garissa Township	490,636,205	277,221,260	57
7	Health & Sanitation	Proposed Construction of Mother and Child Hospital,	Garissa Township	663,678,404	134,000,000	20
8	Roads, Transport and Public Work	Proposed Upgrading to Bitumen Standard Of Bulla Madina-Dobale Road	Garissa Township	39,219,843	28,540,000	73

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
9	Health & Sanitation	Renovation and Expansion of Eye Unit at Garissa County Referral Hospital	Garissa Township	24,497,668	22,047,901	90
10	Health & Sanitation	Construction of Outpatient Unit at Bulla Medina	Garissa Township	19,354,345	17,418,910	90

Source: *Garissa County Treasury*

3.7.13 Budget Performance by Department

Table 3.8 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.63: 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	35.00		34.50	13.35	99	-	23	3
Culture, Gender, Youth & Sports	70.73	183.00	27.00	-	12.00	4.48	44	-	17	2.
Roads, Transport and Public Works	84.82	450.51	27.50	95.95	27.50	82.12	100	86	32	18
Education, Information and ICT	385.51	157.10	217.00	-	197.58	6.60	91	-	51	4
Lands, Physical Planning and Urban Development	368.93	110.00	178.54	-	178.51	16.03	100	-	48	15
Finance & Economic Planning	1,258.72	150.00	603.76	-	436.34	91.11	72	-	35	61
Health & Sanitation	2,935.72	420.50	962.93	163.71	976.51	121.53	101	74	33	29
Trade, Investments and Enterprise Development	95.31	470.00	20.00	181.92	20.00	181.92	100	100	21	39
Water, Environment and Natural Resources	183.26	1,472.10	112.83	745.44	66.50	612.40	59	82	36	42
County Affairs, Public Service and Intergovernmental Relations	589.56	12.00	319.32	-	122.59	-	38	-	21	-
County Public Service Board	55.74	15.00	20.66	-	18.00	-	87	-	32	-
Assembly	1,083.78	283.00	417.22	49.91	401.00	49.91	96	100	37	18
	7,259.24	**4,200.99**	**2,941.77**	**1,236.93**	**2,491.03**	**1,179.43**	**85**	**95**	**34**	**28**

Source*: Garissa County Treasury*

Health Department recurrent expenditure exceeded exchequer issued because there were casuals and consultants which were paid from the hospital revenue collection account (FI.F).

Analysis of department expenditure shows that the Department of Roads, Transport and Public Works recorded the highest absorption rate of development budget at 85 per cent, followed by the Department of Finance & Economic Planning at 61 per cent. The Department of Education, Information and ICT had the highest percentage of recurrent expenditure to budget at 51 per cent. In contrast, the Department of Culture, Gender, Youth & Sports had the lowest at 17 per cent.

3.7.14 Budget Execution by Programmes and Sub-Programmes

Table 3.64 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

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

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Department of Agriculture, Livestock & pastoral							
Programme 1: Agriculture	CSP 1.1 Agriculture Administration & Support Services	91.58	233.08	13.50	13.35	15	6
	CSP 1.2 Crop production and value chains	1.20				-	
	CSP 1.3 Agricultural Mechanization Services		37.20				-
	Sub Total	**92.78**	**270.28**	**13.50**	**13.35**	15	5
Programme 2: Livestock Pastoral Economy	Sub- CSP 2.1 Livestock Administration and Support Service	47.18	177.50	21.00		45	-
	CSP 2.2 Livestock Production	2.55				-	
	CSP 2.3 Livestock Value Chains Development	500,000					
	CSP 2.4 Veterinary Service	3.35	30.00			-	-
	Sub Total	**53.08**	**207.50**	**21.00**	**0.00**	**40**	**-**
CP3: Fish Production	CSP 3.1 Fisheries services	**0.20**				-	
CP 4: Cooperatives	CSP 4.1 Cooperatives Development	**0.60**				-	
Department Culture, Gender, Youth & Sports							
Programme 1. Administration and support services	Sub-programme 1.1 Administration and Support Services	65.94		12.00		18	
Programme 2. Gender and social services	Sub-programme 2.1 Social Protection,	1.03	76.00		4.48	-	6
	Sub-programme 2.2 Gender and Women Empowerment						
Programme 3. Cultural Promotion	Sub-programme 3.1 Promotion and preservation of culture and Heritage						
Programme 4. Youth and Sport Development	Sub-programme 4.1 Youth development	0.50				-	
	Sub-programme 4.2 Sports & Talent Development	3.26	107.00			-	-
	Sub-Total	**3.76**	**107.00**	**0.00**	**0.00**	**-**	**-**
Department Roads, Transport and Public Works							
Programme 1 Administration and support services	Sub-programme 1.1 Administration and Services	75.65	65.00	27.50	49.40	36	76
Programme 2 Road and transport	Sub-programme 2.1 Roads	1.67	341.51		1.21	-	0
	Sub-programme 2.2 Transport	1.50				-	
	Sub-Total	3.17	341.51	0.00	1.21	-	0

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Programme 3 Public works &housing	Sub-programme 3.1 Public Works	6.00	44.00		31.50	-	72
Department of Education, Information and ICT							
Programme 1: General Administration and support services	Sub-programme 1.1 Administration and Support Services	**348.19**		**186.08**		**53**	
Programme 2. Education Development	Sub-programme 2.1 E.C.D	24.23	157.10	10.00	6.60	41	4
	Sub-programme 2.2 Vocational Training	3.00				-	
	Sub-Total	**27.24**	**157.10**	**10.00**	**6.60**	37	4
Programme 3. ICT, Information and Libraries	Sub-programme 3.1 ICT, Information and Libraries	**10.08**		**1.50**		**15**	
Department Lands, Physical Planning and Urban Development							
Programme 1: Administration	Sub-programme 1.1: urban Administration & Support Services	**345.97**		**177.51**		**51**	
Programme 2: Lands & physical planning	Sub-programme 2.1: Lands Services	7.00				-	
	Sub-programme 2.2: Physical Planning	7.45	50.00	1.00	16.03	13	32
	Sub-Total	**14.45**	**50.00**	**1.00**	**16.03**	**7**	**32**
Programme 3: Urban Development	Sub-programme 3.1: Urban Development and Infrastructure	1.50				-	
	Sub-programme 3.2 Urban Disaster and Risk Management	6.11	60.00			-	-
	Sub-programme 3.3 Urban Sanitation Services	0.90				-	
	Sub-Total	**8.51**	**60.00**	**0.00**	**0.00**	**-**	**-**
Department Finance & Economic Planning							
Programme 1: Administration and Support Services	Sub-programme 1.1 Administration and Support Services	902.68	150.00	436.34	91.11	48	61
	Sub-programme 1.2 Special Programmes	304.91				-	
	Sub-Total	**1,207.59**	**150.00**	**436.34**	**91.11**	**36**	**61**
Programme 2: Public Finance Management	Sub-programme 2.1 Accounting Services	3.71				-	
	Sub-programme 2.2 Budget Formulation	8.89				-	
	Sub-programme 2.3 Audit Services	5.36				-	
	Sub-programme 2.4 Revenue Management	9.31				-	
	Sub-programme 2.5 Supply Chain Management	7.63				-	
	Sub-Total	34.90					

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Programme 3: Economic planning	Sub-programme 3.1 Planning and M&E	11.73				-	
	Sub-programme 3.2 Statistics and Research	4.50				-	
	Sub-Total	**16.23**				**-**	
Department of Health & Sanitation							
Programme 1: Governance, quality assurance and support services	Sub-programme 1.1 Administration And Support Services	2,628.77	420.50	906.67	121.53	35	29
	Sub-programme 1.2 Health Information Systems	5.00				-	
	Sub-programme 1.3 policy Research and planning	5.00				-	
		2,638.77	**420.50**	**906.67**	**121.53**	**34**	**29**
Programme 2: Curative Services, Rehabilitative and Referal services	Sub-programme 2.1 Health products and technologies	208.50		69.83		34	
	Sub-programme 2.2 Rehabilitative services	11.50				-	
	Sub-programme 2.3 Referral and Emergency Services	54.26				-	
	Sub-Total	**274.26**	**0.00**	**69.83**	**0.00**	**25**	
Programme 3: Preventive and promotive and RMNCH services	Sub-programme 3.1: Maternal, newborn, child health and nutrition services	11.08				-	
	Sub-programme 3.2: Preventive and Promotive Health Services	11.62				-	
	Sub-Total	**22.69**	**0.00**	**0.00**	**0.00**	**-**	
Department Trade, Investments and Enterprise Development							
Programme 1: Administration and Support Services	Sub-programme 1.1 Administration And Support Services	90.35	350.00	20.00	181.92	22	52
Programme 2: micro and small enterprises development	Sub-programme 2.1 micro and small enterprises development	1.40	20.00			-	-
	Sub-programme 2.1 **micro and small enterprises development**	0.75				-	
	Sub-Total	2.15	20.00	0.00	0.00	-	-
Programme 3. Industrialisation and Investment Programme	Sub-programme 3.1 Industrialization and Investment Programme	1.40	100.00			-	-
Programme 4: Tourism	Sub-programme 4.1 Tourism Development	1.40				-	
Department of Water, Environment and Natural Resources							
Programme 1: Water Services	Sub-programme 1.1 Administration and Support Services	128.31	310.00	48.00	77.63	37	25

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Programme 4 Environment Management and Natural Resources	Sub-programme 4.2 Climate Change and Adaptation	12.35	785.10	5.00	523.77	40	67
	Sub-programme 4.1 Environment and Natural Resouce Management	37.60		13.50		36	
	Sub-Total	**49.95**	**785.10**	**18.50**	**523.77**	**37**	**67**
Programme 2: Irrigation Services	Sub-programme 2.1 Irrigation Development	5.00	377.00	0.00	11.00	-	3
Department of County Affairs, Public Service and Intergovernmental Relations							
Programme 1. Executive Services	Sub-programme 1.1 Governor Operations	60.40		8.00		13	
	Sub-programme 1.2 Deputy Governor Operations	36.12		84.00		233	
	Sub-programme 1.3 County Secretary	49.66		6.50		13	
	Sub-programme 1.4 Operations & Sub-County Administration	254.30	12.00	5.00		2	-
	Sub-programme 1.5 Intergovernmental & Public Participation	56.81				-	
	Sub-programme 1.6 County Attorney	28.50		12.00		42	
	Sub-programme 1.7 HRM DPT	86.49		7.09		8	
	Sub-programme 1.8 Donor coordination	17.28				-	
Department County Public Service Board							
Programme 1: Board services	Sub-programme 1: Administration support services	55.74	15.00	18.00	**0.00**	32	-
Department County Assembly							
Programme 1: General Administration, Planning and Support Services	Sub-programme 1.1: General Administration	1,083.78	283.00	401.00	49.91	37	18
Grand Total		**7,259.24**	**4,200.99**	**2,491.03**	**1,179.43**	**34**	**28**

Source: *Garissa County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were Road and transport at 88 per cent, Administration and Support Services at 76 per cent, Public works &housing at 72 per cent, all three in the Department of Roads, Transport and Public Works, and Administration and Support Services the Department of Finance at 61 per cent of budget allocation.

3.7.15 Accounts Operated Commercial Banks

The County Government operated eleven accounts with commercial banks, including four accounts for Health Facilities, three accounts for Vocational Training Centers, three accounts for Established Funds, and one revenue account.

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.

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 28 January 2025.
ii. Own-source revenue underperformed at Kshs.38.13 million against an annual target of Kshs.140 million, representing 27 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. As of 15 January 2025, only the Bursary Fund reports were submitted to the Controller of Budget.
iv. Use of manual payroll. Personnel emoluments amounting to Kshs.188.77 million were processed through manual payroll, accounting for 10 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 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 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.*

3.8. County Government of Homa Bay

3.8.1 Overview of FY 2024/25 Budget

The 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 Approved budget estimates represent an increase of 6 per cent from FY 2023/24, comprising a development budget of Kshs.3.51 billion and a recurrent budget of Kshs.7.66. billion.

The budget will be financed from different sources of revenue. These include; Kshs.8.44 billion (71 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.83 billion (15 per cent) as additional allocations/conditional grants, Kshs.128.60 million (1 per cent) as a share of the equalisation funds, and Kshs.1.48 billion (13 per cent) generate as gross own source revenue. The own source revenue includes Kshs.981.07 million as Appropriation in Aid (A.I.A)/Facility Improvement Fund (FIF) and Kshs.501.74 million as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is shown in Table 3.65.

3.8.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.4.65 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.38 billion from the equitable share of revenue raised nationally; Conditional grants from the National Government and Development Partners amounted to Kshs.65.13 million and its own source revenue (OSR) collection of Kshs.517.87 million. In addition, the County had a cash balance of Kshs.693.09 million from FY 2023/24.

The total OSR collection of Kshs.517.87 million includes Facilities Improvement Financing (FIF) of Kshs.376.21 million, and Kshs.141.66 million as ordinary OSR. Table 3.65 summarises the total revenue available to the County Government during the first half of FY 2024/25.

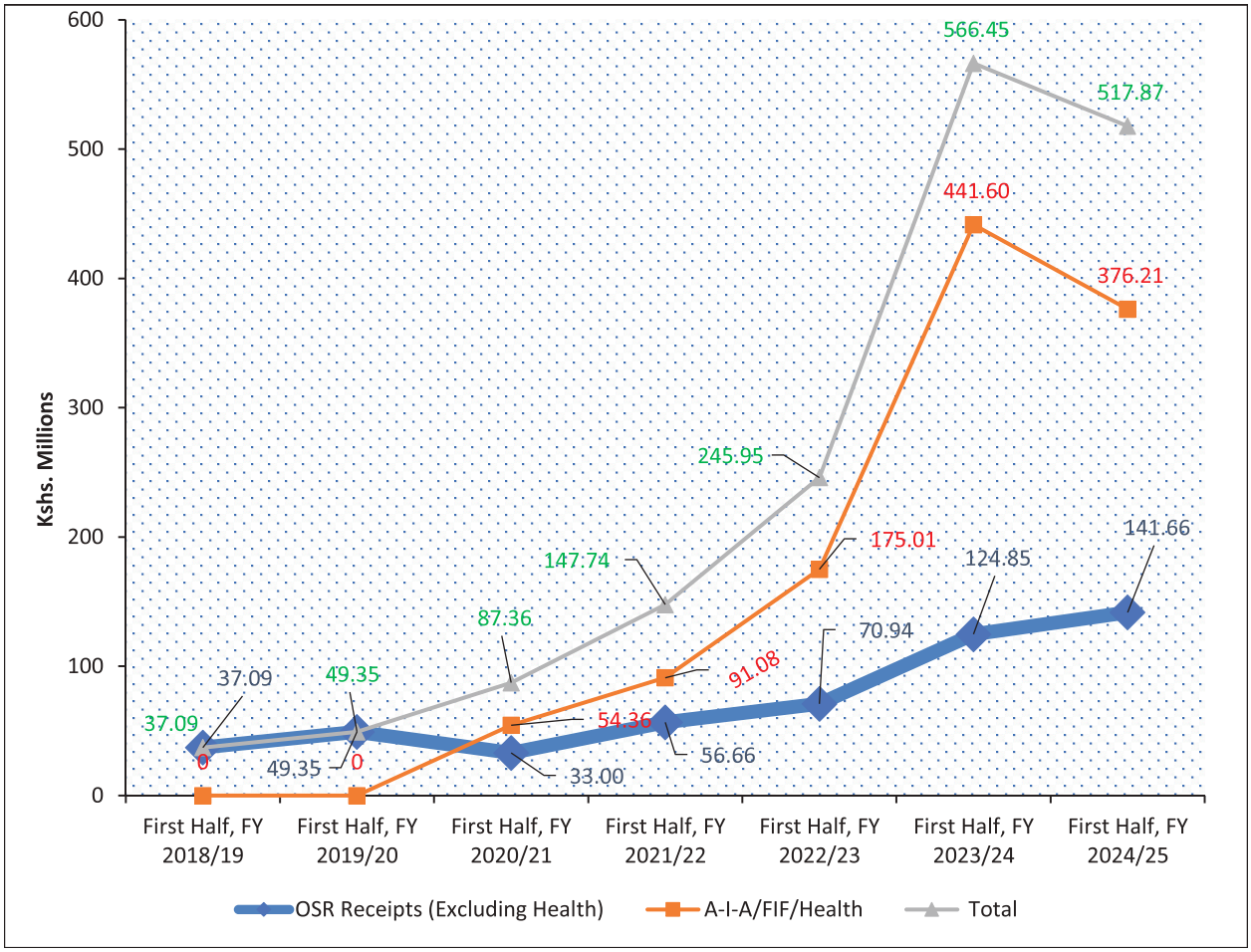
Table 3.65: Homa Bay County, Revenue Performance in the First Half of FY 2024/25

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	3,376,841,565	40
Sub-Total		**8,436,080,677**	**3,376,841,565**	**40**
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	-	-
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(KISIP)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	141,662,048	28
2	Appropriation in Aid (A-I-A)/Facility Improvement Fund (F.I.F)	981,068,740	376,212,529	38
Sub-Total		1,482,806,657	517,874,577	35
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	539
Grand Total		**11,876,978,601**	**4,652,938,233**	**39**

Source: *Homa Bay County Treasury*

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

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

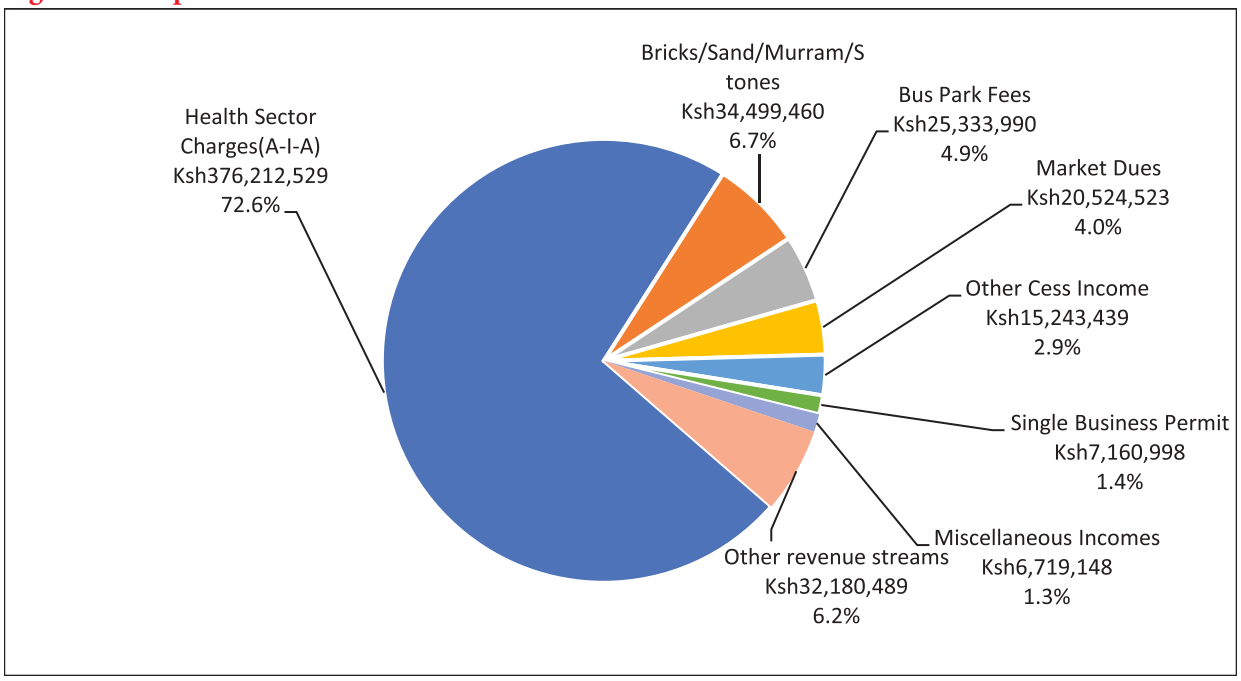


Source: *Homa Bay County Treasury*

During the first half of FY 2024/25, the County generated Kshs.517.87 million from its revenue sources, such as the Health Sector Appropriation in Aid (A.I.A)/Facility Improvement Fund (FIF). This amount was a decrease of 8.6 per cent compared to Kshs.566.45 million realised in the same period in FY 2023/24 and 34.9 per cent of the annual target and 15.3 per cent of the equitable revenue share disbursed during the period.

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 Half of FY 2024/25



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

The highest revenue stream of Kshs.376.21 million was from the Health Sector Appropriation in Aid (A.I.A)/ Facility Improvement Fund (FIF), contributing 72.6 per cent of the total OSR receipts during the reporting period.

3.8.3 Borrowing by the County

The County Government borrowed Kshs.479.15 billion from the Kenya Commercial Bank Limited to support its operations. The County entered an agreement with Kenya Commercial Bank Limited at an interest of 1.0 per cent and excise duty of 20 per cent. The outstanding payroll management overdraft facility from Kenya Commercial Bank Limited as of 31st December 2024 amounted to Kshs..479.15 million.

3.8.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.4.25 billion from the CRF account comprised Kshs.717.96 million (16.9 per cent) for development programmes and Kshs.3.53 billion (83.1 per cent) for recurrent programmes, as shown in Table 3.66. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.82 billion was released towards compensation of employees and Kshs.691.43 million for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive due to the delay in disbursement of funds from the equitable share of revenue by the National Treasury.

Table 3.66: 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	269.20	12	38	5
County Public Service Board	69.46	-	29.86	0	43	
County Assembly Service Board	1,027.16	142.56	490.00	0	48	-
Homa Bay Municipal Board	29.76	48.86	10.60	0	36	-
Office of the Deputy Governor and Department of Agriculture and Livestock	210.48	262.54	97.61	31.22	46	12

Department	Gross Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Gross Budget Estimates (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Gender Equality and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services	153.72	95.00	63.56	16.11	41	17
Roads, Public Works, Transport and Infrastructure	157.39	889.97	63.20	293.76	40	33
Blue Economy, Fisheries, Mining and Digital Economy	90.90	93.69	38.89	2.31	43	3
Education, Human Capital Development and Vocational Training	1,246.30	85.00	581.00	13.6	47	16
Public Health and Medical Services	2,594.72	320.00	1,321.25	128.3	51	40
Lands, Physical Planning, Housing and Urban Development	82.31	1,072.02	33.54	0	41	-
Trade, Industry, Tourism, Cooperative Development and Marketing	165.26	205.20	70.00	83.2	42	41
Water, Sanitation, Irrigation, Environment, Energy and Climate Change	251.28	450.48	89.09	112.8	36	25
Governance, Administration, Communication and Devolution	440.00	23.00	174.94	8.41	40	37
Executive Office of the Governor	402.15	230.00	198.05	16.25	49	7
Kendu Bay Municipal Board	9.87	8.00	0.80	0	8	-
Mbita Municipal Board	9.87	8.00	0.80	0	8	-
Ndhiwa Municipal Board	9.87	8.00	0.60	0	6	-
Oyugis Municipal Board	12.83	24.80	1.30	0	10	-
Total	**7,670.90**	**4,206.08**	**3,534.29**	**717.96**	**46**	**17**

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

The County Government had a cash balance of Kshs.108.38 million in the CRF account on 31st December 2024.

3.8.5 County Expenditure Review

The County spent Kshs.4.37 billion on development and recurrent programmes in the reporting period. The expenditure represented 103 per cent of the total funds released by the CoB and comprised Kshs.889.32 million and Kshs.3.48 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 21 per cent, while recurrent expenditure represented 45.5 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 includes 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 first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.843.23 million, comprising Kshs.591.66 million for recurrent programmes and Kshs.251.57 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.19.35 million solely for recurrent activities.

As of 31st December 2024, the outstanding bills amounted to Kshs.502.26 million, comprising Kshs.349.04 million for the County Executive and Kshs153.22 million for the County Assembly.

3.8.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.59 billion on employee compensation, Kshs.399.02 million on operations and maintenance, and Kshs.889.32 million on development activities. Similarly, the County Assembly spent Kshs.228.46 million on employee compensation and Kshs.261.54 million on operations and maintenance. The County Assembly did not incur any expenditure on development activities, as shown in Table 3.67.

Table 3.67: 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**	**2,993,311,276**	**490,000,000**	**45**	**48**
Compensation to Employees	5,200,133,127	460,331,366	2,594,291,004	228,463,421	50	50
Operations and Maintenance	1,443,609,353	566,828,739	399,020,272	261,536,579	28	46
Development Expenditure	**4,063,511,227**	**142,564,789**	**889,315,646**		**22**	-
Total	**10,707,253,707**	**1,169,724,894**	**3,882,626,922**	**490,000,000**	**36**	**42**

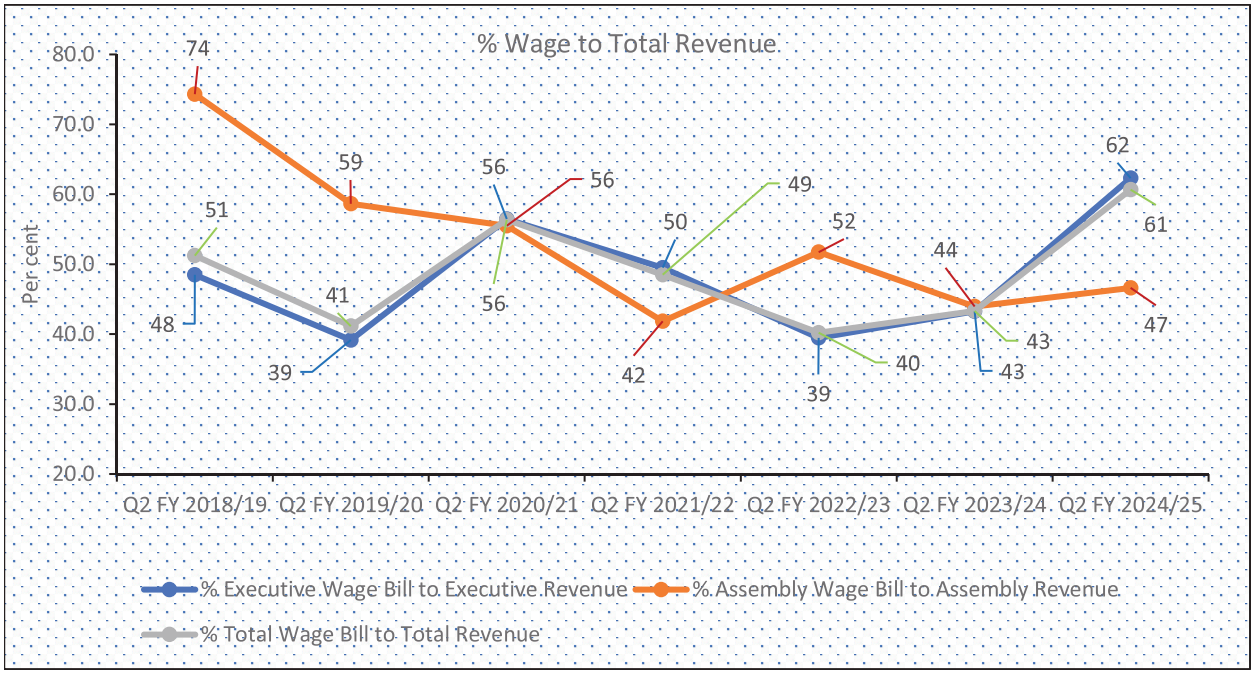
***Source**: Homa Bay County Treasury*

3.8.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.82 billion, translating to 61 per cent of the available revenue, which amounted to Kshs.4.65 billion. This expenditure represented an increase of 57.9 per cent from Kshs.1.79 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.22 billion paid to health sector employees, translating to 43 per cent of the total wage bill. The increase in PE expenditure in the reporting period compared to a similar 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 from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 31: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: *Homa Bay County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.79 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs34.50 million was processed through manual payrolls. The manual payrolls accounted for 1 per cent of the total PE cost.

The County Assembly spent Kshs.30.90 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.95,368.68 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. Further, 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 3.68 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.68: Performance of County Established Funds in the First Half 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.)	Submission of First Half Financial Statements (Yes/No.)
		A	B	C	D
County Executive Established Funds					
	Homa Bay County Bursary Fund	215,000,000	125,000,000	102,581,620	YES
	Homa Bay Emergency Fund	23,000,000	-	-	YES
	Homa Bay County Car Loan and Mortgage Scheme Fund	40,263,559	-	7,827,223	YES
	Homa Bay County Alcoholic Drinks Control Fund	-	-	-	YES
County Assembly Established Funds					
	Homa Bay County Assembly Car and Loan and Mortgage Scheme Fund	60,000,000	-	-	No
	Total	**338,263,559**	**25,000,000**	**47,004,620**	

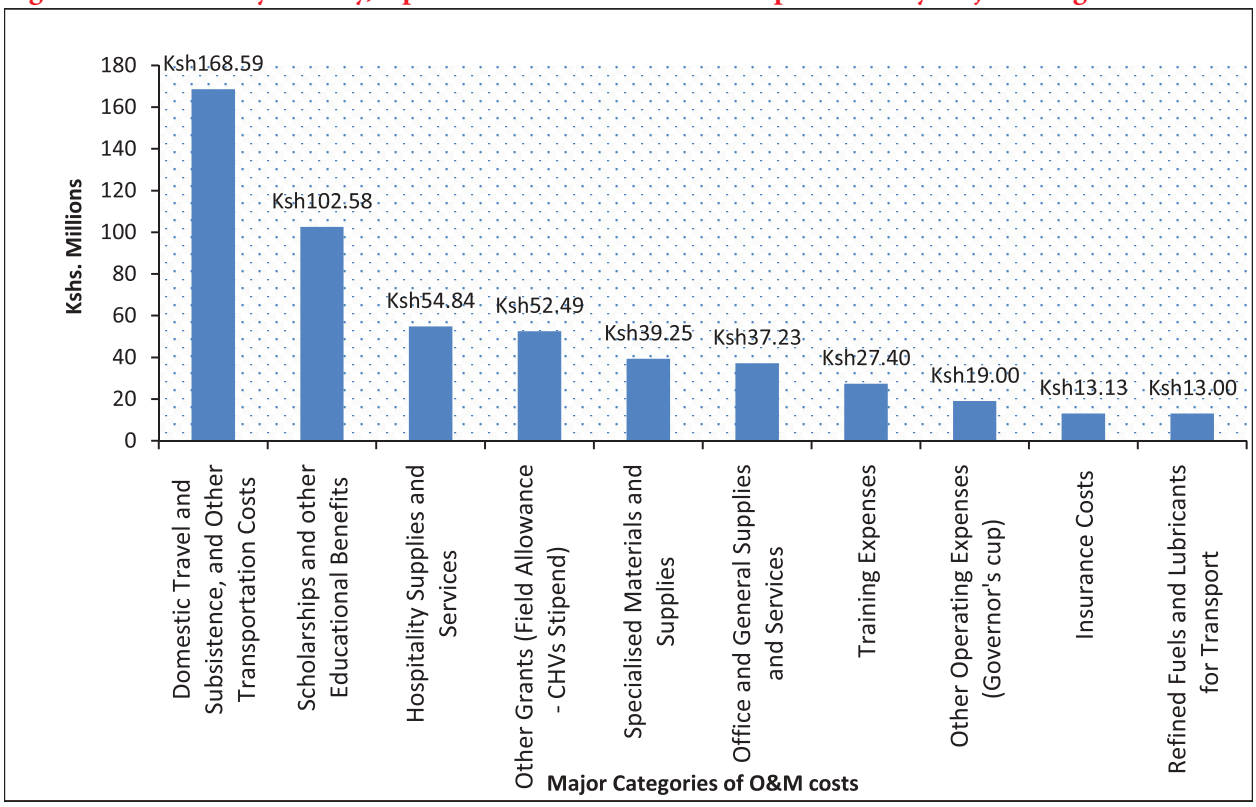
Source: *Homa Bay County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from the Homa Bay County Assembly Car and Loan and Mortgage Scheme Fund Administrator, as indicated in Table 3.68, 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.

3.8.10 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.168.59 million and comprised Kshs.149.98 million spent by the County Assembly and Kshs.18.60 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 an expenditure of Kshs.8.40 million on legal fees/dues, arbitration and compensation payments, and legal fees during the reporting period.

3.8.11 Facility Improvement Financing

During the period under review, the County reported collection of Kshs.376.21 million as FIF, 38 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 health facilities to collect and retain revenue paid as user fees to defray operational, management and capital costs.

The health facilities reported using 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.123.08 million, as shown in Table 3.69 below;-

Table 3.69: Breakdown of expenditure by Health Facilities in the First Half 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	111,614,676	44
Rachounyo County Hospital	62,400,000	39,667,200	64
Rachounyo North S/County	36,000,000	5,605,536	16
Ndhiwa Sub County Hospital	36,000,000	13,185,434	37
Mbita Sub County Hospital	36,000,000	10,346,368	29
Kabondo Sub County Hospital	36,000,000	4,020,353	11

Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
Rangwe Sub County Hospital	36,000,000	13,253,989	37
Suba South S/County Hospital	36,000,000	5,769,647	16
Magunga L4 Hospital	36,000,000	4,494,128	13
Kisegi L4 Hospital	24,000,000	6,808,615	28
Pala L4 Hospital	24,000,000	19,924,461	83
Tom Mboya L4 Hospital	36,000,000	3,870,998	11
Ogongo L4 Hospital	24,000,000	3,692,589	15
Makongeni L4 Hospital	36,000,000	7,787,245	22
Marindi L4 Hospital	24,000,000	4,880,830	20
Nyang'iela L4 Hospital	24,000,000	4,910,890	21
Othoro L4 Hospital	24,000,000	870,000	4
Miriu L4 Hospital	24,000,000	2,718,982	11
Ober L4 Hospital	24,000,000	2,176,998	9
Ndiru L4 Hospital	24,000,000	4,942,875	21
Kandiege L4 Hospital	24,000,000	4,094,852	17
Nyandiwa L4 Hospital	24,000,000	7,899,681	33
Malela L4 Hospital	24,000,000	4,157,600	17
Sena L4 Hospital	24,000,000	3,035,223	13
Public Health Revenues	12,000,000	0	0
Other Health Centres**	18,668,740	0	0.0
Total	**981,068,740**	**289,729,169**	**30**

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

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

3.8.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.889.32 million on development programmes, representing an increase of 207.2 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.289.51 million. Table 3.69 summarises development projects with the highest expenditure in the reporting period.

Table 3.70: Homa Bay 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	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	31
2	Public Health and Medical Services	Construction of modern funeral parlour at HCTRH	Homa Bay County Teaching and Referral Hospital	48,970,814	44,664,834	91
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

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (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	48
7	Office of the Deputy Governor and Department of Agriculture and Livestock	Supply & delivery of maise seeds	All Sub Counties	15,540,000	15,540,000	100
8	Gender Equality 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	Water, Sanitation, Irrigation, Environment, Energy and Climate Change	Other capital grants- (FLLoCA CCRG)	All Sub Counties	11,000,000	11,000,000	100
10	Roads, Public Works, Transport and Infrastructure	Routine Maintenance of Got Kokech-Oneno Nam-Kopiyo Shopping Centre -Nyalkinyi-Rangwena River Road	Homa Bay Town	9,658,341	9,658,341	100

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

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

3.8.13 Budget Performance by Department

Table 3.71 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.71: 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	269.20	12.00	269.56	12.00	100	100	38	5
County Public Service Board	69.46	-	29.86	-	29.86	-	100	-	43	-
County Assembly Service Board	1,027.16	142.56	490.00	-	490.00	-	100	-	48	-
Homa Bay Municipal Board	29.76	48.86	10.60	-	10.60	-	100	-	36	-
Office of the Deputy Governor and Department of Agriculture and Livestock	210.48	262.54	97.61	31.22	97.61	31.22	100	100	46	12
Gender Equality and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services	153.72	95.00	63.56	16.11	63.38	16.11	100	100	41	17
Roads, Public Works, Transport and Infrastructure	157.39	889.97	63.20	293.76	59.60	339.30	94	**116**	38	38

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
Blue Economy, Fisheries, Mining and Digital Economy	90.90	93.69	38.89	2.31	38.89	4.12	100	**178**	43	4
Education, Human Capital Development and Vocational Training	1,246.30	85.00	581.00	13.60	550.18	13.60	95	100	44	16
Public Health and Medical Services	2,594.72	320.00	1,321.25	128.30	1,315.67	187.83	100	**146**	51	59
Lands, Physical Planning, Housing and Urban Development	82.31	1,072.02	33.54	-	33.54	-	100	-	41	-
Trade, Industry, Tourism, Cooperative Development and Marketing	165.26	205.20	70.00	83.20	70.38	68.36	101	82	43	33
Water, Sanitation, Irrigation, Environment, Energy and Climate Change	251.28	450.48	89.09	112.80	89.09	114.11	100	**101**	36	25
Governance, Administration, Communication and Devolution	440.00	23.00	174.94	8.41	174.94	8.41	100	100	40	37
Executive Office of the Governor	402.15	230.00	198.05	16.25	187.81	94.25	95	**580**	47	41
Kendu Bay Municipal Board	9.87	8.00	0.80	-	0.80	-	100	-	8	-
Mbita Municipal Board	9.87	8.00	0.80	-	0.80	-	100	-	8	-
Ndhiwa Municipal Board	9.87	8.00	0.60	-	0.60	-	100	-	6	-
Oyugis Municipal Board	12.83	24.80	1.30	-	-	-	-	-	-	-
Total	**7,670.90**	**4,206.08**	**3,534.29**	**717.96**	**3,483.31**	**889.32**	**99**	**124**	**45**	**21**

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

Analysis of expenditure by the department shows that the Department of Public Health and Medical Services recorded the highest absorption rate of development budget at 59 per cent, followed by the Department of Executive Office of the Governor at 41 per cent and the Department of Roads, Public Works, Transport and Infrastructure at 38 per cent. The Department of Public Health and Medical Services had the highest percentage of recurrent expenditure to budget at 51 per cent, while Ndhiwa Municipal Board had the lowest at 6 per cent.

Further analysis shows the development expenditure for some departments exceeded the exchequer releases. These anomalies can be attributed to many transactions appearing 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.

3.8.14 Budget Execution by Programmes and Sub-Programmes

Table 3.72 summarises the budget execution by programmes and sub-programmes in the First Half of FY 2024/25.

Table 3.72: 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	223,754,172	359,390,967	20.5
	General Logistics, Coordination and Asset Management Services	172,735,098	38,955,376	164,443,339	4.8
	Subtotal	**624,628,209**	**262,709,548**	**523,834,306**	**16.1**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
Planning, Budgeting and Development Coordination Services	Economic planning and development coordination services	10,953,000	500,000	10,453,000	4.6
	Resource allocation services	9,393,200	-	9,393,200	-
	Public Participation Facilitation services	12,589,000	-	12,589,000	-
	Subtotal	**32,935,200**	**500,000**	**32,435,200**	**1.5**
Resource mobilisation services	External Resources Mobilization Services	-	-	-	-
	Internal Revenue Generation Services	28,486,600	6,350,467	22,136,133	22.3
	Subtotal	**28,486,600**	**6,350,467**	**22,136,133**	**22.3**
Financial management services	Accounting and Financial Reporting Services	8,859,400	-	8,859,400	-
	Supply Chain Management Services	9,592,861	-	9,592,861	-
	Audit and Advisory Services	7,072,885	-	7,072,885	-
	Emergency Management Services	234,935,539	12,000,000	222,935,539	5.1
	Subtotal	**260,460,685**	**12,000,000**	**248,460,685**	**4.6**
	Total	**946,510,694**	**281,560,015**	**664,950,679**	**29.7**
County Public Service Board					
General Policy, Planning and Administration Services	Policy Development Services	1,425,000	-	-	-
	Administrative Support Services	63,014,549	29,860,814	36,696,589	44.9
	Infrastructure Development Services	0	0	0	0
	Subtotal	**64,439,549**	**29,860,814**	**37,196,589**	**44.5**
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	-	2,000,000	-
	Subtotal	**5,017,854**	**-**	**5,017,854**	**-**
	Total	**69,457,403**	**29,860,814**	**39,596,589**	**43.0**
County Assembly Service Board					
Legislative Services	Members' welfare Support services	247,066,059	125,752,231	120,895,908	51.0
	Legislative development and approval services	131,636,498	97,146,491	34,653,509	73.7
	Subtotal	**378,702,557**	**222,898,722**	**155,549,417**	**58.9**
Oversight and Control Services	Capacity building services	80,000,000	31,026,740	48,973,260	38.8
	Report writing services	40,000,000	31,072,900	8,927,100	77.7
	Public Participation and Education Services	20,000,000	-	20,000,000	-
	Subtotal	**140,000,000**	**62,099,640**	**77,900,360**	**44.4**
Ward Representation Services	Staff welfare support services	59,712,348	14,570,611	45,141,737	24.4
	Ward operations and maintenance	17,284,320	8,847,792	8,436,528	51.2
	Subtotal	**76,996,668**	**23,418,403**	**53,578,265**	**30.4**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
Policy, Planning and Administrative Support Services	Administrative support services	272,270,879	118,198,712	154,072,167	43.4
	Financial Management Services	159,190,000	63,384,524	95,805,476	39.8
	Assembly Infrastructure Development Services	142,564,789	-	142,564,789	-
	Subtotal	**574,025,669**	**181,583,236**	**392,442,432**	**31.6**
	Total	**1,169,724,894**	**490,000,000**	**679,724,894**	**41.9**
Homa Bay Municipal Board					
Planning, Finance and Administrative Support Services	Policy and planning services	-	-	-	-
	Financial Management Services	6,811,419	-	6,811,419	-
	Personnel remuneration and development services	22,945,272	10,600,000	12,345,272	46.2
	Subtotal	**29,756,691**	**10,600,000**	**19,156,691**	**35.6**
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	-
	Subtotal	**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	-	-	-	-
	Subtotal	**4,000,000**	**-**	**-**	**-**
	Total	**78,617,779**	**10,600,000**	**68,017,779**	**13.5**
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	97,609,726	112,870,567	46.4
	Subtotal	**210,480,293**	**97,609,726**	**112,870,567**	**46.4**
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	-	-	-	-
	Subtotal	**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	30,070,739	12,929,261	69.9
	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	-
	Subtotal	**215,434,071**	**30,070,739**	**185,363,332**	**14.0**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
Livestock Development Programme	Livestock Improvement and Development	2,000,000	-	2,000,000	-
	Livestock Infrastructure Development Services	23,605,379	1,144,517	22,460,862	4.8
	Livestock Health and Disease Management	-	-	-	-
	Subtotal	**25,605,379**	**1,144,517**	**24,460,862**	**4.5**
	Total	**473,019,173**	**128,824,982**	**344,194,191**	**27.2**
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	60,650,993	23,301,758	72.2
	Policy and Planning Services	15,199,521	2,731,000	12,468,521	18.0
	Office Development Operations	-	-	-	-
	Subtotal	**99,152,272**	**63,381,993**	**35,770,279**	**63.9**
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	-
	Subtotal	**10,557,877**	**-**	**10,557,877**	**-**
Social Development and Empowerment Services	Gender Mainstreaming and Women 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	-
	Subtotal	**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	19.4
	Sports Management and Talent Development	35,000,000	-	35,000,000	-
	Subtotal	**118,000,000**	**16,109,890**	**101,890,110**	**13.7**
	Total	**248,719,567**	**79,491,883**	**169,227,684**	**32.0**
Department of Roads, Transport and Public Works and Subtotalcture					
General Administration, Planning and Support Services	Human Resource and Capacity Development Services	130,541,652	59,000,000	71,541,652	45.2
	Administration Support And Staff Capacity Development Services	25,930,038	600,000	25,330,038	2.3
	Policy Planning And Field Support Services	613,500	-	613,500	-
	Monitoring Evaluation and Learning and Report Development Services	300,000	-	300,000	-
	Subtotal	**157,385,190**	**59,600,000**	**97,785,190**	**37.9**
Public works and maintenance services	Quality Control and Enforcement	-	-	-	-
	Infrastructure Development Services	33,000,000	13,583,204	19,416,796	41.2
	Plants, equipment and vehicle support services	35,000,000		35,000,000	-
	Subtotal	**68,000,000**	**13,583,204**	**54,416,796**	**20.0**
Road Development and Rehabilitation Services	Road Development Services	425,000,000	243,381,823	181,618,177	57.3
	Road Maintenance Services	396,974,496	82,338,452	314,636,044	20.7
	Subtotal	**821,974,496**	**325,720,275**	**496,254,221**	**39.6**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
Transport Development and Rehabilitation Services	Water Transport Services	-	-	-	-
	Bus park, Motorbike and Taxi Infrastructure Services	-	-	-	-
	Air Transport Infrastructure Development Services	-	-	-	-
	Subtotal	-	-	-	-
	Total	**1,047,359,686**	**398,903,479**	**648,456,207**	**38.1**
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	36,500,000	39,786,892	47.8
	Administrative Support Services	14,611,925	2,394,175	12,217,750	16.4
	Subtotal	**90,898,817**	**38,894,175**	**52,004,642**	**42.8**
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	4,123,395	47,158,344	8.0
	Subtotal	**68,691,161**	**4,123,395**	**14,691,122**	**6.0**
Mineral resources development and marketing services	Artisanal Mining Services	7,000,000	-	7,000,000	-
	Mineral Prospecting Services	3,000,000	-	3,000,000	-
	Subtotal	**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	-	-	-	-
	Subtotal	**15,000,000**	**-**	**15,000,000**	**-**
	Total	**184,589,978**	**43,017,570**	**141,572,408**	**23.3**
Department of Education, Human Capital Development and Vocational Training					
General Administration and Quality Assurance Service	General administration Services	19,265,068	8,177,448	11,087,620	42.4
	Human Resources Management services	984,173,791	448,000,000	536,173,791	45.5
	Quality Assurance Services	8,408,000	-	8,408,000	-
	StakeholderManagement Services	920,000	-	920,000	-
	Special Needs Education Services	544,800	-	544,800	-
	Subtotal	**1,013,311,659**	**456,177,448**	**557,134,211**	**45.0**
Early Years Education (EYE) Services	EYE Teaching and learning material	13,290,000		13,290,000	-
	EYE Infrastructure Development Services	50,000,000	13,601,585	36,398,415	27.2
	EYE Feeding and Nutrition Services	-	-	-	
	Subtotal	**63,290,000**	**13,601,585**	**49,688,415**	**21.5**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
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	94,000,000	121,000,000	43.7
	Skills Development and Exhibition Shows Services	1,200,000	-	1,200,000	-
	VTC Infrastructure Development Services	35,000,000	-	35,000,000	-
	Subtotal	**254,700,000**	**94,000,000**	**160,700,000**	**36.9**
	Total	**1,331,301,659**	**563,779,033**	**767,522,626**	**42.3**
Department of Public Health and Medical Services					
Policy planning and administrative support service	Policy, Planning and Monitoring Services	17,140,000		17,140,000	-
	Administrative Support Services	2,264,067,453	1,221,668,995	1,042,398,458	54.0
	Subtotal	**2,281,207,453**	**1,221,668,995**	**1,059,538,458**	**53.6**
Preventive and promotive health services	Community health services	89,620,000	52,491,880	37,128,120	58.6
	Disease control services	6,000,000		6,000,000	-
	Facility Infrastructure improvement services	145,000,000	34,119,331	110,880,669	23.5
	Subtotal	**240,620,000**	**86,611,211**	**154,008,789**	**36.0**
Curative and rehabilitative health services	Routine medical health services	110,890,936	41,510,735	69,380,201	37.4
	Medical emergency response services	4,000,000		4,000,000	-
	Facility infrastructure improvement services	275,000,000	153,709,812	121,290,188	55.9
	Subtotal	**389,890,936**	**195,220,547**	**194,670,389**	**50.1**
Research and development service	Research and surveillance services	2,000,000		2,000,000	-
	Capacity development services	1,000,000		1,000,000	-
	Subtotal	**3,000,000**	**-**	**3,000,000**	**-**
	Total	**2,914,718,389**	**1,503,500,754**	**1,411,217,635**	**51.6**
Department of Lands, Housing, Urban Development and Physical Planning					
General Administration Services	General administrative support services	69,308,719	33,536,640	35,772,079	48.4
	Operation and Maintenance Services	10,774,623	-	10,774,623	-
	General Office Infrastructure Development Services	2,230,000	-	2,230,000	
	Subtotal	**82,313,342**	**33,536,640**	**48,776,702**	**40.7**
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	-
	Subtotal	**41,500,000**	**-**	**41,500,000**	**-**
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	-	-	-	-
	Subtotal	**1,030,520,992**	-	**1,030,520,992**	**-**
	Total	**1,154,334,334**	**33,536,640**	**1,120,797,694**	**2.9**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
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	68,364,277	40,840,650	62.6
	Subtotal	**161,204,927**	**68,364,277**	**92,840,650**	**42.4**
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	-
	Subtotal	**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	70,000,000	82,867,754	45.8
	Administrative Support Services	11,391,538	375,000	11,016,538	3.3
	Subtotal	**165,259,292**	**70,375,000**	**94,884,292**	**42.6**
	Total	**370,464,219**	**138,739,277**	**231,724,942**	**37.5**
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	2,594,752	149,905,248	1.7
	Industrial Water Supply Services	-	-	-	-
	Maintenance of Water Supply Services	-	-	-	-
	Subtotal	**152,500,000**	**2,594,752**	**149,905,248**	**1.7**
Energy Services	Electrical Power Services	-	-	-	-
	Solar Power Services	8,000,000	-	8,000,000	-
	Renewable Energy Services	-	-	-	-
	Subtotal	**8,000,000**	**-**	**8,000,000**	**-**
Irrigation Development and Management Services	Irrigation Infrastructure Development and Rehabilitation Services	-	-	-	-
	Small Holder Community Irrigation Support Services	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**
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	-	-	-	-
	Subtotal	**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	4.4
	Climate Resilience Investment Financing	-	-	-	-
	Subtotal	**262,984,141**	**11,000,000**	**251,984,141**	**4.2**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
General Administrative services	Administrative Support Services	240,284,926	78,000,000	162,284,926	32.5
	Policy and Planning Services	-	-	-	-
	Debt Management Services	17,000,000	7,800,000	9,200,000	45.9
	Subtotal	**257,284,926**	**85,800,000**	**171,484,926**	**33.3**
	Grand Total	**701,769,067**	**203,200,096**	**498,568,971**	**29.0**
Governance and Administration, Communication and Devolution					
Governance, Administration and Devolution Services	Governance and Administration	339,495,656	163,289,385	176,206,271	48.1
	Field Coordination and Administration Services	29,400,000	18,198,243	11,201,757	61.9
	Compliance and Enforcement Services	10,634,000	-	10,634,000	-
	Devolution Support Services	37,500,000	-	37,500,000	-
	Subtotal	**417,029,656**	**181,487,628**	**235,542,028**	**43.5**
Communication and Public Engagement	County Press Services	12,120,000	-	12,120,000	-
	Media Relations	7,610,890	-	7,610,890	-
	County Visibility And Branding	7,520,000	1,860,754	5,659,246	24.7
	Subtotal	**27,250,890**	**1,860,754**	**25,390,136**	**6.8**
Stakeholder, Special Projects and Disaster Management	Special Projects Services	10,320,000	-	10,320,000	-
	Public Participation Coordination Services	3,600,000	-	3,600,000	-
	Disaster Prevention and Management Services	4,800,000	-	4,800,000	-
	Subtotal	**18,720,000**	**-**	**18,720,000**	**-**
	Total	**463,000,546**	**183,348,382**	**279,652,164**	**39.6**
Executive Office of the Governor					
Governance and coordination services	Executive management and liaison services	532,819,306	258,346,170	274,473,136	48.5
	Field coordination and administration services	14,181,600	-	14,181,600	-
	Subtotal	**547,000,906**	**258,346,170**	**288,654,736**	**47.2**
Strategy and service delivery improvement services	Strategy and advisory services	40,210,555	17,824,733	22,385,822	44.3
	Information and Communication Services	4,050,000	2,000,000	2,050,000	49.4
	Subtotal	**44,260,555**	**19,824,733**	**24,435,822**	**44.8**
Public Service Administration support services	Human resource management and development services	19,906,980	1,300,000	18,606,980	6.5
	Legal Services	20,978,330	2,593,095	18,385,235	12.4
	Performance Management Services	-	-	-	-
	Subtotal	**40,885,310**	**3,893,095**	**36,992,215**	**9.5**
	Total	**632,146,771**	**282,063,998**	**350,082,773**	**44.6**
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	800,000	3,003,640	21.0
	Administration and Support Services	5,009,582	-	5,009,582	-
	Subtotal	**9,870,274**	**800,000**	**9,070,274**	**8.1**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
Public Works and Infrastructure Improvements Services	Transport Infrastructure Improvements	-	-	-	-
	Public facilities improvement services	3,000,000	-	3,000,000	-
	Environmental improvement Services	-			
	Subtotal	**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	-
	Subtotal	**5,000,000**	-	**5,000,000**	-
	Total	**17,870,274**	**800,000**	**17,070,274**	**4.5**
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	800,000	2,931,949	21.4
	Administration and Support Services	2,334,685	-	2,334,685	-
Public Works and Infrastructure Improvement Services	**Subtotal**	**9,870,274**	800,000	9,070,274	8.1
	Transport Infrastructure Improvements	3,000,000	-	3,000,000	-
	Public facilities improvement services	-	-	-	-
	Subtotal	**3,000,000**	-	**3,000,000**	-
Housing and Urban Development Services	Environmental Management Services	5,000,000	-	5,000,000	-
	Land Use Management	-	-	-	-
	Subtotal	**5,000,000**	-	**5,000,000**	-
	Total	**17,870,274**	**800,000**	**17,070,274**	**4.5**
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	16.1
	Administration and Support Services	2,251,885	-	2,251,885	-
	Subtotal	**9,870,274**	**600,000**	**9,270,274**	**6.1**
Public Works and Infrastructure Improvement Services	Transport Infrastructure Improvements	3,000,000	-	3,000,000	-
	Public facilities improvement services	-	-	-	-
	Subtotal	**3,000,000**	-	**3,000,000**	-
Housing and Urban Development Services	Environmental Management Services	5,000,000	-	5,000,000	-
	Land Use Management	-	-	-	-
	Subtotal	**5,000,000**	-	**5,000,000**	-
	Total	**17,870,274**	**600,000**	**17,270,274**	**3.4**
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	19.8
	Administration and Support Services	5,571,733	-	5,571,733	-

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
Public Works and Infrastructure Improvement Services	**Subtotal**	**12,833,620**	**1,300,000**	**11,533,620**	**10.1**
	Transport Infrastructure Improvements	19,800,000	-	19,800,000	-
	Public facilities improvement services	-	-	-	-
	Subtotal	**19,800,000**	**-**	**19,800,000**	**-**
Housing and Urban Development Services	Environmental Management Services	5,000,000	-	5,000,000	-
	Land Use Management	-	-	-	-
	Subtotal	**5,000,000**	**-**	**5,000,000**	**-**
	Total	**37,633,620**	**1,300,000**	**36,333,620**	**3.5**
GRAND TOTAL		**11,876,978,601**	**4,372,626,922**	**7,504,351,679**	**36.8**

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

The Sub-programmes with the highest levels of budget implementation based on absorption rates were Legislative Development and approval services in the County Assembly Service Board at 74 per cent; the Personnel Remuneration and Welfare in the Department of Gender Equality and Inclusivity Youth, sports, Talent Development, Cultural Heritage and Social Services at 72 per cent; Rural Water Supply Services in the Department of Water Sanitation, Irrigation, Environment, Energy and Climate Change at 69.8 per cent; Capacity building services in the County Assembly Service Board at 65 per cent and Trade infrastructure and development services in the Department of Trade, Industry, Tourism, Cooperative Development and Marketing at 63 per cent.

3.8.15 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.

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.

3.8.16 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 underperformance of own-source revenue at Kshs.517.87 million against an annual target of Kshs.1.48 billion, representing 35 per cent of the yearly target.

(ii) The Fund Administrator for the Homa Bay County Assembly Car and 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.

(iii) A high wage bill accounted for 61 per cent of the County's revenue in the first half of FY 2024/25 of Kshs.4.65 billion, which is above the ceiling provided by law.

(iv) The County government uses commercial bank accounts for operations contrary to Regulations 82(1)(b) of the PFM (County Governments) Regulations, 2015, which required 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.

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 CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
(iii) *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.*
(iv) *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 own source revenue collection accounts are exempted.*

3.9. County Government of Isiolo

3.9.1 Overview of FY 2024/25 Budget

The Isiolo County Gross Approved FY 2024/25 budget 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.1.50 billion (28 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.1.58 billion and a recurrent budget of Kshs.3.75 billion. The increase in the budget was attributed to the rise in projection for additional allocation receipts and the balance b/f from FY 2023/24.

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) million 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 3.73.

3.9.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.2.60 billion to fund its development and recurrent activities. This amount consisted of Kshs.2.04 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.119.60 million. In addition, the County had a cash balance of Kshs.438.73 billion from FY 2023/24.

The total OSR collection of Kshs.119.60 billion includes Facilities Improvement Financing (FIF) of Kshs.31.43 million and Kshs.88.18 million as ordinary OSR. Table 3.73 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.73: Isiolo County, Revenue Performance in the First Half 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	2,043,255,362	40
Subtotal		5,078,735,614	2,043,255,362	40
B	Additional Allocations			
	Supplement for construction of County Head Quarters	115,350,161		
	Transfer of Museum function	1,093,656		

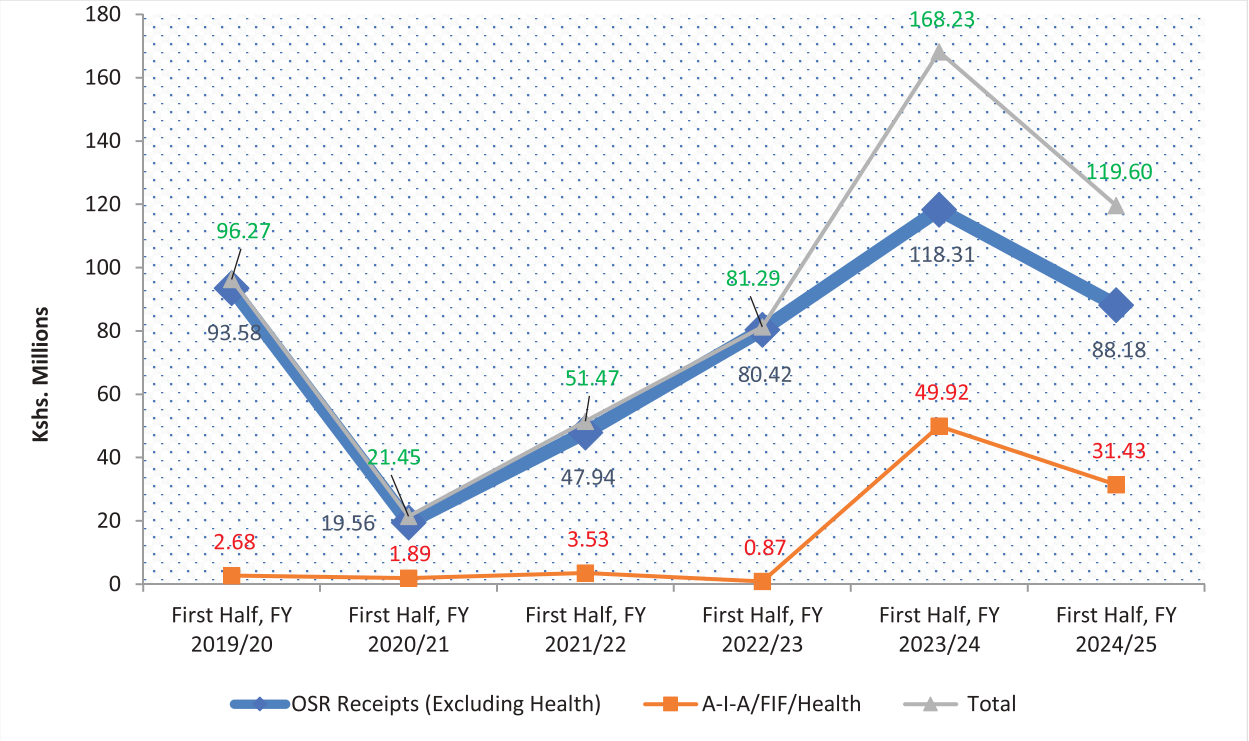
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
	Roads Maintenance Fuel Levy Fund	190,644,441		
	Community Health promoters	21,630,000		
	DANIDA Grant - Primary Health Care in Devolved Context	6,532,500	1,956,702	30
	Financing Locally Led Climate Action (FLLoCA)	136,000,000		
	Emergency Locust Response Project ELRP (World Bank)	142,500,000		
	Food Systems Resilience Project (FSRP)	173,076,923		
	Kenya Agricultural Business Development Project (KABDP)-GOS	10,918,919		
	Kenya Agricultural Business Development Project (KABDP)-MOALD Contribution	1,000,000		
	Kenya Devolution Support Program II (KDSP II)	37,500,000		
	Kenya Urban Support Program (KUSP)-UIG	35,000,000		
	Kenya Urban Support Program (KUSP)-UDG	63,661,198		
	United Nations Fund for Population Activities (UNFPA)	9,620,000		
Subtotal		944,527,798	1,956,702	0.2
C	Own Source Revenue			
	Ordinary Own Source Revenue	271,208,180	88,177,273	33
	Facility Improvement Fund (FIF)	100,000,000	31,427,534	31
Subtotal		371,208,180	119,604,807	32
D	Other Sources of Revenue			
	Unspent balance from FY 2023/24	438,727,444	438,727,444	100
Sub Total		438,727,444	438,727,444	100
Grand Total		**6,833,199,036**	**2,603,544,315**	**38**

Source: *Isiolo County Treasury*

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

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

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

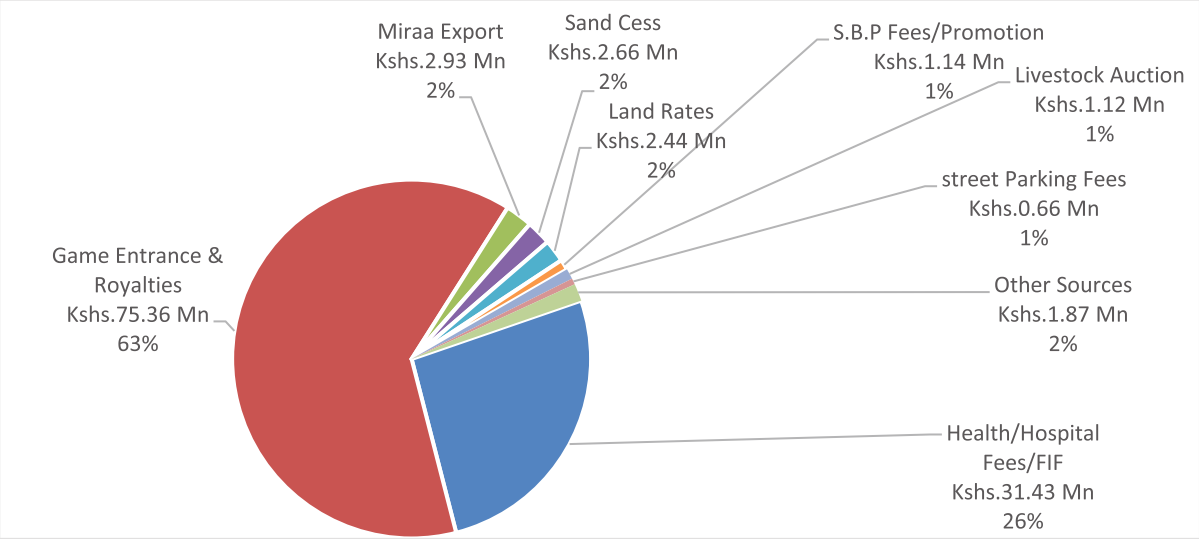


Source: *Isiolo County Treasury*

During the first half of FY 2024/25, the County generated Kshs.119.60 million from its revenue sources, including AIA and FIF. This amount was a decrease of 29 per cent compared to Kshs.168.23 million realised in a similar period in FY 2023/24 and was 32 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 of Kshs.1.40 million.

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

Figure 34: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Isiolo County Treasury

The highest revenue stream, Kshs.75.36 million, was from Game Entrance & Royalties, which contributed 63 per cent of the total OSR receipts during the reporting period.

3.9.3 Borrowing by the County

The County Government did not report any borrowing in the reporting period

3.9.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.2.16 billion from the CRF account comprised Kshs.521.09 million (24.2 per cent) for development programmes and Kshs.1.63 billion (75.8 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.20 billion was released towards compensation of employees and Kshs.434.09 million for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to the delay in receiving two disbursements of equitable share and underperformance of OSR.

Analysis of the operations and maintenance exchequer releases indicate that 1.2 per cent was for domestic travel. There was no expenditure for foreign travel. The domestic travel exchequer amounted to Kshs.19.71 million, including Kshs.7.39 million for the County Executive and Kshs.12.32 million for the County Assembly.

Table 3.74: 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	556.24	70.00	227.87	39.99	41	57
County Executive Sector	465.53	0.00	161.29	0.00	35	∞
Finance, Economic Planning, Special Programs, Revenue and Cohesion	495.65	680.46	306.13	378.22	62	56
Lands & Physical Planning, Housing & Urban Planning and Roads & Infrastructure	56.24	340.64	14.94	59.96	27	18
Agriculture & Irrigation, Livestock & Veterinary Services and Fisheries Development	175.08	363.71	66.32	22.00	38	6
Education, Vocational Youth, Sports Gender & Social Services	341.61	110.52	116.16	2.2	34	2
Tourism and Wildlife, Trade Cooperative and Enterprise Development	666.26	176.50	218.13	0.00	33	
Water, Energy, Environment, and Natural Resources	83.67	305.94	24.27	11.00	29	4
Health services	1,394.58	111.75	485.64	7.74	33	7
Municipal Administration	85.92	253.04	14.18	0.00	17	
	4,420.77	**2,412.43**	**1,634.92**	**521.09**	**37**	**22**

***Source**: Isiolo County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.406.05 million.

3.9.5 County Expenditure Review

The County spent Kshs.2.13 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.481.52 million and Kshs.1.64 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 20 per cent, while recurrent expenditure represented 37 per cent of the annual recurrent expenditure budget.

3.9.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.3 billion as of 30 June 2024. This amount includes Kshs.1.24 billion from the County Executive and Kshs.56.79 million from the County Assembly. The pending bills from

the County Executive consist of Kshs.862.69 million for recurrent expenditures and Kshs.380.66 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.383.68 million, comprising Kshs.275.18 million for recurrent programmes and Kshs.108.49 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.42.88 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.545.89 million and Kshs.55.63 million, respectively, in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.383.68 million for the Executive and Kshs.42.88 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.873.58 million, comprising Kshs.859.68 million for the County Executive and Kshs.13.91 million for the County Assembly.

3.9.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.04 billion on employee compensation, Kshs.380.36 million on operations and maintenance, and Kshs.441.52 million on development activities. Similarly, the County Assembly spent Kshs.141.87 million on employee compensation, Kshs.86 million on operations and maintenance, and Kshs.39.99 million on development activities, as shown in Table 3.75.

Table 3.75: 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	**3,864,528,721**	**556,240,773**	**1,416,174,547**	**227,869,291**	**37**	**41**
Compensation to Employees	2,260,266,017	276,804,582	1,035,812,220	141,869,291	46	51
Operations and Maintenance	1,604,262,704	279,436,191	380,362,327	86,000,000	24	31
Development Expenditure	2,342,429,542	70,000,000	441,516,628	39,999,999	19	57
Total	**6,206,958,263**	**626,240,773**	**1,857,691,175**	**267,869,290**	**30**	**43**

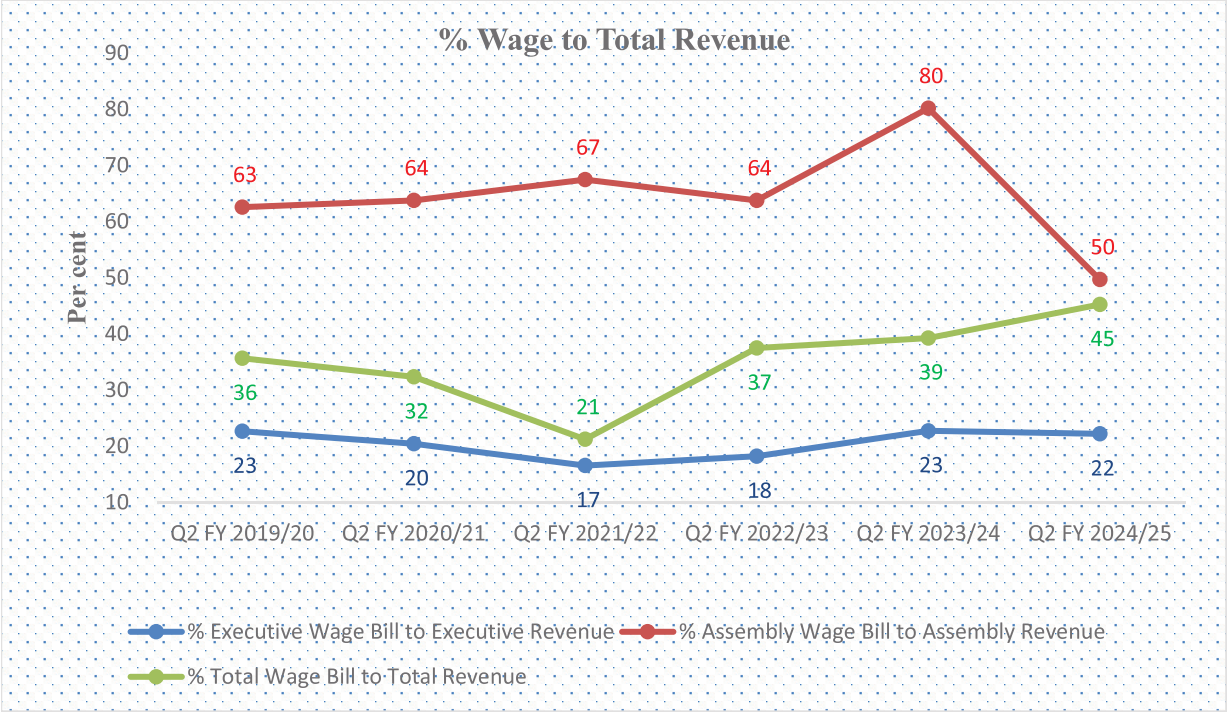
***Source**: Isiolo County Treasury*

3.9.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.17 billion, or 45 per cent of the available revenue of Kshs.2.6 billion. This expenditure represented an increase from Kshs.923.33 reported in a similar period in FY 2023/24. The wage bill included Kshs.478.26 million paid to the Health Sector employees, translating to 40.6 per cent of the total wage bill.

Figure 35 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 35: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2019/20 to the First Half of FY 2024/25



Source: Isiolo County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.11 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.25.74 million was processed through manual payrolls, which accounted for 2.3 per cent of the total PE cost. The 25.74 million processed outside IPPD includes Kshs.14.37 million housing levy employer contribution for county executive, Kshs.4.15 million gratuity contribution for county Assembly, and Kshs.7.22 million manual payrolls for county assembly.

The County Assembly spent Kshs.6.75 million on committee sitting allowances for the 18 MCAs against the annual budget allocation of Kshs.10.50 million. The average monthly sitting allowance was Kshs.124,981 per MCA. The County Assembly had 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 per cent of the County's overall budget. Further, the County allocated Kshs.110 million to the Emergency Fund (1.6 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.76 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.76: Performance of County Established Funds in the First Half 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.)
	County Executive Established Funds					
	Emergency Fund	110,000,000	110,000,000	-	541,418,164	Yes
	Scholarships and Other Educational Benefits - Tertiary Education	70,000,000	-	23,213,761	Not provided	Yes

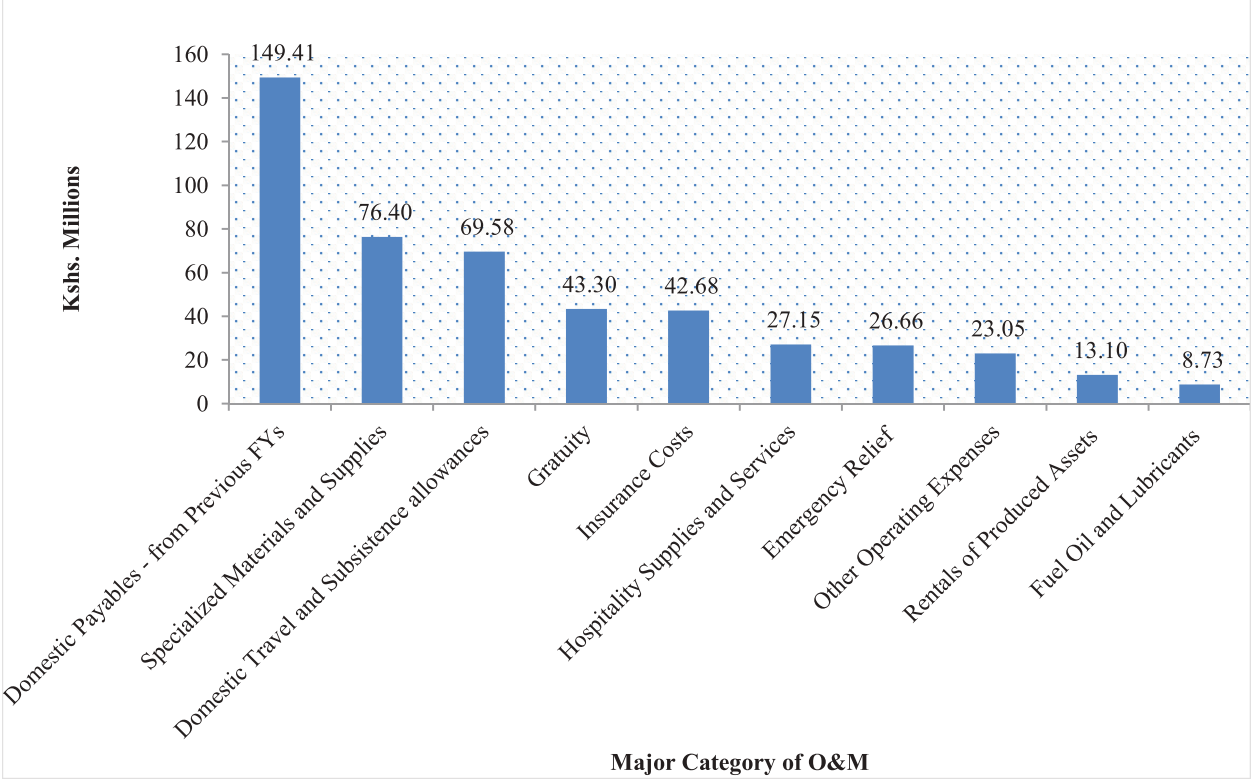
S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Half of FY 2024/25 (Kshs.)	Actual Expenditure in First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Half Financial Statements (Yes/No.)
	Isiolo County Ward Development Fund- Village Level Development Projects implementation in all wards	150,000,000	-	-	-	Not yet operational
	County Assembly Established Funds					
	Housing loans to public servants	15,060,000	-	-	64,500,000	Yes
	Total	**345,060,000**	**110,000,000**	**23,213,761**	**605,918,164**	

Source: *Isiolo County Treasury*

3.9.10 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*

Domestic travel expenditures amounted to Kshs.69.58 million, comprising Kshs.49.63 million spent by the County Assembly and Kshs.20.21 million by the County Executive.

A breakdown of "*Other Operating Expenses*" in the above graph is provided in Table 3.77.

Table 3.77: Isiolo County Breakdown of "Other Operating Expenses"

VOTE	Department	Title And Details	Actual Expenditure FY 2023/24 (Kshs.)
County Assembly	County Assembly	Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	1,500,000
Office of Governor	Office of Governor	Security Operations	1,200,000
County Executive Sector	County Attorney	Legal Dues/fees, Arbitration and Compensation Payments	15,500,000
Health Services	Public Health	Emergency Medical Expenses	1,250,000
Town Administrator	Municipal Administration	Contracted Guards and Cleaning Services	3,600,000
	Total		**23,050,000**

Source: Isiolo County Treasury

The operations and maintenance costs include Kshs.15.5 million in legal fees/dues, arbitration and compensation payments, and legal fees.

3.9.11 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.31.43 million as FIF, which was 32.2 per cent of the annual target of Kshs.100 million. The collected amount was retained and utilised at the source in accordance with the Facility Improvement Financing Act of 2023. However, the County has not developed regulations to operationalise the FIF Act of 2023.

The County 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.

3.9.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.481.52 million on development programmes, representing an increase of 184.7 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.169.11 million. Table 3.78 summarises development projects with the highest expenditure in the reporting period.

Table 3.78: Isiolo 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	Finance, Economic Planning, Special Programs, Revenue and Cohesion	Provision for Accrued Pending Bills' Clearing Plan 2013/14-2022/23	Implementation of Payment Plan of 50Million per Quarter/FY	190,000,000	133,106,854	70
2	Finance, Economic Planning, Special Programs, Revenue and Cohesion	Provision for Accrued Pending Bills' Clearing Plan 2023/24		196,112,652	130,654,274	67
3	Finance, Economic Planning, Special Programs, Revenue and Cohesion	Isiolo County Emergency Fund Act Implementation Programme		110,000,000	55,000,000	50
4	County Assembly	Debating Chamber and Offices	County Assembly Ground	70,000,000	39,999,999	57
5	Water, Energy, Environment And Natural Resources	Financing Locally Led Climate Action (FLLoCA)- county contribution	Wabera, Bullapesa, Burat, Oldonyiro, Ngaremara, Chari, Cherab, Garbatulla, Kinna, Sericho	33,000,000	27,297,615	83

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
6	Agriculture, Livestock And Fisheries Development	Emergency Locust Response Program (ELRP)	Wabera, Bullapesa, Burat, Oldonyiro, Ngaremara, Chari, Cherab, Garbatulla, Kinna, Sericho	142,500,000	22,000,000	15
7	Medical Services	United Nations Fund for Population Activities (UNFPA) Grant	Wabera, Bullapesa, Burat, Oldonyiro, Ngaremara, Chari, Cherab, Garbatulla, Kinna, Sericho	9,620,000	4,269,960	44
8	Land, Physical Planning, Roads, Housing and Public Works	Land Parcels Registered (Titling programme)	Wabera, Bullapesa, Burat, Chari, Cherab, Kinna, Sericho	4,000,000	4,000,000	100
9	Municipal Administration	2km Road Cabro Paving in: (a). the Main Stage Car wash-Marire-Kwa Hadija- Bullawaso & (b). Milimani- Waso bridge-Sacred Heart	Bullapesa	85,374,590	3,876,273	5
10	Education, Vocational Training, Youth, Sports & Gender	Capitation grant for VTCs	Uhuru, Merti, Sericho & Oldonyiro VTCs	4,500,000	2,175,000	48

Source: *Isiolo County Treasury*

3.9.13 Budget Performance by Department

Table 3.79 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.79: 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	227.87	40.00	227.87	40.00	100	100	41	57
County Executive Sector	465.53	-	161.29	-	169.17	-	105	-	36	-
Finance, Economic Planning, Special Programs, Revenue and Cohesion	495.65	680.46	306.13	378.22	238.04	318.76	78	84	48	47
Lands & Physical Planning, Housing & Urban Planning and Roads & Infrastructure	56.24	340.64	14.94	59.96	1.55	60.41	10	101	3	18
Agriculture & Irrigation, Livestock & Veterinary Services and Fisheries Development	175.08	363.57	66.32	22.00	75.32	22.00	114	100	43	6
Education, Vocational Youth, Sports Gender & Social Services	341.61	110.52	116.16	2.18	90.17	4.18	78	192	26	4
Tourism and Wildlife, Trade Cooperative and Enterprise Development	666.26	176.50	218.13	-	260.60	-	120	-	39	-
Water, Energy, Environment, and Natural Resources	83.67	305.94	24.27	11.00	19.15	28.03	79	255	23	9

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
Health services	1,494.58	111.75	485.64	7.74	548.14	4.27	113	55	37	4
Municipal Administration	85.92	253.04	14.18	-	14.03	3.88	99	-	16	2
Total	**4,420.77**	**2,412.43**	**1,634.92**	**521.09**	**1,644.04**	**481.52**	**101**	**92**	**37**	**20**

***Source**: Isiolo County Treasury*

The County Treasury did not explain why certain departments' expenditures exceeded their respective exchequer receipts.

Analysis of expenditure by departments shows that the County Assembly recorded the highest absorption rate of development budget at 57 per cent, followed by the Department of Finance, Economic Planning, Special Programs, Revenue and Cohesion at 47 per cent. The Department of Finance, Economic Planning, Special Programs, Revenue and Cohesion had the highest percentage of recurrent expenditure to budget at 48 per cent. In contrast, the Department of Lands & Physical Planning, Housing & Urban Planning and Roads & Infrastructure had the lowest at 2.7 per cent.

3.9.14 Budget Execution by Programmes and Sub-Programmes

Table 3.80 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.80: Isiolo County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Assembly							
Legislative service	Legislative service	556.24	0.00	227.87	0.00	41	∞
	Sub Total	**556.24**	**0.00**	**227.87**	**0.00**	41	∞
Infrastructure support	Infrastructure support	0.00	70.00	0.00	40.00	∞	57
	Sub-Total	**0.00**	**70.00**	**0.00**	**40.00**	∞	57
Grand Total		**556.24**	**70.00**	**227.87**	**40.00**	**41**	**57**
OFFICE OF THE GOVERNOR							
County Governance and Coordination Affairs	County Governance	76.08		10.91		14	∞
	General Administration Planning & Support Services	232.57		107.04		46	∞
	Sub-Total	**308.65**	-	**117.96**		38	∞
Human Resources Mgt & Deployment	General Administration Planning & Support Services	30.54		15.19		50	∞
	Human Resource Planning & Development	8.65		1.75		20	∞
	Board Operation & Management	10.26		0.13		1	∞
	Board Operation & Management	5.10		0.00		-	∞
	Sub-Total	**54.54**		**17.07**		31	∞
Prudent use of Financial Resources	General Administration Planning & Support Services	0.00		0.00		∞	∞
	Efficiency Monitoring & Community Engagement	18.85		8.41		45	∞
	Sub-Total	**18.85**		**8.41**		45	∞

Programme	Sub-Programme	Gross Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Legal & Legislative Services	Legal Services	32.48		15.50		48	∞
	Legislative Services	8.32		2.50		30	∞
	Sub Total	**40.80**		**18.00**		44	∞
Management of County Affairs	Personnel Services	0.00	-	-	-	-	∞
	Partnerships Intergovernmental& NGO Coordination	5.95		0.42		7	∞
	Sub-Total	**5.95**	-	**0.42**		7	∞
	Total	**428.80**	-	**161.85**	-	38	∞
FINANCE, PLANNING, NATIONAL DEVELOPMENT AND VISION 2030							
Public financial management	Audit Services	1.55	115.35	0.78		50	-
	Supply Chain Management Services	13.82	-	2.25	-	16	∞
	Accounting Services	319.78	426.11	119.92	263.76	38	62
	Sub-Total	**335.14**	**541.46**	**122.94**	**263.76**	37	49
Disaster Preparedness Prevention Response & Recovery	General Administration Planning & Support Services	7.10	-	1.41		20	∞
	Coordination Training & Capacity Development	4.61	-	0.34		8	∞
	Disaster Risk Awareness Preparedness & Management	31.40	110.00	14.71	55.00	47	50
	Social Protection	20.35	-	9.39	-	46	∞
	Sub-Total	**63.46**	**110.00**	**25.84**	**55.00**	41	50
Economic Planning and Coordination ion	Monitoring and Evaluation	19.17	24.00	5.93	-	31	-
	Budget Formulation & Coordination	17.83	5.00	0.47	-	3	-
	Monitoring & Evaluation	8.57	-	0.51		6	∞
	Sub-Total	**45.58**	**29.00**	**6.90**	-	15	-
Cohesion and Peace Building	Administrative and Civic Education Services	11.18	-	3.32		30	∞
	Peace and Cohesion	11.76	-	1.72		15	∞
	Violent Extremism Prevention	2.22	-	0.15		7	∞
	Sub-Total	**25.15**	-	**5.18**	-	21	∞
Revenue Enhancement	General Administration Planning & Support Services	12.07	-	3.68		31	∞
	Source Revenue Enhancement	3.14	-	0.30	-	9	∞
	Sub-Total	**15.21**	-	**3.98**		26	∞
ICT and E-Government services	ICT Innovation and Enterprises	9.60	-	3.19		33	∞
	County Government Public Image Improvement	1.50	-	0.00		-	∞
	E-Government Services	0.00	-		-	∞	∞
	Sub-Total	**11.10**	-	**3.19**	-	29	∞
	Total	**495.65**	**680.46**	**168.04**	**318.76**	34	47
LANDS AND URBAN PLANNING							
Land Survey and land use planning	County land planning and spatial development	21.74		0.19		1	∞
	Land Use Planning	0.00	38.00	0.00	5.15	∞	14
	Land Survey & Mapping	0.00	10.00	0.00	-	∞	-
	Sub-Total	**21.74**	**48.00**	**0.19**	**5.15**	1	11

Programme	Sub-Programme	Gross Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Roads & Infrastructure	Road Improvement	15.13	-	0.89		6	∞
	Routine Roads Maintenance	0.00	292.64	0.00	55.25	∞	19
	Sub-Total	**15.13**	**292.64**	**0.89**	**55.25**	6	19
Planning and Survey of Urban Areas	Administration and Planning Services	7.95	-	0.34		4	∞
	Housing Development	0.00	-	0.00		∞	∞
	Urban Development	0.00	-		-	∞	∞
	Sub-Total	**7.95**	**-**	**0.34**	**-**	4	∞
Public Works & Infrastructure	General Administration Planning & Support Services	11.43	-	0.12		1	∞
	Routine Roads Maintenance	0.00	-		-	∞	∞
	Sub-Total	**11.43**	**-**	**0.12**		1	∞
	Total	**56.24**	**340.64**	**1.55**	**60.41**	3	18
AGRICULTURE							
Sustainable Crop Development & Agricultural Land Use	General Administration Planning & Support Services	43.58		19.83		46	∞
	Irrigation Schemes	3.83	2.50	0.00	-	-	∞
	Crop Development & Management	0.00	317.58	0.00	22.00	∞	7
	Agribusiness & Market Development	0.00	21.92	0.00		∞	-
	Sub-Total	**47.42**	**342.00**	**19.83**	**22.00**	42	6
Livestock Production	General Administration Planning & Support Services	95.64	-	45.19		47	∞
	Marketing & Value Addition	0.00	12.58		-	∞	-
	Breeds Improvement & Livestock Risk Mgt	0.00	-		-	∞	∞
	Livelihood Diversification	0.00	-		-	∞	∞
	Sub-Total	**95.64**	**12.58**	**45.19**	**-**	47	-
Value Addition	Livestock Diseases & Pests Control	19.80	-	8.00		40	∞
	Diagnostics & Laboratory Services	3.03	-	0.00		-	∞
	Veterinary Public Health Services	0.90	2.00	0.00	-	-	-
	Sub-Total	**23.73**	**2.00**	**8.00**	**-**	34	-
Fisheries Development	General Administration & Support Services	8.30	-	2.30	-	28	∞
	Aquaculture Technology Development & Innovation Transfer	0.00	2.50	0.00	-	∞	-
	Fish Safety Assurance Value Addition & Marketing	0.00	4.50	0.00	-	∞	∞
	Sub-Total	**8.30**	**7.00**	**2.30**		28	-
	Total	**175.08**	**363.57**	**75.32**	**22.00**	43	6
EDUCATION, VOCATIONAL YOUTH, SPORTS GENDER & SOCIAL SERVICES							
Provision of education and training services	General Administration & Support Services	176.65	38.34	144.23	-	82	-
	ECDE Retention	26.00	-	9.00		35	∞
	Education Support Services	70.00	-	0.00	-	-	∞
	Quality ECDE Services	1.38	-	0.00	-	-	∞
	ECDE Access	0.00	-		-	∞	∞
	Sub-Total	**274.03**	**38.34**	**153.23**	**-**	56	-

Programme	Sub-Programme	Gross Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Youth, Sports and Gender	Sports Performance & Management	18.46	29.59	3.13	-	17	-
	General Administration Planning & Support	0.00	-	0.00		∞	∞
	Youth Development	7.30	-	2.78	-	38	∞
	Sports Facilities Development	0.00	-		-	∞	∞
	Sub-Total	**25.76**	**29.59**	**5.91**	-	23	-
Culture and social services	Administration & Support Services	23.88	12.00	0.93	-	4	-
	Arts & Culture Development	0.57	1.09	0.10	-	18	∞
	Sub-Total	**24.45**	**13.09**	**1.03**	-	4	-
Gender Mainstreaming	Gender-Based Violence & Harmful Practices	1.53	-	0.00		-	∞
	Women Empowerment	0.00	-	0.00	-	∞	∞
	Child Protection	0.00	19.00		2.00	∞	11
	Sub-Total	**1.53**	**19.00**	**0.00**	**2.00**	-	11
Disability Empowerment	PWDs Social-Economic Empowerment	4.90	-	0.00	-	-	∞
	Sub-Total	**4.90**	**0.00**	**0.00**	-	-	∞
Cultural and Arts Empowerment	TVET Access & Retention	9.22	6.00	0.00	-	-	-
	VTC Quality Development	1.72	4.50	0.00	2.18	-	48
	Secondary & Tertiary Education Support	0.00	-		-	∞	∞
	Sub-Total	**10.94**	**10.50**	**0.00**	**2.18**	-	21
	Total	**341.61**	**110.52**	**160.17**	**4.18**	47	4
TOURISM CULTURE AND SOCIAL SERVICES							
Tourism Promotion	Tourism Promotion and Marketing	103.92		42.87		41	∞
	Tourism Development	0.00	5.00	0.00	-	∞	-
	Wildlife Protection	0.00	3.50	0.00	-	∞	-
	Sub-Total	**103.92**	**8.50**	**42.87**	-	41	-
Trade development and promotion	Entrepreneurship and business management training	0.00	6.50	0.00	-	∞	-
	General Administration & Support Services	8.97		2.56		29	∞
	Cooperative Development & Management	5.04		1.24		25	∞
	Development of new market stalls	0.00	-	0.00	-	∞	∞
	Sub-Total	**14.01**	**6.50**	**3.80**	-	27	-
Peace and Unity Building Initiatives	General Administration Planning & Support Services	500.76		205.35		41	∞
	County Administration	0.00		0.00		∞	∞
	Public Service Productivity & Reforms	2.79		0.77		27	∞
	Performance Management Framework	0.00	4.00	0.00	-	∞	∞
	Devolved Units	71.50	157.50	11.66	-	16	∞
	Sub-Total	**575.05**	**161.50**	**217.78**	-	38	-

Programme	Sub-Programme	Gross Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Civic Education & Public Participation	General Administration Planning & Support Services	5.12	-	2.50		49	∞
	Civic Education	3.23		0.97		30	∞
	Public Participation	1.41	-	0.00		-	∞
	Customer Service	0.60		0.00		-	∞
	Sub-Total	**10.35**	**0.00**	**3.47**	-	34	∞
	Total	**703.33**	**176.50**	**267.92**	-	38	-
WATER AND IRRIGATION							
Water Supply and Storage Services	Procurement of survey equipment & accessories	39.71		11.63		29	∞
	Rural Water Supply & Storage Services	0.00	117.44	0.00	-	∞	-
	Rural Water Services Governance	1.05	-	0.00	0.73	-	∞
	Adaptive Capacity to Natural Disaster	7.22	-	0.00		-	∞
	Sub-Total	**47.98**	**117.44**	**11.63**	**0.73**	24	1
Climate Change Mitigation & Adaptation	General Administration & Support Services	27.49	-	6.58		24	∞
	Enabling Legal & Implementation Frameworks	0.00	-	0.00		∞	∞
	Inclusive Climate Resilience	0.60	-	0.18		31	∞
	Climate Smart Practices	0.00	180.00	0.00	27.30	∞	15
	Sub-Total	**28.09**	**180.00**	**6.76**	**27.30**	24	15
Conservation of Environment & Natural Resources	Administration and Support Services	0.00	-	0.00		∞	∞
	Sustainable Natural Resources Exploitation	3.60	2.00	0.48	-	13	-
	Environmental Conservation	0.00	-	0.00		∞	∞
	Sub-Total	**3.60**	**2.00**	**0.48**	-	13	-
Energy services	General Administration & Support Services	4.00	-	0.27		7	∞
	Green Energy Promotion	0.00	6.50	0.00		∞	-
	Renewable Energy Technologies	0.00	-	0.00	-	∞	∞
	Sub-Total	**4.00**	**6.50**	**0.27**	-	7	-
	Total	**83.67**	**305.94**	**19.15**	**28.03**	23	9
HEALTH SERVICES							
Health Curative Services	Administration Support Services	-		-		-	∞
	Human Resource Management	652.62		305.24		47	∞
	Monitoring & Evaluation	2.40		0.03		1	∞
	Quality Assurance & Standards	2.47		0.00		-	∞
	Curative and Rehabilitative Health Services	43.11	6.00	1.00	-	2	∞
	Curative Infrastructure Support	0.00	32.00		-	∞	-
	Pharmaceutical & Pharmaceutical Commodities	237.68	15.00	53.28		22	-
	Sub-Total	**938.28**	**53.00**	**359.55**	-	38	-

Programme	Sub-Programme	Gross Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Health Preventive and Promotive Services	Preventive and Promotive Health Services	0.00	19.62		6.23	∞	32
	Human Resource Management	0.00	-	0.00		∞	∞
	Primary Health Care	374.43	36.63	180.68	-	48	-
	Nutrition	4.43	2.50	0.48	-	11	-
	Community Health Services	40.36	-	4.68		12	∞
	Communicable Diseases Control	17.08	-	2.75		16	∞
	Public Health Emergency Coordination	20.00	-	0.00	-	-	∞
	Sub-Total	**456.30**	**58.75**	**188.59**	**6.23**	41	11
	FIF	**100.00**	-			-	∞
	Total	**1,494.58**	**111.75**	**548.14**	**6.23**	37	6
TOWN ADMINISTRATOR							
Municipal Administration	General Administration and Planning	71.33		8.48		12	∞
	Infrastructural Development	0.00	63.66	-	-	∞	-
	Municipality Amenities	8.20	104.00	3.60	-	44	-
	Municipal Disaster Management	6.39	-	1.95	-	31	∞
	Municipal Transport Services & Management	0.00	85.37	-	3.88	∞	5
	Sub-Total	**85.92**	**253.04**	**14.03**	**3.88**	**16**	**2**
Grand Total		**4,421.12**	**2,412.43**	**1,644.04**	**483.47**	**37**	**20**

***Source**: Isiolo County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: General Administration & Support Services in the Department of Education, Vocational Youth, Sports Gender & Social Services at 82 per cent, infrastructure Support in the County Assembly at 57 per cent, Audit Services in the Department of Finance, Economic Planning, Special Programs, Revenue and Cohesion at 50 per cent, and Disaster Risk Awareness Preparedness & Management at 50 per cent of budget allocation.

3.9.15 Accounts Operated Commercial Banks

The County Government operated ten accounts with commercial banks, including three accounts for Established Funds, four revenue accounts, and three special purpose accounts (additional allocations). However, bank accounts for County Health Facilities, bank accounts for County Vocational Training Centers, and bank accounts for County Imprest accounts were not provided.

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.

3.9.16 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, which affected the timely preparation of the budget implementation report. The report from the county assembly was received on 22 January, 2025.
ii. The underperformance of own-source revenue at Kshs.119.60 million against an annual target of Kshs.371.21 million, representing 32 per cent of the yearly target.

iii. High level of pending bills which amounted to Kshs.873.58 million as of 31 December 2024. 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.25.74 million were processed through manual payroll, accounting for 2.3 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. 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 operational Funds, Conditional grants and OSR collection.

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 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 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.*
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.*

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 3.81.

3.10.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.4.46 billion to fund its development and recurrent activities. This amount consisted of Kshs.4.13 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.310.90 million. In addition, the County had a cash balance of Kshs.6.68 million from FY 2023/24.

The total OSR collection of Kshs.310.90 million includes liquor fees of Kshs.9.48 million, Facilities Improvement Financing (FIF) of Kshs.157.45 million, and Kshs.143.96 million as ordinary OSR. Table 3.81 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.81: Kajiado County, Revenue Performance in the First Half of FY 2024/25

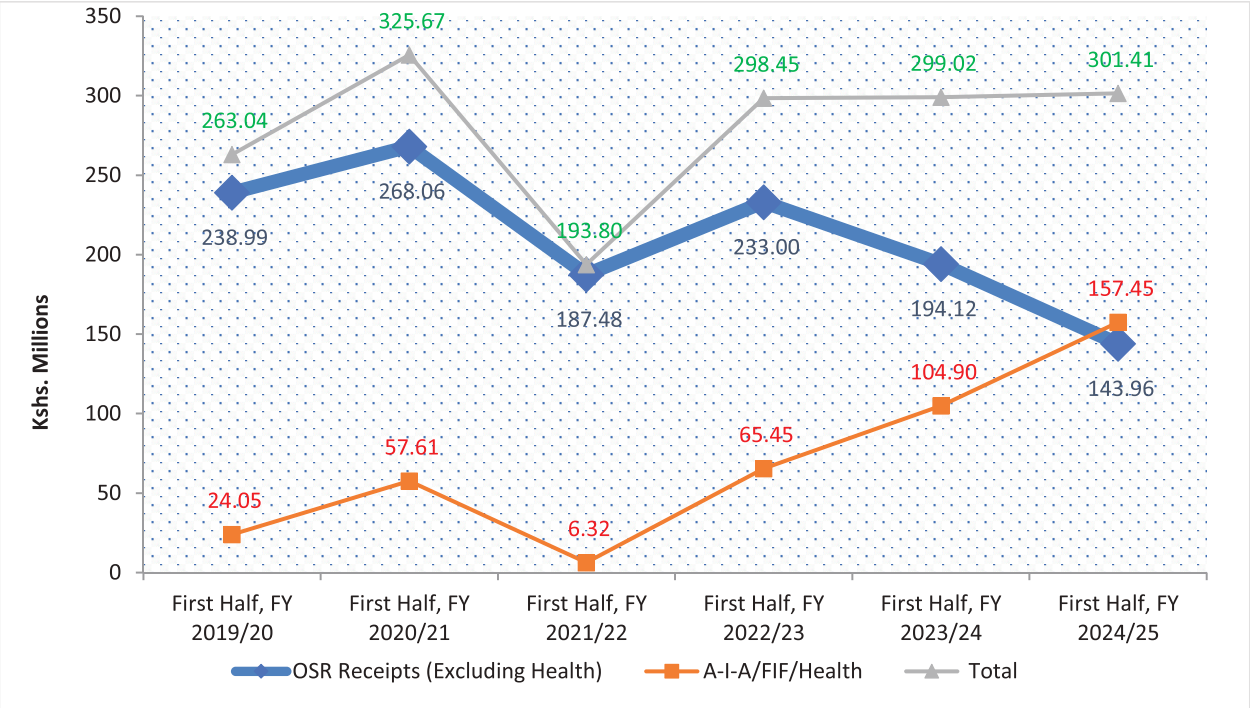
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	Equitable Share of Revenue Raised Nationally -	9,293,272,951	4,127,200,929	44
Subtotal		9,293.272,951	4,127,200,929	44
B	Additional Allocations			
	Aggregated Industrial Park	250,000,000		
	DANIDA- Level 2 and 3	7,308,000		
	DANIDA -Level 1 grants	2,588,250		
	Water Alliance(UNICEF)	10,000,000		
	Nutritional International	20,000,000	5,000,000	25
	Community Health Promoters	50,070,000		
	AFD-Kenya Informal Settlement Improvement Project	180,626,011		
	Kenya Urban Support Programmes (KUSP-UIG)	35,000,000		
	IDA-National Agricultural Value Chain Development Project (NAVCDP)	151,515,152		
	Kenya Agricultural Business Development (KADSP)	10,918,919		
	Aquaculture Business Development Project(ABDP-IFAD Contribution)	10,509,643		
	Financing of Locally Led Climate Actions (FLLoca)	137,511,456	11,000,000	8
	Second Kenya Devolution Support Programme (KSDP II)	37,500,000		
	Road Maintenances Levy	307,376,319		
	Kenya Urban Support Programmes -Municipalities	227,801,862		
	Mineral Extraction Royalties	820,464,118		
Subtotal		2,259,189,730	16,000,000	0.7
C	Own Source Revenue			
	Ordinary Own Source Revenue	1,200,000,000	143,961,534	12
	Appropriation in Aid (A-I-A)	-	-	
	Facility Improvement Fund (FIF)	370,000,000	157,451,982	43
Subtotal		1,570,000,000	301,413,516	19
D	Other Sources of Revenue			
	Unspent balance from FY 2023/24	-	6,679,313	
	Other Revenues (Liquor Fees)	70,000,000	9,483,016	14
Sub Total		70,000,000	16,162,329	23
Grand Total		**13,192,462,681**	**4,460,776,773**	**34**

Source: *Kajiado County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF.

Figure 37 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 37: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half

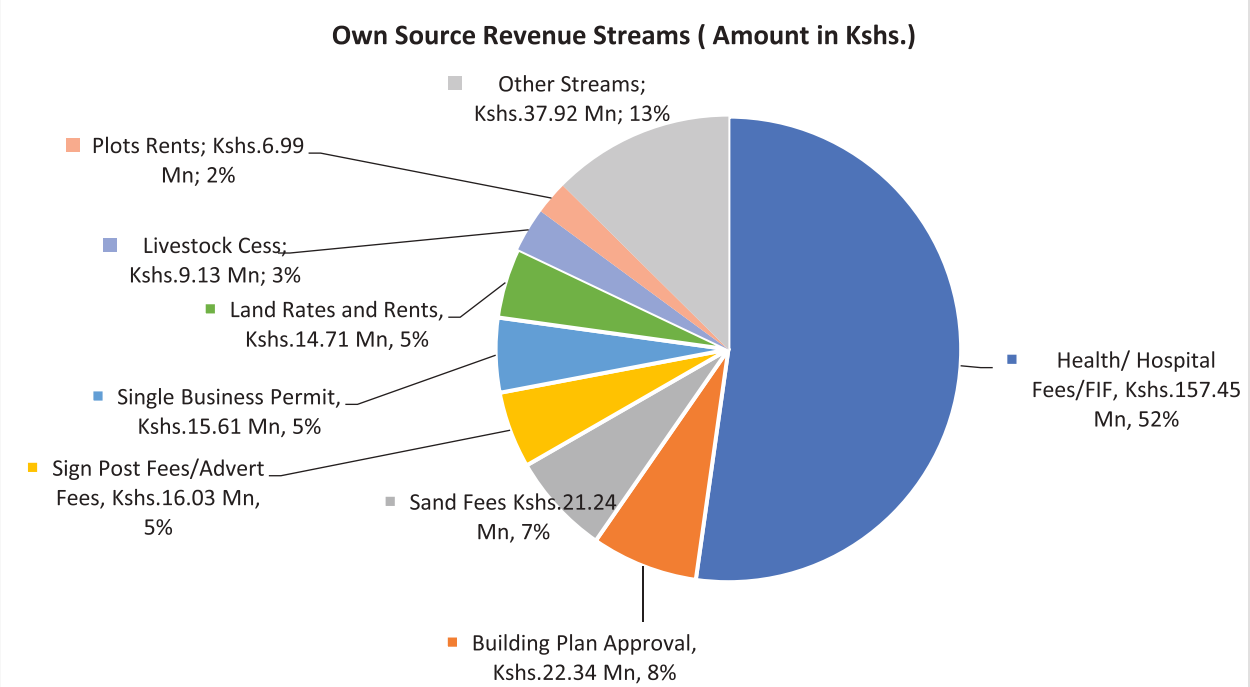


Source: *Kajiado County Treasury*

During the first half of FY 2024/25, the County generated Kshs.301.41 million from its revenue sources, including AIA and FIF. This amount was an increase of 0.8 per cent compared to Kshs.299.02 million realised in a similar period in FY 2023/24 and was 19 per cent of the annual target and 7 per cent of the equitable revenue share disbursed. The OSR does not include any revenue arrears and penalties.

The revenue streams which contributed the highest OSR receipts are shown in Figure 38

Figure 38: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Kajiado County Treasury

The highest revenue stream, Kshs.157.45 million, was from Health/Hospital Fees/FIF, contributing to xx percent of the total OSR receipts during the reporting period.

3.10.3 Borrowing by the County

There was no short-term borrowing during the period under review.

3.10.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.3.96 billion from the CRF account comprised Kshs.518.71 million (13 per cent) for development programmes and Kshs.3.45 billion (87 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.50 million was released towards compensation of employees and Kshs.949.4 million for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to delays in the exchequer releases.

Analysis of the operations and maintenance exchequer releases indicates that 20 per cent was for domestic travel and 0.4 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.193.40 million, including Kshs.57.25 million for the County Executive and Kshs.136.15 million for the County Assembly. The foreign exchequer totalled Kshs.3.56 million, entirely for the County Assembly.

Table 3.82: Kajiado 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 and Deputy Governor	251.20	-	80.57	-	32	-
County Public Service Board	134.82	-	44.22	-	33	-
Medical Service and Public Health	3,164.02	98.10	1,186.80	40.00	38	41
Water, Irrigation, Environment and Natural Resources	185.30	302.01	77.52	11.00	42	4
Roads, Transport, Public Works and Energy	198.61	944.08	94.25	71.25	48	8
Public Service Administration and Citizen Participation	1,225.74	-	313.00	-	26	-
County Treasury	923.05	857.98	403.59	328.24	44	38
Lands, Physical Planning and Urban Development	159.12	408.43	59.07	-	37	-
County Assembly	948.77	205.00	402.60	-	42	33
Education, Youth and Sport	860.42	131.70	363.36	68.21	42	-
Gender, Cooperative, Culture, Tourism and Wildlife	199.09	-	64.42	-	32	-
Agriculture, Livestock, Veterinary Service and Fisheries	295.07	242.26	108.36	-	37	-
Trade, Investments and Enterprise Development	222.16	512.00	95.92	-	43	-
Kajiado Municipality	70.40	76.00	27.35	-	-	-
Ngong Municipality	100.70	225.00	39.70	-	39	-
Office of the County Attorney	141.98	-	65.98	-	47	-
Kitengela Municiaplity	43.44	66.00	19.19	-	44	-
TOTAL	**9,123.91**	**4,068.55**	**3,445.88**	**518.71**	**38**	**13**

***Source**: Kajiado County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.368.44 million.

3.10.5 County Expenditure Review

The County spent Kshs.3.86 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.485.14 million and Kshs.3.37 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 12 per cent, while recurrent expenditure represented 37 per cent of the annual recurrent expenditure budget.

3.10.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.2.46 billion as of 30 June 2024. This includes 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 first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.679.84 million, comprising Kshs.431.71 million for recurrent programmes and Kshs.248.13 million for development programmes. Meanwhile, 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.

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 half of FY 2024/25. However, the County adhered to this payment plan, clearing Kshs.679.84 million for the Executive and Kshs.129.86 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.1.65 billion, comprising Kshs.1.61 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.2.33 billion on employee compensation, Kshs.639.43 million on operations and maintenance, and Kshs.416.93 million on development activities. Similarly, the County Assembly spent Kshs.169.23 million on employee compensation, Kshs.233.21 million on operations and maintenance, and Kshs.68.21 million on development activities, as shown in Table 3.83.

Table 3.83: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Approved 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**	2,969,560,742	402,443,048	**36**	**42**
Compensation to Employees	4,752,052,036	341,250,000	2,330,125,831	169,229,686	49	50
Operations and Maintenance	3,423,083,900	607,521,770	639,434,911	233,213,362	19	38
Development Expenditure	3,863,554,975	205,000,000	416,932,395	68,211,963	11	33
Total	**12,038,690,911**	**1,153,771,770**	**3,386,493,137**	**470,655,011**	**28**	**41**

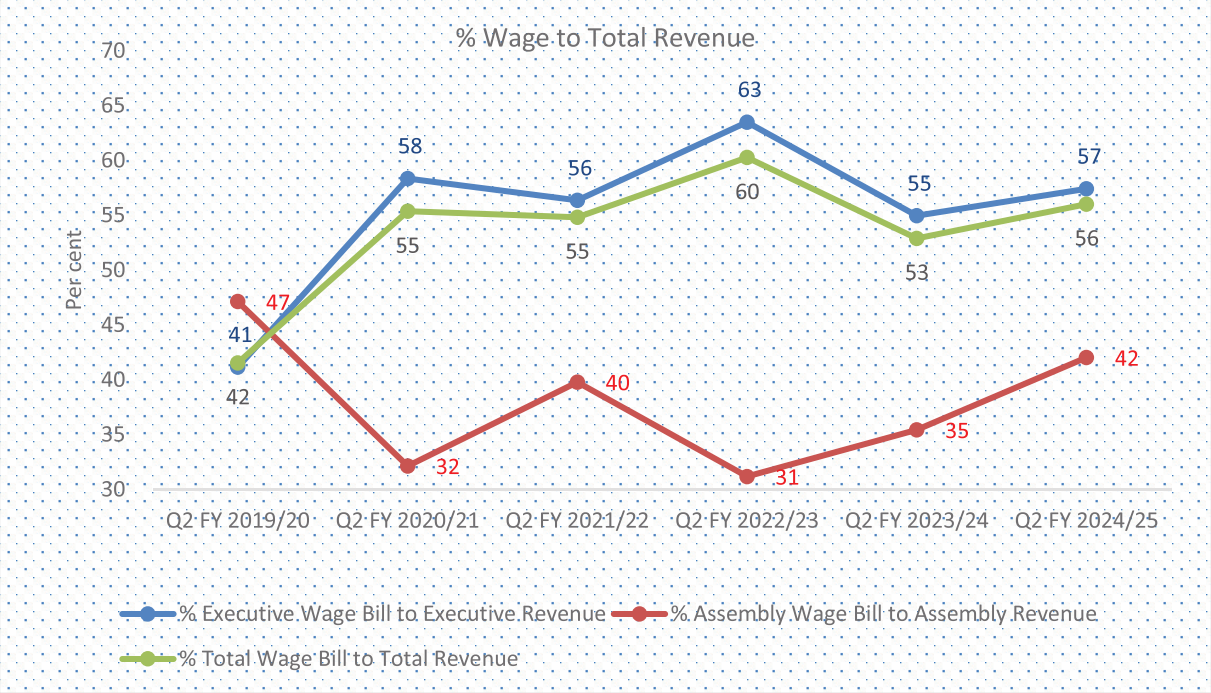
***Source**: Kajiado County Treasury*

3.10.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.5 billion, or 56 per cent of the available revenue of Kshs.4.46 billion. This expenditure represented an increase from Kshs.1.99 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.994.94 million paid to the Health Sector employees, translating to 40.3 per cent of the total wage bill.

Figure 39 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 39: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2019/20 to the First Half of FY 2024/25



Source: Kajiado County Treasury

Further analysis indicates that PE costs amounting to Kshs.2.42 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.79.99 million was processed through manual payrolls, which accounted for 3 per cent of the total PE cost.

The County Assembly spent Kshs.8.02 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.31,810 per MCA. The County Assembly had 19 House Committees.

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

Table 3.84: Performance of County Established Funds in the First Half 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.)
	County Executive Established Funds					
	Educational/ Scholarship Fund	200,000,000	100,000,000	93,215,050	1,000,000,000	Yes
	Executive Car and Mortgage Fund	30,000,000	-	-	250,247,500	Yes
	Youth and Sport Fund	15,000,000	7,500,000	-	90,000,000	No
	Disability Fund	10,000,000	-	-	78,000,000	Yes

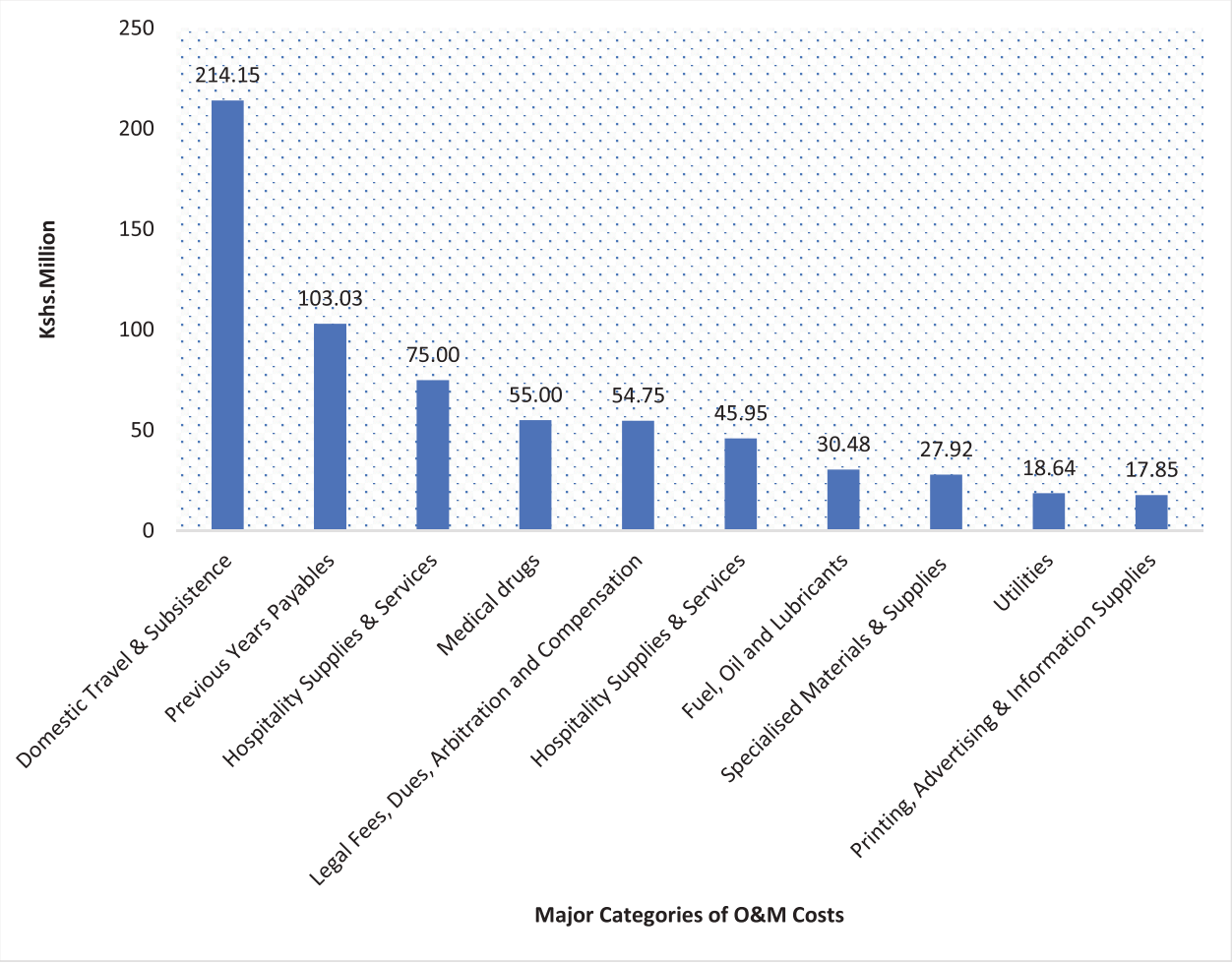
S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Half of FY 2024/25 (Kshs.)	Actual Expenditure in First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Half Financial Statements (Yes/No.)
	Liquor Fund	10,000,000	-	-	-	No
	Women Empowerment Fund	20,000,000	-	-	-	No
	Kajiado Investments Authority	20,000,000	-	-	25,000,000	Yes
	County Assembly Established Funds					
	MCA's Car loan and Mortgage	56,000,000	-	-	384,500,000	No
	Total	**361,000,000**	**107,500,000**	**93,215,050**	**1,827,747,500**	

Source: *Kajiado County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from Youth and Sport, Liquor Fund, Women Empowerment Fund, and MCA's Car Loan and Mortgage Fund Administrators, as indicated in Table 3.84, contrary to the requirement of Section 168 of the PFM Act, 2012. 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.214.15 million and comprised Kshs.128.14 million spent by the County Assembly and Kshs.86.01 million by the County Executive. Expenditure on foreign travel amounted

to Kshs.3.56 million, which the County Assembly entirely spent. Expenditure on foreign travel is summarised in Table 3.85.

Table 3.85: Summary of Highest Expenditure on Foreign Travel in the First Half 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.54.75 million on legal fees/dues, arbitration and compensation payments, and legal fees.

3.10.10 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.157.45 million as FIF, which was 43 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 has, however, developed regulations in 2020 to operationalise the FIF Act of 2023.

The Health Facilities has 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.159.13 million, as shown in Table 3.86.

Table 3.86: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Kajiado County Referral Hospital	58,565,082	46,766,589	80
	Loitokitok Sub County Hospital	38,621,542	28,442,040	74
	Ngong Sub County Hospital	37,700,112	25,475,385	68
	Kitengela Sub County Hospital	54,740,513	38,747,033	71
	Ongata Rongai Sub County Hospital	30,956,345	19,702,082	64
	Management team	79,912,588	-	
	Public Health	70,000,000	-	
	Total	**370,000,000**	**159,133,129**	**43**

Source: *Kajiado County Treasury*

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

3.10.11 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.485.14 million on development programmes, representing. an increase of 31.6 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.368.52 million. Table 3.87 summarises development projects with the highest expenditure in the reporting period.

Table 3.87: Kajiado 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	Road, Transport, Public Works and Energy	Construction of the County Headquarters	Ildamat Ward	492,646,852	98,529,370	Ongoing
2	Road, Transport, Public Works and Energy	Proposed flooding mitigation of Pakaase Bridge	Magadi Ward	147,201,634	71,600,296	Ongoing
3	Medical Service and Public Health	Proposed Construction of Oloilale Health Centre	Entonet Lenkism	155,708,398	41,772,758	Ongoing
4	Road, Transport, Public Works and Energy	Construction of Olkatetemai Bridge	Kenyawa Poka	47,005,158	35,408,169	Ongoing
5	Medical Service and Public Health	Proposed Construction of Modern OPD at Kajiado Referral Hospital	Ildamat Ward	98,306,485	20,000,000	Ongoing
6	County Treasury	Payment and Preparation of the Valuation Roll	Ildamat	20,000,000	20,000,000	100% complete
7	County Treasury	Delivery and Installation of Solar panels at the County Headquarters	Ildamat	19,499,999	19,499,999	100% complete
8	Trade, Investment and Enterprise Development	Erection of a mini Petrol station at AMS Kitengela	Kitengela	32,027,078	15,962,937	Ongoing
9	Road, Transport, Public Works and Energy	Grading and Murraming of Loolakir Lenkism Road	Lenkism	14,199,908	14,199,908	100% Complete
10	Trade, Investment and Enterprise Development	Proposed Construction of Kitengela Market	Kitengela Ward	58,835,838	13,267,890	Ongoing

Source: *Kajiado County Treasury*

3.10.12 Budget Performance by Department

Table 3.88 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.88: Kajiado 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 and Deputy Governor	251.20	-	80.57	-	79.51	-	99	-	32	-
County Public Service Board	134.82	-	44.22	-	40.06	-	91	-	30	-
Medical Service and Public Health	3,164.02	98.10	1,186.80	40.00	1,186.37	20.00	100	50	38	20
Water, Irrigation, Environment and Natural Resources	185.30	302.01	77.52	11.00	70.75	19.69	91	179	38	7
Roads, Transport, Public Works and Energy	198.61	944.08	94.25	77.25	90.43	19.50	96	27	46	2

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 Service Administration and Citizen Participation	1,225.74	-	313.00	-	295.69	-	95	-	24	-
County Treasury	923.05	857.98	403.59	328.24	402.44	352.75	100	108	44	41
Lands, Physical Planning and Urban Development	159.12	408.43	59.07	-	49.22	-	83	-	31	-
County Assembly	948.77	205.00	402.60	68.24	402.44	68.21	100	100	42	33
Education, Youth and Sport	860.42	131.70	363.36	-	458.18	-	99	-	42	-
Gender, Cooperative, Culture, Tourism and Wildlife	199.09	-	64.42	-	61.15	-	95	-	31	-
Agriculture, Livestock, Veterinary Service and Fisheries	295.07	242.26	108.36	-	100.11	5.00	92	-	34	2
Trade, Investments and Enterprise Development	222.16	512.00	95.92	-	86.70	-	90	-	39	-
Kajiado Municipality	70.40	76.00	27.35	-	27.34	-	100	-	39	-
Ngong Municipality	100.70	225.00	39.70	-	39.42	-	99	-	39	-
Office of the County Attorney	141.98	-	65.98	-	63.99	-	97	-	45	-
Kitengela Municiaplity	43.44	66.00	19.19	-	18.22	-	95	-	42	-
Total	**9,123.91**	**4,068.55**	**3,445.88**	**518.71**	**3,372.00**	**485.14**	**98**	**94**	**37**	**12**

***Source**: Kajiado County Treasury*

Analysis of department expenditure shows that the Department of County Treasury recorded the highest absorption rate of development budget at 41.1 per cent, followed by the County Assembly at 33.3 per cent. The Department of Office of the County Attorney had the highest percentage of recurrent expenditure to budget at 45.1 per cent, while the Department of Public Service and Citizen Participation had the lowest at 24.1 per cent.

The development expenditures under the departments of County Treasury and Water, Irrigation and Natural Resources exceed 100 per cent due to the balances in the Special Purpose accounts at the end of the FY 2023/24.

3.10.13 Budget Execution by Programmes and Sub-Programmes

Table 3.89: Summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%)	
Office of the Governor and Deputy Governor							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	127.03	-	46.23	-	36	-
Coordination Devolution Service	County Executive	39.81	-	27.10	-	68	-
	Intergovernmental Relation	23.47	-	-	-	-	-
	County Advisory	19.47	-	-	-	-	-
	Special Programs	20.72	-	-	-	-	-
	Information, Communication and Technologies	20.71		6.18		30	-
	Sub Total	**251.20**	**-**	**79.51**	**-**	**32**	**-**
County Public Service Board							

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%)	
General Administration, Planning and Support Service	General Administration, Planning and Support Service	134.82	-	40.06	-	30	-
	Sub-Total	**134.82**	**-**	**40.06**	**-**	30	-
Department of Medical Service and Public Health							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	2,744.24	-	1,090.99	-	40	-
Curative and Rehabilitative	Hospital Service	16.46	98.10	5.22	20.00	32	20
	Health Products and Technologies	200.28	-	65.30	-	33	-
	Emergency Responses	6.58	-	1.83	-	28	-
Public Health and Sanitation	Reproductive Maternal	56.77	-	2.32	-	4	-
	Communicable and Non-Communicable disease	4.61	-	-	-	-	-
	Primary Health Care	97.82	-	8.25	-	8	-
	Disease Surveillance and Response	3.19	-	3.31	-	104	-
	Environmental Health	34.07	-	9.15		27	-
	Sub Total	**3,164.02**	**98.10**	**1,186.37**	**20.00**	**38**	**20**
Department of Water, Irrigation, Environment and Natural Resource							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	126.82	-	54.25	-	43	-
Water Service	Water Service	26.30	302.01	11.46	19.69	44	7
	Storm Water Management	6.24	-	-	-	-	-
	Sanitation Service	3.40	-	-	-	-	-
Environment and Natural Resources	Environmental	9.28	-	5.05	-	54	-
	Natural Resources	3.90	-	-	-	-	-
	Climate Change	9.36	-	-	-	-	-
	Sub Total	**185.30**	**302.01**	**70.75**	**19.69**	**38**	**7**
Department of Roads, Transport, Public Works and Energy							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	164.35	-	75.08	-	46	-
Public Works and Infrastructure	Roads	12.80	769.08	4.52	19.50	35	3
	Energy	7.59	25.00	3.54	-	47	-
	Fire Fighter	6.20	-	-		-	-
	Transport	3.27	-	-	-	-	-
	Public Works	4.40	150.00	7.30	-	166	-
	Sub Total	**198.61**	**944.08**	**90.43**	**19.50**	46	2
Department of Public Service, Administration and Citizen Participation							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	967.01	-	279.21	-	29	-
Public Service and Administration	County Administration	7.95	-	3.10	-	39	-
	County Inspectorate	5.71	-	2.21	-	39	-
Human Resource Management and Development	Human Resource	191.69	-	6.52	-	3	-

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%)	
Citizen Participation	Citizen Participation	13.83	-	2.93	-	21	-
	Social Protection	3.09	-	1.72	-	56	-
	Disability Mainstreaming	22.08	-	-	-	-	-
	Control of Alcohol and Substance Abuse	12.05	-	-	-	-	-
	County Organization	2.33	-	-	-	-	-
	Sub Total	**1,225.74**	**-**	**295.69**	**-**	**24**	**-**
Department of County Treasury							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	834.83	857.98	373.04	352.75	45	41
Public Finance Management	Budget Coordination and Management	10.30	-	10.37	-	101	-
	Accounting Service	8.71	-	3.31	-	38	-
	Supply Chain Management	28.20	-	7.13	-	25	-
	Internal Audit	7.75	-	2.52	-	33	-
	Revenue Collection/ Resource Mobilisation	14.53	-	6.03	-	42	-
Economy Policy Coordination	Economic Planning	8.50	-	-	-	-	-
	Monitoring and Evaluation	10.23	-	-	-	-	-
	Sub Total	**923.05**	**857.98**	**402.42**	**352.75**	**44**	**41**
Department of Lands, Physical Planning and Urban Development							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	90.39	-	42.63	-	47	-
Land Policy and Planning	Physical Planning	5.81	408.43	2.38	-	41	-
	Lands Survey and Mapping	5.35	-	1.53	-	29	-
	Lands Administration	5.39	-	0.74	-	14	-
Urban Development and Management	Urban Development	46.18	-	1.60	-	4	-
	Housing	6.01	-	0.34	-	6	-
	Sub Total	**159.12**	**408.43**	**49.22**	**-**	**31**	**-**
County Assembly							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	632.54	205.00	148.30	68.21	23	33
Legislation, Representation and Oversight	Legislation, Representation and Oversight	316.23	-	254.15	-	80	-
	Sub Total	**948.77**	**205.00**	**402.44**	**68.21**	**42**	**33**
Department of Education, Youth and Sport							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	775.39	32.00	348.55	-	45	-
Early Childhood Development	Early Childhood	44.93	99.70	1.62	-	4	-
Technical and Vocational	Technical and Vocational Training	4.61	-	0.96	-	21	-
Youth and Sports	Sport Training and Competition	35.49	-	7.05	-	20	-
	Sub Total	**860.42**	**131.70**	**358.18**	**-**	**42**	**-**
Department of Gender, Cooperative, Culture, Tourism and Wildlife							

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%)	
General Administration, Planning and Support Service	General Administration, Planning and Support Service	101.21	-	36.22	-	36	-
Gender Mainstreaming	Gender Mainstreaming	15.79	-	4.27	-	27	-
Arts and Culture	Cultural Heritage	6.18	-	-	-	-	-
	Cultural Activities	3.70	-	-		-	-
Local Tourism and Wildlife	Local Tourism Promotion and Wildlife Management	57.51	-	16.58	-	29	-
Cooperative Development	Cooperative Development	14.70	-	4.07	-	28	-
	Sub Total	**199.09**	**-**	**61.15**	**-**	**31**	**-**
Department of Agriculture, Livestock, Veterinary Service and Fisheries							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	198.98	-	88.09	-	44	-
Crop Production	Crop Development	7.48	-	3.08	-	41	-
	Agricultural Mechanization Services	7.22	-	-		-	-
	Agricultural Training Centre	5.55	-	0.18	-	3	-
	Plant Disease Control	3.85	-	-	-	-	-
	Agri-Business and Market Development	3.94	-	0.86	-	22	-
Irrigation	Irrigation Service	12.26	-	3.16	-	26	-
Livestock Resources	Animal Husbandry	7.28	10.00	1.89	-	26	-
	Livestock Market	0.43	181.52	-	5.00	-	3
	Veterinary Service	2.91	-	0.75	-	26	-
	Demostration Farm Kajiado	3.12		0.97		31	-
	Animal Disease Control	38.98	17.00	-	-	-	-
Fisheries	Fisheries	3.09	33.74	1.13	-	37	-
	Sub Total	**295.07**	**242.26**	**100.11**	**5.00**	**34**	**2**
Department of Trade, Investment and Enterprise Development							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	178.66	-	83.21	-	47	-
Trade Development	Trade Development	41.75	512.00	3.48	-	8	-
	Enterprise Development	1.75	-	-	-	-	-
Cooperative Enterprise Development	Cooperative Development	-	-	-	-	-	-
	Sub Total	**222.16**	**512.00**	**86.70**	**-**	**39**	**-**
Department of Kajiado Municipality							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	59.48	-	27.34	-	46	-
Urban Infrastructure	Urban Infrastructure	4.54	76.00	-	-	-	-
Environmental Management and Public Health	Environmental Management and Public Health	6.37	-	-	-	-	-
	Sub Total	**70.40**	**76.00**	**27.34**	**-**	**39**	**-**
Department of Ngong Municipality							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	85.38	-	39.42	-	46	-
Urban Infrastructure	Urban Infrastructure	3.55	225.00	-	-	-	-

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Million)		Actual Expenditure (Kshs.Million)		Absorption Rate (%)	
Environmental Management and Public Health	Environmental Management and Public Health	11.78	-	-	-	-	-
	Sub Total	**100.70**	**225.00**	**39.42**	-	39	-
County Attorney							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	141.98	-	63.99	-	45	-
	Sub Total	**141.98**	-	**63.99**	-	**45**	-
Department of Kitengella Municipality							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	36.60	-	18.22	-	50	-
Urban Infrastructure	Urban Infrastructure	2.68	66.00	-	-	-	-
Environmental Management and Public Health	Environmental Management and Public Health	4.17	-	-	-	-	-
	Sub Total	**43.44**	**66,00,000**	**18.22**	-	**42**	-
Grand Total		**9,123.91**	**4,068.55**	**3,372.00**	**485.14**	**37**	**12**

***Source**: Kajiado County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Public works in the Department of Roads, Transport, Public Works and Energy at 166 per cent, Budget Coordination and management in the Department of County Treasury at 101 per cent, Legislation, representation and Oversight in the Department of County Assembly at 80.4 per cent, and County Executive Affairs at 68 per cent of budget allocation.

3.10.14 Accounts Operated Commercial Banks

The County Government operated 50 accounts with commercial banks, including nine accounts for Health Facilities, one account for Vocational Training Centers, eight accounts for Established Funds, five revenue accounts, twenty-two special purpose accounts (additional allocations), one imprest account, and two recurrent operational accounts and two development operational accounts.

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.

3.10.15 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 22 January.

ii. The underperformance of own-source revenue at Kshs.301.41 million against an annual target of Kshs.1.57 billion, representing 19 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 Youth and Sport, Liquor Fund, Women Empowerment Fund, and MCA's Car Loan and Mortgage Fund were not submitted to the Controller of Budget as of 15 January 2025.

iv. High level of pending bills which amounted to Kshs.1.65 billion as of 31 December 2024. 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.79.99 million were processed through manual payroll, accounting for 3 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 mainly for County Health facilities, Established Funds and Conditional grants for various departments.

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 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.*

3.11. County Government of Kakamega

3.11.1 Overview of FY 2024/25 Budget

The Kakamega County Gross Approved FY 2024/25 budget is Kshs.17.86 billion. It comprises Kshs.5.95 billion (33 per cent) and Kshs.11.91 billion (67 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.07 billion (6 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.4.87 billion and a recurrent budget of Kshs.11.92 billion. The increase in the county government budget was attributed to the increase in national shareable revenue. The County's Net Approved Budget is Kshs.17.02 billion excluding the FIF estimates of Kshs.841 million.

The budget will be financed from different sources of revenue. These include Kshs.13.41 billion (75 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.15 billion as conditional grants, and a cash balance of Kshs.1.10 billion (7 per cent) was brought forward from FY 2023/24, and Kshs.2.2 billion (12 per cent) was 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 public health services) and Kshs.1.36 billion (8 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.90.

3.11.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.7.43 billion to fund its development and recurrent activities. This amount consisted of Kshs.5.36 billion from the equitable share of revenue raised nationally, additional

allocations from government and development partners of Kshs.22.39 million, and its own source revenue (OSR) collection of Kshs.705.61 million. In addition, the County had a cash balance of Kshs.1.34 billion from FY 2023/24.

The total OSR collection of Kshs.705.61 million includes Facilities Improvement Financing (FIF) of Kshs.365.23 million and Kshs.340.39 million as ordinary OSR. Table 3.90 summarises the total revenue available to the County Government during the first half of FY 2024/25.

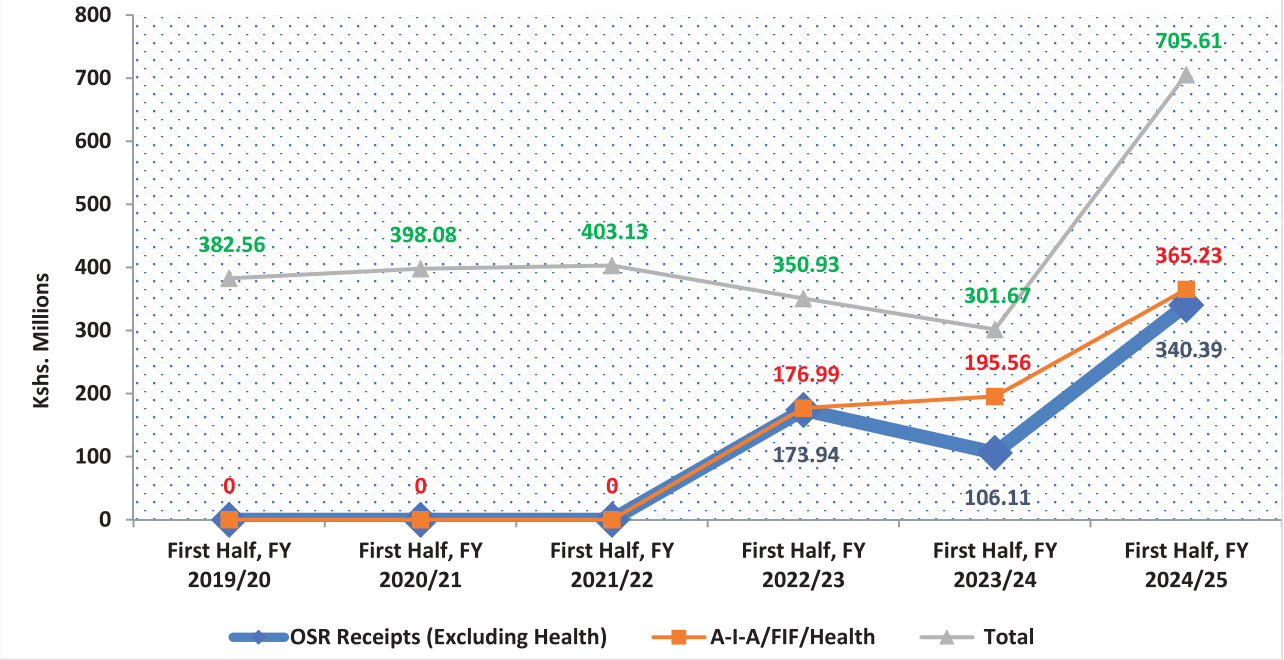
Table 3.90: Kakamega County, Revenue Performance in the First Half of FY 2024/25

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**	13,411,030,188	5,364,516,094	40
Sub Total		**13,411,030,188**	**5,364,516,094**	**40**
B	**Conditional Grants**			
1	Kenya Agricultural Business Development (KABDP)	10,918,919		0
2	DANIDA Grant - Primary Health Care	16,038,750		0
3	Aquaculture Business Development Project (ABDP)	24,417,125		0
4	Kenya Livestock Commercialization Project (KELCLOP)	33,550,000	22,393,006	67
5	Kenya Urban Support Programme (KUSP) UIG	35,000,000		0
6	Kenya Devolution Support Programme (KDSP II)	37,500,000		0
7	Kenya Informal Settlement Improvement Project (KISIP II)	110,000,000		0
8	Kenya Urban Support Programme (KUSP) UDG	120,740,969		0
9	Community Health Promoters Project	127,500,000		0
10	National Agricultural Value Chain Development Project (NVCDP)	151,515,152		0
11	Roads Maintenance Levy Fund	235,244,397		0
12	County Aggregation and Industrial Park Programme	250,000,000		0
Sub-Total		**1,152,425,312**	**22,393,006**	**2**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	1,359,000,000	340,389,150	25
2	Balance B/F from FY2023/24	1,097,839,415	1,336,144,540	122
3	Facility Improvement Fund (FIF)	841,000,000	365,225,564	43
4	Other Revenues	0	0	0
5	Appropriation in Aid (AIA)	0	0	0
Sub Total		**3,297,839,415**	**2,041,759,254**	**62**
Grand Total		**17,861,294,915**	7,428,668,354	**42**

Source: *Kakamega County Treasury*

The County has governing legislation on the operation of the FIF. Figure 41 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 41: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25



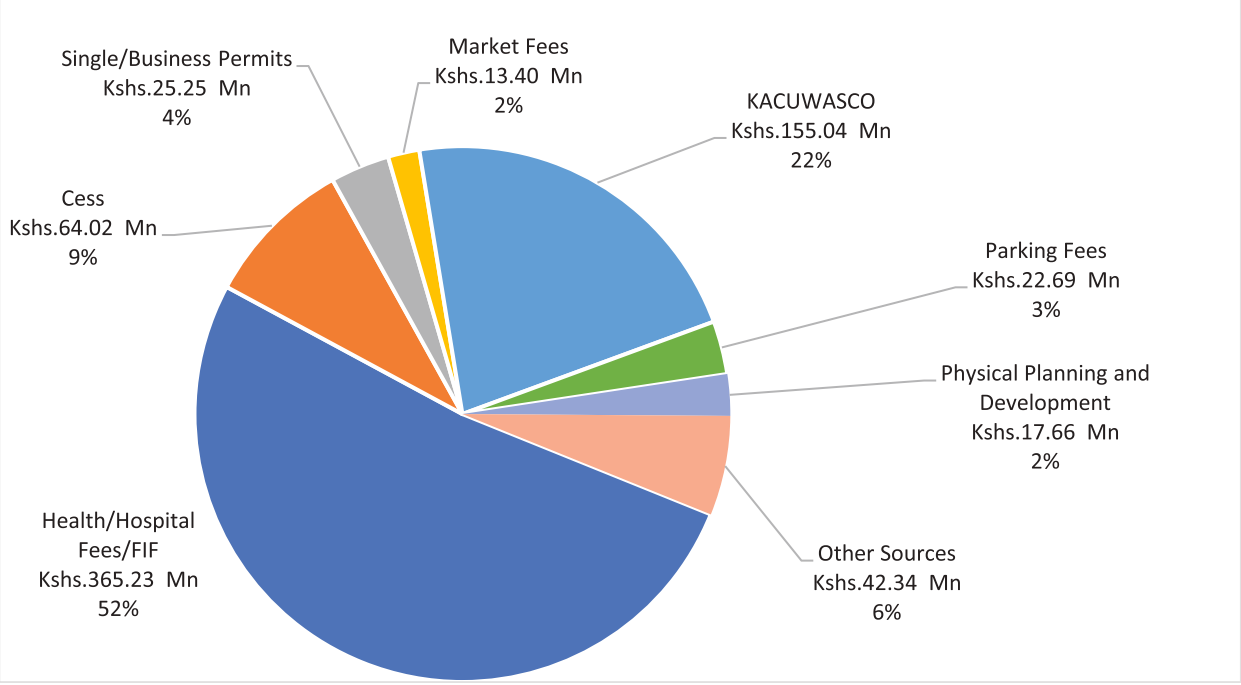
Source: *Kakamega County Treasury*[1]

During the first half of FY 2024/25, the County generated Kshs.705.61 million from its revenue sources, including FIF. This amount was an increase of 134 per cent compared to Kshs.301.67 million realised in a similar period in FY 2023/24, 32 per cent of the annual target, and 11 per cent of the equitable revenue share disbursed.

The 134 per cent increase in OSR can be attributed to accounting for finances raised by corporations and companies such as Kakamega County Urban Water and Sewerage Company and the harnessed collection of hospital fees.

The revenue streams which contributed the highest OSR receipts are shown in Figure 42.

Figure 42: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Kakamega County Treasury

1 *The OSR data provided only separated FIF from OSR from FY2022/23 to date.*

The highest revenue stream, Kshs.365.23 million, was from Health Services, which contributed 52 per cent of the total OSR receipts during the reporting period.

3.11.3 Borrowing by the County

The County Government did not report any borrowed amounts as of 31 December 2024. 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

The Controller of Budget approved withdrawals of Kshs.6.05 billion from the CRF account during the reporting period, which comprised Kshs.1.07 billion (18 per cent) for development programmes and Kshs.5 billion (82 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.94 million was released towards compensation of employees and Kshs.2.04 billion for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 include June 2024 compensation to employees but do not include the December 2024 exchequer request for the County Executive and County Assembly. Delayed releases of national sharable revenue occasioned this.

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.202.06 million, including Kshs.65.93 million for the County Executive and Kshs.163.13 million for the County Assembly. The foreign exchequer totalled Kshs.13.41 million, comprising Kshs.2.89 million for the County Executive and Kshs.10.53 million for the County Assembly.

Table 3.91: Kakamega County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.in millions)		Exchequer Issues (Kshs.in millions)		Expenditure to Exchequer Issues (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	148.3	-	50.7	-	34%	0
Agriculture, Livestock, Fisheries and Cooperatives	9.6	84.5	2.3	10.2	24%	12%
County Public Service Board	1.5	-	0.4	-	23%	0
Education, Science & Technology	41.4	45.9	0.5	1.0	1%	2%
Finance and Economic Planning	50.0	5.6	17.5	3.8	35%	67%
Health Services	136.1	48.7	39.1	9.1	29%	19%
ICT, E-government & Communication	3.5	10.0	0.6	3.2	17%	32%
Lands, Urban Areas, Housing, and Physical Planning	28.0	39.5	9.6	0.4	34%	1%
Office of the Governor	29.5	1.0	13.1	0.2	44%	21%
Public Service and Administration	685.7	11.1	338.1	1.9	49%	18%
Infrastructure, Public Works and Energy	4.9	162.5	1.2	44.3	24%	27%
Social Services, Youth and Sports	42.4	41.3	23.5	16.3	56%	40%
Trade, Industrialization & Tourism	4.9	60.5	1.1	2.0	23%	3%
Water, Environment and Natural Resources	5.3	84.5	0.2	14.9	4%	18%
Grand Total	**1,191.1**	**595.0**	**498.0**	**107.1**	**42%**	**18%**

Source: *Kakamega County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.707.08 million.

3.11.5 County Expenditure Review

The County spent Kshs.5.48 billion on development and recurrent programmes in the reporting period. The expenditure represented 91 per cent of the total funds released by the CoB and comprised Kshs.698.49 million

and Kshs.4.78 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 40 per cent, while recurrent expenditure represented 12 per cent of the annual recurrent expenditure budget.

3.11.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.86 billion as of 30 June 2024. This amount includes Kshs.1.69 billion from the County Executive and Kshs.175.93 million from the County Assembly. The pending bills from the County Executive consist of Kshs.543.84 million for recurrent expenditures and Kshs.1.14 billion for development expenditures. However, the County Executive and County Assembly reported a higher opening balance as of 30 June 2024 than previously reported as of 31 December 2024, Kshs.1.71 billion and Kshs.250.59 million, respectively.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.409.25 million, comprising Kshs.105.27 million for recurrent programmes and Kshs.303.99 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.30.89 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. However, the County cleared Kshs.409.25 million for the Executive and Kshs.30.89 million for the Assembly. As of 31 December, 2024, the outstanding bills amounted to Kshs.1.52 billion, comprising Kshs.1.30 billion for the County Executive and Kshs.219.71 million for the County Assembly.

3.11.7 Expenditure by Economic Classification

The County Executive spent Kshs.3.19 billion on employee compensation, Kshs.986.29 million on operations and maintenance, and Kshs.698.49 million on development activities. Similarly, the County Assembly spent Kshs.283.01 million on employee compensation and Kshs.322.46 million on operations and maintenance, as shown in Table 3.92.

Table 3.92: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Approved Budget Estimates (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**10,428,544,007**	**1,482,723,167**	**4,174,928,979**	**605,461,543**	**40**	**41**
Compensation to Employees	6,200,518,400	711,492,447	3,188,634,469	283,005,837	51	40
Operations and Maintenance	4,228,025,607	771,230,720	986,294,510	322,455,706	23	42
Development Expenditure	**5,950,027,741**	-	**698,491,881**	-	**12**	**0**
Total	**16,378,571,748**	**1,482,723,167**	**4,873,420,860**	**605,461,543**	**30**	**41**

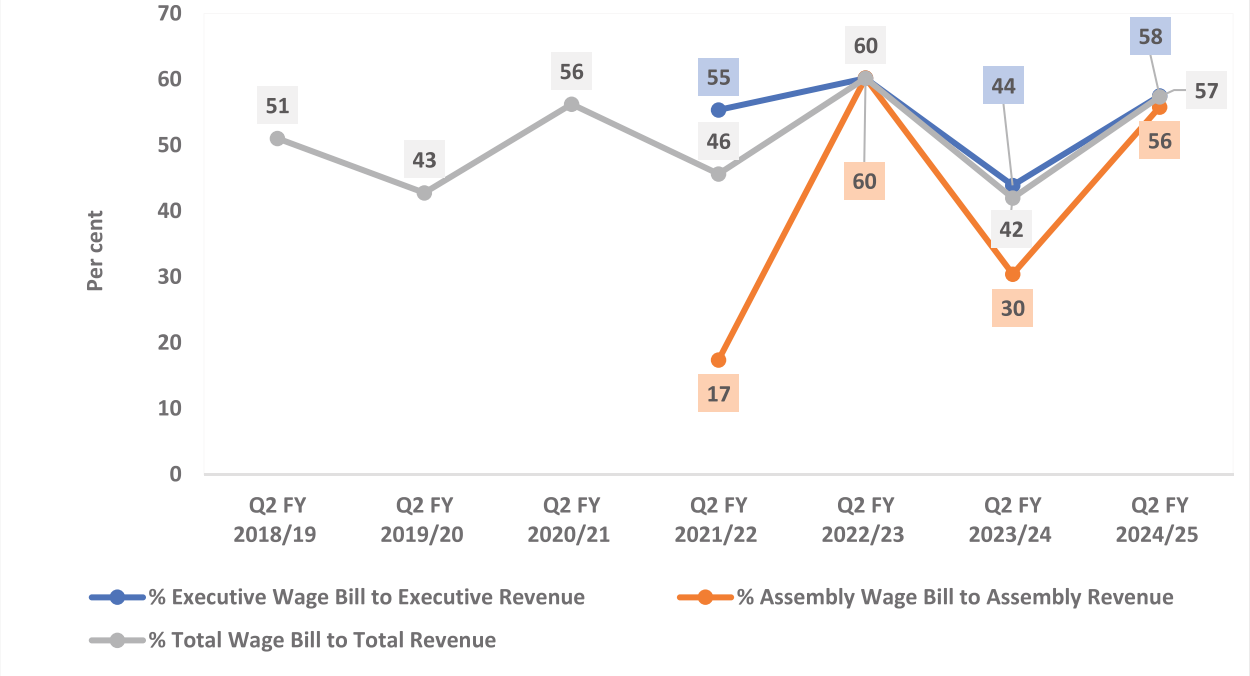
***Source**: Kakamega County Treasury*

3.11.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, the county expenditure on employee compensation was Kshs.3.47 billion, or 47 per cent of the available revenue of Kshs.7.43 billion. This expenditure represented an increase from Kshs.2.15 billion reported in a similar period in FY 2023/24. The wage bill included the Health Sector employees, but the county did not submit the proportionate employee compensation for health services. The Personnel Emoluments increased by 61 per cent compared to the prior period because the county paid June 2024 PE in July 2024. The county assembly reported all transactions after 30 June 2024 in FY2024/25, as advised by OAG during previous audits.

Figure 43 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 43: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Kakamega County Treasury[2]

Further analysis indicates that PE costs amounting to Kshs.3.32 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.95.73 million was processed through manual payrolls, which accounted for 3 per cent of the total PE cost.

The County Assembly spent Kshs.41.88 million on committee sitting allowances for the 88 MCAs against the annual budget allocation of Kshs.131.51 million. The average monthly sitting allowance was Kshs.156,854.31 per MCA. The County Assembly had 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. The County allocated Kshs.1.29 billion to County-Established funds in FY 2024/25, or 7 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 3.93 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.93: Performance of County Established Funds in the First Half of FY 2024/25

No	Name of the Fund	Approved Budget Allocation in FY23/24 (Kshs)	Exchequer Issues (Kshs)	Reported Actual Expenditure (Kshs)	Cumulative disbursements to the Fund to date& or Cash equivalents (Kshs)	Submission of Annual FS as of 31.12.2024 (Yes/No)
1	Kakamega County Facility Improvement Fund	952,294,392	-	303,892,686	1,656,526	Yes
2	Kakamega County Emergency Fund	100,000,000	-	40,370,939	1,983,353	Yes
3	Kakamega Dairy Development Corporation	20,000,000	-	27,361,418		Yes
4	County Education - Bursary Fund	180,000,000	-	942,040	875,665	Yes

2 *The data available that separates PE between county executive and county assembly is as from FY2021/22*

No	Name of the Fund	Approved Budget Allocation in FY23/24 (Kshs)	Exchequer Issues (Kshs)	Reported Actual Expenditure (Kshs)	Cumulative disbursements to the Fund to date& or Cash equivalents (Kshs)	Submission of Annual FS as of 31.12.2024 (Yes/No)
5	Kakamega County Investment Development Agency	28,000,000	-	8,437,483	67,310	Yes
6	Kakamega County Microfinance Corporation	12,700,000	-	6,781,780	278,012,758	Yes
7	County Executive Car Loan and Mortgage	-	-	-	-	No
8	County Assembly Car Loan and Mortgage	-	-	-	-	No
	Grand Total	**1,292,994,392**	**-**	**387,786,346**	**282,595,612**	

Source: *Kakamega County Treasury*

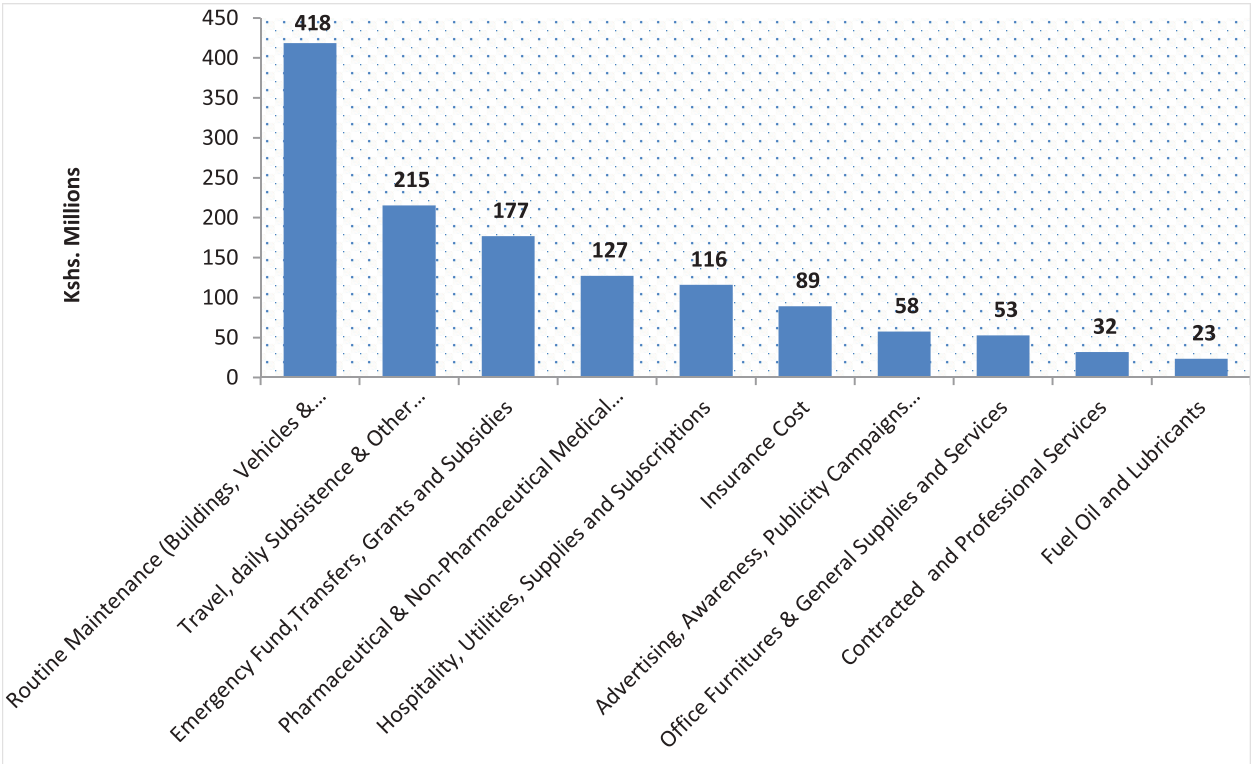
Note: Cumulative disbursements to a fund include all monies that the county treasury has transferred to the Fund since its inception to the reporting period.

During the reporting period, the CoB did not receive quarterly financial reports from the County Executive Car Loan and Mortgage and the County Assembly Car Loan and Mortgage Fund Administrators, as indicated in Table 3.93, contrary to the requirement of Section 168 of the PFM Act, 2012. The administration costs of the reported 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.

3.11.10 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.202.06 million and comprised Kshs.136.13 million spent by the County Assembly and Kshs.65.93 million by the County Executive. Expenditure on foreign travel amounted to Kshs.13.42 million and comprised Kshs.10.53 million by the County Assembly and Kshs.2.89 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.94.

Table 3.94: Summary of Highest Expenditure on Foreign Travel in the First Half 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	4	July 19th-28th	Secondary schools' games	Uganda	1,540,465
	4	September 9th-14th	Early Childhood Development	Rwanda	315,039
	1	August 17th to 28th	To represent the county in the FE-ASSSA Term 2 East African games in Uganda	Uganda	585,189
	1	November 21st to 25th	Inspection of Madala Tea Factory machinery	Malaysia	446,775
County Assembly	10	October 7th-11th	Training on leadership ethics and governance	Malaysia	2,073,240
	1	August 26th-29th	GACOPA 4th International Delegates and Scientific Conference 2024	Gaborone, Botswana	234,780
	3	November 20th-22nd	Attending the East Africa Human Resource Summit	Kigali, Rwanda	344,130
	2	June 28th-30th	8th East Africa Philanthropy Conference	Zanzibar	367,380
	14	December 9th-15th	Training on Legislative Best Practices and Policy Development	Malaysia	7,514,060
Total					**13,421,058**

Source: *Kakamega County Treasury and Kakamega County Assembly*

The operations and maintenance costs include an expenditure of Kshs.6.06 million on legal fees or dues, arbitration and compensation payments, and legal fees by the county assembly.

3.11.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.365.23 million as FIF, which was 43 per cent of the annual target of Kshs.841 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has regulations duly approved by the County Assembly but has not yet aligned the regulations to the FIF Act of 2023.

The Health Facilities provided a report on using the FIF during the reporting period, though this is not in line with Section 18 (e) of the FIF Act, 2023. The report did not tabulate the specific expenditures by the health facilities but the cumulative amount transferred to health facilities under the FIF Act, as shown in Table 3.95.

Table 3.95: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	Transfers to Level 4 and 5 Hospitals	923,725,560	305,237,163	
2	Transfers to PHOs		8,003,728	
3	Transfers to Level 2 and 3 Hospitals		-	
Total		**923,725,560**	**313,240,891**	**34**

Source: *Kakamega County Treasury*

The Level 4 and Level 5 hospitals received the most transfers, Kshs.305.24 million.

3.11.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.698.49 million on development programmes, a 20 per cent decrease compared to a similar period in FY 2023/24, when the County spent Kshs.873.55 million. Table 3.96 summarises the development projects with the highest expenditure in the reporting period.

Table 3.96: Kakamega County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract sum or Budget Estimate	Amount paid to date (Kshs)	Implementation status (%)
1	Sports	Bukhungu Stadium Construction Phase II	Lurambi	3,240,001,303	1,629,053,355	50
2	Infrastructure, Public Works and Energy	10KM in Mumias West	Mumias West	31,861,804	50,851,700	160
3		10KM in Butere	Butere	49,941,688	49,941,688	100
4		Mahiakalo Nyayo tea zone	Lurambi	468,229,351	45,929,860	10
5		Maintenance and improvement of roads	Various	707,957,457	42,661,283	6
6		Construction of county assembly	Lurambi	90,000,000	37,500,000	42
7		Marrum Tumbeni	Malava	45,000,000	30,319,848	67
8		Malaha Khaunga road	Matungu	16,500,000	29,807,392	181
9	Health Services	Equipping other Health facilities	All sub-counties	27,377,800	27,377,800	100
10	Infrastructure, Public Works and Energy	10 Km Lugari	Lugari	32,567,000	22,024,507	68

Source: *Kakamega County Treasury*

No explanation was submitted for the absorption rates exceeding 100 in the 10 Km projects on Mumias West and Malaha Khaunga roads.

3.11.13 Budget Performance by Department

Table 3.97 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.97: Kakamega 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 Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	148.3	-	50.7	-	60.5	-	119	-	41	-
Agriculture, Livestock, Fisheries and Cooperatives	9.6	84.5	2.3	10.2	3.1	2.7	135	27	33	3
County Public Service Board	1.5	-	0.4	-	0.5	-	139	-	32	-
Education, Science & Technology	41.4	45.9	0.5	1	1.8	-	389	-	4	-
Finance and Economic Planning	50	5.6	17.5	3.8	10.1	3.6	58	95	20	64
Health Services	136.1	48.7	39.1	9.1	29	9.2	74	102	21	19
ICT, E-government & Communication	3.5	10	0.6	3.2	1	1.9	164	60	29	19
Lands, Urban Areas, Housing, & Physical Planning	28	39.5	9.6	0.4	10.5	3.6	110	1,002	38	9
Office of the Governor	29.5	1	13.1	0.2	7.6	-	58	-	26	-
Public Service and Administration	685.7	11.1	338.1	1.9	330.8	0.1	98	7	48	1
Infrastructure, Public Works & Energy	4.9	162.5	1.2	44.3	0.2	33.4	14	76	3	21

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received (Kshs. Million)		Expenditure (Kshs.Million)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Social Services, Youth and Sports	42.4	41.3	23.5	16.3	20.6	-	87	-	49	-
Trade, Industrialization & Tourism	4.9	60.5	1.1	2	1.6	1.7	141	86	33	3
Water, Environment and Natural Resources	5.3	84.5	0.2	14.9	0.7	13.5	288	91	13	16
Total	**1,191**	**595**	**498**	**107**	**478**	**70**	**96**	**65**	**40**	**12**

***Source**: Kakamega County Treasury*

The County reported that expenditures in some departments exceeded the amounts released by the exchequer, as indicated in Table 3.97. This situation arose due to the diversion of funds from the exchequer work plans submitted to the OCoB and the use of funds carried forward from special purpose accounts.

Analysis of department expenditure shows that the Department of Finance and Economic Planning recorded the highest absorption rate of development budget at 64 per cent, followed by the Department of Infrastructure, Public Works and Energy at 21 per cent. The Department of Social Services, Youth and Sports had the highest percentage of recurrent expenditure to budget at 49 per cent. In contrast, the Department of Infrastructure, Public Works and Energy had the lowest at 3 per cent.

3.11.14 Budget Execution by Programmes and Sub-Programmes

The County did not provide information on budget execution by programmes and sub-programmes.

3.11.15 Accounts Operated Commercial Banks

The County Government operated forty-four accounts with commercial banks, including five accounts for the county Assembly, six accounts for the Department of Health Services, and thirty-three accounts for Established Funds, agencies, and county corporations.

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.

3.11.16 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 submitted its financial reports late to the Controller of Budget, which affected the timely preparation of the budget implementation report. The report was received on 17 January 2025.
ii. Funds misallocated to other uses after CoB approval and unspent funds from FY 2023/24 were not refunded into the CRF account, leading to actual expenditures exceeding the approved exchequer in several departments, as shown in Table 3.97.
iii. High pending bills amounted to Kshs.1.52 billion as of 31 December 2024. 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.95.73 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.
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.
vi. The County did not submit budget implementation programmes and sub-programmes performance reports in the review period.

vii. The county FIF Act, guidelines and financial statement are not aligned with the country FIF Act 2023

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 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. *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 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.*
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.*
vi. *The County Treasury should build capacity for preparing and reporting program-based budgets.*
vii. *The County should fast-track the alignment of the county FIF act and regulations to the National FIF Act 2023 through the County Assembly.*

3.12. County Government of Kericho

3.12.1 Overview of FY 2024/25 Budget

The Kericho County Gross Approved FY 2024/25 budget was Kshs.9.22 billion. It comprised Kshs.3.09 billion (34.0 per cent) and Kshs.6.12 billion (66.0 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.0.31 billion (3.4 per cent) from the FY 2023/24 budget comprised of a development budget of Kshs.2.94 billion and a recurrent budget of Kshs.5.97. billion. The increase in the county government budget was attributed to the increase in the Equitable Share of Revenue Raised Nationally.

The Kericho County Government budget will be financed from different sources of revenue. These include Kshs.6.96 billion (75.5 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.04 billion (11.2 per cent) as additional allocations/conditional grants and Kshs.1.22 million (13.2 per cent) generated as gross own source revenue. The own source revenue includes Kshs.646.36 million (53.0 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.573.74 million (47.0 per cent) as ordinary own-source revenue. Additional allocations/conditional grants Comprise of Kshs.169.75 million as Routine Maintenance Fuel Levy Fund, Kshs.250.00 million as County Aggregated Industrial Parks, Kshs.45.69 million as County health promoters, Kshs.8.23 million as DANIDA FUND, Kshs.37. 5million as Kenya Devolution Support Project 11 (world bank), Kshs.35 million Kenya Urban Support Program UDG (SIDA), Kshs.11.0 million as FLOCCA Grants to support climate change CCIs, Kshs.203.39 million as FLOCCA Grants to support climate change CCIR, Kshs.68.75 million as FLLOCA Grants to Support Climate Change CCIR (UNSPENT DONOR), Kshs.151.52 million as IDA National Agricultural Value Chain Devt Project(NAVCDP) and Kshs.10.92 million as SWEDEN Kenya Agricultural Business Dev't Project(KABDP. A breakdown of the additional allocations is shown in Table 3.98.

3.12.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.3.71 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.33 billion from the equitable share of revenue raised nationally, additional allocations from the government and its own source revenue (OSR) collection of Kshs.337.52 million. In addition, the County had no cash balance from FY 2023/24.

The total OSR collection of Kshs.337.52 million includes Facilities Improvement Financing (FIF) of Kshs.315.84 million, and Kshs.61.68 million as ordinary OSR. Table 3.98 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.98: Kericho County, Revenue Performance in the First Half of FY 2024/25

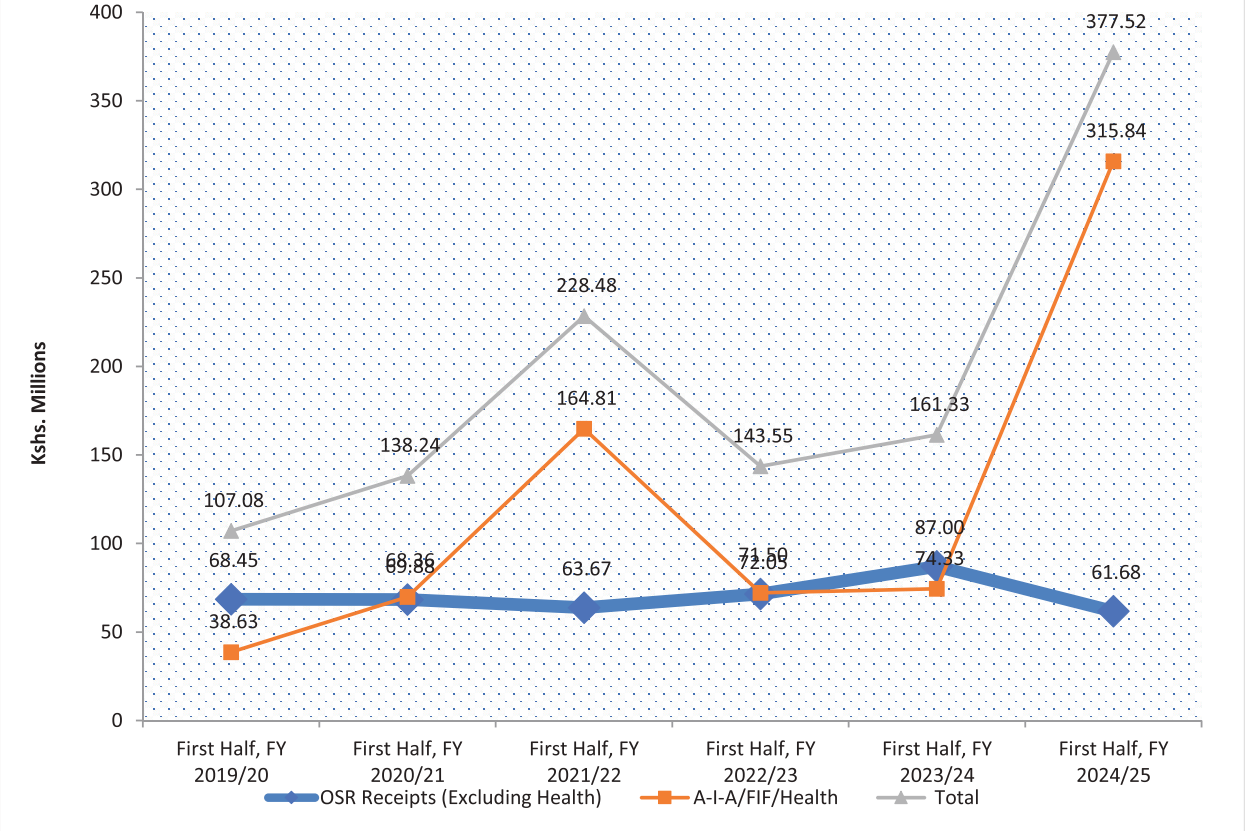
S/No	Revenue Category	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	6,962,657,506	3,332,713,748	48
Sub Total		**6,962,657,506**	**3,332,713,748**	**48**
B	**Conditional Grants**			
1	Routine Maintenance Fuel Levy Fund	169,758,085		
2	County Aggregated Industrial Parks	250,000,000		
3	County health promoters	45,690,000		
4	DANIDA FUND	8,287,500		
5	Kenya Devolution Support Project 11 (World Bank)	37,500,000		
6	Kenya Urban Support Program UDG (SIDA)	43,550,249		
7	Kenya Urban Support Program UIG (SIDA)	35,000,000		
8	FLLoCA Grants to Support Climate Change CCIs	11,000,000		
9	FLLoCA Grants to Support Climate Change CCIR	203,392,898		
10	FLLoCA Grants to Support Climate Change CCIR (UNSPENT DONOR)	68,750,000		
11	IDA National Agricultural Value Chain Devt Project (NAVCDP)	151,515,152		
12	SWEDEN Kenya Agricultural Business Dev't Project (KABDP)	10,918,919		
Sub-Total		1,035,362,803	0	**0**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	573,742,933	61,675,604	11
2	Balance b/f from FY2023/24	0		
3	Facility Improvement Fund (FIF)	646,355,000	315,842,795	49
4	Other Revenues	0		
5	Appropriation in Aid (AIA)	0		
Sub Total		1,220,097,933	377,518,399	31
Grand Total		**9,218,118,242**	3,710,232,147	**40**

Source: *Kericho County Treasury*

The County have governing legislation on the operation of ordinary A-I-A and FIF.

Figure 45 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 45: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

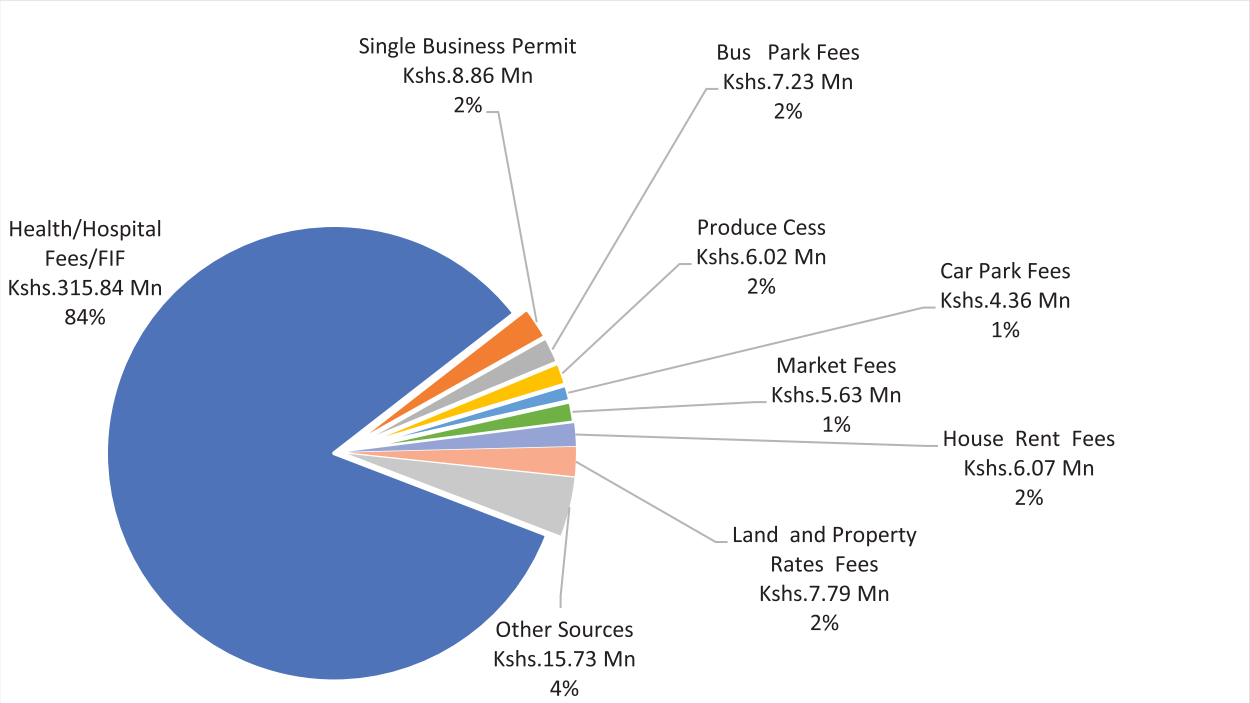


Source: *Kericho County Treasury*

During the first half of FY 2024/25, the County generated Kshs.377.52 million from its revenue sources, including AIA and FIF. This amount was an increase of 134.0 per cent compared to Kshs.161.33 million were realised in a similar period in FY 2023/24, which was 30.9 per cent of the annual target and 11.3 per cent of the equitable revenue share disbursed. The increase in OSR can be attributed to the proper placement of staff in the Revenue Directorate and the piloting of Revenue Automation by the County Government.

The revenue streams which contributed the highest OSR receipts are shown in Figure 46.

Figure 46: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Kericho County Treasury

The highest revenue stream of Kshs.315.84 million was from the Facility Improvement Fund (FIF), contributing to 84.0 per cent of the total OSR receipts during the reporting period.

3.12.3 Borrowing by the County

During the first quarter of FY 2024/25, the County government of Kericho did not borrow any funds.

3.12.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.2.79 billion from the CRF account during the reporting period comprised Kshs.693.26 million (24.9 per cent) for development programmes and Kshs.2.10 billion (75.2per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.59 billion was released towards compensation of employees and Kshs.510.45 million for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to late disbursement of funds by the National Government.

Analysis of the operations and maintenance exchequer releases indicate that 26.1 per cent was for domestic travel and 1.0 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.133.14 million and included Kshs.41.76 million for the County Executive and Kshs.91.38 million for the County Assembly. The foreign exchequer totalled Kshs.5.29 million, comprising Kshs.4.32 million for the County Executive and Kshs.0.97 million for the County Assembly.

Table 3.99: Kericho County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly Services	844,575,901	90,170,894	353,237,959	-	42	-
Public Service & Administration	397,487,233	20,950,340	150,267,579	1,886,653	38	9
Office of the Governor & Deputy Governor	149,275,697	-	66,330,283	-	44	-

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Public Service Board	82,743,700	-	27,456,292	-	33	
Finance & Economic Planning	324,173,400	233,984,012	122,137,796	49,982,334	38	21
Health Services	2,879,100,068	247,639,775	849,673,368	90,604,069	30	37
agriculture, Livestock & Cooperative Development	168,039,917	447,542,427	65,061,898	61,930,386	39	14
Education, Libraries, Culture & Social Services	758,172,528	201,657,498	237,445,854	15,752,599	31	8
Public Works, Roads & Transport	94,808,742	755,155,412	37,052,023	226,072,575	39	30
Trade, Industrialization, Innovation, Tourism &Wildlife	63,659,087	364,856,453	23,801,692	11,109,314	37	3
Water, Energy, Natural Resources & Environment	160,994,615	502,332,222	95,144,058	195,416,081	59	39
Land, Housing & Physical Planning	129,158,060	190,513,999	45,681,850	35,346,153	35	19
Information Communication Youth Affairs, Sports& E-Government	71,126,262	40,000,000	23,731,099	5,158,906	33	13
Total	**6,123,315,210**	**3,094,803,032**	**2,097,021,752**	**693,259,070**	**34**	**22**

***Source**: Kericho County Treasury*

3.12.5 County Expenditure Review

The County spent Kshs.2.34 billion on development and recurrent programmes in the reporting period. The expenditure represented 84.9 per cent of the total funds released by the CoB and comprised Kshs.639.53 million and Kshs.1.70 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 21 per cent, while recurrent expenditure represented 28 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. This pending payment is by only the county executive. The pending bills from the County Executive consist of Kshs.211.61 million for recurrent expenditures and Kshs.936.32 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.523.41 million, comprising Kshs.76.39 million for recurrent programmes and Kshs.447.03 million for development programmes. Meanwhile, the County Assembly didn't provide pending bills for recurrent and development activities.

The County Executive submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.779.93 million, in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it has not cleared Kshs.256.52 million for the Executive.

As of December 31, 2024, the outstanding bills amounted to Kshs.624.52 million for the County Executive Only.

3.12.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.10 billion on employee compensation, Kshs.285.63 million on operations and maintenance, and Kshs.639.53 million on development activities. Similarly, the County Assembly spent

Kshs.142.71 million on employee compensation, Kshs.176.48 million on operations and maintenance, and no development activities, as shown in Table 3.100.

Table 3.100: 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	**5,278,739,309**	**844,575,901**	**1,743,783,793**	**353,237,959**	1,380,049,767	319,195,442	**26**	**38**
Compensation to Employees	3,449,028,480	412,190,287	1,369,281,548	217,293,648	1,094,719,631	179,780,220	32	44
Operations and Maintenance	1,829,710,829	432,385,614	374,502,245	135,944,311	285,330,136	139,415,222	16	32
Development Expenditure	3,004,632,138	90,170,894	693,259,070		639,527,606		21	
Total	**8,283,371,447**	**934,746,795**	**2,437,042,863**	**353,237,959**	**2,019,577,373**	**319,195,442**	24	34

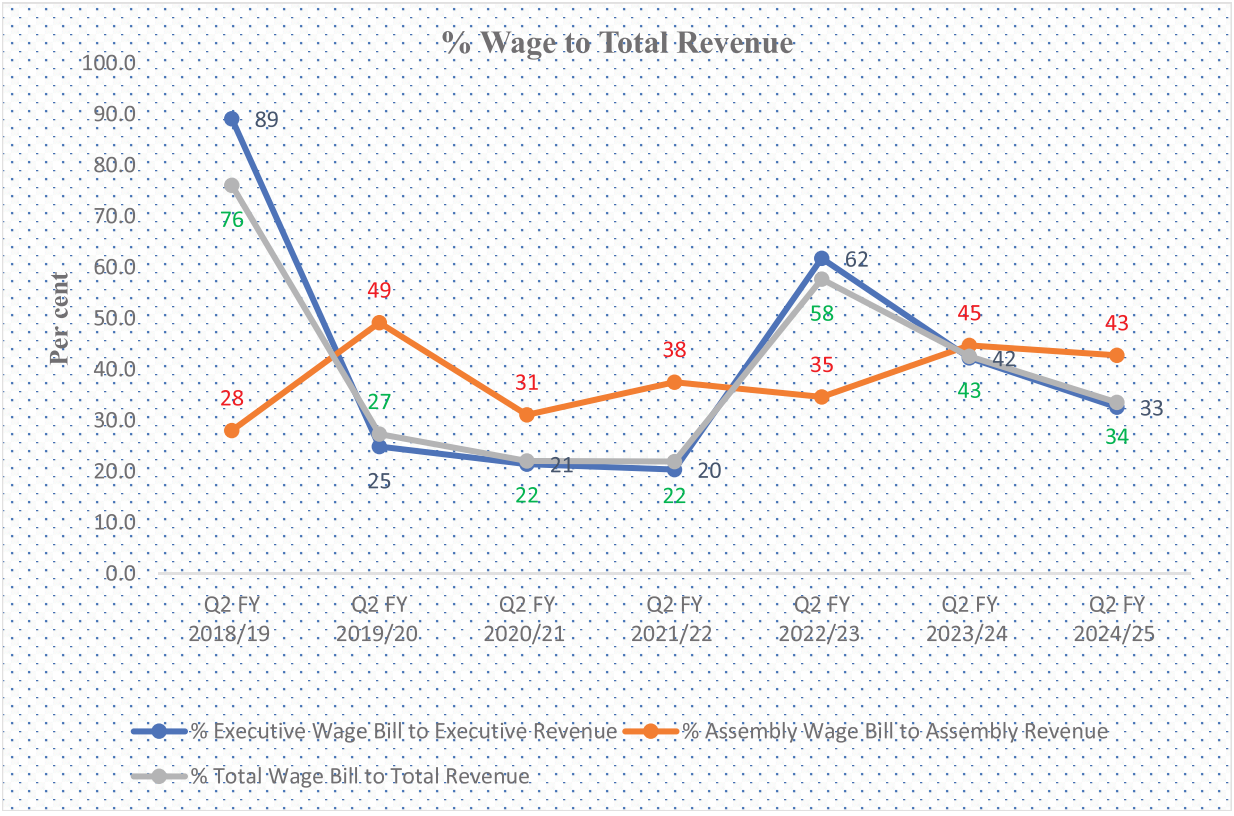
***Source**: Kericho County Treasury*

3.12.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.27 billion, or 34 per cent of the available revenue of Kshs.3.71 billion. This expenditure represented a decrease from Kshs.1.50 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.891.30 million paid to the Health Sector Employees, translating to 70 per cent of the total wage bill.

Figure 47 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 47: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



***Source:** Kericho County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.22 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.51.50 million was processed through manual payrolls, which accounted for 4.0 per cent of the total PE cost.

The County Assembly spent Kshs.12.58 million on committee sitting allowances for the 48 MCAs against the annual budget allocation of Kshs.33.67 million. The average monthly sitting allowance was Kshs.43,670 per MCA. The County Assembly had 24 House committees.

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

Table 3.101: Performance of County Established Funds in the First Half 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	-	-	329,200,113	Ongoing
2	Kericho County Exe Staff Mortgage	20,000,000	-	-	216,318,000	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	-	-	-	87,000,000.00	Ongoing
	County Assembly Established Funds					
1	Staff Car Loan & Mortgage Fund	15,261,268	-	-	131,427,453.00	Not provided
2	Mca's Car Loan & Mortgage Fund	0	-	-	179,914,540.00	Not provided

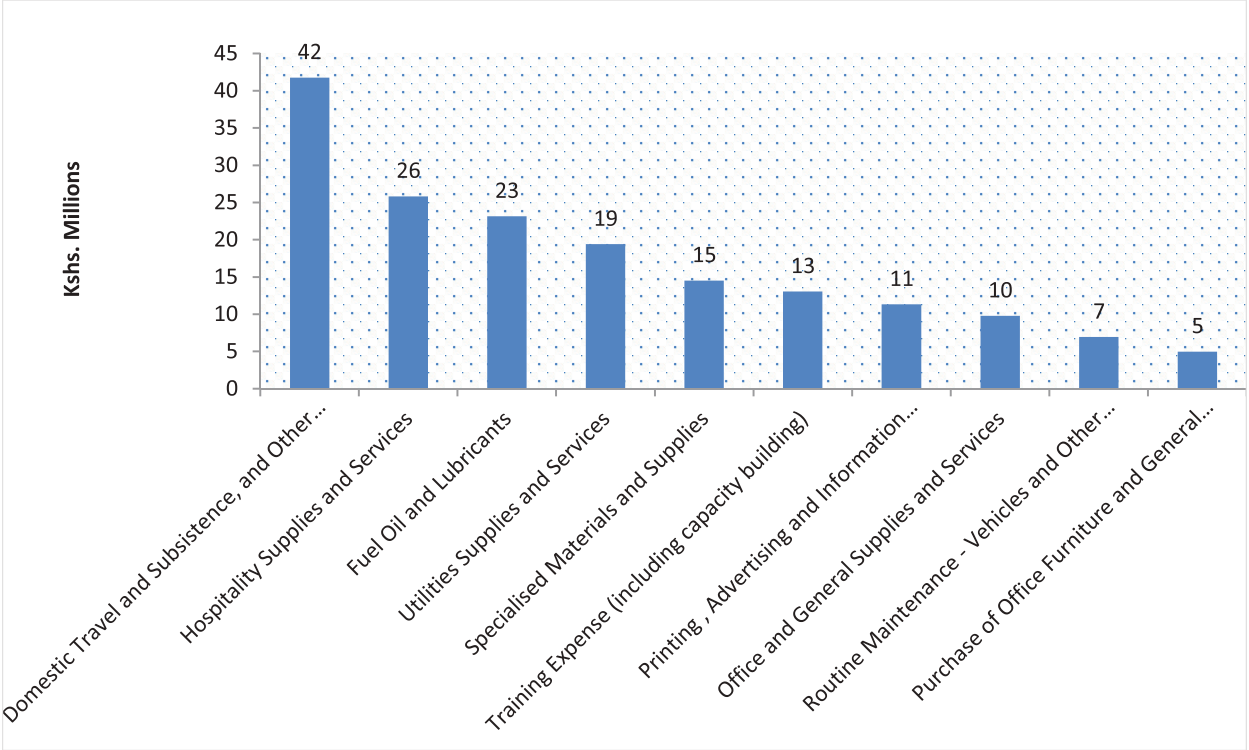
Source: *Kericho County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from Kericho County Fund Administrators, as indicated in Table 3.101, contrary to the requirement of Section 168 of the PFM Act, 2012

3.12.10 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*

Expenditure on domestic travel amounted to Kshs.133.14 million and comprised Kshs.91.38 million spent by the County Assembly and Kshs.41.76 million by the County Executive. Expenditure on foreign travel amounted to Kshs.5.29 million and comprised Kshs.0.97 million by the County Assembly and Kshs.4.32 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.102.

Table 3.102: Summary of Highest Expenditure on Foreign Travel in the First Half 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	6	9-20/9/2024	Training on leadership and policy implementation in Arusha, Tanzania	Tanzania	2,250,000
County Executive	3	2-8/6/2024	Consultative meeting on exploration of investment opportunities	Uganda	1,156,370
County Executive	1	7/12/2023-17/12/2023	Attending 23rd EAC MSME BURUNDI	Burundi	224,835
County Executive	1	23rd/01-3rd /02/2024	Attending Leadership Training programme at ESAMI	Tanzania	687,860
Kericho County Assembly	2	14th to 21st August 2024	Digital leadership, navigating governance in the public sector	Tanzania	967,912
TOTAL					**5,286,977**

Source: *Kericho County Treasury and Kericho County Assembly*

3.12.11 Facility Improvement Financing

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 has, however, not developed regulations to operationalise the FIF Act of 2023.

3.12.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.639.53 million on development programmes, representing. an increase of 187.1 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.222.79 million. Table 3.103 summarises development projects with the highest expenditure in the reporting period.

Table 3.103: Kericho County, List of Development Projects with the Highest Expenditure

S/No.	Sector	Project Title	Project Location	Contract Sum (Kshs.)	Amount paid To Date (Kshs.)	Implementation Status
1	Water	Rehabilitation and Construction of Kimologit Water Supply	Kamasian Ward	186,289,133	162,383,008	87
2	Public Works	Stormwater Drainage at Kapkatet Under the Strategic Intervention Programme	Kapkatet ward	46,884,040	36,732,092	78
3	Health Services	Construction of Surgical Theatre at Sosiot Health Centre	Waldai Ward	13,470,099	13,470,099	100
4	Health Services	Completion of Mch at Kipsitet Dispensary With 90,000 Litres Septic Tank	Soin Ward	10,847,220	10,847,220	100
5	Health Services	Construction of Malinja Dispensary	Cheboin Ward	8,774,000	8,774,000	100
6	Health Services	Construction of 24 Body Morgue in Fort Ternan Subcounty Hospital	Chilchila Ward	8,755,720	8,755,720	100
7	Agriculture	Construction of Maize Mill at Kedowa Under Strategic Intervention Programme	Kedowa/ Kimugul Ward	8,720,254	8,720,254	100
8	Trade	Refurbishment and Construction of Shops/Stalls at Litein Market	Litein Ward	6,298,206	6,298,206	100
9	Education	Renovation Works at Kericho County Library	Kipchebor Ward	5,000,000	5,000,000	100
10	Roads	Construction of Kapcherogos Kimeswon Kapmaina Road	Soin Ward	4,991,619	4,991,619	100
				300,030,290	**265,972,217**	

Source: *Kericho County Treasury*

3.12.13 Budget Performance by Department

Table 3.104 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.104: Kericho 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 Services	844.58	90.17	353.24	-	319.20	-	90	-	38	-
Public Service & Administration	397.49	20.95	150.27	4.59	106.54	1.89	71	41	27	9

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
Office of the Governor & Deputy Governor	149.28	-	66.33	-	49.08	-	74	-	33	-
County Public Service Board	82.74	-	27.46	-	23.52	-	86	-	28	-
Finance & Economic Planning	324.17	233.98	122.14	49.98	87.46	49.98	72	100	27	21
Health Services	2,879.10	247.64	849.67	110.58	686.27	100.68	81	91	24	41
agriculture, Livestock & Cooperative Development	168.04	447.54	65.06	51.39	55.08	40.40	85	79	33	9
Education, Libraries, Culture & Social Services	758.17	201.66	237.45	38.77	196.71	28.12	83	73	26	14
Public Works, Roads & Transport	94.81	755.16	37.05	192.11	32.79	188.11	89	98	35	25
Trade, Industrialization, Innovation, Tourism &Wildlife	63.66	364.86	23.80	13.70	20.77	13.70	87	100	33	4
Water, Energy, Natural Resources & Environment	160.99	502.33	95.14	188.66	61.23	181.75	64	96	38	36
Land, Housing & Physical Planning	129.16	190.51	45.68	35.35	39.31	26.85	86	76	30	14
Information Communication Youth Affairs, Sports& E-Government	71.13	40.00	23.73	8.14	21.27	8.06	90	99	30	20
Total	**6,123.32**	**3,094.80**	**2,097.02**	**693.26**	**1,699.25**	**639.53**	**81**	**92**	**28**	**21**

***Source**: Kericho County Treasury*

Analysis of department expenditure shows that the Department of Health Services recorded the highest absorption rate of development budget at 40 per cent, followed by the Department of Water, Energy, Natural Resources & Environment at 36 per cent. The Department of Water, Energy, Natural Resources & Environment had the highest percentage of recurrent expenditure to budget at 38 per cent, while the Department of Health Services had the lowest at 24 per cent.

3.12.14 Budget Execution by Programmes and Sub-Programmes

Table 3.105 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.105: Kericho County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Original Budget Estimates FY 2024/25 (Kshs.Million)		Actual Expenditure Jul 24 - Dec 24 (Kshs. Million)		Absorption Rate %	
		Rec	Dev	Rec	Dev	Rec	Dev
County Coordination Services	County Coordination Services	149.28	-	49.08	-	33	
		149.28	**-**	**49.08**	**-**	**33**	
DEPARTMENT: FINANCE AND ECONOMIC PLANNING							

Programme	Sub-Programme	Approved Original Budget Estimates FY 2024/25 (Kshs.Million)		Actual Expenditure Jul 24 - Dec 24 (Kshs. Million)		Absorption Rate %	
		Rec	Dev	Rec	Dev	Rec	Dev
Administration, Planning and Support Services.	Administration Services.	267.87	-	69.04	-	26	-
Administration, Planning and Support Services.	Monitoring Budget Implementation and Reporting	33.20	33.98	10.82	-	33	-
Public Finance Management	Budget Formulation coordination and management	16.75	200.00	4.43	49.98	26	25
Audit Services	County Audit	6.35	-	3.17	-	50	
		324.17	**233.98**	**87.46**	**49.98**	**27**	**21**
DEPARTMENT: AGRICULTURE, LIVESTOCK AND FISHERIES							
Policy, Strategy and Management of Agriculture	Development of Agricultural Policy, Legal & Regulatory framework.	50.30	-	24.63	-	49	
Crop Development and Management	Agriculture Extension Services	60.71	333.85	17.22	24.43	28	7
Livestock Resource Management and Development	Livestock Disease Management and Control.	-	76.77	-	12.90		17
Livestock Resource Management and Development	Livestock Production and Extension Services	37.92	-	12.29	-	32	0
Fisheries development	Management and Development of Capture Fisheries	7.40	5.65	0.50	-	7	-
Cooperative development and management	Cooperative Advisory & Extension Services.	11.71	31.28	0.45	3.07	4	0
		168.04	**447.54**	**55.08**	**40.40**	**33**	**9**
DEPARTMENT: WATER, ENERGY, NATURAL RESOURCES AND ENVIRONMENT							
Environment policy development and coordination	Planning Coordination Policy and Administrative Services	147.74	25.00	61.23	-	41	-
Water supply services	Rural Water Supply	13.26	477.33	-	181.75	-	38
		160.99	**502.33**	**61.23**	**181.75**	**38**	**36**
DEPARTMENT: EDUCATION, YOUTH AFFAIRS, CULTURE AND SOCIAL SERVICES							
General Administration & Planning Services.	Policy Development and Administration	557.68	21.42	194.69	4.94	35	23
Basic Education	Early Childhood Development Education	197.39	101.24	0.95	18.13	-	18
Gender and Social Development	Social Welfare Services/Social Infrastructure Development	3.10	13.00	1.07	-	35	-
Youth development and empowerment services	Youth Development (YP) Training	-	66.00	-	5.05	0	8
		758.17	**201.66**	**196.71**	**28.12**	**26**	**14**
DEPARTMENT: HEALTH SERVICES							
Curative Health	Administration and Planning	1,556.59	137.74	507.46	50.99	33	37
Curative Health	Hospital(curative) Services	-	-	-	-		
Preventive and Promotive Health	Preventive Medicine and Promotive Health	1,322.51	109.90	178.81	49.70	14	45

Programme	Sub-Programme	Approved Original Budget Estimates FY 2024/25 (Kshs.Million)		Actual Expenditure Jul 24 - Dec 24 (Kshs. Million)		Absorption Rate %	
		Rec	Dev	Rec	Dev	Rec	Dev
		2,879.10	**247.64**	**686.27**	**100.68**	**24**	**41**
DEPARTMENT: LANDS, HOUSING AND PHYSICAL PLANNING							
Administration and support services	General Administration and Planning	86.48	110.55	21.45	11.50	25	10
Housing Development and Human Resource	Housing Development	9.88	23.11	4.54	7.38	46	32
Land policy and planning	Development Planning and Land Reforms	27.15	17.00	10.50	4.97	39	29
Land policy and planning	Land Use Planning	5.65	39.86	2.83	2.99	50	7
		129.16	**190.51**	**39.31**	**26.85**	**30**	**14**
DEPARTMENT: PUBLIC WORKS, ROADS AND TRANSPORT							
Transport Management and Safety	General Administration Planning and Support Services	85.21	-	29.65	-	35	0
Infrastructure, Roads and Transport	Rehabilitation of Road	3.40	717.16	1.60	188.11	47	26
Infrastructure, Roads and Transport	Maintenance of Roads and Bridges/Periodic Maintenance	6.20	38.00	1.54	-	25	-
		94.81	**755.16**	**32.79**	**188.11**	**35**	**25**
DEPARTMENT: TRADE, INDUSTRIALISATION, TOURISM, WILDLIFE AND COOPERATIVE MANAGEMENT							
Trade development and investment	Fairtrade Practices and Consumer Protection (weight & measures)	19.16	353.86	6.95	13.70	36	4
Trade development and investment	Administrative and Support Services.	37.73	2.00	12.25	-	32	-
Tourism development and marketing	Local Tourism Development.	6.77	9.00	1.57	-	23	
		63.66	**364.86**	**20.77**	**13.70**	**33**	**4**
DEPARTMENT: ICT AND E-GOVERNMENT							
Information & Communication Service	News and Information Services	71.13	-	21.27	-	30	-
Information & Communication Service	ICT and BPO development services	-	40.00	-	8.06	-	20
Youth development and empowerment services	Youth Development (YP) Training	-	-	-	-	-	0
		71.13	**40.00**	**21.27**	**8.06**	**30**	**20**
DEPARTMENT: COUNTY PUBLIC SERVICE BOARD							
Administration of Human Resources and Public Service	Establishment, Appointment, Discipline and Board Management.	82.74	-	23.52	-	28	-
		82.74	**-**	**23.52**	**-**	**28**	**0**
DEPARTMENT: PUBLIC SERVICE MANAGEMENT							
Administration of Human Resources and Public Service	General Administration, Planning and Support Services	300.47	20.95	87.12	1.89	29	9
Administration of Human Resources and Public Service	Human Resource Development	97.01	-	19.42	-	20	0
		397.49	**20.95**	**106.54**	**1.89**	**27**	**9**
County Executive Grand Total		**5,278.74**	**3,004.63**	**1,380.05**	**639.53**	**26**	**21**

Programme	Sub-Programme	Approved Original Budget Estimates FY 2024/25 (Kshs.Million)		Actual Expenditure Jul 24 - Dec 24 (Kshs. Million)		Absorption Rate %	
		Rec	Dev	Rec	Dev	Rec	Dev
Speaker's office	Speaker's office	443.29	-	185.32	-	**42**	-
Clerk's Office	Clerk's Office	389.70	90.17	128.80		**33**	-
County Assembly Service Board	County Assembly Service Board	11.59	-	5.08	-	**44**	-
Total Expenditure		844.58	90.17	319.20	-	**38**	-
GRAND TOTAL		**6,123.32**	**3,094.80**	**1,699.25**	**639.53**	**28**	**21**

***Source**: Kericho County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: County Audit in the Department of Finance & Economic Planning at 50 per cent, Land Policy and Planning in the Department of Land, Housing & Physical Planning at 50 per cent, Infrastructure, Roads and Transport in the department of Public Works, Roads & Transport at 47 per cent and Housing Development and Human Resource in the department of Land, Housing & Physical Planning at 46 per cent 0f budget allocation.

3.12.15 Accounts Operated Commercial Banks

The County Government Operates 51 accounts with commercial banks, including 14 for Health Facilities, 12 for Vocational Training Centres, 24 for established funds and one for county revenue.

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.

3.12.16 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 20th January 2025.

(ii) The underperformance of own-source revenue at Kshs.377.52 million against an annual target of Kshs.1.22 Billion, representing 30.9 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 of 31st December 2024.

(iv) The high pending bills amounted to Kshs.624.52 million as of 30th December 2024. 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.51.5 million were processed through the manual payroll, accounting for 4.0 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 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 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 Budget FY 2024/25 budget is Kshs.23.57 billion. It comprises Kshs.8.16 billion (35 per cent) and Kshs.15.41 billion (65 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.359.90 million (2 per cent) from the FY 2023/24 budget comprised of a development budget of Kshs.6.97 billion and a recurrent budget of Kshs.16.25. billion. The increase in the budget was attributed to the provision for pending bills.

The budget will be financed from different sources of revenue. These include Kshs.12.35 billion (52 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.3.25 billion (14 per cent) as additional allocations, and Kshs.7.98 billion (34 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.2.1 billion (10 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.5.88 billion (25 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.106.

3.13.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.7.78 billion to fund its development and recurrent activities. This amount consisted of Kshs.6.08 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.64.89 million, and its own-source revenue (OSR) collection of Kshs.1.64 billion.

The total OSR collection of Kshs.1.64 billion includes Facilities Improvement Financing (FIF) of Kshs.676.95 million and Kshs.958.45 million as ordinary OSR. Table 3.106 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.106: Kiambu County, Revenue Performance in the First Half 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**	12,345,835,662	6,080,087,816	49
Sub Total		**12,345,835,662**	**6,080,087,816**	**49**
B	**Conditional Grants**			
1	Industrial Park & Aggregate Centre Grant	0	52,631,579	0

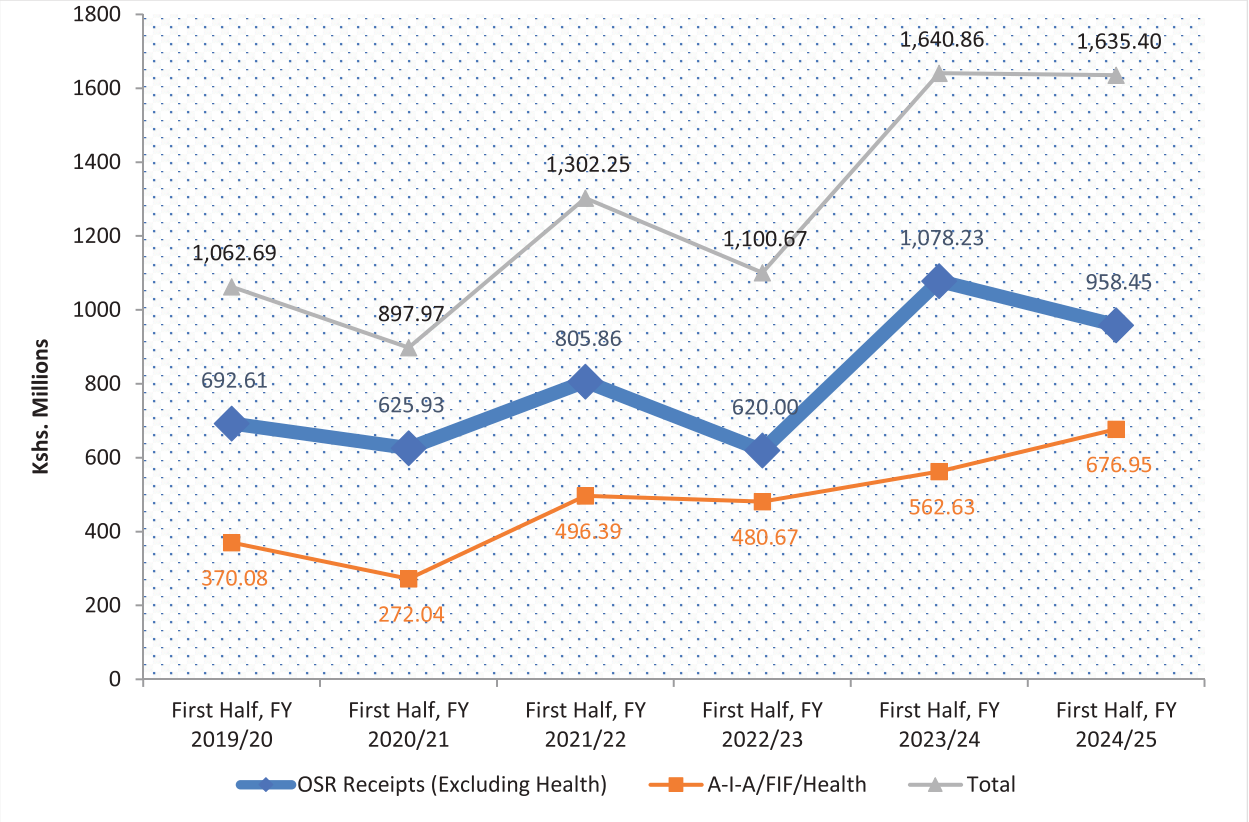
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
2	Court Fines	5,697,644	0	0
3	Mineral Royalties	532,558	0	0
4	IDA (World Bank) National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	0	0
5	DANIDA Grant - Primary Health Care Devolved	14,527,500	0	0
6	Road Maintenance Fuel Levy Fund	335,429,530	0	0
7	Community Health Promoters	94,680,000	0	0
8	IDA (World Bank) credit - Kenya Urban Support Project (KUSP)-Urban Development Grant (UDG)	1,658,136,816	0	0
9	IDA (World Bank) FLLoCA - County Climate Resilience Investment Grant	125,000,000	0	0
10	IDA (World Bank) credit - Kenya Devolution Support Project (KDSP) - Level II	37,500,000	0	0
11	IDA (World Bank) credit - Kenya Urban Support Project (KUSP)-Urban Institutional Grant (UIG)	35,000,000	0	0
12	SIDA -Kenya Agricultural Business Development Project (KABDP)	11,819,919	0	0
13	World Bank - Kenya Informal Settlement Improvement Project II (KISIP II)	759,543,092	0	0
14	Aquaculture Business Development Project ABDP	19,395,531	0	0
Sub-Total		3,248,777,742	52,631,579	**2**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	5,880,140,717	958,454,359	16
2	Balance b/f from FY2023/24	0	0	0
3	Facility Improvement Fund (FIF)	2,100,000,000	676,948,071	32
4	Other Revenues (MSF Belgium)	0	12,261,470	0
5	Appropriation in Aid (AIA)	0	0	0
Sub Total		7,980,140,717	1,647,663,900	21
Grand Total		**23,574,754,121**	**7,780,383,295**	**33**

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 trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 49: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

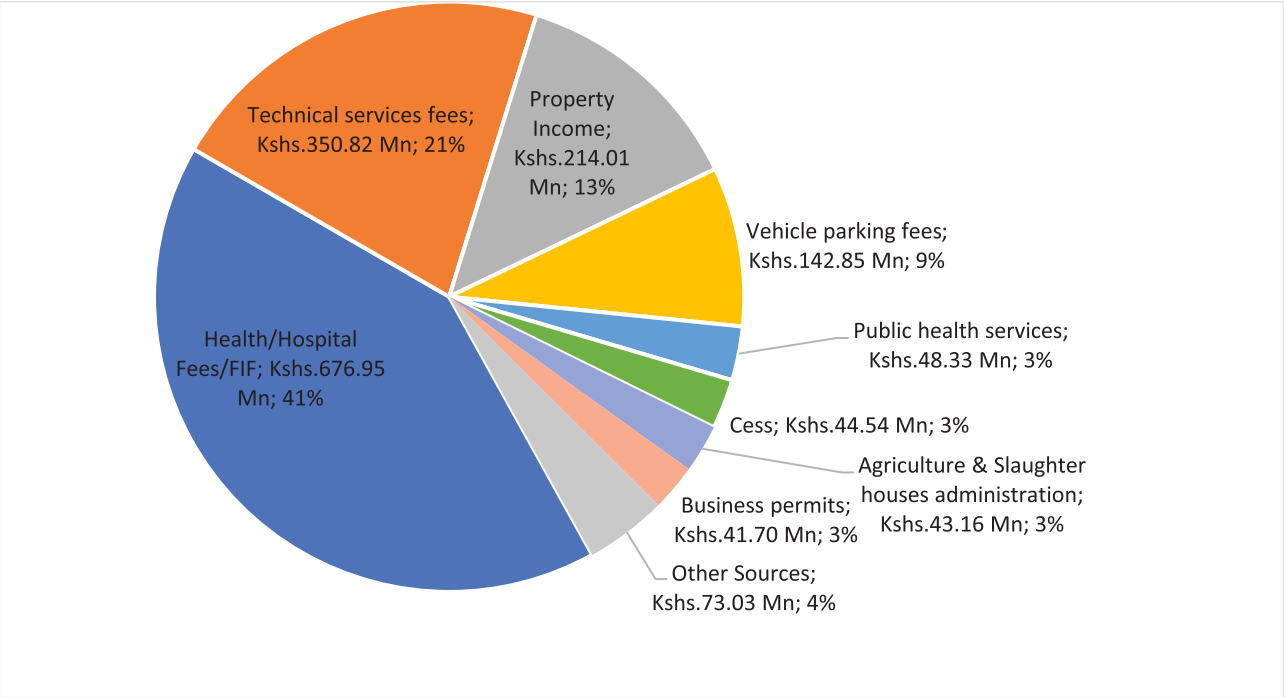


Source: *Kiambu County Treasury*

During the first half of FY 2024/25, the County generated Kshs.1.64 billion from its revenue sources, including AIA and FIF. This amount was an increase of 0.3 per cent compared to Kshs.1.64 billion realised in a similar period in FY 2023/24. This was 21 per cent of the annual target and 27 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.5.67 million.

The revenue streams which contributed the highest OSR receipts are shown in Figure 50.

Figure 50: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Kiambu County Treasury

The highest revenue stream, Kshs.676.95 million, was from the Facility Improvement Fund, which contributed 41 per cent of the total OSR receipts during the reporting period.

3.13.3 Borrowing by the County

No borrowing was reported during the period under review.

3.13.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.37 billion from the CRF account during the reporting period, which comprised Kshs.1.18 billion (19 per cent) for development programmes and Kshs.5.20 billion (82 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.3.26 billion was released towards compensation of employees and Kshs.1.94 billion for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to the challenges of migration from the IPPD to the HRIS-KE system, which delayed processing of the payroll.

Analysis of the operations and maintenance exchequer releases indicates that 2 per cent was for domestic travel and 0.3 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.124.08 million and included Kshs.22.84 million for the County Executive and Kshs.101.24 million for the County Assembly. The foreign exchequer totalled Kshs.17.25 million, comprising only the County Assembly.

Table 3.107: Kiambu 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
County Assembly	1,357.42	110.00	413.65	-	30	0
County Executive	485.00	-	130.46	-	27	-
County Public Service Board	90.09	-	28.36	-	31	-
Finance, ICT & Economic Planning	1,508.12	271.00	477.46	-	32	0

Department	Approved Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Approved Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Water, Environment and Natural Resources	500.73	601.89	217.97	34.46	44	6
Health Services	7,039.81	715.46	2,360.30	372.19	34	52
Roads, Transport and Public Works	771.10	1,724.15	316.20	296.32	41	17
Administration and Public Service	1,009.38	75.00	341.80	-	34	0
Agriculture, Crop Production & Irrigation	510.88	713.22	168.95	74.95	33	11
Education, Culture and Social Services	1,401.52	637.84	526.11	210.45	38	33
Youth and Sports	174.55	170.00	32.32	12.37	19	7
Lands, Physical Planning and Housing	402.52	2,833.11	115.55	2.18	29	0
Trade, Tourism, Industry and Cooperative	158.81	313.18	48.79	173.65	31	55
	15,409.91	**8,164.84**	**5,177.93**	**1,176.58**	**34**	**14**

***Source**: Kiambu County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.862.79 million.

3.13.5 County Expenditure Review

The County spent Kshs.6.26 billion on development and recurrent programmes in the reporting period. The expenditure represented 7 per cent of the total funds released by the CoB and comprised Kshs.1.05 billion and Kshs.5.20 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 13 per cent, while recurrent expenditure represented 34 per cent of the annual recurrent expenditure budget.

3.13.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.6.78 billion as of 30th June 2024. This amount includes Kshs.6.63 billion from the County Executive and Kshs.146.25 million from the County Assembly. The pending bills from the County Executive consist of Kshs.4.32 billion for recurrent expenditures and Kshs.2.31 billion for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.1.15 billion, comprising Kshs.709.55 million for recurrent programmes and Kshs.437.24 million for development programmes. The County Assembly did not pay for any pending bills during the first half.

At the commencement of FY 2024/25, the county executive submitted a pending bills payment plan, committing to pay Kshs.600 million in the first half of FY 2024/25. The County adhered to this payment plan by surpassing the targeted payment, clearing Kshs.1.15 billion for the County Executive.

As of December 31, 2024, the outstanding bills amounted to Kshs5.63 billion, comprising Kshs.5.48 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.2.98 billion on employee compensation, Kshs.1.81 billion on operations and maintenance, and Kshs.1.05 billion on development activities. Similarly, the County Assembly spent Kshs.304.43 million on employee compensation and Kshs.127.23 million on operations and maintenance, with no expenditure on development activities, as shown in Table 3.108.

Table 3.108: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)		Overall Absorption
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly	
Total Recurrent Expenditure	**14,052,498,504**	**1,357,416,186**	4,789,887,077	431,654,944	**34**	**32**	**34**
Compensation to Employees	7,702,584,301	607,931,941	2,982,040,584	304,426,894	39	50	40
Operations and Maintenance	6,349,914,203	749,484,245	1,807,846,493	127,228,050	28	17	27
Development Expenditure	8,054,839,430	110,000,000	1,054,523,774	-	13	-	13
Total	**22,107,337,934**	**1,467,416,186**	**5,844,410,851**	**431,654,944**	26	29	**27**

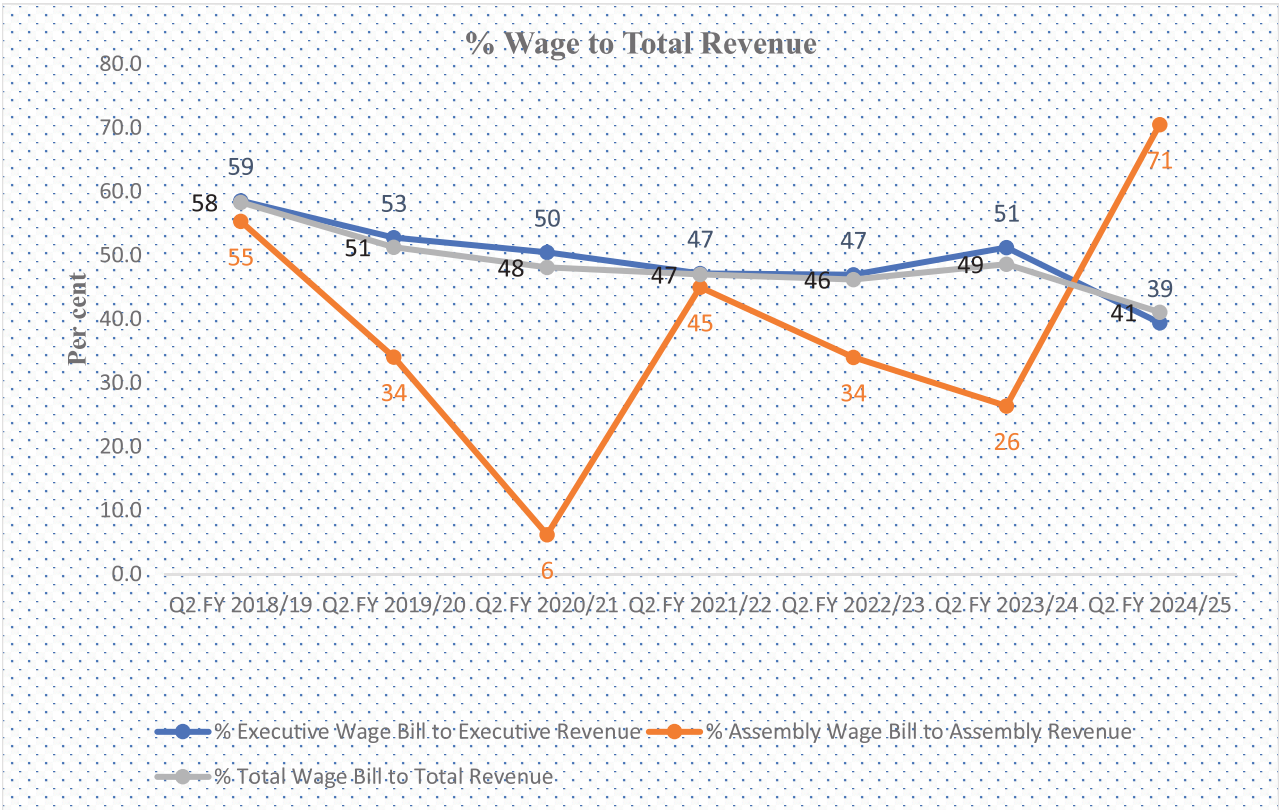
***Source**: Kiambu County Treasury*

3.13.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.3.29 billion, or 42 per cent of the available revenue of Kshs.7.73 billion. This expenditure represented a decrease from Kshs.3.69 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.58 billion paid to the Health Sector employees, translating to 48 per cent of the total wage bill.

Figure 51 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 51: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Kiambu County Treasury

Further analysis indicates that PE costs amounting to Kshs.3.11 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.179.38 million was processed through manual payrolls, which accounted for 5.5 per cent of the total PE cost.

The County Assembly spent Kshs.39.33 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.75,340 per MCA. The County Assembly had 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 13 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.

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 Half 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	30,399,661	0	Yes
2.	Kiambu County Education Bursary Fund	200,000,000	100,000,000	2,652,257	0	Yes
3.	Kiambu County Emergency Fund	50,000,000	0	11,310	0	Yes
4.	Kiambu County Executive Car Loan & Mortgage Scheme Fund		0	85,782	0	Yes
5.	Kiambu County Jiinue Fund	50,000,000	0	1,490,885	0	Yes
6.	Kiambu County Facility Improvement Fund	2,200,000,000	0	250,446,032	0	Yes
7.	Kiambu County Climate Fund	377,754,776	0	6,816,430	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**	**100,000,000**	**295,015,886**	**0**	

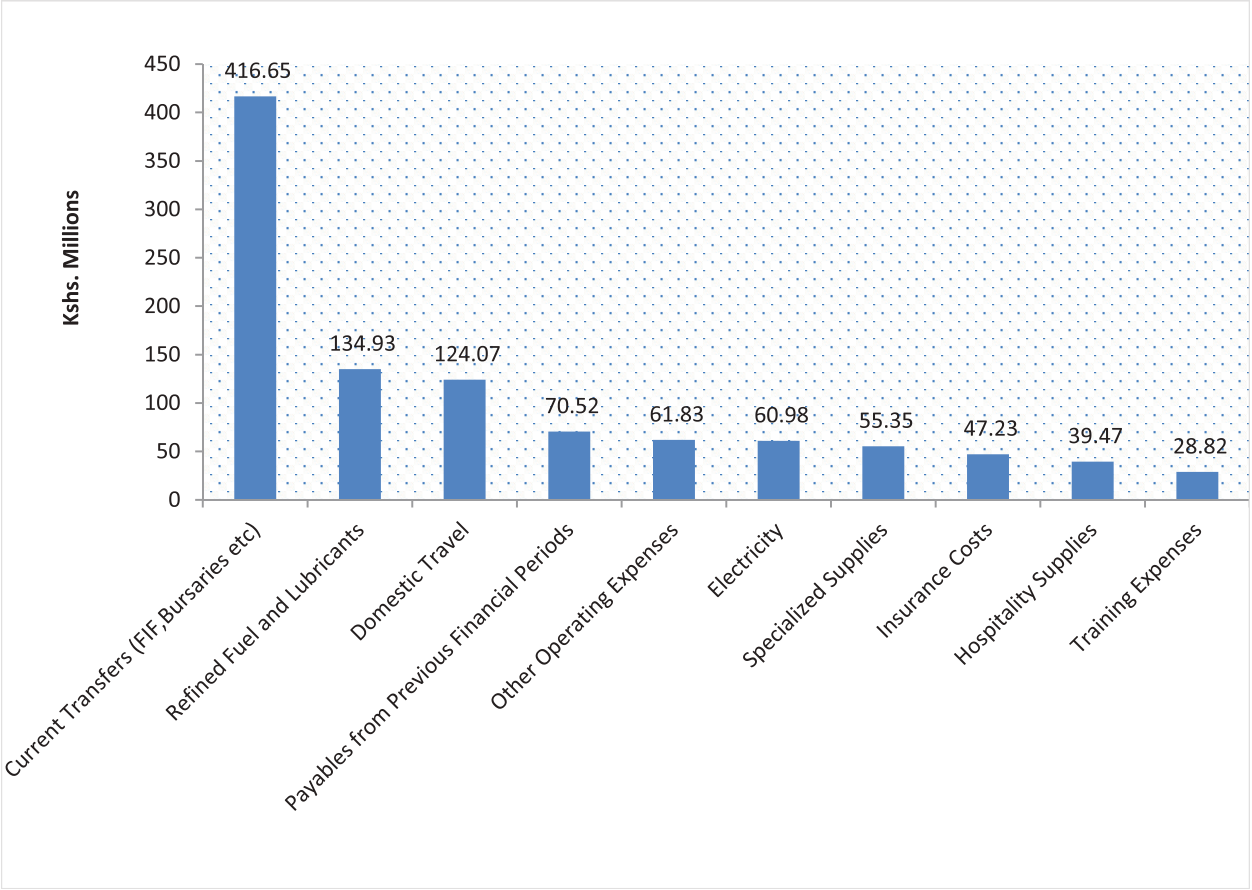
Source: *Kiambu County Treasury*

During the reporting period, the CoB received quarterly financial returns from the fund administrators of all funds, as indicated in Table 3.109, which was in line with the requirement of Section 168 of the PFM Act, 2012.

3.13.10 Expenditure on Operations and Maintenance

Figure 52 summarises the Operations and Maintenance expenditure by major categories.

Figure 52: Kiambu County, Operations and Maintenance Expenditure by Major Categories



Source: *Kiambu County Treasury*

Expenditure on domestic travel amounted to Kshs.124.07 million and comprised Kshs.101.24 million spent by the County Assembly and Kshs.22.84 million by the County Executive. Expenditure on foreign travel amounted to Kshs.17.25 million by the County Assembly. Spending on foreign travel is summarised in Table 3.110.

Table 3.110: Summary of Highest Expenditure on Foreign Travel in the First Half 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 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	5	26th Sept to 2nd Oct 2024	CAKSB & ESAMI Consultative Meeting	Arusha, Tanzania	1,942,735
Total					18,883,597

Source: *Kiambu County Assembly*

The operations and maintenance costs include Kshs.18.78 million in management fees, Kshs.14.21 million on "Other operating expenses ", and Kshs.7.22 million in Bank Charges.

3.13.11 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.676.95 million as FIF, which was 32 per cent of the annual target of Kshs.2.10 billion. The collected amount was retained and utilised at the source per the Facility Improvement Financing 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.

3.13.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.1.05 billion on development programmes, representing a 26 per cent increase compared to a similar period in FY 2023/24, when the County spent Kshs.838.68 million. Table 3.111 summarises the development projects with the highest expenditure in the reporting period.

Table 3.111: Kiambu 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	Health	Construction of a level IV Hospital at Karuri level IV hospital	Karuri ward	180,734,625	42,780,323	60
2	Health	4130299 Payables from previous Financial period-Others (Budget)s		41,683,533	41,683,533	94
3	Roads, Transport, Public Works & Utilities	Proposed Rehabilitation of various bus parks within Kiambu County	All Wards	125,000,000	125,000,000	100
4	Trade and Markets	Payables from the previous period	ALL	55,000,000	55,000,000	66
5	Agriculture, Livestock And Cooperative Development	Pending Bills	County-wide	41,594,698	41,594,698	71
6	Trade and Markets Boda Boda Sheds All Wards			54,000,00	54,000,000	54
7	Agriculture, Livestock And Cooperative Development	Procurement of food crop fertiliser and coffee fertiliser	County-wide	50,000,000	50,000,000	40
8	Agriculture, Livestock And Cooperative Development	2640599 Other Capital Grants and Trans	Kiambu County	65,000,000	65,000,000	31
9	Health	Construction of a level III Hospital at Kahawa Sukari	Kahawa Sukari	43,813,600	20,000,000	100
10	Health	Construction of a level III Hospital at Ndumberi	Ndumberi ward	41,913,760	20,000,000	60

Source: *Kiambu County Treasury*

3.13.13 Budget Performance by Department

Table 3.112 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.112: 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	1,357.42	110.00	413.65	-	413.65	-	100	-	30	-
County Executive	485.00	-	130.46	-	138.09	-	106	-	28	-
County Public Service Board	90.09	-	28.36	-	24.72	-	87	-	27	-

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
Finance, ICT & Economic Planning	1,508.12	271.00	477.46	-	417.00	-	87	-	28	-
Water, Environment and Natural Resources	500.73	601.89	217.97	34.46	177.83	75.52	82	219	36	13
Health Services	7,039.81	715.46	2,360.30	372.19	2,599.25	279.72	110	75	37	39
Roads, Transport and Public Works	771.10	1,724.15	316.20	296.32	236.77	279.64	75	94	31	16
Administration and Public Service	1,009.38	75.00	341.80	-	337.78	1.35	99	-	33	2
Agriculture, Crop Production & Irrigation	510.88	713.22	168.95	74.95	171.46	73.29	101	98	34	10
Education, Culture and Social Services	1,401.52	637.84	526.11	210.45	522.79	265.13	99	126	37	42
Youth and Sports	174.55	170.00	32.32	12.37	34.40	12.37	106	100	20	7
Lands, Physical Planning and Housing	402.52	2,833.11	115.55	2.18	100.17	2.18	87	100	25	0
Trade, Tourism, Industry and Cooperative	158.81	313.18	48.79	173.65	29.63	65.31	61	38	19	21
Total	**15,409.91**	**8,164.84**	**5,177.93**	**1,176.58**	**5,203.54**	**1,054.52**	**100**	**90**	**34**	**13**

***Source**: Kiambu County Treasury*

Analysis of department expenditures shows that the Department of Education, Culture, and Social Services recorded the highest absorption rate for development and recurrent budgets, at 42 per cent and 37 per cent, respectively. It was followed by the Department of Health Services, at 39 per cent and 37 per cent for development and recurrent expenditures, respectively.

The County had over-expenditure above the exchequer releases in the departments of County Executive, Water, Environment and Natural Resources, Health Services, Agriculture, Crop Production & Irrigation, Education, Culture & Social Services and Youth & Sports as a result of diverting funds meant for payments in one department to the other.

3.13.14 Budget Execution by Programmes and Sub-Programmes

Table 3.113 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.113: Kiambu 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 OF KIAMBU							
Legislation and oversight	Legislation and oversight	688,434,245	-	223,036,025	-	32	0
	Sub Total	**688,434,245**	**-**	**223,036,025**	**-**	32	0
General Administration Planning and Support Services	General Administration Planning and Support Services	524,310,941	110,000,000	150,321,478	-	29	0
	Sub-Total	**524,310,941**	**110,000,000**	**150,321,478**	**-**	29	0
Representation services	Representation services	144,671,000	-	40,297,442	-	28	0

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Sub-Total	**144,671,000**	**-**	**40,297,442**	**-**	28	0
Grand Total		**1,357,416,186**	**110,000,000**	**413,654,945**	**-**	30	0
KIAMBU COUNTY EXECUTIVE							
Leadership & Coordination of County Admin & Departments	General Administration and Support Services	411,430,000	-	128,875,723	-	31	0
	Public awareness and Institutional Strengthening	24,070,000	-	1,593,569	-	7	0
	Legal services	49,500,000	-	7,617,845	-	15	0
		485,000,000	**-**	**138,087,137**	**-**	28	0
KIAMBU COUNTY PUBLIC SERVICE BOARD							
Leadership and Administration of Human Resources and Development in County Public Service	Human Resource development and management services	90,090,971	-	**24,719,377**	-	27	-
TOTAL		**90,090,971**	**-**	**24,719,377**	**-**	27	-
DEPARTMENT: FINANCE & ECONOMIC PLANNING							
Public Finance Management and Economic Policy & Strategy	Budget	14,955,200	-	2,554,536	-	17	-
	Revenue	393,500,000	5,000,000	56,527,655	-	14	-
	Accounting	62,500,000	-	21,231,430	-	34	-
	Internal Audit	10,387,800	-	1,437,257	-	14	-
	Economic Planning	11,157,000		1,265,736		11	-
General Administration and support services	General Administration and support services	1,000,616,154	5,000,000	326,685,870		33	-
ICT Services	ICT services	15,000,000	261,000,000	7,300,000	-	49	-
Totals		**1,508,116,154**	**271,000,000**	**417,002,484**	**-**	28	-
KIAMBU COUNTY WATER, ENVIRONMENT, ENERGY & NATURAL RESOURCES							
Water and environment administration	Administration, Planning & Support Services	500,725,926	-	177,826,222	-	-	-
Water	Water Resource Management and Sanitation	-	174,252,369	-	64,485,176	-	37
Natural Resources	Natural Resources, Forest Conservation and Management	-	10,000,000	-	-	-	-
Environment	Environment and Solid Waste Management	-	44,883,260	-	9,438,390	-	21
Renewable Energy and Climate Change	Climate Change Mitigation &Adaptation	-	372,754,777	-	1,598,980	-	-
TOTAL		**500,725,926**	**601,890,406**	**177,826,222**	**75,522,546**	36	13
KIAMBU COUNTY HEALTH SERVICES							
Health Services	Curative	1,200,000,000	715,461,755	313,446,295	279,724,696	26	39
Health Services	Preventive and Promotive	959,107,042	-	61,080,237	-	6	-
Health Services	Pharmaceuticals	120,000,000	-	-	-	-	-

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Health Services	Administration and Support	4,760,698,635	-	2,224,723,090	-	47	-
TOTAL		**7,039,805,677**	**715,461,755**	**2,599,249,622**	**279,724,696**	37	39
KIAMBU COUNTY ROADS, TRANSPORT, PUBLIC WORKS & UTILITIES							
Maintenance of Roads, Bridges, Transport, Construction and Maintenance	General administration and support services	771,101,086	-	236,772,225	-	31	-
	Construction of road and civil works	-	1,724,148,357	-	279,642,420	-	16
TOTALs		**771,101,086**	**1,724,148,357**	**236,772,225**	**279,642,420**	31	16
DEPARTMENT: KIAMBU COUNTY ADMINISTRATION & PUBLIC SERVICE							
Administraion & Public Service							0
General Administration Planning and Support services	General Administration Planning and Support services	924,882,896	35,000,000	335,299,045	1,352,180	36	4
	Sub Total	**924,882,896**	**35,000,000**	**335,299,045**	**1,352,180**	36	4
Administraion & Public Service							-
Human Resource Management & Development Services	Human Resource Management & Development	54,500,000	-	2,479,673	-	5	-
	Sub-Total	**54,500,000**	**-**	**2,479,673**	**-**	5	-
Administraion & Public Service							-
Alcoholic Fund	Alcoholic Drinks Control & Rehabilitation	30,000,000	40,000,000	-	-	-	-
	Sub-Total	**30,000,000**	**40,000,000**	**-**	**-**	-	-
Grand Total		**1,009,382,896**	**75,000,000**	**337,778,718**	**1,352,180**	33	2
DEPARTMENT: KIAMBU COUNTY AGRICULTURE, LIVESTOCK AND COOPERATIVE DEVELOPMENT							
Agriculture, Livestock and Cooperative Development	General Administration, Planning and Support Services	426,762,458	-	168,670,269	-	40	-
	Crop Development, Irrigation and Marketing Services	806,000	431,835,070	-	59,262,850	-	14
	Livestock and Fisheries Management and Development	46,308,780	276,383,074	326,585	14,029,882	1	5
	Cooperative Development and Management	37,000,000	5,000,000	2,458,972	-	7	-
Total Amount		**510,877,238**	**713,218,144**	**171,455,826**	**73,292,732**	34	10
DEPARTMENT: KIAMBU COUNTY EDUCATION, GENDER, CULTURE& SOCIAL SERVICES							
Pre-primary education, Promotion of Culture and Social Services	PrePrimary education and youth polytechnics services	380,140,000	607,835,695	154,209,260	265,131,887	41	44
	Gender, Culture and Social services	36,130,000	30,000,000	325,000	-	1	-

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	General administration and support services	985,248,957	-	368,260,454	-	37	-
	TOTALS	**1,401,518,957**	**637,835,695**	**522,794,714**	**265,131,887**	37	42
DEPARTMENT: KIAMBU COUNTY YOUTH AFFAIRS, SPORTS & COMMUNICATION							
Youth Affairs, Sports and Communication	Youth Affairs	11,000,000	-	1,655,000	-	15	-
	Sports	53,500,000	-	4,325,900	-	8	-
	Communication	17,000,000	-	731,692	-	4	-
	General Administration	93,052,827	-	27,685,467	-	30	-
	Youth Empowerment	-	40,000,000	-	-	-	-
	Improvement of Sports Infrastructure	-	130,000,000	-	12,374,340	-	10
		174,552,827	**170,000,000**	**34,398,059**	**12,374,340**	20	7
DEPARTMENT: LAND, HOUSING, PHYSICAL PLANNING, MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT							
Urban Areas Development & Administration	Urban Areas Administration and Management	135,000,000	1,958,136,816	16,149,030	-	12	-
General Administration, Planning and Support Services	General administration and support services	227,518,169	-	84,019,091	-	37	-
Land Use Management, Valuation & Rating and Physical Planning	Land Administration services	40,000,000	14,428,865	-	-	-	-
Housing and Community Development	Housing Development	-	860,543,092	-	2,175,000	-	-
GRAND TOTAL		**402,518,169**	**2,833,108,773**	**100,168,121**	**2,175,000**	25	-
DEPARTMENT: KIAMBU COUNTY TRADE, INDUSTRIALIZATION, TOURISM & INVESTMENT							
Programme 1	General Administration, Planning and Support Services	158,808,604		29,634,572		19	-
	Trade and Markets		274,000,000		65,307,973	-	24
	Tourism promotion and marketing		9,176,300		-	-	-
	Industrialisation		20,000,000		-	-	-
	Investment		10,000,000		-	-	-
	Sub Total	**158,808,604**	**313,176,300**	**29,634,572**	**65,307,973**	19	21
Grand Total		**15,409,914,691**	**8,164,839,430**	**5,203,542,022**	**1,054,523,774**	34	13

***Source**: Kiambu County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were ICT Services in the Department of Finance and Economic Planning at 49 per cent, Administration & Support in the Department of Health Services at 47 per cent, Pre-Primary education in the Department of Education, Gender, Culture &Social Services at 44 per cent, and Water Resource Management in the Department of Water, Environment, Energy & Natural Resources at 37 per cent of budget allocation.

3.13.15 Accounts Operated Commercial Banks

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.

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.

3.13.16 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. Own-source revenue underperformed at Kshs.1.64 billion against an annual target of Kshs.7.98 billion, representing 21 per cent of the yearly target.
ii. The high pending bills amounted to Kshs.5.63 billion as of 31st December 2024.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.179.38 million 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. 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 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 leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year.*
iii. *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.*
iv. *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.*

3.14. County Government of Kilifi

3.14.1 Overview of FY 2024/25 Budget

The Kilifi County Gross Approved FY 2024/25 budget is Kshs.21.41 billion. It comprises Kshs.9.97 billion (47 per cent) and Kshs.11.44 billion (53 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.4.39 billion (26 per cent) from the FY 2023/24 budget 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 of unspent funds from the previous financial year and an increment in the County's own source revenue collection target. The County's Net Approved 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 different sources of revenue. These include Kshs.12.55 billion (59 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.3.45 million (16 per cent) as additional allocations, and a cash balance of Kshs.3.43 billion (16 per cent) was brought

forward from FY 2023/24, and Kshs.1.97 billion (9 per cent) was generated as gross own source revenue. The own-source revenue includes Kshs.400 million (2 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs1.57 billion (7 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in **Table 3.114**.

3.14.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.8.89 billion to fund its development and recurrent activities. This amount consisted of Kshs.4.99 billion from the equitable share of revenue raised nationally and its own-source revenue (OSR) collection of Kshs.467.94 million. In addition, the County had a cash balance of Kshs.3.43 billion from FY 2023/24.

The total OSR collection of Kshs.467.94 billion includes Facilities Improvement Financing (FIF) of Kshs.159.58 million and Kshs.308.35 million as ordinary OSR. Table 3.114 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.114: Kilifi County, Revenue Performance in the First Half of FY 2024/25

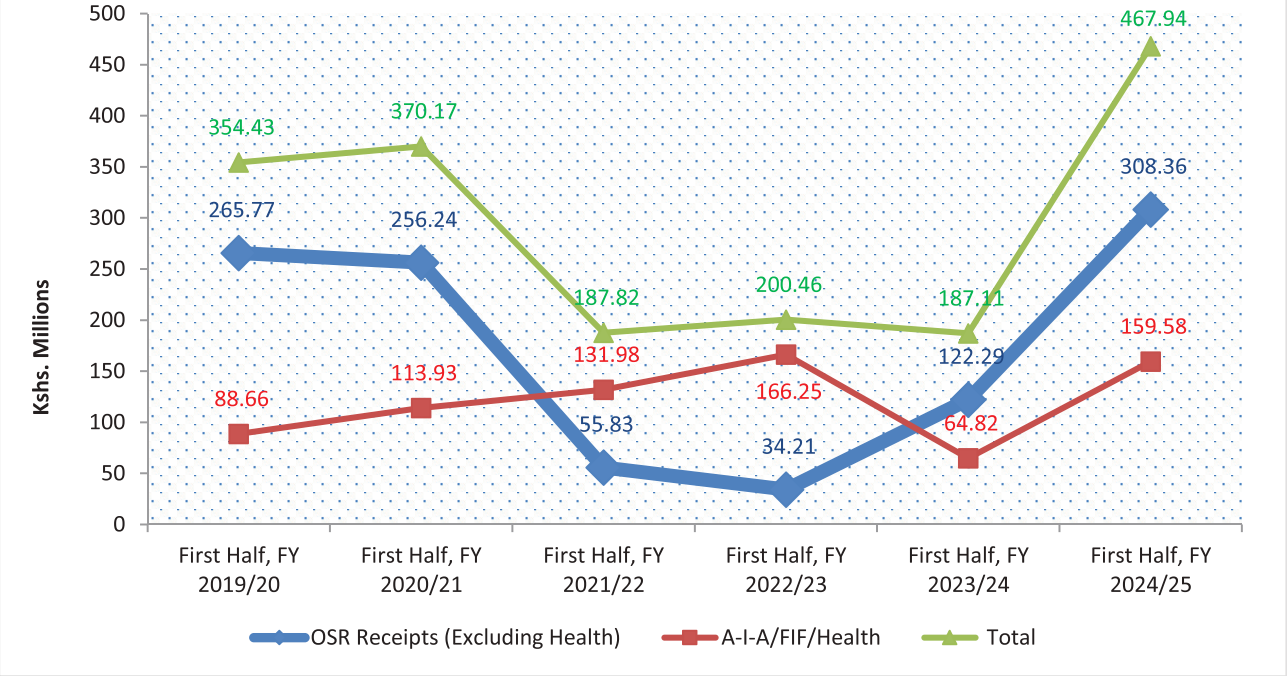
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	12,554,603,733	4,989,939,089	40
Sub Total		**12,554,603,733**	**4,989,939,089**	**40**
B	**Additional Allocation**			
1	Aggregated Industrial Parks Programme	250,000,000	-	-
2	Kenya Devolution Support Programme KDSP-II	37,500,000	-	-
3	Kenya Urban Support Programme KUSP-UIG	35,000,000	-	-
4	Community Health Promoters	90,953,531	-	-
5	Primary Healthcare in a Devolved Context	16,087,500	-	-
6	Roads Maintenance Fuel Levy	242,979,152	-	-
7	Allocation for Mineral Royalties	177,531,147	-	-
8	Water & Sanitation Development Programme (WSDP)	1,700,000,000	-	-
9	Kenya Informal Settlement and Improvement Project (KISIP)	750,000,000	-	-
10	World Bank Credit National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	-	-
Sub-Total		3,451,566,482	-	-
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	1,570,795,142	308,356,021	20
2	Balance b/f from FY2023/24	3,429,531,680	3,429,531,680	100
3	Facility Improvement Fund (FIF)	400,000,000	159,582,459	40
Sub Total		5,400,326,822	3,897,470,160	72
Grand Total		**21,406,497,037**	**8,887,409,249**	**42**

Source: *Kilifi County Treasury*

The County has governing legislation on the operation of the Facility Improvement Fund.

Figure 53 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 53: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25



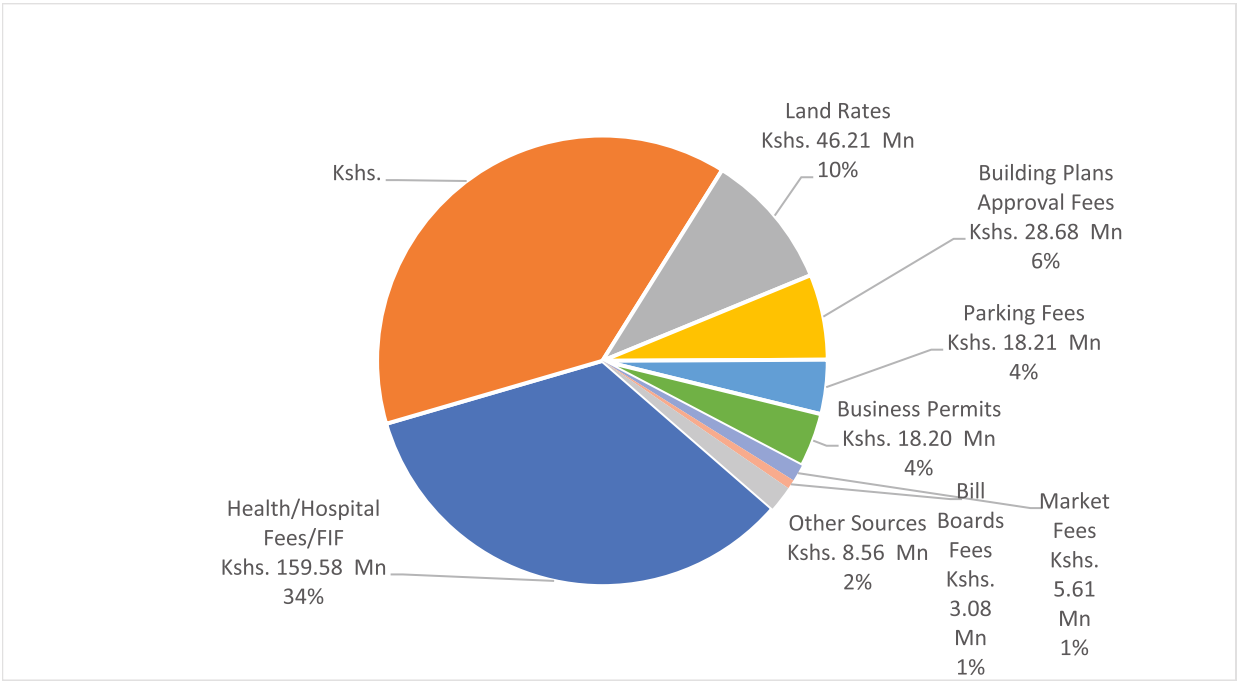
Source: *Kilifi County Treasury*

During the first half of FY 2024/25, the County generated Kshs.467.94 million from its revenue sources, including AIA and FIF. This amount was 150 per cent higher than the Kshs.187.12 million realised in a similar period in FY 2023/24, 24 per cent of the annual target, and 9 per cent of the equitable revenue share disbursed.

The increase is attributed to the rise in Cess in the extraction of natural resources.

The revenue streams which contributed the highest OSR receipts are shown in Figure 54.

Figure 54: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Kilifi County Treasury

The highest revenue stream, Kshs.179.80 million, was from Cess on natural resources, which contributed 38 per cent of the total OSR receipts during the reporting period.

3.14.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.12 billion from the CRF account during the reporting period, which comprised Kshs.1.60 million (31 per cent) for development programmes and Kshs.3.51 billion (69 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.03 billion was released towards compensation of employees and Kshs.1.48 billion for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to the late submission of their December salaries exchequer request.

Analysis of the operations and maintenance exchequer releases indicates that 1 per cent was for domestic travel and less than 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.18.87 million by the County Assembly and 60.50 million by the County Executive. The foreign exchequer totalled Kshs.2.86 million by the County Executive.

Table 3.115: Kilifi 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	951,685,828	405,399,657	406,150,713	75,139,970	43	19
Office of the Governor	401,884,616		148,679,816	-	37	
County Division for Finance	1,071,966,417	310,797,550	315,275,235	115,712,325	29	37
Agriculture	259,258,573	334,096,608	102,798,356	6,938,675	40	2
Energy	1,000,000	190,308,366	271,609	-	27	
Housing and Urban Development	15,459,418	1,389,421,570	5,021,200	176,149,803	33	13
County Public Service Boards	115,930,860		13,521,841	-	12	
Public Service Management	830,092,639	275,000,000	239,058,961	-	29	
County Attorney	69,847,200	15,433,138	8,418,789	-	12	
Economic Planning	152,265,577	35,000,000	2,001,290	5,427,200	1	16
Livestock	24,778,160	72,189,630	493,603	1,914,868	2	3
Information Communication Technology	37,564,690		-	-		
lands and physical planning	76,357,777	225,751,533	20,730,315	-	27	
Cooperative Development	52,786,261		-	-		
County Division for Resource Mobilization	277,666,006	40,031,147	10,872,925	-	4	
County Division for Blue Economy	38,812,538	102,871,898	664,579	3,771,748	2	4
County Secretary	63,000,000		-	-		
County Division for Water Services	137,862,916	2,727,855,191	50,358,434	702,478,158	37	26
County Division for Environment and Natural Resources	66,313,162	45,850,000	6,368,000	3,649,090	10	8
County Division for Climate Change		103,000,000	-	-		

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Division for Early Childhood Education and Vocational Training	1,342,908,316	592,748,751	564,615,910	84,089,694	42	14
County Division for Health and Sanitation Services	2,810,484,541	858,799,502	1,347,399,204	27,380,724	48	3
County Division for Roads and Transport Services	271,438,171	1,752,911,051	110,405,836	389,359,087	41	22
County Division for Public Works	34,798,238		-	-		
County Division for Gender and Social Services	69,527,980	208,990,976	17,214,908	10,037,433	25	5
Youth Affairs & Sports	72,371,184	910,555,888	9,712,800	-	13	
Trade Development	101,613,142	728,552,865	20,366,080		20	
Tourism Promotion	50,856,734	40,102,989	11,891,265	-	23	
Devolution & Civic Education	92,590,478	56,864,763	50,000,000	-	54	
Special Programs & Disaster Management	75,271,412	17,571,130	51,092,738	-	68	
	9,566,392,834	**11,440,104,203**	**3,513,384,405**	**1,602,048,774**	**37**	**14.**

***Source**: Kilifi County Treasury*

Some departments had exchequer abortions because of delays in the procurement process.

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.1.72 billion.

3.14.4 County Expenditure Review

The County spent Kshs.5.73 billion on development and recurrent programmes in the reporting period. This expenditure represented 112 per cent of the total funds released by the CoB and comprised Kshs.2.03 billion and Kshs.3.69 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 18 per cent, while recurrent expenditures represented 37 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 first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.174.75 million for recurrent activities. Meanwhile, the County Assembly settled pending bills worth Kshs.37.75 million for their 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.279.56 million and Kshs.45.20 million, respectively, in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.137 million for the Executive and Kshs.37.75 million for the Assembly.

As of December 31, 2024, the outstanding bills amounted to Kshs.2.13 billion, comprising Kshs.2.06 billion 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.1.83 billion on employee compensation, Kshs.1.87 billion on operations and maintenance, and Kshs.2.03 million on development activities. Similarly, the County Assembly spent Kshs.189.36 million on employee compensation, Kshs.141.63 million on operations and maintenance, and Kshs.75.14 million on development activities, as shown in **Table 3.116**.

Table 3.116: 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	**8,941,863,586**	**951,685,828**	3,699,278,352	330,985,375	**41**	**35**
Compensation to Employees	4,670,931,793	469,068,207	1,831,662,841	189,356,226	39	40
Operations and Maintenance	4,270,931,793	482,617,621	1,867,615,511	141,629,149	44	29
Development Expenditure	11,034,704,546	405,399,657	2,026,890,622	75,139,970	**18**	**19**
Total	**19,976,568,132**	**1,357,085,485**	**5,726,168,974**	**406,125,345**	**29**	**30**

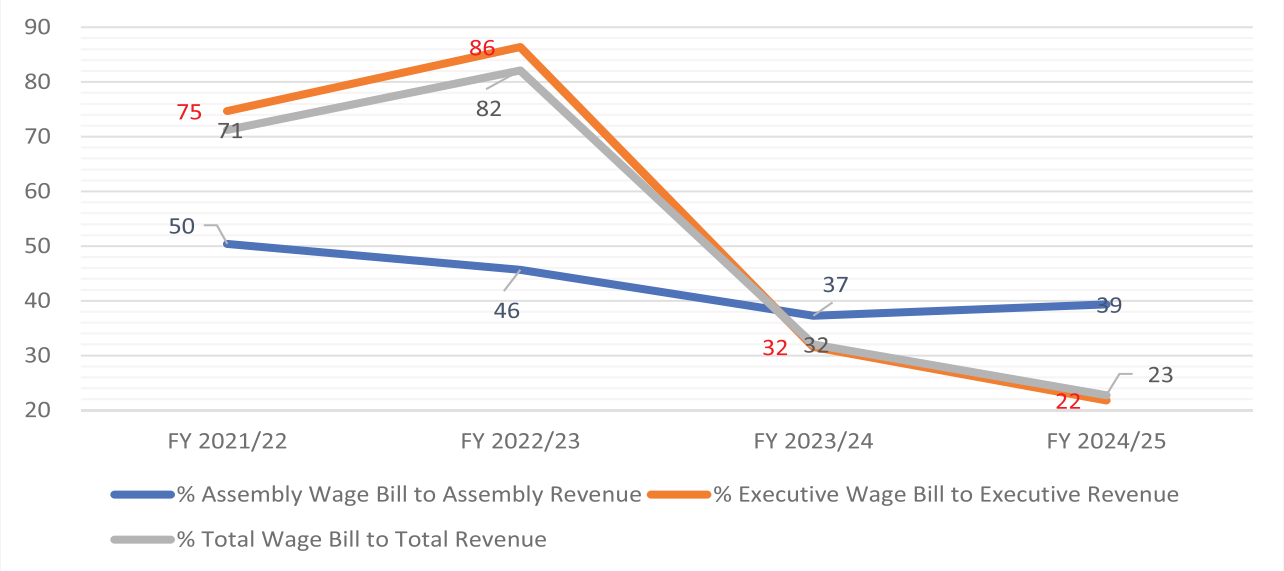
***Source**: Kilifi County Treasury*

3.14.7 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.02 billion, or 23 per cent of the available revenue of Kshs.8.89 billion. This expenditure represented a decrease from Kshs.2.15 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.15 billion paid to the Health Sector employees, translating to 57 per cent of the total wage bill.

Figure 55 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2021/22 to the first half of FY 2024/25.

Figure 55: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2021/22 to the First Half of FY 2024/25



***Source:** Kilifi County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.02 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.8.86 million was processed through manual payrolls, which accounted for 0.4 per cent of the total PE cost.

The County Assembly spent Kshs.11.69 million on committee sitting allowances for the 56 MCAs against the annual budget allocation of Kshs.36 million. The average monthly sitting allowance was Kshs69,611.90 per MCA. The County Assembly had 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. The County allocated Kshs.750 million to county-established funds in FY 2024/25, constituting 4 per cent of the County's overall budget. Further, 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 3.117 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.117: Performance of County Established Funds in the First Half of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues as of December FY 2024/25 (Kshs.)	Actual Expenditure as of December 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	110,000,000		110,000,000	No
2.	Scholarship Fund	500,000,000	400,000,000		400,000,000	No
	County Assembly Established Funds					
3.						
	Total	**750,000,000**	**510,000,000**		**510,000,000**	

Source: *Kilifi County Treasury*

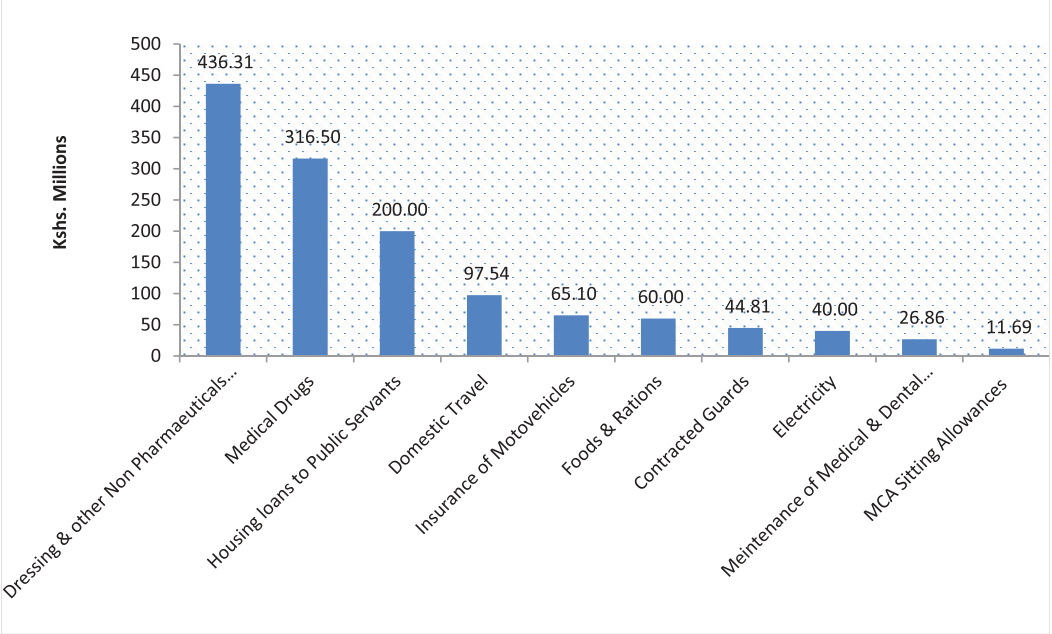
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of all funds, as indicated in Table 3.117, contrary to the requirement of Section 168 of the PFM Act, 2012.

The County government uses commercial bank accounts to operate the above-established public funds contrary to Regulations 82(1)(b) of the PFM (County Governments) Regulations, 2015, which require that County government bank accounts must be opened and maintained at the Central Bank of Kenya.

3.14.9 Expenditure on Operations and Maintenance

Figure 56 summarises the Operations and Maintenance expenditure by major categories.

Figure 56: Kilifi County, Operations and Maintenance Expenditure by Major Categories



Source: *Kilifi County Treasury*

Expenditure on domestic travel amounted to Kshs.97.54 million, comprised of Kshs.64.12 million spent by the County Assembly and Kshs.33.42 million by the County Executive. No expenditure was incurred on foreign travel.

3.14.10 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.159.58 million as FIF, which was 40 per cent of the annual target of Kshs.400 million. The collected amount was retained and utilised at the source in line with the Facility Improvement Financing Act of 2023. The County developed regulations in 2023 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, in line with Section 18 (e) of the FIF Act, 2023.

3.14.11 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.2.10 billion on development programmes, representing a 45 per cent increase compared to a similar period in FY 2023/24, when the County spent Kshs.940.13 million. Table 3.118 summarises the development projects with the highest expenditure in the reporting period.

Table 3.118: 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 Cabro Standards of Umoja Rubber Mtwapa Road	Shimo la Tewa	38,015,607	38,015,607	100
3	Water	Marakini Mwijo Phase 2 Water Project	Jaribuni	34,000,000	31,000,000	100
4	Roads	Construction of Masheta Bridge	Chasimba	24,952,760	24,952,760	100
5	Roads	Cabro Works at Mtondia	Tezo	23,137,762	23,137,762	100
6	Health	Construction of Malindi Sub County Hospital	Malindi	50,000,000	19,219,940	Ongoing

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
7	Roads	Upgrading to Cabro Standards of Ganjoni-Mapimo Primary Road	Gongoni	18,100,005	18,100,005	100
8	Water	Construction of Mazeras Bamiyo Water Project	Rabai	30,000,000	15,970,648	Ongoing
9	Water	Vitengeni Water Pipepline Project	Sokoke	30,000,000	15,531,936	Ongoing
10	Health	Construction of Ward at Marafa Health Center	Marafa	7,948,969	7,948,969	100

Source: *Kilifi County Treasury*

3.14.12 Budget Performance by Department

Table 3.119 summarises the departments' approved budget allocation, expenditure, and absorption rate in the first half of FY 2024/25.

Table 3.119: Kilifi 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	951.69	405.40	406.15	75.14	307.52	3.77	76	5	32	1
Office of the Governor	401.88	-	148.68	-	195.05	-	131	-	49	-
County Division for Finance	1,071.97	310.80	315.28	115.71	493.16	194.72	156	168	46	63
Agriculture	259.26	334.10	102.80	6.94	136.35	175.11	133	2,524	53	52
Energy	1.00	190.31	0.27	-	-	-	0	-	-	-
Housing and Urban Development	15.46	1,389.42	5.02	176.15	-	-	0	-	-	-
County Public Service Boards	115.93	-	13.52	-	19.06	-	141	-	16	-
Public Service Management	830.09	275.00	239.06	-	-	-	0	-	-	-
County Attorney	69.85	15.43	8.42	-	38.94	6.68	463	-	56	43
Economic Planning	152.27	35.00	2.00	5.43	10.60	-	530	-	7	-
Livestock	24.78	72.19	0.49	1.91	5.49	23.32	1111	1,218	22	32
Information Communication Technology	37.56	-	-	-	-	-	0	-	-	-
lands and Physical planning	76.36	225.75	20.73	-	-	-	0	-	-	-
Cooperative Development	52.79	-	-	-	7.09	-	0	-	13	-
County Division for Resource Mobilization	277.67	40.03	10.87	-	43.03	-	396	-	15	-
County Division for Blue Economy	38.81	102.87	0.66	3.77	7.93	48.43	1193	1,284	20	47
County Secretary	63.00	-	-	-	11.35	-	0	-	18	-
County Division for Water Services	137.86	2,727.86	50.36	702.48	79.60	849.16	158	121	58	31
County Division for Environment and Natural Resources	66.31	45.85	6.37	3.65	18.73	18.73	294	513	28	41
County Division for Climate Change	-	103.00	-	-	-	-	0	-	-	-
County Division for Early Childhood Education and Vocational Training	1,342.91	592.75	564.62	84.09	-	-	0	-	-	-
County Division for Health and Sanitation Services	3,210.48	858.80	1,347.40	27.38	2,147.59	127.58	159	466	67	15
County Division for Roads and Transport Services	271.44	1,752.91	110.41	389.36	113.63	396.36	103	102	42	23

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 Division for Public Works	34.80	-	-	-	-	-	0	-	-	-
County Division for Gender and Social Services	69.53	208.99	17.21	10.04	21.21	-	123	-	31	-
Youth Affairs & Sports	72.37	910.56	9.71	-	10.37	20.29	107	-	14	2
Trade Development	101.61	728.55	20.37	-	20.90	138.23	103	-	21	19
Tourism Promotion	50.86	40.10	11.89	-	3.20	19.46	27	-	6	49

***Source**: Kilifi County Treasury*

Analysis of expenditure against exchequer issues shows that the County does not adhere to the exchequer requisitions work plans during expenditure, leading to the diversion of funds across departments.

Analysis of department expenditures shows that the Department of Finance recorded the highest absorption rate of the development budget at 63 per cent, followed by the Department of Agriculture at 52 per cent. The Department of Health had the highest percentage of recurrent expenditures to budget at 67 per cent, while the Department of Special Programs & Disaster Management had the lowest at 1 per cent.

3.14.13 Budget Execution by Programmes and Sub-Programmes

The County failed to report appropriately on budget execution by programmes and sub-programmes, leading to gaps and differences between expenditures by departments and expenditures by Programs.

Table 3.120: Kilifi 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
Sports and Talent Development							
	Sports and Talent Development	72,371,184	910,555,888	10,365,210	-	14	
GRAND TOTAL		**72,371,184**	**910,555,888**	**10,365,210**	-	14	
Economic Planning							
	Administration, Planning, and Support Services	4,715,577	35,000,000	500,000	-	11	
	Economic Planning and Statistical Services	128,050,000	-	10,097,111	-	8	
	Public Investment Management	19,500,000	-	-	-		
Resource MMobilisation							
	Resource MMobilisation	317,697,153	-	317,697,153	43,029,070	100	
Department of Water Sanitation and Natural Resources							
	Administration, planning, and support services	66,313,162	-	18,730,847	-	28	
	Sub Total	**66,313,162**	-	**18,730,847**	-	28	
	Environment Management and Protection	-	45,850,000		10,148,530.00		22
	Sub-Total	-	**45,850,000**	-	-		
Grand Total		**66,313,162**	**45,850,000**	**18,730,847**	-	28	
Special Programmes							

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Special Programmes	75,271,412	-	982,759	-	1	
	Disaster Risk Management	-	17,571,130	-	-		
GRAND TOTAL		**75,271,412**	**17,571,130**	**982,759**	-	1	
Health and Medical Services							
Non- communicable	Non-Communicable	-	-	-	-		
	Sub Total	**3,210,484,541**	**824,640,981**	**2,147,589,117**	**127,577,059**	67	15
Office of the Governor							
	Administrative services	296,345,246		178,024,466		60	
	Governance and national values	23,270,852		17,020,994		73	
	Sub Total	319,616,098		195,045,460		61	
	Sub-Total	319,616,098		195,045,460		61	
Grand Total		**319,616,098**		**195,045,460**		61	
County Public Service Board							
	Administration, Planning, and Support Services	80,003,904	0	19,064,863	0	24	
	Recruitment and Selection	35,926,956	0	-	0		
Grand Total		**115,930,860**	-	**19,064,863**	-	16	
County Attorney		**36,852,488**	**6,683,862**			-	-
	Administration Planning and Support Services	2,090,375		6,570,490		314	
	Legal Advisory and Legislative Drafting	38,942,863	6,683,862			-	-
	Sub-Total			6,570,490	-		
Blue Economy							
	Sub-programme	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	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
		38,812,538	102,871,898	7,925,584	48,432,712	20	47
Department of Water Sanitation and Natural Resources							
	Administration, planning, and support services	137,862,916	-	79,599,111	-	58	
	Sub Total	137,862,916	-	79,599,111	-	58	
Water Resources Management	Water resources management	-	2,727,855,192		849,156,148		31
	Sub-Total	-	2,727,855,192	-	849,156,148		31
Grand Total		**137,862,916**	**2,727,855,192**	**79,599,111**	**849,156,148**	58	31
Department of Tourism							
	Sub-Programme 1.1: Tourism promotion and marketing	50,856,734	40,102,989	3,204,861	19,459,254	6	49
	Sub Total	50,856,734	40,102,989	3,204,861	19,459,254	6	49
Department OF Roads							

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	202013110	271,438,174	-	113,625,318	0	42	
	201013110	0	1,752,911,050	0	396,361,831		23
	Sub-Total	271,438,174	1,752,911,050	113,625,318	396,361,831	42	23
Grand Total		**271,438,174**	**1,752,911,050**	**113,625,318**	**396,361,831**	42	23
Livestock Development							
Programme 1	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
Gender, Culture & Social Services	Administration Services	47,097,980		20,512,323	0	44	
	Heritage Conservation Programme	5,000,000	15,000,000	699,500	0	14	-
	Gender Development	17,430,000	15,000,000	0	0	-	-
	Social Protection		178,990,976	0	20,289,089.00		11
GRAND TOTAL		**69,527,980**	**208,990,976**	**0**	**0**	-	-
Devolution, Civic Education, and Public Participation							
	General Administration, planning, and support services	92,590,478	-	7,503,488		8	
	Sub Total	92,590,478	-	7,503,488	-	8	
Devolution, Civic Education, and Public Participation							
	Devolution Services	-	56,864,763	-	5,043,492.00		9
	Sub-Total	-	56,864,763	-	5,043,492		9
Grand Total		**92,590,478**	**56,864,763**	**7,503,488**	**5,043,492**	8	9
County Secretary							
	Administrative services	63,000,000		11,352,000		18	
	Sub Total	**63,000,000**		**11,352,000**	**0**	18	
Agriculture							
	Sub-programme	233,605,723	151,515,152	125,274,566	0	54	-
	Sub Total	233,605,723	151,515,152	125,274,566	0	54	-
	Sub-programme	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	1,661,000	2,500,000	775,000	998,920	47	40
	Sub-Total	1,661,000	2,500,000	775,000	998,920	47	40
Grand Total		**259,258,573**	**336,596,008**	**136,352,103**	**175,112,622**	**53**	**52**

***Source**: Kilifi County Treasury*

The total does not add up for the Budget and actual expenditures by departments because some departments failed to report on expenditures by programs, and some departments have differences in their expenditures between program-based reports and departmental expenditures.

Based on absorption rates, the sub-programmes with the highest implementation levels were General Administration in Gender Culture and Social Services at 44 per cent, General Administration in the Department of Water & Natural Resources Management at 58 per cent, and General Administration in the Department of County Public Service Board at 24 per cent. Accounts Operated Commercial Banks.

3.14.14 Accounts Operated Commercial Banks

The County government operated eleven accounts with commercial banks, as shown in Table 3.121. This is 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 only exemption is for imprest bank accounts for petty cash and revenue collection bank accounts.

Table 3.121: Bank Accounts Operated at Commercial Banks

No.	Name of Bank Account	Purpose of the Bank Account
1	Kilifi County Deposit Account	Retaining contractor's retention money
2	Kilifi County Climate Change Fund	Program Account
3	Kilifi County Kenya Urban Support Programme	Program Account
4	Kilifi County National Agriculture Value chain	Program Account
5	Kilifi County Primary Health Care	Program Account
6	Kilifi County Universal Health Care	Program Account
7	Kilifi County Water and sanitation	Program Account
8	CGK Cash Transfer programme	Cash Transfer Program
9	KCG Payroll Commission	Management of personnel emoluments
10	DTB-Climate Change Fund Account	Climate change action plan
11	Kilifi Donations Account	Making donations as they arise

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 that 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 30 January 2025.

ii. The underperformance of own-source revenue at Kshs.308.36 million against an annual target of Kshs.1.57 billion, representing 20 per cent of the yearly target

iii. 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 3.119.

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 Emergency Fund and Ward Scholarship fund reports were not submitted to the Controller of Budget as of 15th January 2025.

v. High pending bills amounted to Kshs.2.13 billion as of 31st December 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.

vi. The programmes and sub-programmes in Table 3.120 were not aligned with the approved budget for each department. For example, the Department of Education and the Department of Finance

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 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.

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 County Treasury must ensure compliance with the approved programme and sub-programmes in the approved budget.*

3.15. County Government of Kirinyaga

3.15.1 Overview of FY 2024/25 Budget

The Kirinyaga County Gross approved FY 2024/25 budget is Kshs.8.08 billion. It comprises Kshs.3.03 billion (37 per cent) and Kshs.5.05billion (67 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.840 million (12 per cent) from the FY 2023/24 budget, comprised of a development budget of Kshs.2.45 billion and a recurrent budget of Kshs.4.79 billion. The increase in the County Government budget was attributed to the rise in the Own Source Revenue Collections target.

The Kirinyaga County Government budget will be financed from different sources of revenue. These include Kshs.5.63 billion (70 per cent) expected as the equitable share of revenue raised nationally, Kshs.611 million as additional/conditional grants, a cash balance of Kshs.952.94 million (12 per cent) brought forward from FY 2023/24, and Kshs.811.55 million (11 per cent) generated as gross own source revenue. The own source revenue includes Kshs.39.55 million (0.5 per cent) as Appropriations-in-Aid (A-I-A), Kshs.200 million (3 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.410.45 million (5 per cent) as ordinary own-source revenue and Kshs.231.55 million (3 per cent) as other Revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.122.

3.15.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.3.46 billion to fund its development and recurrent activities. This amount consisted of Kshs.2.26 billion from the equitable share of revenue raised nationally and Kshs.241.37 million from its own source revenue (OSR) collection. In addition, the County had a cash balance of Kshs.952.94 million from FY 2023/24.

The total OSR collection of Kshs.241.37 million includes Facilities Improvement Financing (FIF) of Kshs.150.75 million and Kshs.90.62 million as ordinary OSR. Table 3.122 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.122: Kirinyaga County, Revenue Performance in the First Half of FY 2024/25

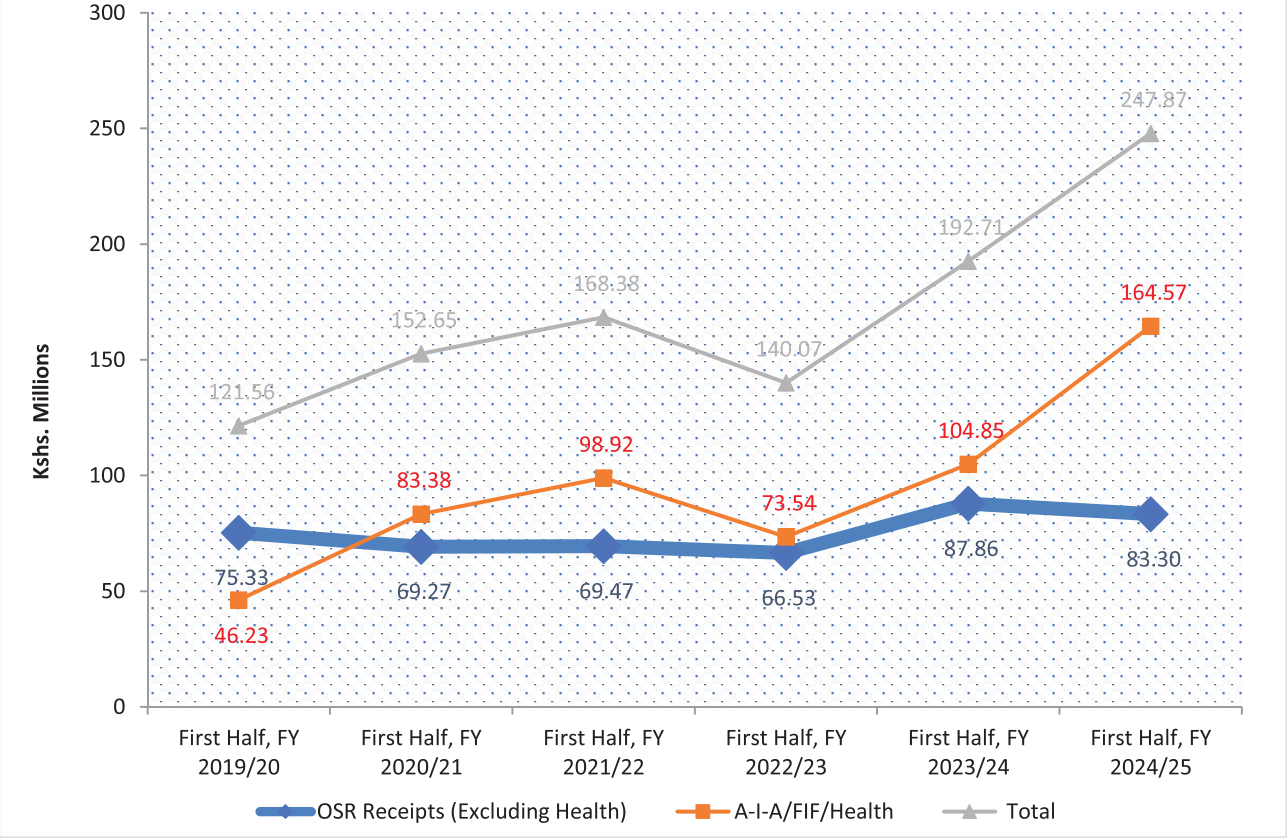
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	5,633,619,143	2,261,448,418	40
Sub Total		**5,633,619,143**	**2,261,448,418**	40
B	**Conditional Grants**			
1	Danida	6,532,500		-
2	IFAD	13,779,259		-
3	IDA(World Bank) KDSP II	37,500,000		-
4	IDA(World Bank) KUSP	35,000,000		-

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
5	IDA(World Bank) NAVCDP	151,515,152		-
6	IDA(World Bank) K-WASH	366,729,808		-
Sub-Total		611,056,719	0	-
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	410,451,000	83,297,006	20
2	Balance b/f from FY2023/24	952,936,745	952,936,745	100
3	Facility Improvement Fund (FIF)	200,000,000	150,753,420	75
4	Other Revenues	231,554,333	0	-
5	Appropriation in Aid (AIA)	39,549,000	7,315,905	18
Sub Total		1,834,491,078	1,194,303,076	65
Grand Total		**8,079,166,940**	**3,455,751,494**	**43**

Source: *Kirinyaga County Treasury*

Figure 57 shows the trend in own-source revenue collection from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 57: Trend in Own-Source Revenue Collection from the First Half of FY 2019/20 to the First Half of FY 2024/25



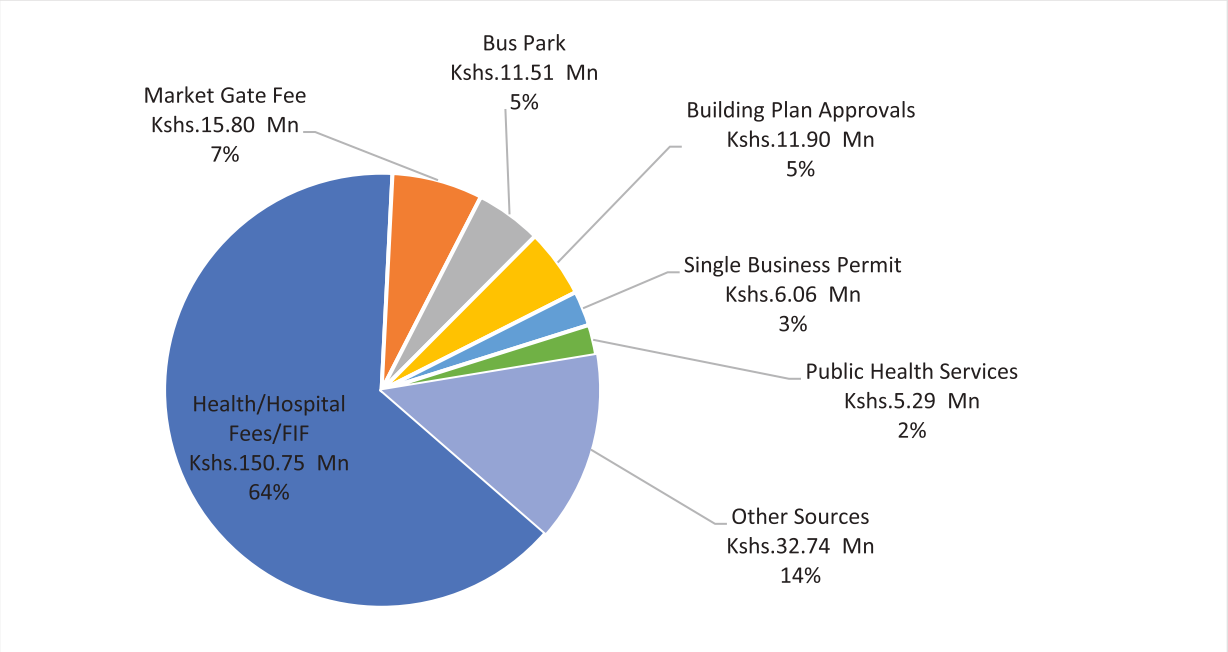
Source: *Kirinyaga County Treasury*

During the first half of FY 2024/25, the County generated Kshs.247.87 million from its revenue sources, including AIA and FIF. This amount was an increase of 29 per cent compared to Kshs.192.71 million realised in a similar period in FY 2023/24, 37 per cent of the annual target, and 4 per cent of the equitable revenue share disbursed.

The increase in revenue can be attributed to the revenue enforcement measures done by the County Government of Kirinyaga.

The revenue streams which contributed the highest OSR receipts are shown in Figure 58.

Figure 58: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Kirinyaga County Treasury

The highest revenue stream, Kshs.150.75 million, was from Health/Hospital Fees/FIF, contributing 64 per cent of the total OSR receipts during the reporting period.

3.15.3 Borrowing by the County

The County did not disclose any short-term borrowings as of 31 December 2024.

3.15.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.2.41 billion from the CRF account comprised Kshs.607.10 million (23 per cent) for development programmes and Kshs.1.80 billion (77 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.22 billion was released towards compensation of employees and Kshs.590.13 million for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and the County Assembly IPPD Salaries due to non-remittance of the December 2024 disbursement by the National Treasury.

Analysis of the operations and maintenance exchequer releases indicates that 10.3 per cent was for domestic travel, while no expenditure was on foreign travel. The domestic travel exchequer amounted to Kshs.61.16 million, including Kshs.17.40 million for the County Executive and Kshs.43.76 million for the County Assembly.

Table 3.123: Kirinyaga 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	705,609,541	146,842,040	298,512,073	29,152,219	42	20
County Executive	522,064,569	6,000,000	160,941,810	-	31	-
Finance and Economic Planning	660,640,863	145,764,035	298,352,779	-	45	-
Medical Services and Public Health	2,180,798,509	570,565,236	754,461,676	117,758,727	35	21
Education	391,844,905	65,831,052	83,390,179	18,168,736	21	28
Agriculture, Livestock and Fisheries	212,609,148	219,453,971	91,153,412	20,997,625	43	10

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Gender and Youth	43,668,210	77,571,020	9,102,668	5,137,020	21	7
Sports Culture and Social Services	37,208,017	44,381,138	13,372,332	19,629,138	36	44
Cooperative Development Trade and Tourism	48,339,441	407,353,872	12,363,895	63,827,255	26	16
Environment and Natural Resources	135,882,799	644,625,766	54,375,111	163,805,966	40	25
Lands, Housing and Urban Development	34,468,028	108,530,548	5,586,202	20,074,991	16	19
Transport and Infrastructure	77,153,368	591,960,863	25,046,464	148,549,012	33	25
Total	**5,050,287,398**	**3,028,879,541**	**1,806,658,600**	**607,100,689**	36	20

***Source**: Kirinyaga County Treasury*

As of 31 December 2024, the County Government's cash balance in the CRF account was Kshs.579.97 million.

3.15.5 County Expenditure Review

The County spent Kshs.2.59 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.670.10 million and Kshs.1.99 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 20 per cent, while recurrent expenditure represented 35.8 per cent of the annual recurrent expenditure budget.

3.15.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.23 billion as of 30th June 2024. This amount includes Kshs.1.23 billion from the County Executive. The County Assembly did not have a pending bill. 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 first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.200.84 million, all related to development 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 half of FY 2024/25.

As of December 31, 2024, the outstanding bills amounted to Kshs.1.03 billion, all of which were for the County Executive.

3.15.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.03 billion on employee compensation, Kshs.478.76 million on operations and maintenance, and Kshs.577.95 million on development activities. Similarly, the County Assembly spent Kshs187.14 million on employee compensation, Kshs.111.37 million on operations and maintenance, and Kshs.29.15 million on development activities, as shown in Table 3.124.

Table 3.124: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	Executive	Assembly	Executive	Assembly	Executive	Assembly
Total Recurrent Expenditure	**4,344,677,857**	**705,609,542**	1,508,146,527	298,512,073	**35**	**42**
Compensation to Employees	2,609,478,249	336,764,607	1,029,383,683	187,140,841	39	56
Operations and Maintenance	1,735,199,608	368,844,935	478,762,844	111,371,232	28	30
Development Expenditure	2,882,037,501	146,842,040	577,948,470	29,152,219	20	20
Total	**7,226,715,358**	**852,451,582**	**2,086,094,997**	**327,664,292**	**29**	**38**

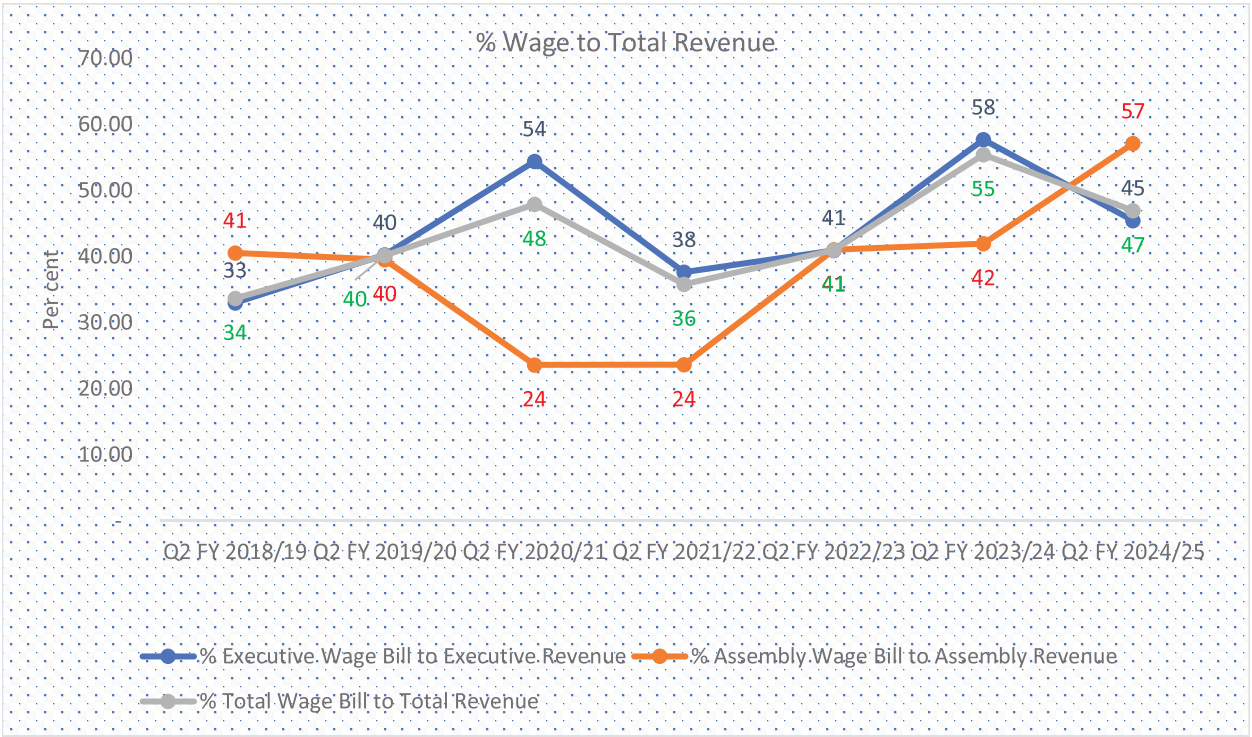
***Source**: Kirinyaga County Treasury*

3.15.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.22 billion, or 47 per cent of the available revenue of Kshs.2.59 billion. This expenditure represented an increase from Kshs.979.03 million reported in a similar period in FY 2023/24. The wage bill included Kshs.577.14 million paid to the Health Sector employees, translating to 47 per cent of the total wage bill.

Figure 59 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 59: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Kirinyaga County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.14 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.75.66 million was processed through manual payrolls, which accounted for 6 per cent of the total PE cost.

The County Assembly spent Kshs.13.30 million on committee sitting allowances for the 34 MCAs against the annual budget allocation of Kshs.68.23 million. The average monthly sitting allowance was Kshs.65,197 per MCA. The County Assembly had 23 House Committees.

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. Further, 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 3.125 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.125: Performance of County Established Funds in the First Half 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 31st December 2024 (Kshs)	Submission of Financial Statements as of 31st December 2024 (Yes/No.)
	County Executive Established Funds					
1.	County Emergency Fund	8,000,000	-	-	-	Yes
2.	County Bursary Fund	166,370,000	-	-	-	Yes.
3.	Executive Car Loan and Mortgage Fund	31,300,000	-	-	-	Yes.
	County Assembly Established Funds					
4.	County Assembly Staff Car Loans and Mortgage Fund	20,000,000	-	-	-	Yes
	Total	**225,670,000**	**-**	**-**	**-**	

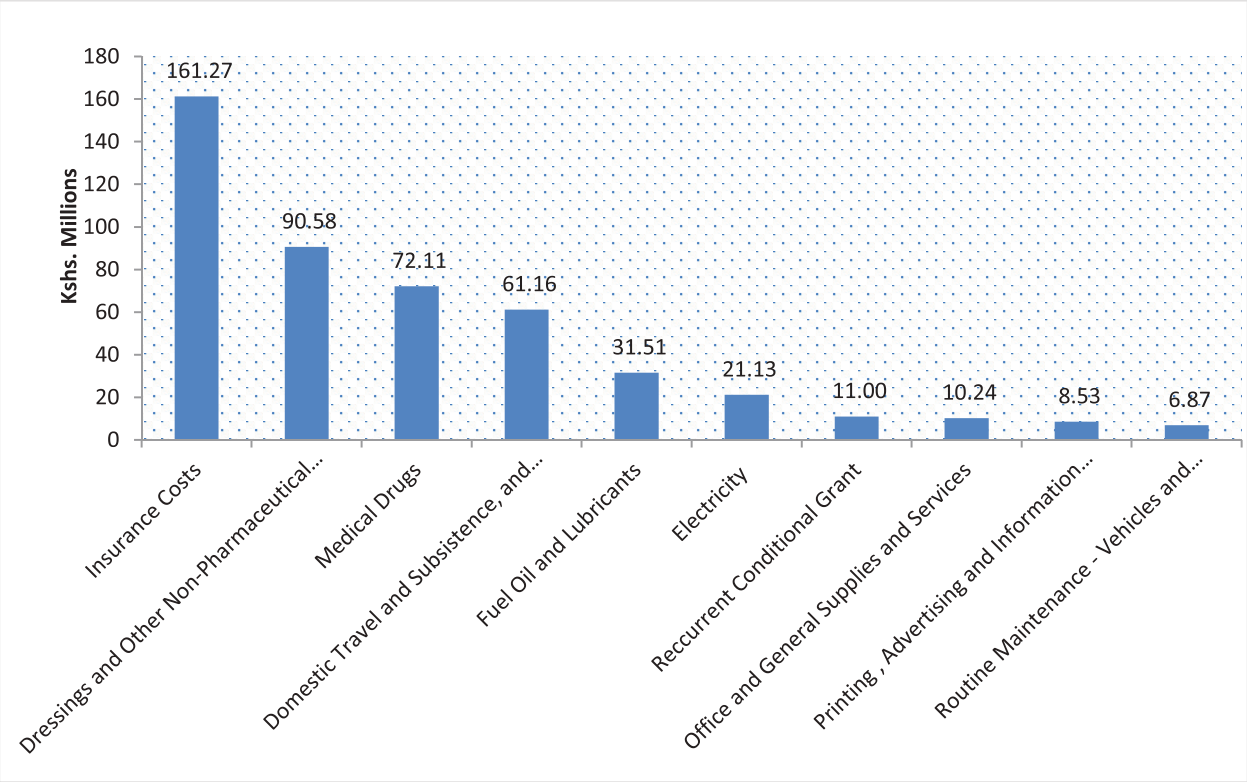
Source: *Kirinyaga County Treasury*

During the reporting period, the CoB received quarterly financial reports from all the fund administrators, as indicated in Table 3.125, as per Section 168 of the PFM Act, 2012.

3.15.10 Expenditure on Operations and Maintenance

Figure 60 summarises the Operations and Maintenance expenditure by major categories.

Figure 60: Kirinyaga County, Operations and Maintenance Expenditure by Major Categories



Source: Kirinyaga *County Treasury*

Domestic travel expenditures amounted to Kshs.61.16 million, comprised of Kshs.43.76 million spent by the County Assembly and Kshs.17.40 million by the County Executive.

During the period under review, the County reported collecting Kshs.150.75 million as FIF, which was 23 per cent of the annual target of Kshs.650.00 million. The collected amount was retained and utilised at the source in accordance with the Facility Improvement Financing 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.

Table 3.126: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Remarks
1	Kerugoya Referral Hospital	148,000,000.00	-	The expenditure report was not submitted.
2	Kimbimbi Hospital	25,000,000.00	-	The expenditure report was not submitted.
3	Kianyaga Hospital	10,000,000.00	-	The expenditure report was not submitted.
4	Sagana Hospital	9,500,000.00	-	The expenditure report was not submitted.
5	Dispensaries	7,500,000.00	-	The expenditure report was not submitted.
Total		**200,000,000.00**	**-**	

Source: *Kirinyaga County Treasury*

1.1.2 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.607.10 million on development pro-

grammes, an increase of 44 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.267.46 million. Table 3.127 summarises the development projects with the highest expenditure in the reporting period.

Table 3.127: Kirinyaga County, List of Development Projects with the Highest Expenditure

S No.	Sector	Project Name	Project Location	Amount Paid to Date (Kshs.)	Implementation Status (%)
1	Environment and Natural Resources	FLLoCA	Countywide	122,557,925	100
2	Cooperative Development Trade and Tourism	CAIPS	Kariti Ward	52,631,579	53
3	Transport and Infrastructure	IMPROVEMENT OF VARIOUS ACCESS ROADS IN GICHUGU (Funded By June 2024 Exchequer)	Gichugu	22,838,474	100
4	Transport and Infrastructure	SPOT IMPROVEMENT OF VARIOUS ACCESS ROADS IN MWEA (Funded By June 2024 Exchequer)	Mwea	14,159,888	100
5	Transport and Infrastructure	SPOT IMPROVEMENT OF VARIOUS ACCESS ROADS IN KIRINYAGA CENTRAL (Funded By June 2024 Exchequer)	Kirinyaga Central	11,047,492	100
6	Transport and Infrastructure	SPOT IMPROVEMENT OF A2-GAKINDU PRIMARY SCHOOL C73 ROAD GITUMBI NGOKA GACHARU ROAD AND KAGUMO CATHOLIC DISPENSARY ACK CHURCH ST JOHN TOWARDS FULL GOSPEL CHURCH NJOGUINI ROAD (Funded By June 2024 Exchequer)	Kirinyaga Central	10,943,231	100
7	Transport and Infrastructure	BEING PAYMENT FOR DRILLING AND EQUIPPING OF BOREHOLES VARIOUS WARDS IN KIRINYAGA. (Funded By June 2024 Exchequer)	Kirinyaga Central	9,974,160	100
8	Transport and Infrastructure	SPOT IMPROVEMENT OF VARIOUS ACCESS ROADS IN KIRINYAGA WEST SUB COUNTY (Funded By June 2024 Exchequer)	Countywide	9,769,172	100
9	Sports Culture and Social Services	SUPPLY & DELIVERY OF SPORTS EQUIPMENT AND GEARS (Funded By June 2024 Exchequer)	County Wide	9,392,250	100
10	Transport and Infrastructure	PROPOSED SUPPLY AND DELIVERY AND INSTALLATION TESTING AND COMMISSIONING OF 20M HIGH FLOOD LIGHTS (Funded By June 2024 Exchequer)	Kerugoya	8,230,200	100

Source: *Kirinyaga County Treasury*

1.1.3 Budget Performance by Department

Table 3.128 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.128: Kirinyaga 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	705.61	146.84	298.51	29.15	298.51	29.15	100	100	42	20
County Executive	522.06	6.00	160.94	-	160.94	-	100	-	31	-
Finance and Economic Planning	660.64	145.76	298.35	-	298.35	-	100	-	45	-
Medical Services and Public Health	2,180.80	570.57	754.46	117.76	754.46	117.76	100	100	35	21
Education	391.84	65.83	83.39	18.17	83.39	18.17	100	100	21	28
Agriculture, Livestock and Fisheries	212.61	219.45	91.15	21.00	91.15	21.00	100	100	43	10
Gender and Youth	43.67	77.57	9.10	5.14	9.10	5.14	100	100	21	7
Sports Culture and Social Services	37.21	44.38	13.37	19.63	13.37	19.63	100	100	36	44
Cooperative Development Trade and Tourism	48.34	407.35	12.36	63.83	12.36	63.83	100	100	26	16
Environment and Natural Resources	135.88	644.63	54.38	163.81	54.38	163.81	100	100	40	25
Lands, Housing and Urban Development	34.47	108.53	5.59	20.07	5.59	20.07	100	100	16	19
Transport and Infrastructure	77.15	591.96	25.05	148.55	25.05	148.55	100	100	33	25
Total	**5,050.29**	**3,028.88**	**1,806.66**	**607.10**	**1,806.66**	**607.10**	**100**	**100**	**36**	**20**

***Source**: Kirinyaga County Treasury*

Analysis of department expenditure shows that the Department of Sports, Culture & Social Services recorded the highest absorption rate of development budget at 44.2 per cent, followed by the Department of Education at 27.6 per cent. The Department of Finance and Economic Planning had the highest percentage of recurrent expenditure to budget at 45.2 per cent. In contrast, the Department of Lands, Housing & Urban Planning had the lowest at 16.2 per cent.

3.15.11 Budget Execution by Programmes and Sub-Programmes

Table 3.129 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.129: Kirinyaga County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub- Programme	Approved Estimates (Kshs.Million)		Actual Payments of FY 2024-25 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Assembly							
Legislation and Oversight	Legislation and Oversight	705.61	146.84	298.51	29.15	42%	20%
Sub Total		**705.61**	**146.84**	**298.51**	**29.15**	**42%**	**20%**
County Executive							
Office of the Governor and Deputy Governor	070601 County Executive Services	335.59	0.00	109.98	0.00	33%	
County Executive Administration	070701County Executive Services	0.00	6.00	0.00	0.00		0%
Management of County Affairs	070801 Coordination of County Functions	140.73	0.00	40.62	0.00	29%	

Programme	Sub- Programme	Approved Estimates (Kshs.Million)		Actual Payments of FY 2024-25 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Executive Committee Affairs	070901 Organisation of County Business	6.20	0.00	0.66	0.00	11%	
County Public Service Board	071001 Human Resource Management	14.91	0.00	4.18	0.00	28%	
Administrative Support Services	020202 ICT Governance	3.48	0.00	0.98	0.00	28%	
	020701 Government Buildings Services	2.57	0.00	0.78	0.00	31%	
	070411 Audit Committee	2.42	0.00	0.00	0.00	0%	
	070412 County Enforcement Activities	3.69	0.00	0.04	0.00	1%	
	070413 ICT Infrastructure Development Management	10.96	0.00	3.40	0.00	31%	
	070414 ICT Systems Development Management	1.52	0.00	0.30	0.00	20%	
Sub Total		**522.06**	**6.00**	**160.94**	**0.00**	**31%**	**0%**
Finance and Economic Planning							
Public Finance Management	070401 Finance Services	586.51	145.76	275.97	0.00	47%	0%
	070402 Revenue Services	19.30	0.00	5.30	0.00	27%	
	070404 Procurement and Supply Services	9.77	0.00	5.17	0.00	53%	
	070405 Internal Audit Services	1.72	0.00	0.49	0.00	28%	
	070408 Budget Formulation, Coordination and Management	9.05	0.00	2.63	0.00	29%	
	070409 Accounting Services	7.45	0.00	2.36	0.00	32%	
County Planning and Economic Policy Management	070501 Economic Planning Services	26.85	0.00	6.43	0.00	24%	
Sub Total		**660.64**	**145.76**	**298.35**	**0.00**	**45%**	**0%**
Medical Services and Public Health							
Curative and Rehabilitative Services	040301 Curative and Rehabilitative Services	2,180.80	570.57	754.46	117.76	35%	21%
Sub Total		**2,180.80**	**570.57**	**754.46**	**117.76**	**35%**	**21%**
Education							
Basic Education	050101 General Administration	383.13	0.00	82.75	0.00	22%	
	050102 Free Pre- Primary Education	6.68	0.00	0.57	0.00	8%	
State Education Function Support	050203 Tertiary Education	0.00	20.88	0.00	0.00		0%
	050501 Pre-Primary and Child Care Services	0.00	44.95	0.00	18.17		
Technical and Vocational Training	050301 Village Polytechnique	2.04	0.00	0.07	0.00	3%	
Sub Total		**391.84**	**65.83**	**83.39**	**18.17**	**21%**	**28%**

Programme	Sub- Programme	Approved Estimates (Kshs.Million)		Actual Payments of FY 2024-25 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock and Fisheries							
Livestock Resource Management and Development	010102 Livestock Extension and Capacity Building Services	0.31	0.00	0.02	0.00	8%	
	010105 Livestock Production Management	0.00	0.00	0.00	0.00		
	010106 Livestock Disease Management & Control	1.20	0.00	0.10	0.00	8%	
Crop Development and Management	010202 Agricultural Extension Services	1.00	0.00	0.44	0.00	44%	
	010203 Agribusiness and Market Development	0.10	0.00	0.03	0.00	32%	
	010206 Land and Crop Development	5.07		0.00	0.00	0%	
	010207 Food Security Initiatives	0.40	0.00	0.15	0.00	37%	
Kamweti Agricultural Training Centre	Extension and Training	0.00	0.00	0.00	0.00		
Fisheries Development	010402 Aquaculture Development	0.20	0.00	0.00	0.00	0%	
Policy Strategy and Management of Agriculture	010801 Development of Agricultural Policy	0.54	0.00	0.04	0.00	7%	
	011001 General Administration and Planning	203.79	219.45	90.36	21.00	44%	10%
Sub Total		**212.61**	**219.45**	**91.15**	**21.00**	**43%**	**10%**
Gender and Youth							
Culture	090702 Social Welfare Services	10.69	0.00	0.05	0.00	0%	
	091201 Gender Administration Services	30.82	0.00	8.69	0.00	28%	
	091301 Gender and Social Development	1.49	77.57	0.11	5.14	7%	7%
Youth	090901 Youth Development and Empowerment Services	0.67	0.00	0.26	0.00	38%	
Sub Total		**43.67**	**77.57**	**9.10**	**5.14**	**21%**	**7%**
Sports Culture and Social Services							
Sports	090701 General Administration	12.72	0.00	5.82	0.00	46%	
	090801 Development of Sports and Sports Facilities	0.00	44.38	0.00	19.63		44%
	091401 Management & Development of Sports and Sports Facilities	4.91	0.00	0.19	0.00	4%	
	091601Control & Campaign Against Drug & Substance Abuse	14.55	0.00	7.25	0.00	50%	
	091701 Preservation & Promotion of Heritage and Culture	0.25	0.00	0.01	0.00	3%	

Programme	Sub- Programme	Approved Estimates (Kshs.Million)		Actual Payments of FY 2024-25 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Children Services	091101 Child Community Support Services	4.78	0.00	0.10	0.00	2%	
Sub Total		**37.21**	**44.38**	**13.37**	**19.63**	**36%**	**44%**
Cooperative Development Trade and Tourism							
Trade Development and Investment	030401 General Administration and Planning	2.08	0.00	0.62	0.00	30%	
	030103 Capacity Buiding for Traders and SMEs	0.98	0.00	0.07	0.00	7%	
	030104 promotion, Development & Growth of Trade	0.35	0.00	0.00	0.00	0%	
	030105 Fair Trade Practises and Consumer Protection	0.21	0.00	0.00	0.00	0%	
Tourism Development and Marketing	030302 Tourism Promotion and Marketing	0.20	0.00	0.02	0.00	9%	
	030304 International Tourism Promotion and Marketing	0.31	0.00	0.05	0.00	16%	
	030305 Promotion of Industrial Development	6.27	0.00	0.30	0.00	5%	
	030306 Provision of Industrial Training	0.14	0.00	0.01	0.00	7%	
Cooperative Development and Marketing	030101 General Administration & Planning	36.87	407.35	11.10	63.83	30%	16%
	030405 Cooperative Advisory and Extension Services	0.30	0.00	0.02	0.00	5%	
	030406 Cooperative Education and Training	0.42	0.00	0.19	0.00	46%	
	030407 Cooperative Governance and Accountability	0.16	0.00	0.00	0.00	0%	
Cooperative Audit Services	030603 Inspections and Investigations for Cooperatives	0.07	0.00	0.00	0.00	0%	
Sub Total		**48.34**	**407.35**	**12.36**	**63.83**	**26%**	**16%**
Environment and Natural Resources							
Water Supply Services	090101 Water and Irrigation	2.00	644.63	0.25	163.81	13%	25%
Energy Programme	090301 Energy Services	0.41	0.00	0.00	0.00	0%	
Cleaning and Waste Management	090502 Environment Management and Protection	0.34	0.00	0.00	0.00	0%	
	1003013960 Natural Forests Conservation	0.34	0.00	0.00	0.00	0%	
Environment Management and Protection	100401 Environment Management and Protection	16.24	0.00	11.00	0.00	19%	

Programme	Sub- Programme	Approved Estimates (Kshs.Million)		Actual Payments of FY 2024-25 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Nema	090401 Waste Management Services	58.68	0.00	18.44	0.00	31%	
	1001013960 General Administration Services	57.89	0.00	24.68	0.00		
Sub Total		**135.88**	**644.63**	**54.38**	**163.81**	**40%**	**25%**
Lands, Housing and Urban Development							
Land and Physical Planning	010601 General Administration and Planning	30.77	0.00	5.26	0.00	17%	
	010604 County Spatial Planning	3.19	0.00	0.17	0.00	5%	
	010605 Town Zoning and Mapping	0.00	108.53	0.00	20.07		18%
	010607 Survey and Mapping	0.51	0.00	0.15	0.00	30%	
Housing Development	010701 Improvement and Development of Human Settlements	0.00	0.00	0.00	0.00		
Sub Total		**34.47**	**108.53**	**5.59**	**20.07**	**16%**	**18%**
Transport and Infrastructure							
Transport Management	020301 General Administration and Planning	61.51	0.00	23.43	0.00	38%	
Disaster Management	020401 Fire Fighting and Emergency Services	2.22	0.00	1.40	0.00	63%	
Roads Development Maintenance and Management	020601 Construction and Maintenace of Roads and Bridges	1.30	591.96	0.15	148.55	11%	25%
Infrastructure Development, Maintenance and Management	020801 Infrastructure Development Services	11.70	0.00	0.00	0.00	0%	
Housing Development	010701 Improvement and Development of Human Settlements	0.42	0.00	0.06	0.00		
Sub Total		**77.15**	**591.96**	**25.05**	**148.55**	**32%**	**25%**
Grand Total		**5,050.29**	**3,028.88**	**1,806.66**	**607.10**	**36%**	**20%**

Source: *Kirinyaga County Treasury*

Based on absorption rates, the sub-programmes with the highest implementation levels were Disaster Management in the Department of Transport and Infrastructure, at 63 per cent, Control and Campaign Against Drug and Substance Abuse in the Department of Sports, Culture and Social Services, at 50 per cent, and Finance services in the Department of Finance & Economic Planning, at 47 per cent of budget allocation.

3.15.12 Accounts Operated Commercial Banks

The County Government operated twelve accounts with commercial banks, including four accounts for Health Facilities, four accounts for Established Funds, two revenue accounts, two special purpose accounts (additional allocations)

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.

3.15.13 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 January 2025. Further, the health facilities did not submit their expenditure reports for the first half of FY 2024/25.

(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 Emergency Fund, Bursary Fund and Car Loan & Mortgage Fund reports were not submitted to the Controller of Budget.

(iii) There was a high level of pending bills, which amounted to Kshs.1.02 billion as of 31 December 2024. Further, the county Treasury did not adhere to the payment plan for the pending bills.

(iv) 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 the collection of own-source revenue.

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.*

(ii) *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. A payment plan should be provided at the beginning of the FY.*

(iii) *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.*

(iv) *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.*

3.16. County Government of Kisii

3.16.1 Overview of FY 2024/25 Budget

The Kisii County Gross Approved FY 2024/25 budget is Kshs.16.09 billion. It comprises Kshs.5.51 billion (34 per cent) and Kshs.10.58 billion (66 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.64 billion (11 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.4.34 billion and a recurrent budget of Kshs.10.12 billion. The increase in the budget was mainly attributed to the rise in unspent balances for FY2023/24, which was Kshs.3.49 billion. The County's Net Approved Budget is Kshs.14.53 billion, comprising Kshs.9.02 billion for recurrent and Kshs.5.51 billion for development.

The budget will be financed from different sources of revenue. These include; Kshs.9.61 billion (60 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.783.08 million as additional allocations, a cash balance of Kshs.3.49 billion (22 per cent) was brought forward from FY 2023/24, and Kshs.2.21 billion (14 per cent) was generated as gross own source revenue. The own-source revenue includes Kshs.1.56 billion (10 per cent) as Facility Improvement Fund (revenue from health facilities) and

Kshs.650 million (4 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.130.

3.16.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.7.42 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.86 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.583.88 million. In addition, the County had a cash balance of Kshs.2.96 billion from FY 2023/24.

The total OSR collection of Kshs.583.88 million includes, Facilities Improvement Financing (FIF) of Kshs.443.90 million, and Kshs.139.98 million as ordinary OSR. Table 3.130 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.130: Kisii County, Revenue Performance in the First Half of FY 2024/25

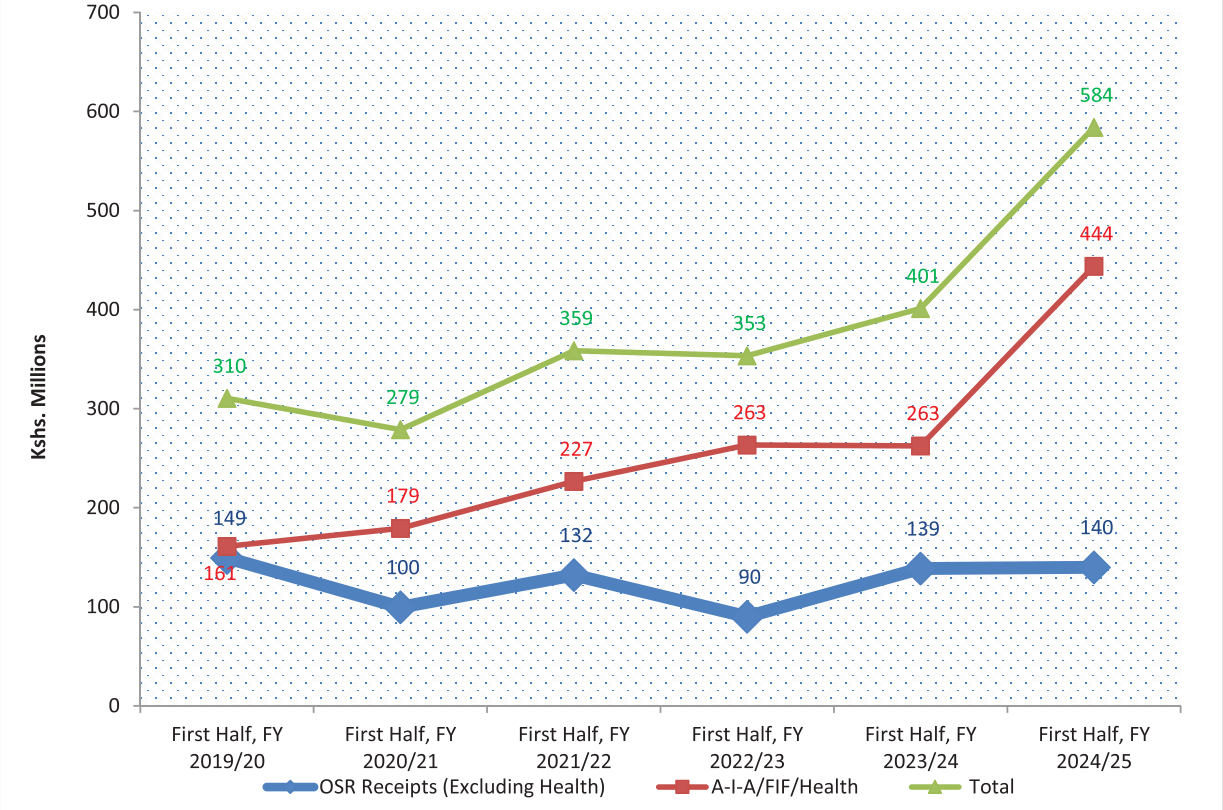
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally -**	9,605,604,088	3,861,922,174	40
Subtotal		**9,605,604,088**	**3,861,922,174**	**40**
B	**Additional Allocations**			
	Leasing of Medical Equipment	–	–	–
	Aquaculture Business Development Programme	21,486,575	–	–
	DANIDA	8,856,000	–	–
	Finance for Locally-Led Climate Action Program (FLLoCA) County Climate Institutional Support (CCIS) Grant	11,000,000	11,000,000	100
	Finance for Locally-Led Climate Action Program (FLLoCA) County Climate Resilient Investment Grant	–	–	–
	Construction of Cancer Center	–	–	–
	Agricultural Sector Development Support Programme (ASDSP)	–	–	–
	Industrial Park	250,000,000	–	–
	Library Services	–	–	–
	National Agricultural and Rural Inclusive Project	–	–	–
	Livestock Value Chain Support Program- Poland	–	–	–
	KDSP II	37,500,000	–	–
	Community Health Promoters (CHPs)	88,200,000	–	–
	Road Maintenance Levy Fund (RMLF)	179,407,700	–	–
	Institution Grant	35,000,000	–	–
	Allocation for Mineral Royalties	117,616	–	–
	National Agricultural Value Chain Development Project (NAVCDP)-World Bank Credit	151,515,152	–	–

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
Subtotal		**783,083,043**	**11,000,000**	**1**
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	650,000,000	139,979,000	22
	Facility Improvement Fund (FIF)	1,561,193,565	443,903,335	28
Subtotal		**2,211,193,565**	**583,882,335**	**26**
D	**Other Sources of Revenue**			
	Unspent balance from FY 2023/24	3,494,246,792	2,960,595,298	**85**
Sub Total		**3,494,246,792**	**2,960,595,298**	**85**
Grand Total		**16,094,127,488**	**7,417,399,806**	**46**

Source: *Kisii County Treasury*

Figure 61 shows the trend in own-source revenue collection from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 61: Trend in Own-Source Revenue Collection from the First Half of FY 2019/20 to the First Half of FY 2024/25

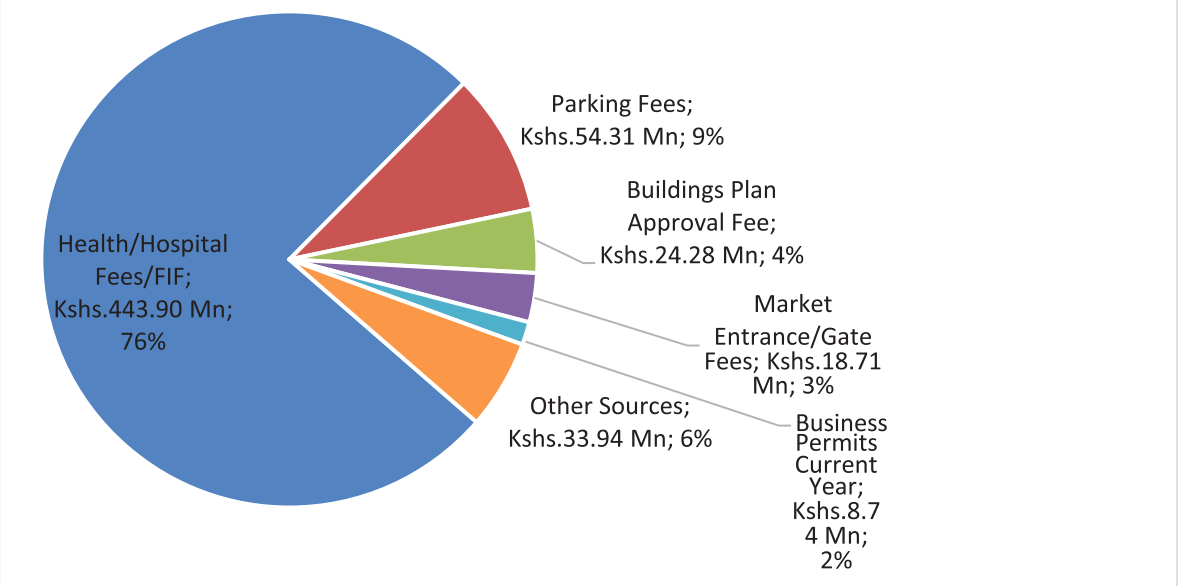


Source: *Kisii County Treasury*

During the first half of FY 2024/25, the County generated Kshs.584 million from its revenue sources, including FIF. This amount was an increase of 46 per cent compared to Kshs.401 million realised in a similar period in FY 2023/24 and was less than 1 per cent of the annual target and less than 1 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 62

Figure 62: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: *Kisii County Treasury*

The highest revenue stream, Kshs.443.90 million, was from Health/FIF, which contributed 76 per cent of the total OSR receipts during the reporting period.

3.16.3 Borrowing by the County

The County government borrowed a total of Kshs.256.27 million from Family Bank, Kshs.229.97 million, and Kshs.26.29 million for the July 2024 net salaries of the County Executive and County Assembly, respectively.

3.16.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.26 billion from the CRF account during the reporting period, which comprised Kshs.489.76 million (15 per cent) for development programmes and Kshs.2.77 billion (85 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.44 billion was released towards compensation of employees and Kshs.332.35 million for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to delay by the County in making the subject request.

Analysis of the operations and maintenance exchequer releases indicates that 41 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.136.29 million and included Kshs.9.97 million for the County Executive and Kshs.126.32 million for the County Assembly. The foreign travel exchequer totalled Kshs.3.53 million, which the County Assembly spent.

Table 3.131: Kisii 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 Executive and Public Service Board	400.11	200.00	120.84	118.29	30.2	59.1
Administration and Stakeholder Management	613.03	43.50	198.38	1.98	32.4	4.6
Finance and Economic Planning	1,188.90	246.00	297.12	9.96	25	4.0
Agriculture and Cooperative Development	291.11	476.59	43.93	12.92	15.1	2.7
Energy, Water, Environment and Natural Resources	131.19	708.96	40.98	59.12	31.2	8.3
Education, Youth Affairs and Social Development	964.86	399.17	269.77	_	28	_

Department	Approved Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Approved Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Health Services	3,513.90	699.87	1,158.77	67.83	33	9.7
Lands, Physical Planning and Urban Development	230.10	239.50	39.16	9.35	17.0	3.9
Roads, Public Works and Transport	255.00	1,770.31	73.99	175.74	29.0	9.9
Trade Development, Industry and Tourism	85.67	423.61	26.47	19.06	30.9	4.5
Culture and Social Services	100.85	86.30	30.45	-	30.2	_
Kisii Town Urban Area	107.96	80.00	41.89	15.50	38.8	19.4
Ogembo Municipality	14.99	60.10	1.67	_	11.1	_
County Assembly	1,124.64	76.72	426,00	_	37.9	_
	9,022.31	**5,510.63**	**2,769.41**	**489.76**	30.7	8.9

***Source**: Kisii County Treasury*

As of 31 December 2024, the County government's cash balance in the CRF account was Kshs.3.71 billion.

3.16.5 County Expenditure Review

The County spent Kshs.3.20 billion on development and recurrent programmes in the reporting period. This expenditure represented 99 per cent of the total funds released by the CoB and comprised Kshs.463.48 million and Kshs.2.73 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 8 per cent, while recurrent expenditures represented 30 per cent of the annual recurrent expenditure budget.

3.16.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.2.31 billion as of 30 June 2024. This includes Kshs.2.26 billion from the County Executive and Kshs.56.21 million from the County Assembly. The pending bills from the County Executive consist of Kshs.483.53 million for recurrent expenditures and Kshs.1.77 billion for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.311.36 million, comprising Kshs.107.75 million for recurrent programmes and Kshs.203.61 million for development programmes. Meanwhile, the County Assembly did not settle any pending bills in the reporting period.

The County Executive and the Assembly submitted payment plans for pending bills at the commencement of FY 2024/25, committing to pay Kshs.610.42 million and Kshs.29.33 million, respectively, in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.311.36 million for the Executive and didn't clear for the County Assembly.

The County Executive's additional pending bills for the reporting period are Kshs.382.20 million and Kshs.209.41 for recurrent and development bills, respectively.

As of 31 December 2024, the outstanding bills amounted to Kshs.2.61 billion, comprising Kshs.2.55 billion for the County Executive and Kshs.56.98 million for the County Assembly.

3.16.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.17 billion on employee compensation, Kshs.143.96 million on operations and maintenance, and Kshs.463.48 million on development activities. Similarly, the County Assembly spent Kshs.267.36 million on employee compensation and Kshs.154.90 million on operations and maintenance. The County Assembly spent zero on development activities, as shown in Table 3.132.

Table 3.132: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Net Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**7,897,667,648**	**1,124,637,995**	**2,312,361,542**	**422,259,815**	**29**	**38**
Compensation to Employees	5,877,304,081	651,402,051	2,168,403,068	267,358,979	37	41
Operations and Maintenance	2,020,363,567	473,235,944	143,958,474	154,900,836	7	33
Development Expenditure	**5,433,906,045**	**76,722,235**	**463,479,090**	_	**9**	_
Total	**13,331,573,693**	**1,201,360,230**	**2,775,840,632**	**422,259,815**	**21**	**35**

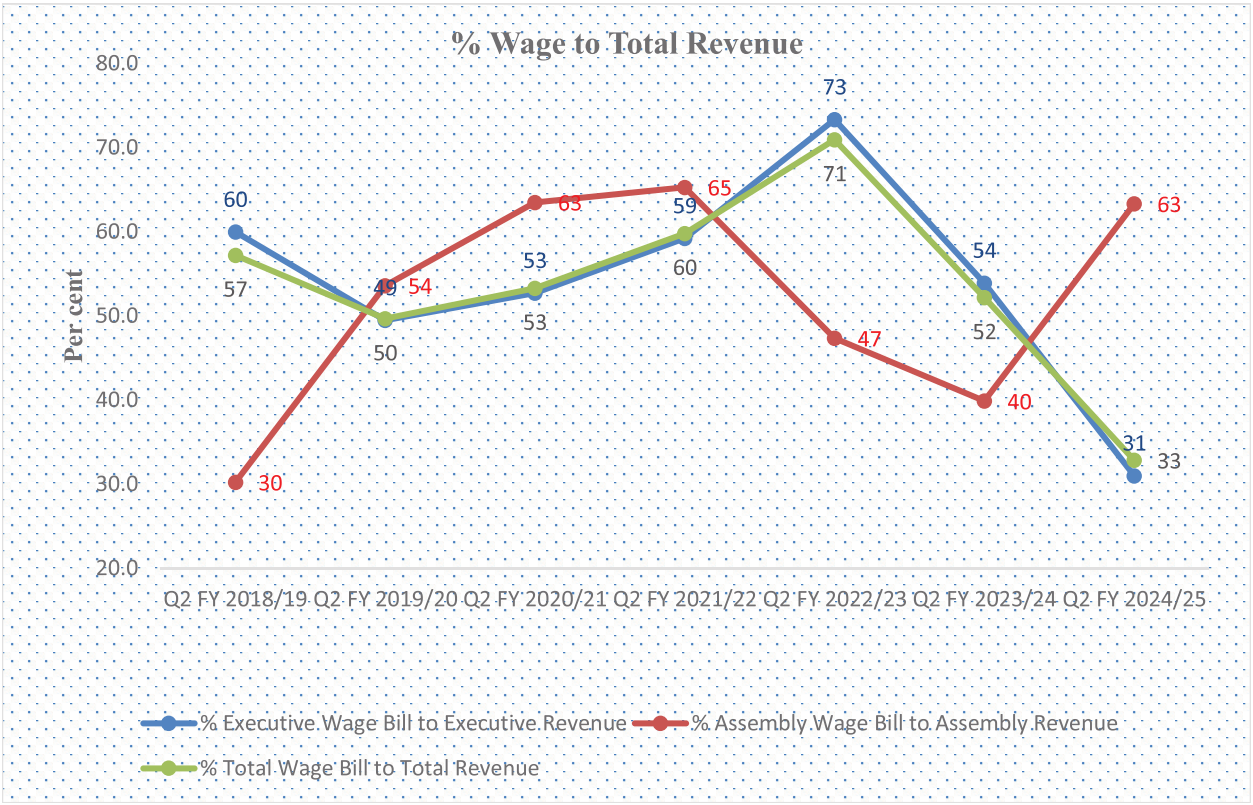
***Source**: Kisii County Treasury*

1.1.4 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.44 billion, or 33 per cent of the available revenue of Kshs.7.42 billion. This expenditure represented a decrease from Kshs.2.95 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.11 billion paid to the Health Sector employees, translating to 45 per cent of the total wage bill.

Figure 63 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 63: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



***Source**: Kisii County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.43 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.6.56 million was processed through manual payrolls, which accounted for less than 1 per cent of the total PE cost.

The County Assembly spent Kshs.28.71 million on committee sitting allowances for the 71 MCAs against the annual budget allocation of Kshs.65 million. The average monthly sitting allowance was Kshs.67,404 per MCA. The County Assembly had 20 House Committees.

3.16.8 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.1.95 billion to County-Established funds in FY 2024/25, or 14 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 3.133 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.133: Performance of County Established Funds in the First Half of FY 2024/25

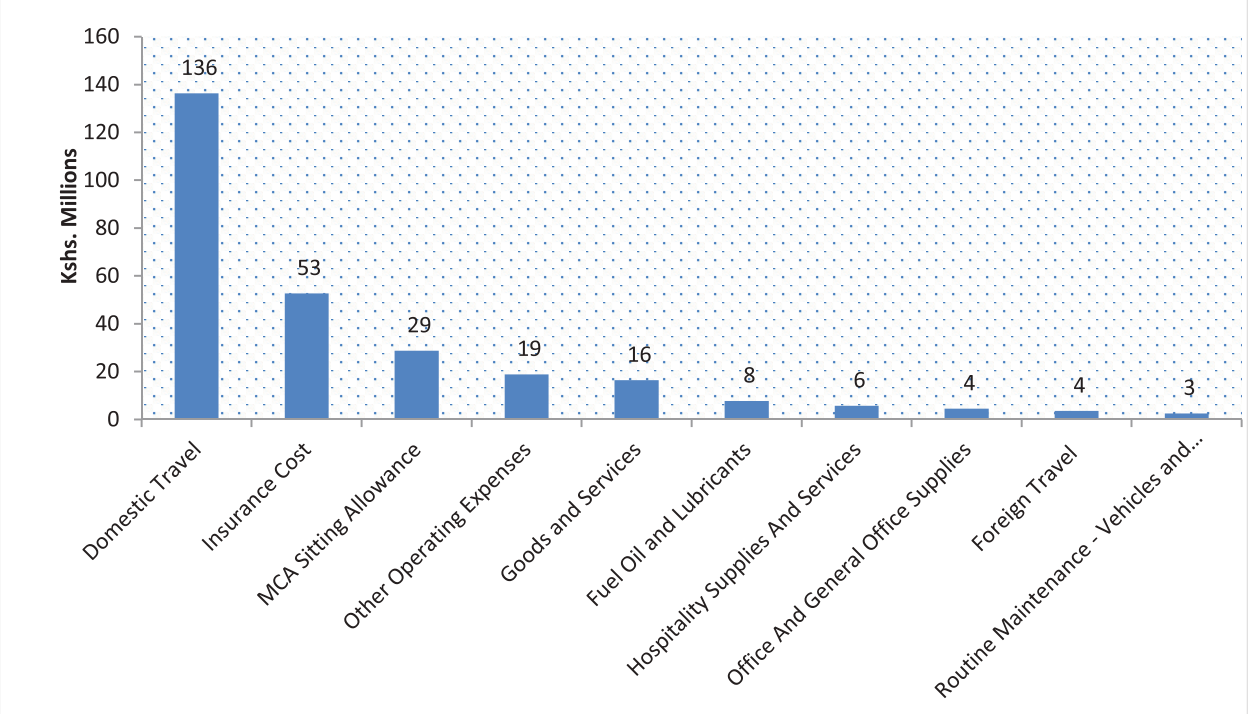
S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Half of FY 2024/25 (Kshs.)	Actual Expenditure in First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Half Financial Statements (Yes/No.)
	County Executive Established Funds					
	County Executive Car Loan and Mortgage (Staff) Scheme Fund	–	–	419,992.00	–	Yes
	County Bursary Fund	245,000,000.00	–	–	–	Yes
	County Emergency Fund	20,000,000	–	–	–	Yes
	Health Fund(KTRH)	1,250,000,000.00	–	191,657,616.00	–	Yes
	Health Fund(FIF)	311,000,000.00	–	46,830,964.00	–	Yes
	Alcoholic Drinks Control fund	43,839,268.00	–	935,800.00	–	Yes
	County Assembly Established Funds					
	MCAs Car Loan and Mortgage Fund	–	–	–	–	Yes
	Staff Car Loan and Mortgage Fund	–	–	–	–	NO
	Total	**1,969,839,268**	–	**239,844,372**	–	

Source: *Kisii County Treasury*

3.16.9 Expenditure on Operations and Maintenance

Figure 64 summarises the Operations and Maintenance expenditure by major categories.

Figure 64: Kisii County, Operations and Maintenance Expenditure by Major Categories



Source: *Kisii County Treasury*

Expenditure on domestic travel amounted to Kshs.136.29 million and comprised Kshs.126.32 million spent by the County Assembly and Kshs.9.97 million by the County Executive. Expenditure on foreign travel amounted to Kshs.3.53 million spent by the County Assembly. Expenditure on foreign travel is summarised in Table 3.134.

Table 3.134: Summary of Highest Expenditure on Foreign Travel in the First Half 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	7	10th to 14th September 2024	Being paid to attend a Mentorship Programme by the Shanghai Development Research Foundation to understand the public policy-making process	China	3,525,128
Total					**3,525,128**

Source: *Kisii County Assembly*

Table 3.135: Breakdown of Kisii County Other Operating Expenses

Item	Departments	Budget	Expenditure
Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	Executive, Finance, Culture and Assembly	6,600,000	3,176,000
Security Operations	Administration, Kisii County Assembly	12,000,000	8,473,030
Contracted Guards and Cleaning Services	Lands and Physical Planning, Kisii Municipality and Assembly	38,930,523	7,184,940
TOTAL		**57,530,523**	**18,833,970**

Source: *Kisii County Treasury*

The operations and maintenance costs include an expenditure of Kshs.7.1 million on garbage collection.

3.16.10 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.443.9 million as FIF, which was 28 per cent of the annual target of Kshs.1.56 billion. The collected amount was retained and utilised at the source in accordance with the Facility Improvement Financing Act, 2023.

The expenditure by the health facilities amounted to Kshs.443.9, as shown in Table 3.136

Table 3.136: Breakdown of expenditure by Health Facilities in the First Half 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	356,919,222	29
	Sub-County Hospitals	311,193,565	86,984,113	28
	Total	**1,561,193,565**	**443,903,335**	**28**

Source: *Kisii County Treasury*

The Health Facility with the highest absorption rate was Kisii Teaching and Referral Hospital.

3.16.11 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.463.48 million on development programmes, representing. a decrease of 67 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.151.93 million. Table 3.137 summarises development projects with the highest expenditure in the reporting period.

Table 3.137: Kisii 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	Executive	Construction of County Headquarters	Headquarters	499,995,565	79,956,295	16
2	Health	Completion of Reproductive Health in Kisii Mother and Child Hospital	Kisii Town	100,000,000	46,301,639	46
3	Roads	Repair and Maintenance of LT 3 Roads	Bomachoge Borabu	12,932,376	12,932,376	100
4	Finance	Provision of an Automated Revenue Collection and Management System	All Wards	25,000,000	9,960,825	40
5	Roads	Repair and Maintenance of LOT 6 Roads	Bobasi	8,926,780	8,919,820	100
6	Roads	Repair and Maintenance of LT 1 Roads	South Mugirango	8,745,040	8,745,040	100
7	Roads	Repair and Maintenance of LOT 7 Roads	Nyaribari Masaba	8,514,168	8,514,168	100
8	Roads	Repair and Maintenance of LT 4 Roads	Nyaribari Chache	6,281,168	6,281,168	100
9	Roads	Construction of Nyaburumbasi - Nyatarara - Rioyugi -Riabenena-Rioyancha-Gesabakwa Tbc Road		6,000,000	5,905,560	98
10	Roads	Repair and Maintenance Of Lot 3 Roads	Bomachoge Borabu	5,459,656	5,459,656	100

Source: *Kisii County Treasury*

1.1.5 Budget Performance by Department

Table 3.138 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.138: Kisii County, Budget Allocation and Absorption Rate by Department

Department	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 and Public Service Board	400.11	200.00	120.84	118.29	119.16	79.87	98.6	67.5	29.8	39.9
Administration and Stakeholder Management	613.03	43.50	198.38	1.98	195.89	2.00	98.7	100	32.0	4.6
Finance and Economic Planning	1188.90	246.00	297.12	9.96	290.19	10.00	97.7	100	24.4	4
Agriculture and Cooperative Development	291.11	476.59	43.93	12.92	43.80	50.53	99.7	391.2	15.0	10.6
Energy, Water, Environment and Natural Resources	131.19	708.96	40.98	59.12	29.07	63.12	70.9	106.8	22.2	8.9
Education, Youth Affairs and Social Development	964.86	399.17	269.77	_	268.60	_	99.6	_	27.8	_
County Health Services	3513.90	699.87	1158.77	67.83	1156.63	66.83	99.8	98.5	32.9	9.5
Lands, Physical Planning and Urban Development	230.10	239.50	39.16	9.35	38.91	9.35	99.4	100	16.9	3.9
Roads, Public Works and Transport	255.00	1770.31	73.99	175.74	71.72	175.74	96.9	100	28.1	9.9
Trade Development, Industry and Tourism	85.67	423.61	26.47	19.06	25.79	6.1	97.4	32	30.1	1.4
Culture and Social Services	100.85	86.30	30.45	_	29.04	_	95.4	_	28.8	_
Kisii Town Urban Area	107.96	80.00	41.89	15.50	41.89	_	100.0	_	38.8	_
Ogembo Municipality	14.99	60.10	1.67	_	1.67	_	100.0	_	11.1	_
County Assembly	1124.64	76.72	426,00	_	422.26	_	99.1	_	37.5	_
TOTAL	**9022.31**	**5510.63**	**2769.41**	**489.76**	**2734.62**	**463.48**	**98.7**	94.6	**30.3**	**8.4**

***Source**: Kisii County Treasury*

Analysis of expenditure by departments shows that the Department of Executive and Public Service Board recorded the highest absorption rate of development budget at 40 per cent, followed by the Department of Agriculture and Cooperative Development at 11 per cent. The Department of Kisii Town Urban Area had the highest percentage of recurrent expenditure to budget at 39 per cent, while the Department of Ogembo Municipality had the lowest at 11 per cent.

3.16.12 Budget Execution by Programmes and Sub-Programmes

Table 3.139 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.139: Kisii County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	Administration and Support Services	827,043,113	_	320,768,307	_	38.8	_
	Oversight and Legislative Services	297,594,882	76,722,235	101,491,508	_	34.1	_
	Sub Total	**1,124,637,995**	**76,722,235**	**422,259,815**	_	**37.5**	_
Executive (Office of the Governor, Deputy Governor, County Secretary and Public Service Board	Administration, Planning and Support Services	326,700,000	200,000,000	119,160,244	79,866,372	36.5	39.9
	Office of the County Secretary	8,650,000	_	_	_	_	_
	Legal Services	42,570,000	_	_	_	_	_
	Communication Services	3,180,000	_	_	_	_	_
	Governor's Advisors, Service Delivery Unit and Efficiency Monitoring	1,260,000	_	_	_	_	_
	Chief of staff	750,000	_	_	_	_	_
	County Public Service Board	16,384,950	_	_	_	_	_
	County Liaison office	620,000	_	_	_	_	_
	Sub-Total	**400,114,950**	**200,000,000**	**119,160,244**	**79,866,372**	**29.8**	**39.9**
Administration, Corporate Services and Stakeholder Management	Administration, Planning and Support Services	540,853,683	_	179,664,445	_	33.2	_
	Devolved Units Services	1,400,000	33,300,000	_	1,982,700	_	6.0
	Human Resource Development	1,600,000	_	_	_	_	_
	Enforcement Services	8,456,000	_	_	_	_	_
	Stakeholder Management	39,303,018	_	16,225,805	_	41.3	_
	Public Participation and Civic Education	2,700,000	_	_	_	_	_
	Disaster Management	9,050,000	10,200,000	_	_	_	_
	Fleet Management	7,300,000	_	_	_		_
	Strategy Delivery & Project Management	400,000	_	_	_	_	_
	Special Programmes	1,965,444	_	_	_	_	_
	Sub-Total	**613,028,145**	**43,500,000**	**195,890,250**	**1,982,700**	**32.0**	**4.6**
Finance and Economic Planning	Administration, Coordination and Support Services	956,453,776	_	253,359,865	_	26.5	_
	Public Financial management services	85,882,512	_	520,000	_	0.6	
	County Planning Services	146,563,712	246,000,000	36,309,948	9,960,825	24.8	4
	Sub-Total	**1,188,900,000**	**246,000,000**	**290,189,813**	**9,960,825**	**24.4**	**4.0**

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock, Fisheries and Co-operative Development	Administration and Support Services	111,024,568	_	25,088,316	_	22.6	_
	Veterinary Services	_	45,145,078	_	8,876,950	_	19.7
	Livestock Development	_	44,659,200	_	_	_	_
	Fisheries development	_	46,656,525	_	1,995,443	_	4.3
	Crop development headquarters	177,931,929	278,434,431	18,710,805	37,609,921	10.5	13.5
	Kisii Agricultural Training Centre	300,000	48,159,006	_	2,044,120	_	4.2
	Cooperative Development and Management	400,000	4,500,000	_	_	_	_
	Crop development	450,000	5,532,336	_	_	_	_
	Cooperative Audit	_	_	_	_	_	_
	Monitoring and Evaluation	_	_	_	_	_	_
	Agro-processing, Value addition, and Marketing	700,000	500,000	_	_	_	_
	Engineering, Irrigation and Drainage	300,000	3,000,000	_	_	_	_
	Sub-Total	**291,106,497**	**476,586,576**	**43,799,121**	**50,526,434**	**15.0**	**10.6**
Energy, Water, Environment and Natural Resources	Energy Services	_	67,100,000	_	_	_	_
	Environment Management	18,020,000	211,950,000	_	3,999,500	_	1.9
	Water and sanitation services	113,166,382	429,905,963	29,073,855	59,124,068	25.7	13.8
	Sub-Total	**131,186,382**	**708,955,963**	**29,073,855**	**63,123,568**	**22.2**	**8.9**
Education, Labour and Manpower Development	General Administration and Planning Services	964,859,123	_	268,601,000	_	27.8	_
	Early childhood development education	_	366,804,478	_	_	_	_
	Vocational training	_	32,366,950	_	_	_	_
	Sub-Total	**964,859,123**	**399,171,428**	**268,601,000**	_	**27.8**	_
County Health Services	Medical Services	3,421,154,652	699,871,055	1,156,633,201	66,833,219	33.8	9.5
	public health	92,750,000	_	_	_	_	_
	Sub-Total	**3,513,904,652**	**699,871,055**	**1,156,633,201**	**66,833,219**	**32.9**	**9.5**
Lands, Physical Planning and Urban Development	Administration, planning and support services	230,100,000	_	38,909,000	_	16.9	_
	Urban development	_	239,503,308	_	9,350,000	_	3.9
	Land use services	_	_	_	_	_	_
	Sub-Total	**230,100,000**	**239,503,308**	**38,909,000**	**9,350,000**	**16.9**	**3.9**
Roads, Public Works, Transport and Housing	General administration and planning services	184,700,000	_	49,825,625	_	27	_
	Roads development	_	1,764,306,009	_	175,737,002	_	10
	Public works	70,300,000	6,000,000	21,896,832	_	31.1	_
	Sub-Total	**255,000,000**	**1,770,306,009**	**71,722,457**	**175,737,002**	**28.1**	**9.9**

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Trade, Tourism and Industry	Administration and planning services	79,784,818	423,611,706	25,791,492	6,098,970	32.3	1.4
	Tourism development	1,113,224	_	_	_	_	_
	Weights and measures	2,775,000	_	_	_	_	_
	Markets Development	2,000,000	_	_	_	_	_
	Sub-Total	**85,673,042**	**423,611,706**	**25,791,492**	**6,098,970**	**30.1**	**1.4**
Culture and Social Services	Administration and planning services	93,697,345	_	28,822,975	_	30.8	_
	Cultural services (Council of Elders and Cultural Activities)	1,100,000	2,000,000	_	_	_	_
	Sports development (KICOSCA Games and other Sporting Activities)	5,655,000	84,300,000	213,500	_	3.8	_
	Social Development Services (Youth, Women and PWDs)	400,000	_	_	_	_	_
	Liquor Licensing	_	_	_	_	_	_
	Betting, Lotteries and Gaming	–	–	–	–	–	–
	Sub-Total	**100,852,345**	**86,300,000**	**29,036,475**	_	**28.8**	_
Kisii Municipality	General administration, planning and support services	107,957,337	_	41,888,500	_	38.8	_
	Infrastructure development	–	80,000,000	–	–	–	–
	Sub-Total	**107,957,337**	**80,000,000**	41,888,500	_	**38.8**	_
Ogembo Municipality	General administration, planning and support services	14,985,175	_	1,666,134	_	11.1	_
	Infrastructure development	_	60,100,000	_	_	_	_
	Sub-Total	**14,985,175**	**60,100,000**	**1,666,134**	**0**	**11.1**	_
GRAND TOTAL		**9,022,305,643**	**5,510,628,280**	**2,734,621,357**	**463,479,090**	**30.3**	**8.4**

***Source**: Kisii County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Stakeholder Management in the Department of Administration, Corporate Services and Stakeholder Management at 41 per cent, Administration, Planning and Support Services in the Executive Office of the Governor, Deputy Governor, County Secretary and Public Service Board at 40 per cent, General administration, planning and support services in the Department of Kisii Municipality at 39 per cent, and Medical Services at 34 per cent of budget allocation.

3.16.13 Accounts Operated Commercial Banks

The County Government operated seventeen accounts with commercial banks, including three accounts for Health Facilities, seven accounts for Established Funds, one revenue account, four special purpose accounts (additional allocations), and two imprest accounts.

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.

3.16.14 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 (including hospital charges) at Kshs583.88 million against an annual target of Kshs.2.21 billion, representing 26 per cent of the yearly target.
ii. Development funds are not being absorbed, as indicated by the expenditure of Kshs.463.48 million from the annual development budget allocation of Kshs.5.51 billion, which represented 8 per cent of the annual development budget.
iii. High pending bills amounted to Kshs.2.59 billion as of 31 December 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
iv. 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. *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.*

3.17. County Government of Kisumu

3.17.1 Overview of FY 2024/25 Budget

The Kisumu County Gross Approved FY 2024/25 budget 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 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 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 different sources of revenue. These include Kshs.8.68 billion (57 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.2.15 billion (14 per cent) as additional allocations, 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 (24.2 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.2.88 billion (75.8 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.140.

3.17.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.5.52 billion to fund its development and recurrent activities. This amount consisted of Kshs.4.16 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.13.93 million, and its own source revenue (OSR) collection of Kshs.670.52 million. In addition, the County had a cash balance of Kshs.669.46 million from FY 2023/24.

The total OSR collection of Kshs.670.52 billion includes Facilities Improvement Financing (FIF) of Kshs.444.83 million and Kshs.232.80 million as ordinary OSR. Table 3.140 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.140: Kisumu County, Revenue Performance in the First Half 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**	**4,157,154,753**	**48**
Subtotal		**8,681,516,388**	**4,157,154,753**	**48**
B	**Additional Allocations**			
	DANIDA	23,123,790	-	-
	Financing Locally Led Climate Action (FLLoCA)	490,984,978	11,000,000	2
	Kenya Informal Settlement Improvement Project (KISIP II)	840,000,000	-	-
	IDA – World Bank Credit to Finance Agricultural Value Chain Development Project (NAVCDP)	151,515,152	-	-
	Aquaculture Business Development Project (ABDP)	15,407,244	-	-
	PRACTICE	37,227,907	2,931,502	8
	Conditional Grant for Aggregated Industrial Programme	150,000,000	-	-
	Allocation for Court Fines	66,912	-	-
	Kenya Devolution Support Programme (KDSP)	38,156,709	-	-
	Community Health Promoters	70,459,609	-	-
	Transfer of Museum Function	6,350,388	-	-
	Road Maintenance Levy Fund (RMLF)	196,615,319	-	-
	Change-Maker	30,000,000	-	-
	Kenya Agricultural Development to Finance Aquaculture Business Development Project (ABDP)	21,918,919	-	-
	Kenya Urban Support Programme (KUSP)	36,634,916	-	-
	Youth Polytechnics	7,516,000	-	-
	Kenya Dairy Enterprise Development	400,391	-	-
	National Agricultural Value Chain Development Project (NAVCDP)	6,020,200	-	-
	Transforming Health Centre	544,976	-	-
	Equalization Fund	23,603,602	-	-
Subtotal		**2,146,547,012**	**13,931,502**	**1**
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	2,877,951,100	232,804,530	8
	Appropriation in Aid (A-I-A)	-	-	-
	Facility Improvement Fund (FIF)	926,122,000	444,827,924	48
Subtotal		**3,804,073,100**	**677,632,454**	**18**
D	**Other Sources of Revenue**			
	Unspent balance from FY 2023/24	669,458,992	669,460,509	100
Sub Total		**669,458,992**	**669,460,509**	**100**
Grand Total		**15,301,595,492**	**5,518,179,218**	**36**

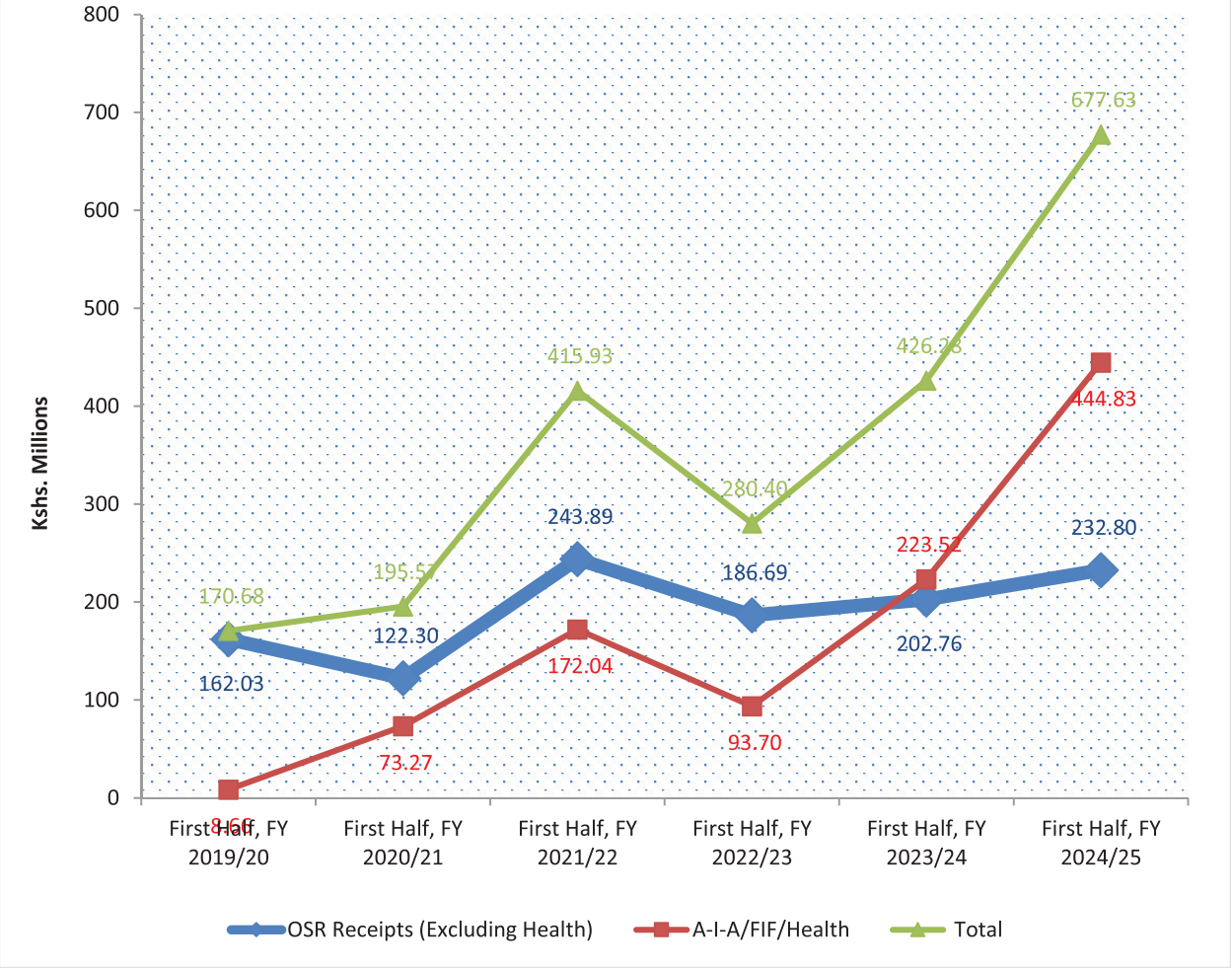
Source: ***Kisumu*** *County Treasury*

The low performance in the Conditional grants is due to the Parliament's delayed approval of CARA 2024, while the low performance of the own-source Revenue is primarily due to the overestimation of the annual Own-Source Revenue target.

The County has governing legislation on the operation of ordinary A-I-A and FIF.

Figure 65 shows the trend in own-source revenue collection from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 65: Trend in Own-Source Revenue Collection from the First Half of FY 2019/20 to the First Half of FY 2024/25



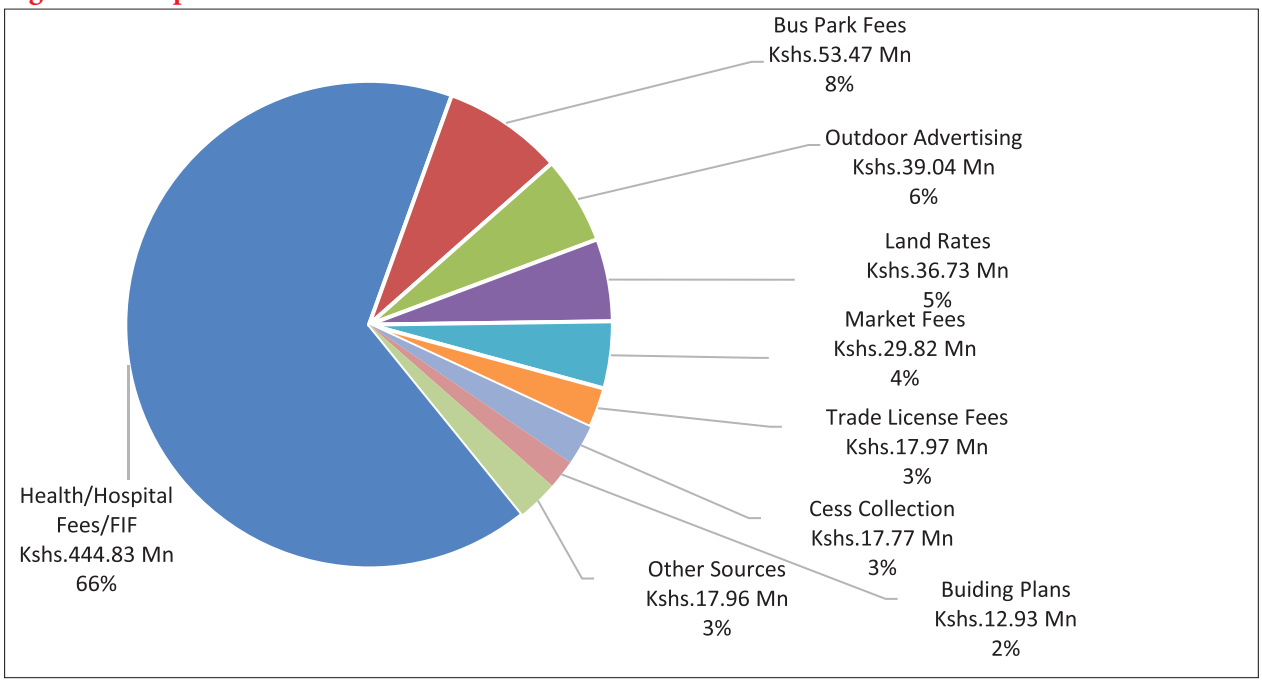
Source: *Kisumu County Treasury*

During the first half of FY 2024/25, the County generated Kshs.670.52 million from its revenue sources, including AIA and FIF. This amount was an increase of 57.3 per cent compared to Kshs.426.28 million realised in a similar period in FY 2023/24 and was 17.8 per cent of the annual target and 16.1 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.1.27 million.

The increase can be attributed to the automation of the revenue management system.

The revenue streams which contributed the highest OSR receipts are shown in Figure 66.

Figure 66: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Kisumu County Treasury

The highest revenue stream, Kshs.444.83 million, was from Health/Hospital Fess/FIF, which contributed 66 per cent of the total OSR receipts during the reporting period.

3.17.3 Borrowing by the County

The County Government borrowed Kshs.2.64 billion from the Kenya Commercial Bank to support its operations and pay salaries promptly. The outstanding amount as of 31 December 2024 was Kshs.430.04 million.

3.17.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.4.04 billion from the CRF account comprised Kshs.327.31 million (8 per cent) for development programmes and Kshs.3.71 billion (92 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.88 billion was released towards compensation of employees and Kshs.825.11 million for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to delayed disbursement of funds by the National Treasury, which was occasioned by delay in the approval of CARA, 2024.

Analysis of the operations and maintenance exchequer releases indicates that 9 per cent was for domestic travel and 0.5 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.76.53 million, including Kshs.13.19 million for the County Executive and Kshs.63.34 million for the County Assembly. The foreign travel exchequer totalled Kshs.4.34 million, which the County Assembly incurred.

Table 3.141: 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	8.43	-	6	-
Agriculture, Livestock, Food and Fisheries	81.86	291.20	7.30	-	9	-
City of Kisumu	195.10	476.70	36.89	-	19	-
County Assembly of Kisumu	1,008.62	100.00	434.55	-	43	-

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	48.30	-	10.83	-	22	-
Education, Technical Training, Innovation and Social Service	325.00	213.72	6.17	22.63	2	11
Infrastructure, Energy and Public Works	112.00	989.23	10.26	-	9	-
Finance, Economic Planning and ICT Services	1,032.55	1,023.60	206.11	304.68	20	30
Trade, Tourism, Industry and Marketing	53.98	174.20	0.06	-	0.1	-
Medical Services, Public Health and Sanitation	392.52	123.65	41.36	-	11	-
Sports, Culture, Gender and Youth Affairs	93.38	43.50	0.67	-	0.7	-
Water, Environment, Natural Resources and Climate Change	83.98	615.43	15.04	-	18	-
Public Service, County Administration and Participatory Development	5,873.54	35.00	2,931.02	-	50	-
	9,451.88	**5,029.53**	**3,708.70**	**327.31**	**39**	**7**

***Source**: Kisumu County Treasury*

The annual target's underperformance can be attributable to delays in the disbursements of sharable revenue by the National Treasury, delayed procurement processes at the County, and slow verification of the pending bills owed by the County.

As of 31 December 2024, the County government's cash balance in the CRF account was Kshs.372.78 million.

3.17.5 County Expenditure Review

The County spent Kshs.3.99 billion on development and recurrent programmes in the reporting period. This expenditure represented 99 per cent of the total funds released by the CoB and comprised Kshs.302.84 million and Kshs.3.68 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 6 per cent, while recurrent expenditures represented 36 per cent of the annual recurrent expenditure budget.

3.17.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.3.47 billion as of 30 June 2024. This includes 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 first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.1.02 billion, comprising Kshs.713.70 million for recurrent programmes and Kshs.302.84 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.139.03 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.1.55 billion and Kshs.145.31 million, respectively, in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.1.02 billion for the Executive and Kshs.139.03 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.2.31 billion, comprising Kshs.2.31 billion for the County Executive and Kshs.6.28 million for the County Assembly.

3.17.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.70 billion on employee compensation, Kshs.580.16 million on operations and maintenance, and Kshs.302.84 million on development activities. Similarly, the County Assembly spent Kshs.183.13 million on employee compensation and Kshs.217.41 million on operations and maintenance, as shown in Table 3.142.

Table 3.142: 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**	**3,280,624,424**	**400,539,093**	**35**	**40**
Compensation to Employees	5,132,805,090	336,490,356	2,700,467,338	183,126,473	53	54
Operations and Maintenance	4,130,640,913	672,129,300	580,157,086	217,412,620	14	32
Development Expenditure	**4,929,529,832**	**100,000,000**	**302,844,607**	-	**6**	**0**
Total	**14,192,975,835**	**1,108,619,656**	**3,583,469,031**	**400,539,093**	**25**	**36**

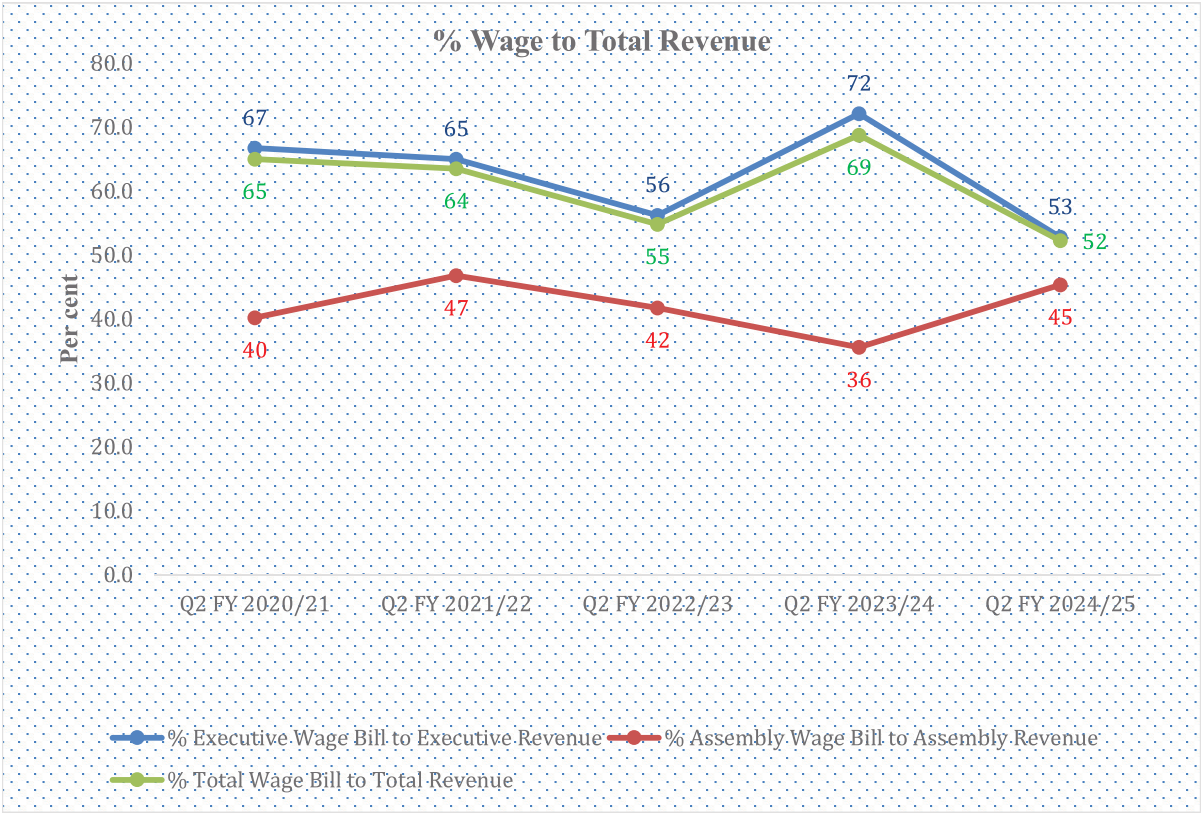
***Source**: Kisumu County Treasury*

3.17.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.88 billion, or 52 per cent of the available revenue of Kshs.5.52 billion. This expenditure represented an increase from Kshs.2.28 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.44 billion paid to the Health Sector employees, translating to 50 per cent of the total wage bill.

Figure 67 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2020/21 to the first half of FY 2024/25.

Figure 67: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2020/21 to the First Half of FY 2024/25



Source: Kisumu County Treasury

Further analysis indicates that PE costs amounting to Kshs.2.68 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.199.11 million was processed through manual payrolls, which accounted for 7 per cent of the total PE cost.

The County Assembly spent Kshs.19.21 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.66,716 per MCA. The County Assembly had 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 3.143 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.143: Performance of County Established Funds in the First Half 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.)
	County Executive Established Funds					
	Kisumu County Bursary Fund	205,000,000	-	102,500,000	1,377,397,862	NO
	County Assembly Established Funds					
	Kisumu County Assembly Car Loan and Mortgage Fund	15,000,000	-	-	410,464,000	YES
	Total	**220,000,000**	**-**	**102,500,000**	**1,787,861,862**	

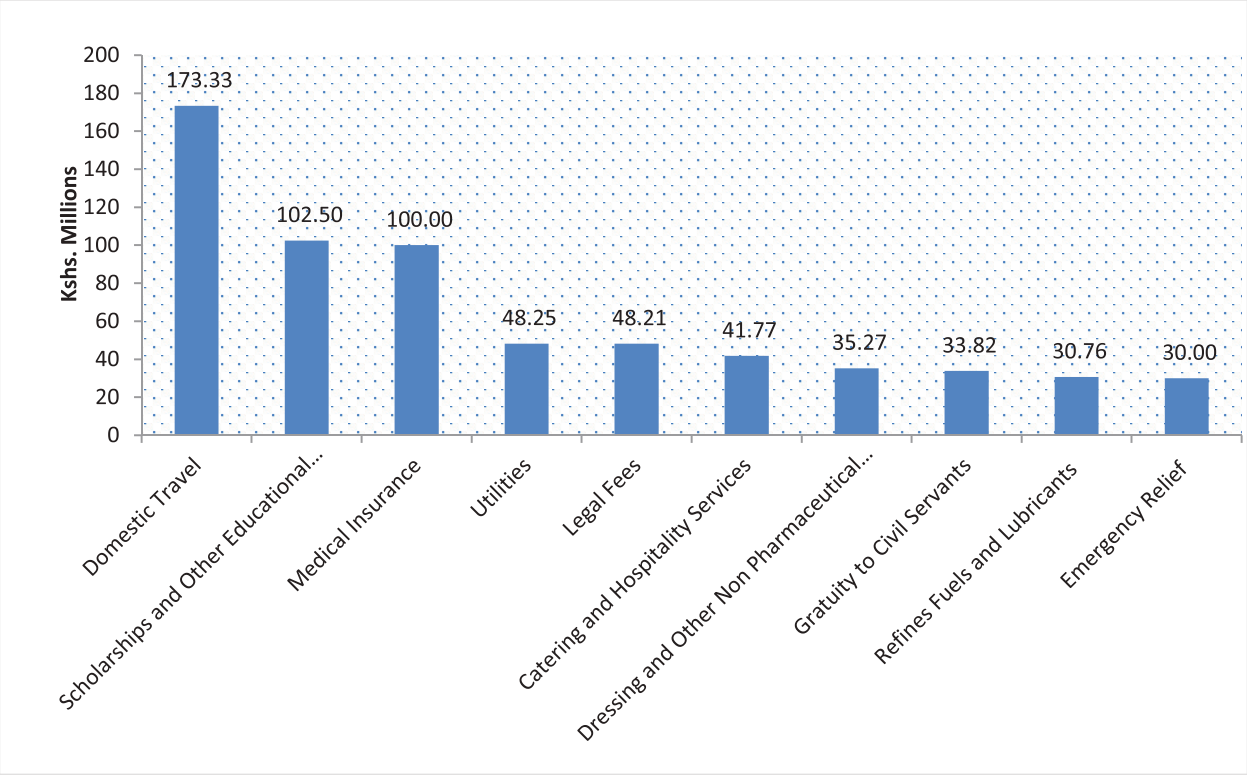
Source: *Kisumu County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from Kisumu County Bursary Fund Administrators, as indicated in Table 3.143, contrary to the requirement of Section 168 of the PFM Act, 2012. The administration costs of the Kisumu County Bursary Fund and Kisumu County Assembly MCA's Car Loan and Mortgage 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.

3.17.10 Expenditure on Operations and Maintenance

Figure 68 summarises the Operations and Maintenance expenditure by major categories.

Figure 68: Kisumu County, Operations and Maintenance Expenditure by Major Categories



Source: *Kisumu County Treasury*

Expenditure on domestic travel amounted to Kshs.173.33 million and comprised Kshs.75.75 million spent by the County Assembly and Kshs.97.58 million by the County Executive. Expenditure on foreign travel amounted to Kshs.22.78 million and comprised Kshs.11.32 million by the County Assembly and Kshs.11.46 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.144

Table 3.144: Summary of Highest Expenditure on Foreign Travel in the First Half 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	2	31st June to 7th July, 2024	Attend Summit with Endless Mountain Mercy Mission Internation in the USA	USA	2,762,740
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	Official duty	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 Summit with Endless Mountain Mercy Mission International in USA.	USA	538,240
County Assembly	2	23rd to 28th June, 2024	Benchmarking with Mukono Municipality Council	Uganda	451,700

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
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 Kisumu County Assembly

The operations and maintenance costs include an expenditure of Kshs.16.23 million on garbage collection and Kshs.48.21 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.17.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.444.83 million as FIF, which was 48.0 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 County has developed the Kisumu County Health Facilities Improvement Fund Act Regulations, 2021, to operationalise the FIF Act of 2023.

The County 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.319.96 million, as shown in Table 3.145.

Table 3.145: Breakdown of expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Ahero County Hospital	23,589,606	11,023,461	47
	Chulaimbo County Hospital	8,600,000	4,242,127	49
	Jaramogi Oginga Odinga Teaching and Referral Hospital	650,000,000	209,670,177	32
	Kombewa County Hospital	25,862,206	12,787,979	49
	Kisumu County Referral Hospital	119,741,934	38,691,406	32
	Muhoroni County Hospital	11,380,510	5,272,487	46
	Nyakach County Hospital	11,245,728	5,374,982	48
	Kajulu Gita Sub County Hospital	6,535,984	3,175,488	49
	Lumumba Sub County Hospital	25,080,890	12,420,552	50
	Katito Sub County Hospital	4,253,708	2,060,532	48
	Nyahera Sub County Hospital	3,099,836	1,342,576	43
	Ober Kamoth Sub County Hospital	2,326,214	1,044,000	45
	Ojola Sub County Hospital	1,569,392	710,716	45
	Miranga Sub County Hospital	3,016,330	1,332,911	44
	Nyangoma Sub County Hospital	934,536	272,101	29
	Masogo Sub County Hospital	6,298,146	2,919,475	46
	Nyangande Sub County Hospital	1,355,514	475,000	35
	Rabuor Sub County Hospital	3,900,828	1,895,442	49
	Sondu Sub County Hospital	645,432	140,100	22
	Nyamarimba Sub County Hospital	1,588,088	741,000	47
	Manyuanda Sub County Hospital	1,188,230	576,169	49
	Chiga Sub County Hospital	1,290,730	603,733	47

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Migosi Sub County Hospital	6,717,036	3,183,826	47
	Total	**920,220,878**	**319,956,240**	**35**

Source: *Kisumu County Treasury*

The Health Facility with the highest absorption rate was Lumumba Sub County Hospital at 50 per cent.

3.17.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.302.84 million on development programmes, representing a decrease of 25 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.401.63 million. Table 3.146 summarises development projects with the highest expenditure in the reporting period.

Table 3.146: Kisumu 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	Infrastructure, Energy and Public Works	Non-motorised Transport Facility Phase II	Kisumu Central	659,065,834	659,065,834	100
2	Public Service, County Administration and Public Participation	Proposed Construction of Kisumu County Official Governor's Residence	Kisumu Central	48,483,827	16,642,083	33
3	Agriculture	Construction of Pap Konam Agriculture Centre	Seme	14,400,000	14,381,021	100
4	City of Kisumu	Rehabilitation of City Offices Phase 11	Kisumu Central	14,080,000	13,995,784	99
5	Water, Environment, Natural Resources and Climate Change	Expansion of Nyakach Water Project	Nyakach	13,870,425	13,870,425	100
6	Infrastructure, Energy and Public Works	Construction of Kangira – Kasongo – Kapolo -Railways Access Road	Muhoroni	4,497,660	4,496,939	100
7	Infrastructure, Energy and Public Works	Construction of Box Culvert at Ogwedhi	Nyando	4,974,375	4,438,437	89
8	Infrastructure, Energy and Public Works	Construction of Nyatigo footbridge	Seme		3,991,202	
9	Medical Services, Public Health and Sanitation	Rehabilitation and Equipping of Chemilil Health Centre	Muhoroni	3,898,396	3,896,528	100
10	Water, Environment, Natural Resources and Climate Change	Construction of 100CM Tank at Oseno	Kisumu West	3,499,750	3,499,750	100

Source: *Kisumu County Treasury*

3.17.13 Budget Performance by Department

Table 3.147 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.147: 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	8.43	-	7.98		95		5	
Agriculture, Livestock, Food and Fisheries	81.86	291.20	7.30	-	2.84		39		4	
City of Kisumu	195.10	-	36.89	-	27.30		74		14	
County Assembly of Kisumu	1,008.62	100.00	434.55	-	402.54	-	93		40	
County Public Service Board	48.30	-	10.83	-	3.32		30		7	
Education, Technical Training, Innovation and Social Service	325.00	213.72	6.17	22.63	1.50		24		1	
Infrastructure, Energy and Public Works	112.00	989.23	10.26	-	8.34		81		7	
Finance, Economic Planning and ICT Services	1,032.55	1,023.60	206.11	304.68	239.95	302.84	116	99	23	30
Trade, Tourism, Industry and Marketing	53.98	174.20	0.06	-	1.54		2,629		3	
Medical Services, Public Health and Sanitation	1,212.71	123.65	41.36	-	50.97		123		4	
Sports, Culture, Gender and Youth Affairs	93.38	43.50	0.67	-	17.60		2,637		19	
Water, Environment, Natural Resources and Climate Change	83.98	615.43	15.04	-	24.17		161		29	
Public Service, County Administration and Participatory Development	5,873.54	35.00	2,931.02	-	2,895.13		99		49	
	10,272.07	**5,029.53**	**3,708.70**	**327.31**	**3,683.16**	**302.84**	99	93	36	6

***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 30 per cent, while other departments did not incur development expenditure. The Department of Public Service, County Administration and Participatory Development had the highest percentage of recurrent expenditure to budget at 49 per cent, while the Department of Education, Technical Training, innovation and Social Services had the lowest at 0.5 per cent. The expenditure exceeding the exchequer is mainly due to non-adherence to the exchequer-approved work plans that supported the County's request for withdrawal of funds from the Kisumu County Revenue Fund.

3.17.14 Budget Execution by Programmes and Sub-Programmes

Table 3.148 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.148: 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					
County Survey	County Survey	10,000,000					
Physical Planning Services	Physical Planning Services	18,744,100		2,424,550		12.9	
County Housing Management	County Housing Management	10,000,000					
Management of Stations	Management of Stations	10,000,000		250,000			
Urban Planning and Development	Urban Planning and Development	7,291,680		966,950		13.3	
General Administration and Planning	General Administration and Planning	74,982,279	943,300,000	24,042,198	30,250,000	32.1	3.2
Administrative Services	Administrative Services	10,000,000					
	Sub Total	**151,018,059**	**943,300,000**	**27,683,698**	**30,250,000**	**18.3**	**3.2**
Agriculture, Livestock, Food and Fisheries							
Planning and Administration	Planning and Administration	28,331,252	291,199,910	297,050	29,936,492.40	1.0	10.3
Promotion of Mechanisation	Promotion of Mechanisation	352,500					
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					
Management of Agriculture Advisory Services	Management of Agriculture Advisory Services	10,516,538		3,095,145		29.4	
Development of Product Quality Assurance	Development of Product Quality Assurance	276,500					
Agriculture Sector Planning and Management	Agriculture Sector Planning and Management	102,725					
Management of Stations	Management of Stations	31,731,412		5,451,679		17.2	
Promotion of Livestock Production Value Chains	Promotion of Livestock Production Value Chains	6,740,000					
Agriculture input Access	Agriculture input Access	54,350					
Agriculture Credit Access	Agriculture Credit Access	396,550					
Promotion of Value Addition	Promotion of Value Addition	318,750		91,000		28.1	
Promotion of Agribusiness	Promotion of Agribusiness	133,000					
Human Resource Development Services	Human Resource Development Services	1,314,600		105,000		8.0	

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Sub Total	**81,857,527**	**291,199,910**	**9,164,474**	**29,936,492.40**	**11.2**	**10.3**
County of Kisumu							
Urban Planning and Development	Urban Planning and Development	32,450,000		10,900,691		33.6	
Health Promotion Service	Health Promotion Service	7,625,000					
Environmental Health and Sanitation	Environmental Health and Sanitation	31,375,000		10,000,000		31.9	
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		1,740,000		24.4	
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	31,569,111		37.3	
Human Resource Recruitment and Development	Human Resource Recruitment and Development	5,875,000		1,375,000		23.4	
	Sub Total	**195,100,000**	**476,700,000**	**64,834,802**		**33.2**	
County Assembly of Kisumu							
Administration, Planning and Support Services	Financial Services	78,801,053		35,138,734.55		44.6	
	Total	**78,801,053**		**35,138,734.55**		**44.6**	
ICT Services	ICT Services	11,078,568		3,270,900		29.5	
	Total	**11,078,568**		**3,270,900**		**29.5**	
General Administration and Planning Services	General Administration	250,137,244	100,000,000	101,974,312.90		40.8	
	Human Resources Development Services	185,056,884		71,369,641.75		38.6	
	Total	**435,194,128**	**100,000,000**	**173,343,954.65**		**39.8**	
Public Financial Management	Budget Formulation and Coordination Services	8,442,346		3,180,345.65		37.7	
	Total	**8,442,346**		**3,180,345.65**		**37.7**	
Legislation and Oversight Services	Legislation and Oversight Services	156,060,629		61,127,342.65		39.2	
	Policy Services (Speakers Office)	47,344,118		15,032,579.65		31.8	
	Total	**203,404,747**		**76,159,922.30**		**37.4**	
County Assembly Service Board	SP2 Committee Services	152,517,650		64,968,300		42.6	
	Representation and Public Participation Services	119,181,164		46,476,935.40		39.0	
	Total	**271,698,814**		**111,445,235.40**		**41.0**	
	Sub Total	**1,008,619,656**	**100,000,000**	**402,539,092.55**		**39.9**	

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Public Service Board							
General Administration and Support Services	General Administration and Support Services	41,760,033		13,210,936.35		31.6	
	Promotion of Values and Principles	1,700,000		663,180		39.0	
	Human Resource Recruitment and Development	4,859,314		1,370,400		28.2	
	Sub-Total	**48,319,347**		**15,244,516.35**		**31.6**	
Education, Technical Training, Innovation and Social Service							
Planning and Coordination Services	Planning and Coordination Services	**31,997,500**		**4,174,176**		**13.0**	
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	477,300		11.7	
Early Child Education	Early Child Education	253,272,500	83,600,000	113,305,150		44.7	
Youth Training and Legislation	Youth Training and Legislation	2,160,000	118,316,000	70,200	45,262,500	3.3	38.3
	Sub Total	**325,000,000**	**213,716,000**	**118,877,026**	**45,262,500**	**36.6**	**21.2**
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				
Mechanical Engineering Services	Mechanical Engineering Services	32,490,000		7,572,389		23.3	
Public Works	Public Works	1,750,000	150,000,000				
Administration Planning	Administration Planning	33,560,000		3,396,970		10.1	
	Sub Total	**112,000,000**	**989,226,000**	**28,859,759**	**837,113**	**25.8**	**0.1**
Finance, Economic Planning and ICT Services							
Urban Planning and Development	Urban Planning and Development	19,967,000	100,000,000	9,565,100		47.9	
General Administration and Planning	General Administration and Planning	75,900,000		23,570,905		31.1	
Administrative Services	Administrative Services	658,900,000	923,603,602	201,981,873.60	446,526,032.90	30.7	48.3
ICT Services	ICT Services	39,000,000		18,743,256		48.1	
Internal Auditing Services	Internal Auditing Services	28,600,000		12,720,474		44.5	
Asset Management	Asset Management	8,810,000		1,273,680		14.5	
Budget Formulation and Coordination Services	Budget Formulation and Coordination Services	60,771,806		14,123,118		23.2	
Management of Public Financial Resources	Management of Public Financial Resources	16,000,000		6,429,000		40.2	
Revenue Mobilisation	Revenue Mobilisation	75,000,000		24,134,876		32.2	

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Statistics	Statistics	9,575,000		2,978,933		31.1	
Monitoring and Evaluation	Monitoring and Evaluation	11,081,000		3,263,744		29.5	
Policy Formulation and Planning	Policy Formulation and Planning	28,947,903		10,304,161		35.6	
	Sub Total	**1,032,552,709**	**1,023,603,602**	**329,089,120.60**	**446,526,032.90**	**31.9**	**43.3**
Trade, Tourism, Industry and Marketing							
Trade Support Services	Trade Support Services	1,740,000	24,200,000	348,400		20.0	
Verification and Calibration of Weighing Equipment	Verification and Calibration of Weighing Equipment	2,625,000		806,685		30.7	
Tourist Event Management	Tourist Event Management	5,588,589		243,600		4.4	
Tourism Development	Tourism Development	3,177,337		635,200		20.0	
Cooperative Governance	Cooperative Governance	1,925,000		337,600		17.5	
Business Development Services	Business Development Services	827,208	150,000,000	96,200		11.6	
General Administration and Support Services	General Administration and Support Services	38,100,209		3,631,204		9.5	
	Sub Total	**53,983,343**	**174,200,000**	**6,098,889**		**11.3**	
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		90,534,873.80		25.6	
Health Promotive Services	Health Promotive Services	32,578,766		12,603,790		38.7	
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**	**103,226,863.80**		**8.5**	
Sports, Culture, Gender and Youth Affairs							
Planning and Coordination Services	Planning and Coordination Services	44,430,711	43,500,000	15,363,861		34.6	
Physical Planning Services	Physical Planning Services	19,620,000		15,705,100		80.0	

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
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	
Youth Training Facilities	Youth Training Facilities	4,828,000		497,400		103	
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		2,818,000		34.2	
Artistic Talent Development	Artistic Talent Development	3,345,000		875,000		26.2	
Culture and Heritage Development	Culture and Heritage Development	3,400,000		1,574,400		46.3	
	Sub Total	**93,380,452**	**43,500,000**	**39,013,611**		**41.8**	
Water, Environment, Natural Resources and Climate Change							
Planning and Administration	Planning and Administration	**26,582,019**		**5,364,743**			
Management of Stations	Management of Stations	34,950,658	521,034,321	6,747,189	14,339,500		2,8
Climate Change	Climate Change	6,820,000		1,856,280			
Mining Efficiency	Mining Efficiency	385,160		12,000			
Infrastructure Development	Infrastructure Development	1,264,071		439,300			
Sustainable Access to Safe Water	Sustainable Access to Safe Water	2,817,208					
Water Resources and Sewerage Services	Water Resources and Sewerage Services	5,329,763	94,400,000	627,000			
Solid Waste Management	Solid Waste Management	4,148,760		937,896			
Environment Conservation of Natural Resources	Environment Conservation of Natural Resources	275,800		79,600			
Pollution Control	Pollution Control	1,410,700		100,000		7.1	
	Sub Total	**83,984,139**	**615,434,321**	**16,164,008**	**14,339,500**	**19.2**	**2.3**
Public Service, County Administration and Participatory Development							
Resource Mobilisation	Resource Mobilisation	43,940,000		9,411,816		21.4	
Resource Development	Resource Development	6,163,000		1,247,350		20.2	
Primary Policy and Legislation	Primary Policy and Legislation	142,003,600		65,604,463		46.2	
Development and Management of County Administrative	Development and Management of County Administrative	43,927,168		10,094,803		23.0	
Administration and Formulation of County Policy	Administration and Formulation of County Policy	20,000,000		5,849,801		29.2	

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Inter-Government Coordination and Protocol	Inter-Government Coordination and Protocol	9,827,600		2,497,754		25.4	
Emergency, Relief, Disaster Management and Control	Emergency, Relief, Disaster Management and Control	22,160,000		8,474,190		38.2	
Governors Press Service and Communication	Governors Press Service and Communication	28,364,000		1,699,815		6.0	
Human Resource Recruitment and Development	Human Resource Recruitment and Development	5,247,995,090		2,920,700,253		55.7	
General Administration and Support Services	General Administration and Support Services	258,985,420	35,000,000	71,419,482		27.6	
Monitoring and Evaluation	Monitoring and Evaluation	11,413,200		2,915,192		25.5	
Public Participation Services	Public Participation Services	9,327,600		1,900,970		20.4	
County Planning and Develop	County Planning and Develop	31,830,000		5,128,690.20		16.1	
	Sub Total	**5,875,936,678**	**35,000,000**	**3,106,944,579.20**		**52.9**	
Grand Total		**10,274,465,659**	**5,029,529,833**	**4,267,740,439.50**	**567,151.638.30**	**41.5**	**11.3**

Source: *Kisumu County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Physical Planning Services in the Department of Sports, Culture, Gender and Youth Affairs at 80 per cent, Youth Polytechnics Services in the Department of City of Kisumu at 68 per cent, Human Resources Recruitment and Development in the Department of Public Service, County Administration and Participatory Development at 56 per cent, and Urban ICT Services in the Department of Finance, Economic Planning and ICT Services at 48 per cent of budget allocation.

3.17.15 Accounts Operated Commercial Banks

The County Government operated seventy-eight accounts with commercial banks, including twenty-three accounts for Health Facilities, twenty-eight accounts for Vocational Training Centres, four accounts for Established Funds, four revenue accounts, nine special purpose accounts (additional allocations), three imprest accounts, and seven recurrent operational accounts.

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.

3.17.16 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. Own-source revenue underperformed at Kshs.670.52 million against an annual target of Kshs.3.80 billion, representing 18 per cent of the annual target.
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 Kisumu County Bursary Fund, Kisumu County Emergency Fund and Kisumu County Assembly MCA's & Staff Car Loan and Mortgage Fund were not submitted to the Controller of Budget as of 15 January 2025.

iii. There was a high level of pending bills, which amounted to Kshs.2.31 billion as of 31 December 2024. 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.199 million were processed through manual payroll, accounting for 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.
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 the collection of own-source revenue.

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 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 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.*
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.*

3.18. County Government of Kitui

3.18.1 Overview of FY 2024/25 Budget

The Kitui County Gross Approved Supplementary I FY 2024/25 budget is Kshs.14.84 billion. It comprises Kshs.5.31 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.0.58 billion (4 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.5.38 billion and a recurrent budget of Kshs.8.88 billion. The increase in the budget was attributed to unspent cash balances brought forward from FY 2023/24 in both CRF and SPAs Accounts. The County's Net Approved Supplementary I Budget (gross budget less AIA estimates) is Kshs.14.24 billion, comprising Kshs.9.52 billion for recurrent and Kshs.5.12 billion for development.

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 3.149.

3.18.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.7.20 billion to fund its development and recurrent activities. This amount consisted of Kshs.5.38 billion from the equitable share of revenue raised nationally, raised Kshs.334.46 million as own-source revenue (OSR) and had a cash balance of Kshs.1.50 billion from FY 2023/24.

The total OSR collection of Kshs.334.46 million includes Facilities Improvement Financing (FIF) of Kshs.249.73 million, and Kshs.74.73 million as ordinary OSR. Table 3.149 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.149: TKitui County, Revenue Performance in the First Half of FY 2024/25

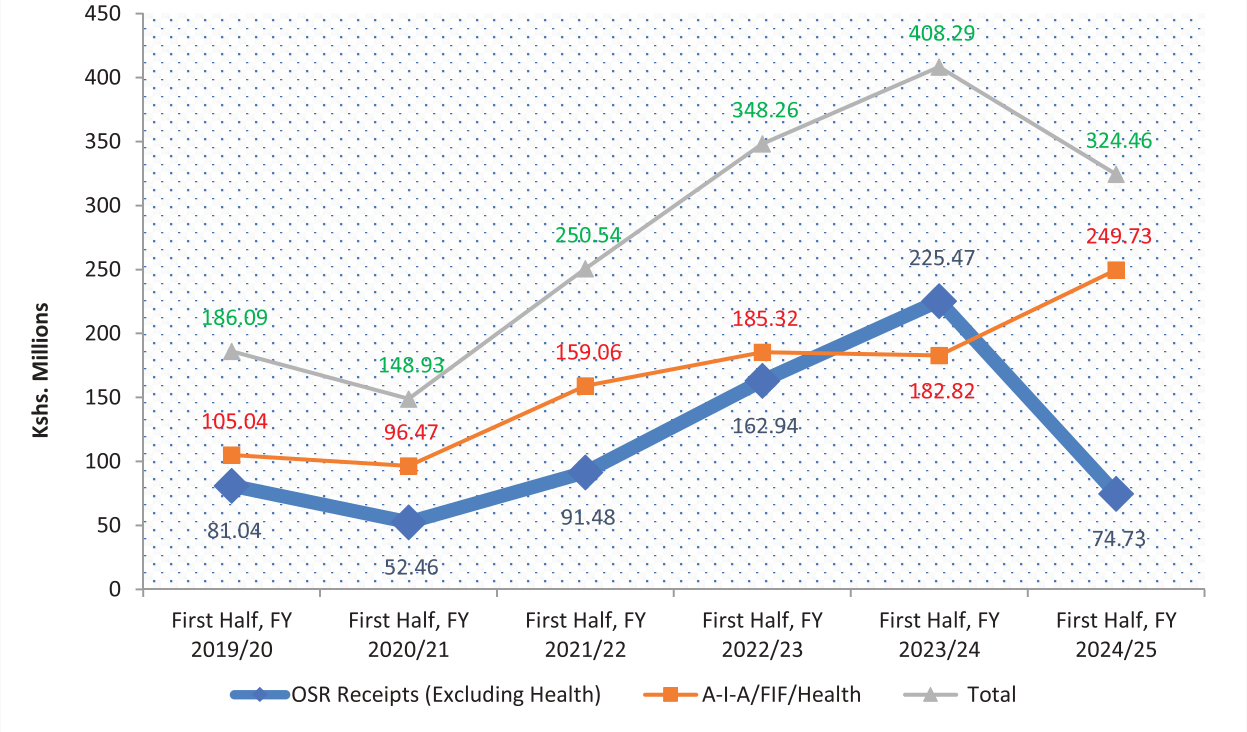
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation ()
A	**Equitable Share of Revenue Raised Nationally -**	11,244,322,462	5,384,035,558	48
Subtotal		**11,244,322,462**	**5,384,035,558**	**48**
B	**Additional Allocations**			
1.	Road maintenance fuel levy	445,098,850	-	-
2.	Kenya Devolution Support Program II	37,500,000	-	-
3.	Emergency Locust response programme	121,025,000	-	-
4.	National Agricultural Value Chain Development project	151,515,152	-	-
5.	DANIDA Grant (Universal Healthcare in Devolved System Program)	13,601,250	-	-
6.	A grant from the National Government - Industrial Park	250,000,000	-	-
7.	Community health promoters	58,050,445	-	-
8.	Kenya Urban Support Project	35,000,000	-	-
9.	Allocation for court fines	50,000	-	-
10.	Allocation for 20 shares of mineral royalties	114,279	-	-
Subtotal		**1,111,954,976**	**0**	**0**
C	**Own Source Revenue**			
11.	Ordinary Own Source Revenue	390,638,102	74,732,424	19
12.	Appropriation in Aid (A-I-A)	-	-	-
13.	Facility Improvement Fund (FIF)	598,007,839	249726,938	42
Subtotal		**988,645,941**	**334,459,362**	**33**
D	**Other Sources of Revenue**			
14.	Unspent balance from FY 2023/24	1,495,093,369	1,495,093,369	100
15.	Other Revenues (provide a list)	-	-	
Sub Total		**1,495,093,369**	**1,495,093,369**	**100**
Grand Total		**11,687,304,473**	**7,203,588,289**	**49**

Source: *Kitui County Treasury*

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

Figure 69 shows the trend in own-source revenue collection from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 69: Trend in Own-Source Revenue Collection from the First Half of FY 2019/20 to the First Half of FY 2024/25

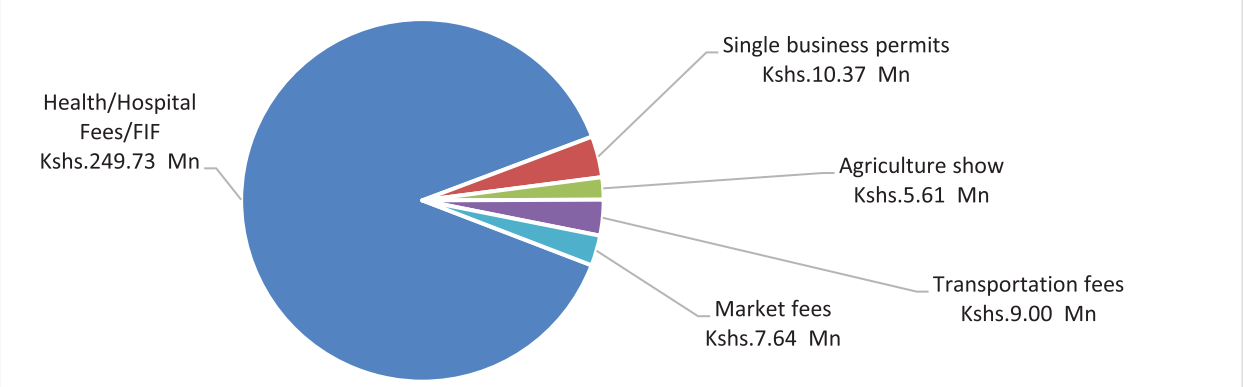


***Source**: Kitui County Treasury*

During the first half of FY 2024/25, the County generated Kshs.324.46 million from its revenue sources, including FIF. This amount was an increase of 64 per cent compared to Kshs.198.30 million realised in a similar period in FY 2023/24. This was 25 per cent of the annual target and 5 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 70.

Figure 70: Top Streams of Own Source Revenue in the First Half FY 2024/25



***Source**: Kitui County Treasury*

The highest revenue stream, Kshs.249.73 million, was from Health/Hospital Fees/FIF, contributing 79 per cent of the total OSR receipts during the reporting period.

3.18.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.75 billion from the CRF account during the reporting period, which comprised Kshs.285.58 million (6 per cent) for development programmes and Kshs.4.46 billion (94 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.68 billion was released towards compensation of employees and Kshs.1.78 billion for operations and maintenance expenditure.

Analysis of the operations and maintenance exchequer releases indicates that 16 per cent was for domestic travel and 2 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.279.10 million, including Kshs.93.33 million for the County Executive and Kshs.114.92 million for the County Assembly. The foreign exchequer totalled Kshs.36.22 million, entirely for the County Assembly.

Table 3.150: Kitui 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	1,384.41	1,088.43	681.74	37.12	49	3
Office of The Deputy Governor	158.2	34.3	70.25	-	44	-
Water & Irrigation	139.45	634.3	82.5	69.12	59	11
Basic Education ICT & Youth Development	941.47	134.74	421.25	12.57	45	9
Roads, Public Works and Transport	214.29	747.91	80.03	26.44	37	4
Health and Sanitation	3,822.66	425.8	2,147.81	12.63	56	3
Trade, industry, MSMEs, innovation and Cooperatives	198.91	639.2	63.18	80.07	32	13
Energy, Environment, Forestry, Natural & Mineral Resources	126.04	371.33	38.83	21.59	31	6
Culture, Gender, Youth, ICT, Sports & Social services	167.16	43.5	41.54	5.82	22	13
Finance, Economic Planning and Revenue Management	443.65	102.79	84.42	-	19	-
Agriculture & Livestock	362.67	574	183.3	5.27	51	0.9
County Assembly	1,246.64	140.9	434.32	-	35	-
Kitui Municipality	80.2	85.91	49	-	62	-
Mwingi Town Administration	69.2	33.35	27.15	-	39	-
County Public Service Board	66.87	24.73	34.09	5.71	51	23
Lands, Housing & urban development	102.23	235.28	20.48	9.25	20	4
Total	**9,524.05**	**5,315.98**	**4,460.23**	**285.59**	**47**	**5**

***Source**: Kitui County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.1.152 billion.

3.18.4 County Expenditure Review

The County spent Kshs.4.74 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.285.59 million and Kshs.4.46 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 5 per cent, while recurrent expenditure represented 47 per cent of the annual recurrent expenditure budget. The over-expenditure is attributed to opening cash balances retained and utilised in the unique purpose bank operational accounts at the beginning of the year for conditional grants and re-voted in the current budget.

3.18.5 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.33 billion for the County Executive as of 30 June 2024. The pending bills consist of Kshs.261.38 million for recurrent expenditures and Kshs.1.07 billion for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.495.73 million, comprising Kshs.59.80 million for recurrent programmes and Kshs.435.93 million for development programmes.

The County Executive did not submit a pending bills payment plan at the commencement of FY 2024/25. However, the plan was submitted in January 2025. Moreover, the County has committed to settle bills amounting to Kshs.835.87 million, which comprises Kshs.634.27 million and Kshs.201.59 million for development and recurrent, respectively.

As of 31 December 2024, the outstanding bills amounted to Kshs.835.87 million for the County Executive.

3.18.6 Expenditure by Economic Classification

The County Executive spent Kshs.2.50 billion on employee compensation, Kshs.1.52 million on operations and maintenance, and Kshs.284.53 million on development activities. Similarly, the County Assembly spent Kshs.180.66 million on employee compensation, Kshs.253.66 million on operations and maintenance, and nil on development activities, as shown in Table 3.151.

Table 3.151: 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	**8,307,733,955**	**1,246,640,989**	**4,018,462,639**	**434,316,744**	**48**	**35**
Compensation to Employees	5,139,226,883	468,287,168	2,498,013,868	180,658,372	49	36
Operations and Maintenance	3,168,507,072	778,353,821	1,520,448,771	253,658,372	48	33
Development Expenditure	**5,177,783,250**	**107,858,553**	**284,534,470**	**-**	**6**	**0**
Total	**13,485,517,205**	**1,354,499,542**	**4,302,997,109**	**434,316,744**	**32**	**31**

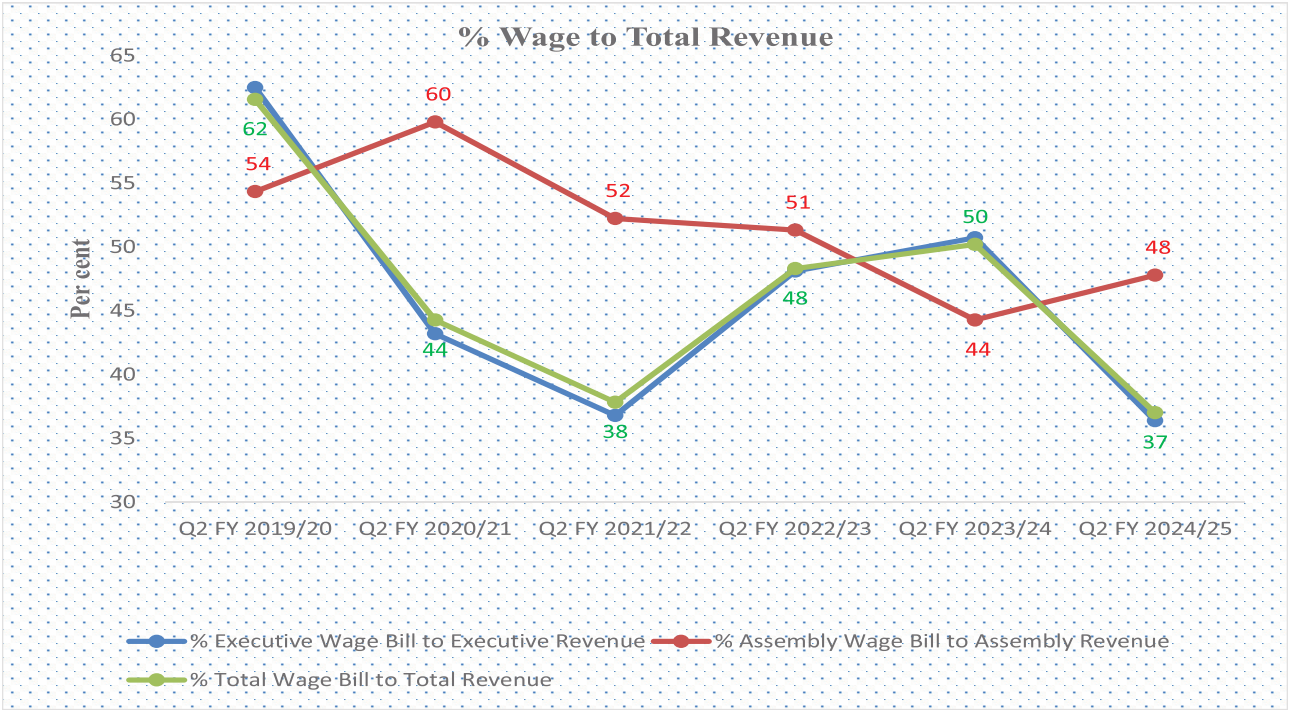
***Source**: Kitui County Treasury*

3.18.7 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.68 billion, or 48 per cent of the available revenue of Kshs.7.20 billion. This expenditure represented a 10 per cent decrease from Kshs.2.96 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.81 billion paid to Health Sector employees, translating to 69 per cent of the total wage bill.

Figure 71 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 71: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2019/20 to the First Half of FY 2024/25



***Source**: Kitui County Treasury*

Further analysis indicates that the entire PE cost of Kshs.2.60 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system.

The County Assembly spent Kshs.16.97 million on committee sitting allowances for the 61 MCAs against the annual budget allocation of Kshs.31.83 million. The average monthly sitting allowance was Kshs.92,721 per MCA. The County Assembly had 22 House Committees.

3.18.8 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.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 3.152 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.152: Performance of County Established Funds in the First Half 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.)
	County Executive Established Funds					
1	Housing loans to public servants	40,000,000	-	-	40,000,000	No
2	Empowerment funds		-	-	160,000,000	No
	County Assembly Established Funds					
3	Kitui County Assembly Car Loan and Mortgage (Members) Scheme Fund	140,594,663	-	-	130,887,928	Yes
4	Kitui County Assembly Service Board Employees' Car Loan & Mortgage Fund	-	-	-	196,207,234	Yes
	Total	**180,594,663**	**-**	**-**	**527,095,162**	

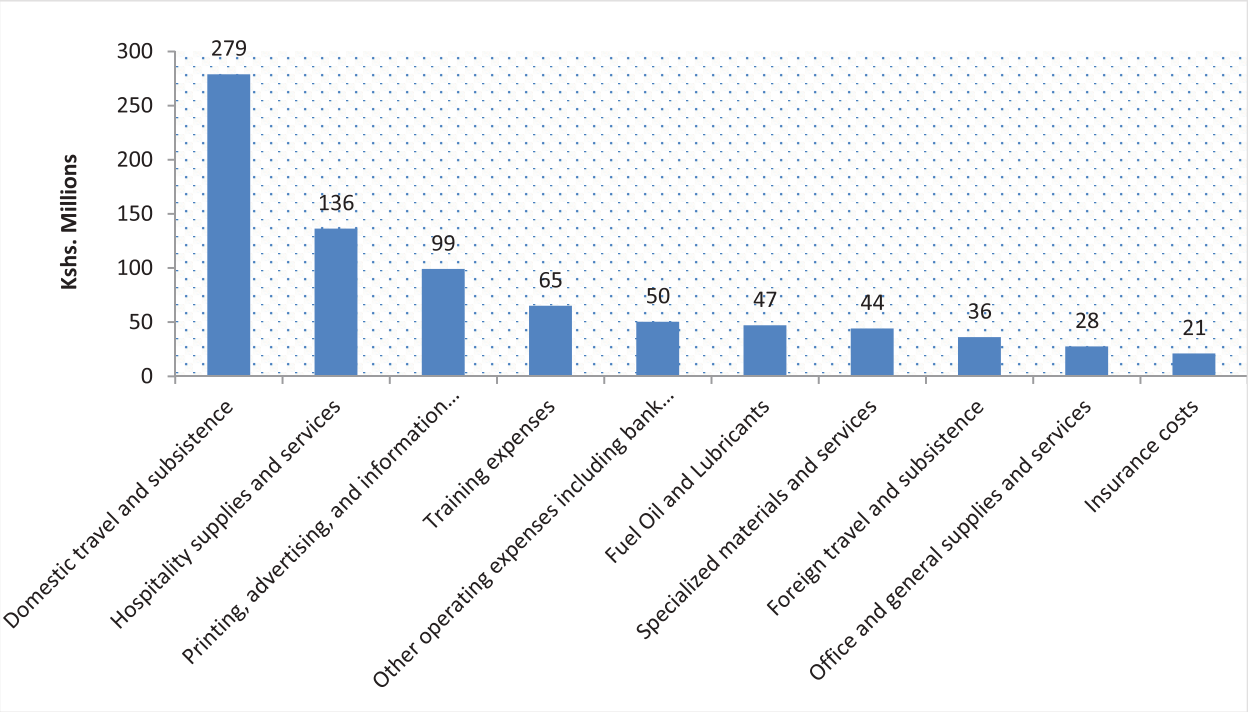
Source: Kitui *County Treasury*

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 Table 3.152, which is in line with the requirement of Section 168 of the PFM Act, 2012.

3.18.9 Expenditure on Operations and Maintenance

Figure 72 summarises the Operations and Maintenance expenditure by major categories.

Figure 72: Kitui County, Operations and Maintenance Expenditure by Major Categories



Source: Kitui *County Treasury*

Expenditure on domestic travel amounted to Kshs.279.09 million and comprised Kshs.70.85 million spent by the County Assembly and Kshs.208.25 million by the County Executive. Expenditure on foreign travel amounted to Kshs.36.22 million by the County Assembly. Expenditure on foreign travel is summarised in Table 3.153.

Table 3.153: Summary of Highest Expenditure on Foreign Travel in the First Half 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	4	25th-29th November 2024	Attending International Programme on Leadership and Excellence from 25th-29th November 2024	Istanbul, Turkey	5,043,760
County Assembly	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	7	25th-29th November 2024	Attending International Programme on the Administration of Integrated Multi-sectoral ECDE Interventions from 25th-29th November 2024	Addis Ababa, Ethiopia	7,029,050
County Assembly	7	14th-18th October 2024	Attending a workshop on Governance and Public Sector Management Training	Addis Ababa, Ethiopia	6,642,020
County Assembly	7	14th-19th October 2024	Agriculture Committee training on Strategies for Advancing Entrepreneurship and Agri-Business Management	Addis Ababa, Ethiopia	6,124,785
County Assembly	2	27th-30th November, 2024	Attending 29th East Africa Law Society Annual Conference	Kampala, Uganda	1,316,310
County Assembly	2	19th-23rd October, 2024	Attending the 17th Africa Colloquium of Legal Counsel to Parliaments	Lilongwe, Zimbabwe	1,502,250

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	5	2nd-6th December 2024	Attending a Masterclass Training of Trainers (TOT) from 2nd-6th December 2024	Arusha, Tanzania	1,981,500
					36,215,925

Source: *Kitui County Treasury*

The operations and maintenance costs include an expenditure of Kshs.3.48 million on legal fees/dues, arbitration and compensation payments, and legal fees.

3.18.10 Facility Improvement Financing

During the period under review, the County reported a collection of Ksh.249.73 million as FIF, which was 42 per cent of the annual target of Kshs.598 million. The collected amount was retained and transferred to the County revenue fund account at the Central Bank of Kenya.

3.18.11 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.284.53 million on development programmes, a decrease of 73 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.1.05 billion. Table 3.154 summarises the development projects with the highest expenditure in the reporting period.

Table 3.154: Kitui 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	Water & Irrigation	Supply of power to the Masinga treatment plant for the month of September 2024	Kitui east	8,000,000.00	7,862,069.00	98 Complete
2	Basic Education ICT & Youth Development	Matinyani Boys Administration Block Project	Kitui West	9,102,112	7,762,281	85 Complete
3	Ministry of Water & Irrigation	Supply of power to the Masinga treatment plant	Kitui Central	7,000,000	6,879,310	98 Complete
3	Roads, Transport, Public Works & Infrastructural Development	Construction of imuumba sumpwell and other civil works at imuumba voo/ kyamatuward	Mwingi west	7,604,024	6,484,388	85 Complete
4	County Public Service Board	Construction of Kitui County Public Service Board Office	Kitui south	5,712,631	4,871,495	85 Complete
5	Water & Irrigation	Pipeline extension from Mukauni Nguutani pipeline extension	Kanyasa Ward	4,995,183	4,259,686	85 Complete
6	Office of the governor	Drift construction along KisIiyo River in Kanzauwu in Chuluni Ward.	Kitui rural	4,983,499	4,249,721	85 Complete
7	Office of the governor	Construction works along the Kathoka stream	Kitui Central	4,963,824	4,232,943	85 Complete
8	Office of the governor	Drift construction along KisIiyo River in Kanzauwu in Chuluni Ward.	Kitui rural	4,983,499	4,249,721	85 Complete
9	Office of the governor	Excavation and fencing of Kitaani Earth Dam	Mwingi central	4,551,750	3,881,544	85 Complete
10	Office of the governor	Construction of Mutwangombe market drift	Kitui Central	4,496,761	3,834,652	85 Complete

Source: *Kitui County Treasury*

3.18.12 Budget Performance by Department

Table 3.155 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.155: Kitui 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	1,384.41	1,088.43	681.74	37.12	681.61	37.01	100	99.7	49.2	3.4
Office of The Deputy Governor	158.20	34.30	70.25	-	69.49	-	98.9	-	43.9	-
Water & Irrigation	139.45	634.30	82.50	69.12	79.13	68.74	95.9	99.4	56.7	10.8
Basic Education ICT & Youth Development	941.47	134.74	421.25	12.57	420.94	12.50	99.9	99.4	44.7	9.3
Roads, Public Works and Transport	214.29	747.91	80.03	26.44	80.03	26.34	100	99.7	37.3	3.5
Health and Sanitation	3,822.66	425.80	2,147.81	12.63	2,146.86	12.55	100	99.4	56.2	2.9
Trade, industry, MSMEs, innovation and Cooperatives	198.91	639.20	63.18	80.07	62.80	80.05	99.4	100	31.6	12.5
Energy, Environment, Forestry, Natural & Mineral Resources	126.04	371.33	38.83	21.59	38.42	21.48	98.9	99.5	30.5	5.8
Culture, Gender, Youth, ICT, Sports & Social services	167.16	43.50	41.54	5.82	41.49	5.80	99.9	99.8	24.8	13.3
Finance, Economic Planning and Revenue Management	443.65	102.79	84.41	-	84.35	-	99.9	-	19.0	-
Agriculture & Livestock	362.70	573.51	183.30	5.27	182.70	5.21	99.7	98.950.4	0.9	
County Assembly	1,246.64	140.90	434.32	-	434.32	-	100	-	34.8	-
Kitui Municipality	80.20	85.90	49.34	-	49.32	-	100	-	61.5	-
Mwingi Town Administration	69.20	33.35	27.15	-	27.02	-	99.5	-	39.0	-
County Public Service Board	66.87	24.73	34.09	5.71	34.00	5.71	99.7	100	50.9	23.1
Lands, Housing & urban development	102.23	235.28	20.48	9.25	20.32	9.12	99.2	98.6	19.9	3.9
	9,524.05	**5,315.96**	**4,460.22**	**285.58**	**4,452.79**	**284.53**	**99.8**	**99.6**	**46.8**	**5.4**

***Source**: Kitui County Treasury*

Analysis of department expenditures shows that the Department of County Public Service Board recorded the highest absorption rate of development budget at 23.1 per cent, followed by the Department of Culture, Gender, Youth, ICT, Sports & Social Services at 13.3 per cent. The Kitui Municipality had the highest percentage of recurrent expenditures to budget at 61.5 per cent, while the Agriculture & Livestock department had the lowest at 0.9 per cent.

3.18.13 Budget Execution by Programmes and Sub-Programmes

Table 3.156 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.156: Kitui County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs. Millions)		Absorption Rate ()	
		Rec	Dev	Rec	Dev	Rec	Dev
3711-Kitui - Office of The Governor							
General Administration Planning and Support Services	0701013710 P1	934.57	955.57	391.40	37.01	42	4
enforcement unit	0703023710 SP2	14.77				0	0
Human Resource Management Unit	070333710 SP 2.2	17.72		17.38		98	0
Special Programmes	0703043710 sp 2.3	8.87				0	0
records management	0703053710 Sp 2.4	12.12				0	0
Policy Development and Coordination	0703053710 sp2.5	5.60				0	0
legal and head of public Services Administration(Office of the County Secretary)	0717033710 P3	19.44		19.31		99	0
Public Communication	0717013710 SP4.1	7.02				0	0
Public Relations and Customer Care	0701023710 SP4.2	3.21				0	0
SEKEB and Intergovernmental Relations	0701033710 SP.3	43.26				0	0
Monitoring and evaluation	0707013710 SP4.4	6.88				0	0
Protocoal Unit	0707013710 SP 4.5	4.98				0	0
Office of the Attorney	0717033710 P5	39.01				0	0
Office of the County Attorney	0717033710 P5	166.05		165.51		100	0
County Government Administration and Field Services	0705013710 SP7.1	68.30	132.85	88.01		129	0
Devolution Services	0705013710 SP7.2	17.60				0	0
Cabient affairs	0709001710 SP.3	15.02				0	0
TOTAL		**1,384.41**	**1,088.43**	**681.61**	**37.01**	49	3
Ministry of Health and Sanitation						0	0
General administration, Planning and Support Services	040113710 P1	991.62	15.00			0	0
Health Standards, Quality Assuarance and standards	0401033710 SP 1.2	3.00				0	0
Health policy, Planning and Financing	0402023710 SP 1.3	101.51	255.53			0	0
county Referral Services	0402013710 SP 2.1	1.37				0	0
Hospital FIF /cost sharing Refunds for 11 County Hospitals	0403033710 SP 2.2	405.59	10.36			0	0
preventive and Promotive Health Services	0403013710 SP 3.1	1,065.10	45.36	1,096.00	12.55	103	28
Primary Care networks	0404013710 SP 3.2	2.00	3.56			0	0
Immunisation and Disease Surveillance	0404033710 SP 3.3	3.24				0	0
Health Promotion sub-programme (HIV/AIDS and TB sub-programme	0403033710 SP 3.3	2.66				0	0
communicable diseases Control(public Health Operations-Programme)	0403013710 SP 3.4	4.04				0	0
Non Communicable Diseases prevention and control	0403023710 SP 3.5	1.68				0	0

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs. Millions)		Absorption Rate ()	
		Rec	Dev	Rec	Dev	Rec	Dev
Health and promotion	0404013710 SP 3.6	2.30				0	0
Specialised Services and Rehabilitative Services sub-programme	0404023710 SP 3.7	3.63				0	0
Curative Health Services	040201310 P4	1,234.91	96.00	542.49		44	0
		3,822.66	**425.80**	**1,638.49**	**12.55**	43	3
County Public Service Board						0	0
General administration, Planning and Support Services	0701013710 p1	43.75	**14.73**	17.54	5.71	40	39
human resource management & development	0713013710 SP2.1	9.43		16.47		175	0
human resource	0713023710 SP2.2	8.02				0	0
Governance and County Values	0714013710 SP3	5.67	10.00			0	0
Total		**66.87**	**24.73**	**34.01**	5.71	51	23
County Assembly						0	0
General administration, Planning and Support Services	0701013710 P1	356.22		160.95		45	0
legislative representation and oversight	0705013710 P2	890.42	140.90	273.36	-	31	0
		1,246.64	**140.90**	**434.32**	-	35	0
Kitui Municipality						0	0
General administration, Planning and Support Services	0201013710 P1	46.02	28.03	18.67		41	0
Control and management of Public Finance	0207023710 P.2	5.80	4.30	21.21		366	0
Planning Development and Contol, transport and infrastructure	0207013710 P.3	4.44	43.50	1.48		33	0
trade development and promotion	0207033710 P.4	9.08	3.00	1.29		14	0
environment, culture, Recreation and Community Development	0207013710 P.5	14.86	7.06	6.67		45	0
Total		**80.20**	**85.90**	**49.32**	-	61	0
Mwingi town Municipality		-				0	0
General administration, Planning and Support Services	0201013710 P1	47.09	5.00	20.11		43	0
Government Building	0109013710 P2	7.40	2.50			0	0
Urban mobility and transport	0207013710 SP3.1	11.74	11.65	6.71		57	0
safety and emergency	0207023710 SP 3.2	0.78				0	0
urban Markets development	0207033710 SP3.3	0.30	2.50			0	0
environmental Policy Management	1001013710 P4	1.47	7.74	0.19		13	0
Devolution Services	0706013710 P5	0.42	3.96			0	0
Total		**69.20**	**33.35**	**27.02**	-	39	0
3728-Office of the Deputy Governor						0	0
General administration and planning	0701013710 P1	27.34		6.75		25	0

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs. Millions)		Absorption Rate ()	
		Rec	Dev	Rec	Dev	Rec	Dev
wildlife conservation and security	1003023710 SP. 2.1	25.97	2.03			0	0
Tourism development and promotion	0305013710 SP2.2	35.53	1.50	40.00		113	0
Tourism infrastructure Development	0305033710 SP2.3	10.71	18.63			0	0
Performance Contracting, disaster and emergency Services	0205013710 SP3.1	46.03		22.74		49	0
disaster and Emergency Services	0717013710 SP3.2	12.62	12.15			0	0
Total		**158.20**	**34.30**	**69.49**	-	44	0
3729-ministry of Water and Irrigation						0	0
General administration and planning	0101013710 p1	96.87		49.64		51	0
Water resource Management services	0101013710 SP2.1	13.60	329.73	19.45	68.74	143	21
water Supply Infrastructure	0111013710 SP2.2	8.85	26.94			0	0
Irrigation Development and Management	0111023710 SP2.3	7.59	102.48	10.05		132	0
irrigation and Drainage infrastructure	0104013710 P3	12.54	175.15			0	0
Total		**139.45**	**634.30**	**79.13**	**68.74**	57	11
3730-Education Training and Skills Development						0	0
General administration, Planning and Support Services	0501013710 P1	799.99		351.61		44	0
Primary Education	0502013710 P2	95.87	72.99	59.35	12.50	62	17
Youth training and development	0503013710 P4	24.61	59.76	9.98		41	0
Quality Assurance and Standards	0503023710 P5	21.00	2.00			0	0
Total		**941.47**	**134.74**	**420.94**	**12.50**	45	9
3731-Ministry Of Roads, public works and transport						0	0
General Administration Planning and support services	0101013710 P1	162.92		68.74		42	0
Government Buildings	0109013710 SP2.1	5.61	9.08	2.28		41	0
Road transport	0110013710 SP2.2	6.28	655.92	1.00	9.92	16	2
Transport and boda boda Sectors	0203013710 P3	39.48	82.91	8.00	16.43	20	20
Total		**214.29**	**747.91**	**80.03**	**26.36**	37	4
						0	0
3732-Ministry of Trade Industry and MSms						0	0
General administration and support H/Qs	0301013710 P1	113.52		40.94		36	0
Trade development and promotion	0301013710 SP2.1	26.82	111.69	8.28	80.05	31	72
Fair Trade Practice and Consumer Protection	030323710 SP2.2	14.72	525.00			0	0

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs. Millions)		Absorption Rate ()	
		Rec	Dev	Rec	Dev	Rec	Dev
Cooperatives Development and Management	0304013710 SP3.1	27.33		13.58		50	0
Market Value Addition and Research	0304023710 SP3.2	16.52	2.50			0	0
Total		**198.91**	**639.19**	**62.80**	**80.05**	32	13
3733-Ministry of Energy Environment and Forestry						0	0
General administration, Planning and Support Services	1001013710 P1	39.83		5.08		13	0
Environment Management and Protection	1002013710 SP2.1	17.24	0.50	7.51		44	0
waste management	1004013710 SP2.2	0.99				0	0
Climate change Adaptation and Mitigation	1003013710 SP2.3	1.05	248.88			0	0
natural Resources Conservation and Management	0701023710 SP2.4	1.75	15.45			0	0
Environmental management and protection	100200 SP2.5	1.30				0	0
Power Transmission and Distribution	1005013710 SP3.1	9.82	40.00			0	0
Alternative Energy Technologies	1006013710 SP3.2	3.93	56.03		21.48	0	38
Community Sensitisation and Awareness creation in mineral-rich areas	1007013710 SP3.3	5.76	2.00			0	0
Training and Capacity Building	1003043710 SP3.4	1.64	0.80			0	0
Mining Policy Development and Coordination (Operationalisation of kitui county River Basins sand Utilisation and Conservation act 2024)	1009013710 SP 3.5	39.50	7.68			0	0
Mineral Resources Development	1008013710 sp3.6	3.23				0	0
Total		**126.04**	**371.33**	**12.59**	**21.48**	10	6
3734-ministry of culture gender Youth ICT sports and social services						0	0
General administration and planning	0301013710 p1	74.13		10.27		14	0
youth Development Services	0506013710 SP 2.1	23.34	2.63	6.21		27	0
ICT Infrastructure Development	0505013710 SP2.2	7.12	2.22			0	0
sports	0306013710 SP2.3	21.86		14.28	5.80	65	0
Development and Management of Sports Facilities	0306023710 SP2.4	0.94	27.94			0	0
Gender	0307023710 SP 3.1	7.07	0.53			0	0
Cultural Conservation of Heritage	0307013710 SP3.2	15.49	10.18	10.73		69	0
Social Development and Children Services	0308013710 SP3.3	14.49				0	0
Child Community Support Services	0308023710 SP3.4	2.71				0	0

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs. Millions)		Absorption Rate ()	
		Rec	Dev	Rec	Dev	Rec	Dev
Total		**167.16**	**43.50**	**41.49**	**5.80**	25	13
3735-Ministry of Finance Economic Planning and Revenue Management					-	0	0
General administration and planning	710013710 P1	282.48	102.79	16.86		6	0
Economic Policy and County Planning	0710013710 SP2.1	21.30		19.65		92	0
Budget Formulation coordination and Management	0712023710 SP2.2	15.13		34.25		226	0
Monitoring and Evaluation Services	0710023710 SP2.3	9.06				0	0
Resource Mobilisation (Revenue Department)	0712013710 SP3.1	33.73				0	0
Audit services	0712033710 SP3.2	6.96		3.63		52	0
Financial Services	071205 SP4.5	13.99		7.54		54	0
Procurement of Goods and Management of services	0704013710 SP3.3	61.01		2.43		4	0
Total		**443.65**	**102.79**	**84.35**	-	19	0
3736-Ministry of Agriculture and Livestock						0	0
general administration and planning	0101013710 P1	216.12		140.71		65	0
Land and Crops Development(crop Development and management)	0102013710 SP2.1	6.91	204.47			0	0
agribusiness and information management(Farm Development and Agribusiness Development and management)	0103013710 SP2.2	42.95	277.91	23.15		0.10	0
Agricultural Extension Services and Training	0103013710 SP2.3	21.39	70.91	0.63		108	0
Fisheries Development and management	0105013710 P3	2.81				0	0
general administration and planning, and support	0101013710 P4	59.69				0	0
livestock resources diseases management and control	0106013710 SP5.1	5.36	9.00			0	0
Livestock Diseases Management and Control	0106023710 SP5.2	7.43	11.22	18.21	5.21	245	46
		362.67	**573.51**	**182.69**	**5.21**	50	1
3737- Lands, Infrastructure, Housing and Urban Development						0	0
General administration planning and sports Services	0101013710 P1	77.56		17.00		22	0
Housing Development and Human Settlement	0107013710 P2.1	2.06				0	0
Land policy and planning	0108013710 P2.2	3.87	23.02	1.47	0.76	38	3
land survey	0108023710 P2.3	5.49			1.80	0	0
Land Adjudication	0108023710 SP2.4	5.14	40.33			0	0

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs. Millions)		Absorption Rate ()	
		Rec	Dev	Rec	Dev	Rec	Dev
Urban Development and Human Settlement	0107013710 P3	8.12	171.93	1.85	6.56	23	4
Total		**102.23**	**235.28**	**20.32**	**9.12**	20	4
TOTAL		**9,524.05**	**5,315.96**	**3,918.58**	**284.53**	**41**	**5**

***Source**: Kitui County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were Water Resource Management services in the Department of Water and Irrigation at 143 per cent,

Irrigation Development and Management in the Department of Water and Irrigation, at 132 per cent, was followed closely by County government administration and field services in the Department of Office of the Governor, at 129 per cent.

3.18.14 Accounts Operated Commercial Banks

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.

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.

3.18.15 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 24 January 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 empowerment fund were not submitted to the Controller of Budget.
iii. The high pending bills amounted to Kshs.835.87 million as of 31 December 2024.
iv. High wage bills accounted for 38 per cent of the County's total revenue in FY 2024/25, which is above the ceiling provided in law.
v. Use of manual payroll. Personnel emoluments amounting to Kshs.89.58 million were processed through manual payroll, accounting for 3 per cent of the total payroll cost. 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 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. County leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the next financial year. Further, compliance with the payment plan should be enforced.
iv. The County Leadership should develop strategies to ensure the wage bill is within the legal limit of 35 per

cent of total revenue as provided under Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.

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.*

3.19. 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) allocation for development and recurrent programmes, respectively. The budget estimates represent a marginal increase of less than 1 per cent from the FY 2023/24 budget, comprised a development budget of Kshs.7.25 billion and a recurrent budget of Kshs.7.73 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) 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/conditional grants is in Table 3.157.

3.19.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.5.47 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.58 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.164 million. In addition, the County had a cash balance of Kshs.1.67 billion from FY 2023/24.

The total OSR collection of Kshs.164 million includes Facilities Improvement Financing (FIF) of Kshs.84 million, and Kshs.80 million as ordinary OSR. Table 3.157 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.157: Kwale County, Revenue Performance in the First Half 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 -**	**8,887,499,175**	**3,579,545,736**	
Subtotal		**8,887,499,175**	**3,579,545,736**	**40**
B	**Additional Allocations from the National government**			**0**
1	Community Health Promoters(CHPs) Project	59,140,000	-	-
2	Road Maintenance Levy Fund (RMLF-KRB)	0	-	-
3	Kenya Devolution Support Programme (KDSP)- Level 1 Grant	37,500,000	-	-

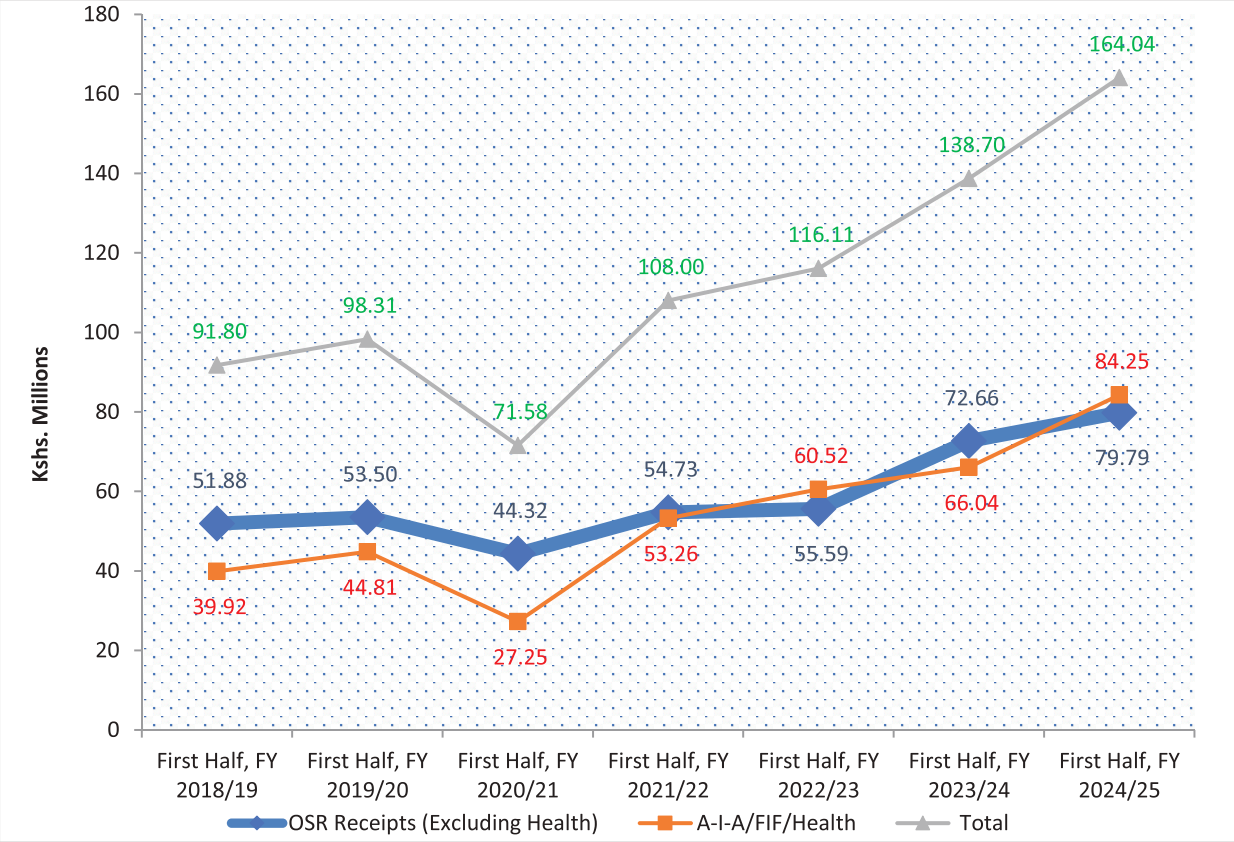
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
4	Aggregated Industrial Park Programme Grant	250,000,000	52,631,578.00	0.21
5	Allocation for Mining Royalties(Unconditional Grant)	0	-	-
Subtotal		**346,640,000**	**52,631,578.00**	15
C	**Additional Allocations from development partners**			
7	Primary Healthcare in Devolved Context (DANIDA)	39,553,000	**0**	-
8	National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	**0**	-
9	National Agricultural Value Chain Development Project Surplus from Exchange Rate Variation	4,701,951	**0**	-
10	Kenya Agricultural Business Development Project (KABDP)-SIDA Grant	10,918,919	**0**	-
	Water and Sanitation Development Project (WSDP)	1,000,000,000		-
11	Kenya Informal Settlement Improvement Project KISIP II	120,188,971	**0**	-
12	Financing Locally-Led Climate Action (FLLoCA)-Institutional Grant	11,000,000	**0**	-
13	World Bank Loan for Kenya Urban Support Program	35,000,000		-
	United Nations Fund for Population Activities (UNFPA)	6,660,000	**0**	-
	Subtotal	**1,379,537,993.00**	**0**	
D	**Own Source Revenue**			
14	Own Source Revenue	350,000,000	79,789,612.00	23
15	Appropriation in Aid (Facility Improvement Fund-FIF)	300,000,000	84252366	28
Subtotal		**650,000,000**	**164,041,978.00**	25
D	**Other Sources of Revenue**			
16	Unspent balance from FY 2023/24	3,775,541,682.61	1,671,799,197	44
17	Other Revenues (provide a list)	0	0	0
Sub Total		**3,775,541,683.00**	**1,671,799,197**	44
Grand Total		**15,039,218,851.00**	**5,468,018,489.30**	**36**

Source: *Kwale County Treasury*

The County does not have governing legislation on the operation of ordinary A-I-A and FIF; hence, all the revenue collected is swept to the CRF.

Figure 73 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 73: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

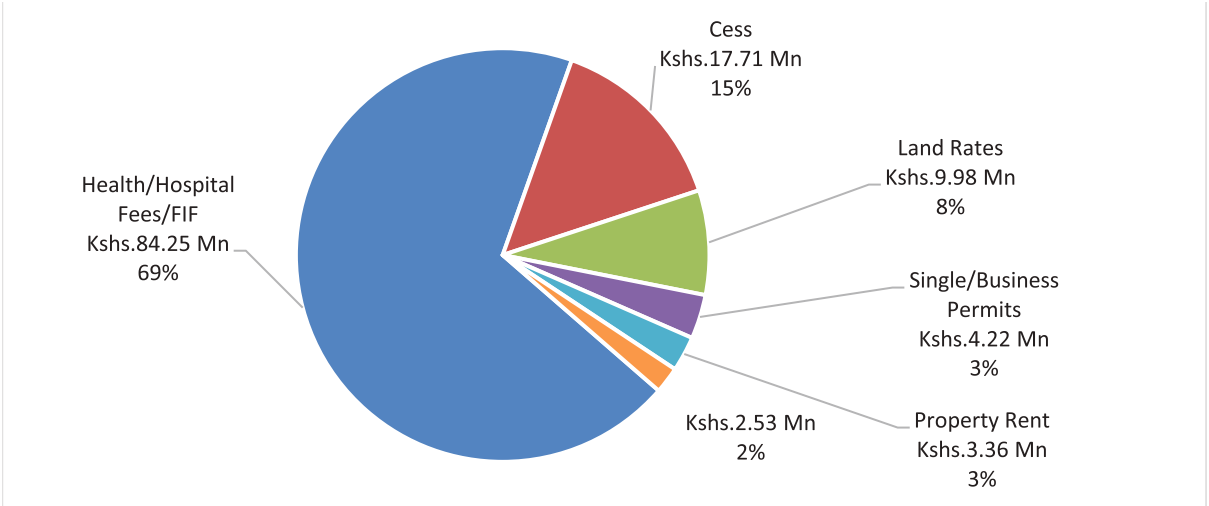


Source: *Kwale County Treasury*

During the first half of FY 2024/25, the County generated Kshs.164 million from its revenue sources, including AIA and FIF. This amount was an increase of 18 per cent compared to Kshs, 138 million realised in a similar period in FY 2023/24, 25 per cent of the annual target and 3.8 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 74.

Figure 74: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Kwale County Treasury

(The highest revenue stream of Kshs.84 million was from the facility improvement fund, contributing to 69 per cent of the total OSR receipts during the reporting period.

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.5.30 billion from the CRF, including over Kshs.500 million approved requests for the previous financial year, were debited immediately in July of the current financial year. For the current amount, it is comprised of Kshs.1.37 billion (34 per cent) for development programmes and Kshs.2.71 billion (66.3 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.91 billion was released towards compensation of employees and Kshs.794 million for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to the county's late requisition plan.

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.1.04 billion

Analysis of the operations and maintenance exchequer releases indicates that 11.8 per cent was for domestic travel and 1.32 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.31.7 million, including Kshs.0.1 million for the County Executive and Kshs.31.6 million for the County Assembly. The foreign exchequer totalled Kshs.0.5 million for the County Executive, and the County Assembly has no foreign travel.

Table 3.158: Kwale County, Budget Allocation and Exchequer Issued by Department

Departments	Approved Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Approved Budget Estimates ()	
	Rec	Dev	Rec	Dev	Rec	Dev
Finance and Economic Planning	922,016,217	27,557,017	373,160,326	-	40	-
Agriculture, Livestock and Fisheries	195,106,635	428,018,962	81,446,831	87,761,816	42	21
Land, Environment, Mining and natural resources	131,520,902	637,612,247	41,824,747	27,812,650	32	4
Medical and Public Health Services	3,057,898,446	337,105,406	1,128,241,966	110,225,796	37	33
County Assembly	799,893,995	439,415,654	255,100,503	-	32	-
Trade, Investment and Co-operative Development	115,461,097	630,470,390	31,421,073	114,391,302	27	18
Community Development	126,124,863	304,110,942	36,411,846	141,570,170	29	47
Executive Services	163,967,428	-	51,758,474	-	32	-
Education	1,303,382,385	427,390,361	437,523,985	85,250,705	34	20
Water Services	143,291,246	1,935,539,952	36,133,982	380,666,429	25	20
Roads and Public Works	180,678,096	1,078,912,721	49,740,613	129,471,025	28	12
Tourism and ICT	106,219,662	43,050,844	21,743,780	10,061,134	20	23
County Public Service Board	85,027,980	15,000,000	23,337,873	1,032,125	27	7
Public Service & Administration	326,008,673	-	116,787,927	-	36	-
Kwale Municipality	44,500,203	112,459,627	3,407,243	51,565,116	8	46
Diani Municipality	55,432,502	118,781,066	7,334,075	27,823,950	13	23
County Attorney	198,133,070	62,531,202	3,957,870	37,029,277	2	59
Lunga Lunga Municipality	23,410,676	57,723,102	2,649,663	13,137,654	11	23
Kinango Municipality	24,187,215	268,733,381	1,851,323	64,756,849	8	24
Preventive Health Services	112,144,685	-	1,936,812	-	2	-
Total	**8,114,405,976**	**6,924,412,874**	**2,705,770,913**	**1,378,141,788**	**33**	**20**

***Source**: Kwale County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.1.04 billion.

3.19.5 County Expenditure Review

The County spent Kshs.4.45 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.1.65 billion and Kshs.1.37 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 24 per cent, while recurrent expenditure represented 36 per cent of the annual recurrent expenditure budget.

3.19.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.2.43 billion as of 30 June 2024. This includes Kshs.2.13 billion from the County Executive and Kshs.3.00 million from the County Assembly. The pending bills from the County Executive consist of Kshs.1.10 million for recurrent expenditures and Kshs.1.01 billion for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.1.67 billion, comprising Kshs.6.61 million for recurrent programmes and Kshs.1.01 billion for development programmes. Meanwhile, the County Assembly settled no pending bills worth Kshs.3.00 million, which included Kshs.1.14 million for recurrent activities and Kshs.1.86 million for development activities. The assembly made the request for these pending bills, but the controller of the budget did not grant the approval but later approved it in January 2025.

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.9.00 million in the first half of FY 2024/25. However, the County did not fully adhere to this payment plan, clearing Kshs.1.67 billion for the Executive. The county assembly did not pay any pending bills.

As of 31 December, 2024, the outstanding bills amounted to Kshs.7.63 million, comprising Kshs.4.62 Million for the County Executive and Kshs.3.01 million for the County Assembly.

3.19.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.75 billion on employee compensation, Kshs.9.60 million on operations and maintenance, and Kshs.1.65 billion on development activities. Similarly, the County Assembly spent Kshs.1.07 million on employee compensation, Kshs.1.95 million on operations and maintenance, and none on development activities, as shown in Table 3.159.

Table 3.159: Summary of Budget and Expenditure by Economic Classification

Expenditure classification	Revised Gross Budget (Kshs.)		Expenditures		Absorption	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	7,309,911,981	799,893,995	2,706,375,960	107,172,912	37	13
Compensation to Employees	3,352,158,937	308,612,771	1,746,057,970	107,172,912	52	35
Operations and Maintenance	3,957,753,044	491,281,224	960,317,990	195,953,860	24	40
Development Expenditure	6,587,307,468	439,415,654	1,645,754,727	-	25	
Total	**13,897,219,449**	**1,239,309,649**	**4,352,130,687**	**107,172,912**	**31**	**9**

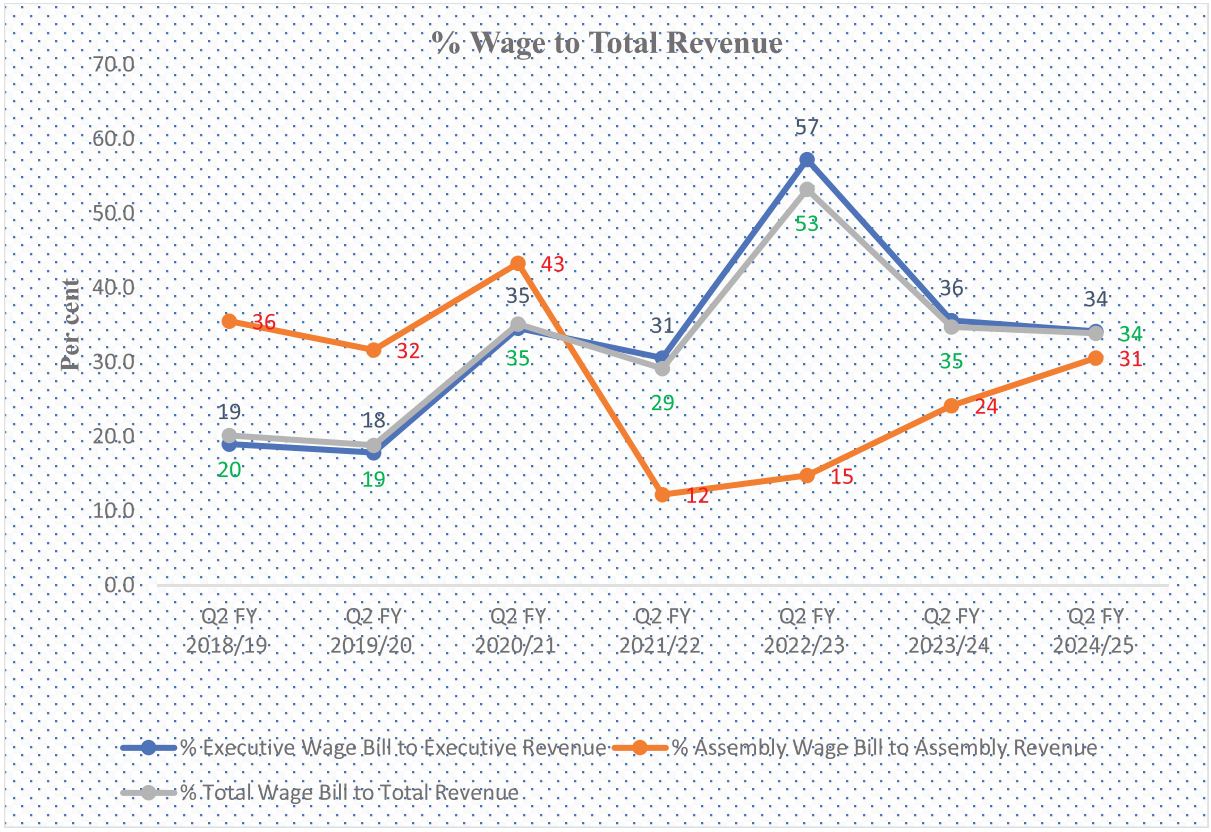
***Source**: Kwale County Treasury*

3.19.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.85 billion, or 33 per cent of the available revenue of Kshs.5.47 billion. This expenditure represented an increase from Kshs.1.66 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.30 billion paid to the Health Sector employees, translating to 70 per cent of the total wage bill.

Figure 75 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 75: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Kwale County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.81 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.33.8 million was processed through manual payrolls, which accounted for 2 per cent of the total PE cost.

The County Assembly spent Kshs.6.6 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.71,275 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. The County allocated Kshs.969.05 million to County-Established funds in FY 2024/25, (less than 1 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 3.160: Summarises each established Fund's budget allocation and performance during the reporting period.

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/2025 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure	Cumulative disbursements to the fund as of 31 December 2024 (Kshs.)	Submission of financial statements as of 31 December 2024
1	Kwale County Bursary Fund	500,000,000	100,000,000	152,635,869.00	156,210,000.00	Yes
2	Kwale County Youth, Women and Persons with Disability Revolving Fund				44,344,900.00	Yes
3	Kwale County Climate Change Fund	411,049,439.00	11,000,000.00	720,300.00	11,000,000.00	No

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/2025 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure	Cumulative disbursements to the fund as of 31 December 2024 (Kshs.)	Submission of financial statements as of 31 December 2024
4	Kwale County Trade Revolving Funds				98,793,879.00	Yes
5	Kwale County Emergency Fund	5,000,000.00		600	31,228,783.85	Yes
	Subtotal	916,049,439.00	111,000,000	153,356,769.00	341,577,562.85	
	County Assembly					
	Kwale County Assembly Members and Staff Loan Scheme Fund	53,000,000	-	-	-	Yes
	Subtotal	53,000,000				
Total		969,049,439.00	111,000,000.00	153,356,769.00	341,577,562.85	-

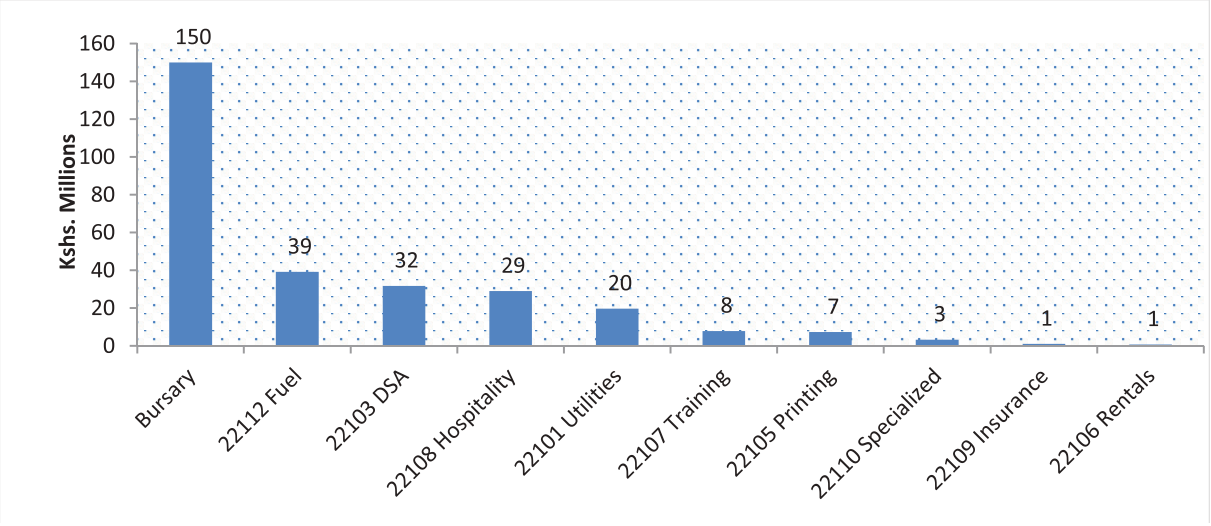
Source: *Kwale County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from the Kwale County Climate Change Fund Administrator, as indicated in Table 3.160, contrary to the requirement of Section 168 of the PFM Act, 2012.

3.19.10 Expenditure on Operations and Maintenance

Figure 76 summarises the Operations and Maintenance expenditure by major categories.

Figure 76: Kwale County, Operations and Maintenance Expenditure by Major Categories



Source: *Kwale County Treasury*

Expenditure on domestic travel amounted to Kshs.13.2 million and comprised Kshs.13.1 million spent by the County Assembly and Kshs.0.1 million by the County Executive. Expenditure on foreign travel amounted to Kshs.0.5 million by the County Executive, and the County Assembly has no expenditure on foreign travel. Expenditure on foreign travel is summarised in Table 3.161.

Table 3.161: Summary of Highest Expenditure on Foreign Travel in the First Half 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	1	7/11/-22/11/2024	Uganda -Kenya Conference Exhibition	Uganda	506,815

Source: Kwale County Treasury

3.19.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.84 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 line with the Facility Improvement Financing Act, 2023.

The expenditure by the health facilities amounted to Kshs.46.1, as shown in Table 3.162.

Table 3.162: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

Name of the facility	Approved Budget for the facility (Kshs.)	Actual Expenditure	Absorption Rate (Kshs.)
Lunga Lunga Sub County Hospital	25,000,000	4,168,616.00	17
Kwale sub-county Hospital	40,000,000	6,672,179.70	17
Msambweni county hospital	84,000,000.00	25,612,044.80	30
Samburu Hospital	25,000,000.00	1,799,157.00	7
Kinango Hospital	35,000,000.00	7,846,000.00	22
TOTAL	**209,000,000**	**46,097,997.50**	22

Source: *Kwale County Treasury*

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

3.19.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.1.6 billion on development programmes, representing an increase of 54 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.1.1 million. Table 3.163 summarises development projects with the highest expenditure in the reporting period.

Table 3.163: Kwale County, List of Development Projects with the Highest Expenditure

Sector	Project Name	Project Location	Contract Sum(Kshs.)	Amount Paid to Date (Kshs.)	Implementation Status (%)	Remarks
Water Services	Water Sanitation and Development Project	Kwale HQ	1,000,000,000	214,830,000	21	Ongoing
Community Development	Construction of Kwale Stadium	Tsimba/ Golini	178,599,801	170,788,878	96	Ongoing
Education	Domestic Payables from Previous Financial Years	Whole County	271,128,481	97,335,734	36	Finished
Rural-Urban Development	Tarmacking of National Cereals and Produce Board - Godoni - Chitsanze Roade Phase 3	Tsimba/ Golini	147,441,525	93,950,667	64	90% Complete
Trade and Enterprise Development	Kwale County Aggregation and Industrial Park, Mwananyamala in Lunga Lunga - County Contribution	Mwananyamala	497,431,884	61,266,146	12	Ongoing
Assembly	Hansard Equipments	Tsimba/ Golini	110,000,000	47,501,722	43	Ongoing
Water Services	Construction of Kilibasi Dam Phase I in Mackinnon Road Ward	Mackinnon Ward	103,472,451	42,740,719	41	Paid
Water Services	Construction of Umoja Dama Phase I (Treatment facility/ storage and piping) in Mwereni Ward	Mwereni Ward	78,462,062	40,000,000	51	Not Paid
Trade and Enterprise Development	County Contribution to Aggregated Industrial Park Grant	Mwananyamala	497,431,884	38,000,000	8	Ongoing

Sector	Project Name	Project Location	Contract Sum(Kshs.)	Amount Paid to Date (Kshs.)	Implementation Status (%)	Remarks
Roads	Flagship Project 4: Upgrading to Bitumen Standard of Vinuni - Twi Sokoni Road - Phase II	Tiwi Ward	226,138,864	35,000,000	15	In progress

Source: *Kwale County Treasury*

3.19.13 Budget Performance by Department

Table 3.164 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.164: Kwale 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
Finance and Economic Planning	922.02	27.56	373.16	0.00	321.69	-	86	-	35	-
Agriculture, Livestock and Fisheries	195.11	428.02	81.45	87.76	77.50	180.61	95	206	40	42
Land, Environment, Mining and natural resources	131.52	637.61	41.82	27.81	25.06	48.02	60	173	19	8
Medical and Public Health Services	3,057.90	337.11	1,128.24	110.23	1,101.89	110.23	98	100	36	33
County Assembly	799.89	439.42	255.10		97.20	-	38		12	-
Trade, Investment and Co-operative Development	115.46	630.47	31.42	114.39	30.48	62.22	97	54	26	10
Community Development	126.12	304.11	36.41	141.57	50.33	147.28	138	104	40	48
Executive Services	163.97	0.00	51.76	0.00	47.08		91	-	29	-
Education	1,303.38	427.39	437.52	85.25	585.99	134.52	134	158	45	31
Water Services	143.29	1,935.54	36.13	380.67	53.35	511.10	148	134	37	26
Roads and Public Works	180.68	1,078.91	49.74	129.47	49.30	231.29	99	179	27	21
Tourism and ICT	106.22	43.05	21.74	10.06	56.84	11.09	261	110	54	26
County Public Service Board	85.03	15.00	23.34	1.03	14.47	-	62	-	17	-
Public Service & Administration	326.01	0.00	116.79	0.00	114.96	-	98	-	35	-
Kwale Municipality	44.50	112.46	3.41	51.57	2.58	57.62	76	112	6	51
Diani Municipality	55.43	118.78	7.33	27.82	13.35	36.57	182	131	24	31
County Attorney	198.13	62.53	3.96	37.03	54.65	-	1,381	-	28	-
Lunga Lunga Municipality	23.41	57.72	2.65	13.14	4.13	37.03	156	282	18	64
Kinango Municipality	24.19	268.73	1.85	64.76	0.91	13.41	49	21	4	5
Preventive Health Services	112.14	0.00	1.94	0.00	4.60	64.76	238	-	4	-
Total	**8,114.41**	**6,924.41**	**2,705.77**	**1,378.14**	**2,706.38**	**1,645.75**	**100**	**119**	**33**	**24**

Source*: Kwale County Treasury*

Analysis of department expenditure shows that the Lungalunga Municipality recorded the highest absorption rate of the development budget at 64 per cent, followed by the Kwale Municipality at 51 per cent. The Department of Tourism had the highest percentage of recurrent expenditure to budget at 53 per cent, while the Kinango municipality had the lowest at 3.7 per cent.

Expenditure performance to exchequer issues that are above 100 per cent are a result of the County utilising balances in the special purpose accounts (SPA).

3.19.14 Budget Execution by Programmes and Sub-Programmes

Table 3.165 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.165: Kwale County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Million)		Actual Expenditure as of 31st December 2024 (Kshs.Million)		Absorption Rate ()	
		Rec	Dev	Rec	Dev	Rec	Dev
Finance and Economic Planning							
102003060							
	102053060 - General administration and support services	169.51	715.40	43.75	204.87	26	29
	102063060 - Personnel Services	74.71		79.58		107	-
	102073060 - Urban Development Support Services	17.50		0.00		-	-
105003060	LAND MANAGEMENT FOR SUSTAINABLE DEVELOPMENT						
	105013060 - Establishment of squatter settlement schemes	5.75	-31.28	0.00	0.00	-	-
	105033060 - Identification and acquisition of land for development		-4.00		0.00	-	-
106003060	FOREST DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT						
	106023060 - County Environmental Awareness Initiative	4.60	41.53	0.00	4.65	-	11
107003060	CROP DEVELOPMENT AND MANAGEMENT						
	107013060 - Crop Production and Food Security	0.87	96.45	0.00	65.33	-	68
	107023060 - Agricultural Extension, Research and Training	0.18		0.00		-	-
	107033060 - Farm Land Utilization, Mechanization and Crop Storage	6.04	7.00	0.10	4.22	2	60
108003060	LIVESTOCK DEVELOPMENT AND MANAGEMENT						
	108013060 - Dairy and Meat Production	0.72		0.00		-	-
	108023060 - Value Addition of Livestock and Livestock Products		10.69		0.00	-	-
	108033060 - Livestock Disease Control	0.19	-12.45	0.05	0.00	27	-
109003060	FISHERIES DEVELOPMENT						
	109013060 - Fish Production Management	0.26		0.05		19	-
	109023060 - Value Addition and Marketing		3.06		0.00	-	-
111003060	-						
	111013060 - kwale municipality	0.00	84.46	0.00	57.62	-	68
112003060	-						
	112013060 - Diani Municipality	0.00	62.78	0.00	36.57	-	58
202003060	INFRASTRUCTURE AND PUBLIC WORKS						
	202013060 - Rehabilitation of Roads, Drainage and Bridges		-102.86		0.00	-	-
203003060	COUNTY ELECTRIFICATION						
	203013060 - Installation of Street Lighting Facilities		-21.10		0.00	-	-
301003060	TRADE DEVELOPMENT PROGRAMME						
	301013060 - Building capacity of traders for better market access	5.10	1.60	0.47	0.00	9	-
	301033060 - Market infrastructure development		-1.00		0.00	-	-

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Million)		Actual Expenditure as of 31st December 2024 (Kshs.Million)		Absorption Rate ()	
		Rec	Dev	Rec	Dev	Rec	Dev
	301043060 - Enforcement of Weights & Measures Act	1.69		0.29		17	-
302003060	INVESTMENT PROMOTION FOR TRADE EXPANSION						
	302023060 - Investment publicity and promotion	3.01		0.22		7	-
304003060	TOURISM DEVELOPMENT						
	304013060 - Tourism promotion	1.74	-31.50	0.45	0.00	26	-
305003060	GENERAL ADMINISTRATION PLANNING AND SUPPORT SERVICES						
	305013060 - Personnel Services	56.14		47.65		85	-
	305023060 - Administration Services	198.62	889.09	86.98	304.60	44	34
306003060	- MARKET INFRASTRUCTURE DEVELOPMENT						
	306013060 - Rehabilitation of Existing Markets	1.45		0.32		22	-
	306023060 - Construction of New Markets		-5.03		0.00	-	-
307003060	INVESTMENT PROMOTION AND DEVELOPMENT						
	307013060 - Investment Promotion Services	2.98	191.84	0.24	0.00	8	-
308003060	ICT INFRASTRUCTURAL DEVELOPMENT						
	308013060 - Local Area Network Installation/ ICT Support	3.99	-1.60	0.00	0.00	-	-
401003060	PREVENTIVE, PROMOTIVE AND REHABILITATIVE HEALTH SERVICES						
	401013060 - Community health strategy	5.93		0.00		-	-
	401053060 - Public health Hygiene	4.29		0.45		10	-
402003060	CURATIVE HEALTHCARE SERVICES						
	402023060 - Operational Rural Health Facilities	1.94	-11.00	0.00	0.00	-	-
	402043060 - Medical Health Drugs	502.79		88.65		18	-
403003060	GENERAL ADMINISTRATION HEALTH RESEARCH AND PLANNING						
	403013060 - General Administration	359.48	199.47	225.90	111.77	63	56
	403053060 - Personnel Services	822.46		787.17		96	-
405003060	MSAMBWENI HOSPITAL						
	405013060 - Msambweni Hospital	42.00	17.18	0.00	0.00	-	-
406003060	KINANGO HOSPITAL						
	406013060 - Kinango Hospital	17.50	28.51	0.00	0.00	-	-
407003060	KWALE HOSPITAL						
	407013060 - Kwale Hospital	20.00	-4.22	0.16	0.00	1	-
408003060	TIWI RURAL HEALTH FACILITY						
	408013060 - Tiwi Rural Health Facility	1.09	2.51	0.00	0.00	-	-
409003060	SAMBURU HOSPITAL						
	409013060 - Samburu Hospital	12.50	20.70	0.00	0.00	-	-
410003060	LUNGA LUNGA HOSPITAL						
	410013060 - Lunga Lunga Hospital	12.50	3.60	0.00	0.00	-	-
412003060	RURAL HEALTH FACILITIES						
	412013060 - Rural Health Facilities	55.70	176.05	4.15	63.22	7	36
413003060	Diani Health Centre						
	413013060 - Diani Health Centre	6.00		0.00		-	-
501003060	EARLY CHILDHOOD AND YOUTH TRAINING.						
	501013060 - Early childhood and development	22.72		0.50		2	-
	501043060 - Infrastructure Development		7.40		0.00	-	-
502003060	GENERAL ADMINISTRATION PLANNING AND SUPPORT SERVICES						
	502013060 - Administration Planning and support services	75.14	271.13	64.39	134.52	86	50
	502023060 - Personnel Services	295.05		300.56		102	-
503003060	YOUTH TRAINING AND DEVELOPMENT						

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Million)		Actual Expenditure as of 31st December 2024 (Kshs.Million)		Absorption Rate ()	
		Rec	Dev	Rec	Dev	Rec	Dev
	503013060 - Administration	4.35		0.54		12	-
	503023060 - Infrastructure Development		-10.53		0.00	-	-
504003060	SCHOLARSHIP AND BURSARY						
	504013060 - Scholarship and Bursary	250.00		220.00		88	-
702003060	STRENGTHENING CITIZEN PARTICIPATION IN GOVERNANCE						
	702013060 - County Coordination Services	3.52		0.00		-	-
703003060	MANAGEMENT OF PUBLIC FINANCIAL RESOURCES						
	703023060 - Budget formulation, coordination and management	46.66		25.41		54	-
704003060	GENERAL ADMINISTRATION AND SUPPORT SERVICES						
	704013060 - Audit Services	519.22		281.92		54	-
	704043060 - General Administration	857.04	255.94	309.81	0.00	36	-
705003065							
	705013060 Oversight and legislation of county affairs	187.50	70.04	8.54		5	-
706003060	HUMAN RESOURCE CAPITAL PLANNING AND DEVELOPMENT						
	706013060 - Human Resource Planning	22.83	7.50	1.12	0.00	5	-
	706023060 - Transformation of service delivery in the public service	2.50		0.00		-	-
	706043060 - Compensation to employees	15.09		13.36		89	-
	706053060 - Human Resource Planning	1.50		0.00		-	-
	706063060 - Staff Rationalization	0.50		0.00		-	-
707003060	PUBLIC SECTOR ADVISORY SERVICES						
	707033060 - Media and Communication Services	3.08		0.00		-	-
708003060	COORDINATION OF COUNTY POLICY FORMULATION						
	708033060 - County compliance and enforcement	2.15		0.90		42	-
710003060	RESOURCE MOBILIZATION AND MANAGEMENT						
	710013060 - Revenue Collection Management	24.32	10.00	0.00	0.00	-	-
711003060	PUBLIC FINANCE MANAGEMENT						
	711013060 - Public Finance and Accounting Services	7.95		0.40		5	-
	711023060 - Procurement Services	3.01		0.36		12	-
	711033060 - Risk Assurance Services	4.24		1.14		27	-
712003060	SUB COUNTY ADMINISTRATION						
	712013060 - Sub-County Admin Msambweni	3.60		1.90		53	-
	712023060 - Sub County Admin Lunga Lunga	4.29		1.45		34	-
	712033060 - Sub County Admin Matuga	3.62		1.20		33	-
	712043060 - Sub County Admin Kinango	2.39		1.12		47	-
713003060	COMPLIANCE AND ENFORCEMENT						
	713013060 - County garbage and Cleaning Services	3.10		1.20		39	-
714003060							
	714013060 - General Administration Livestock Development	3.02		0.00		-	-
903003060	COMMUNITY DEVELOPMENT AND SOCIAL SERVICES						
	903013060 - Social services	-1.75	-14.00	0.00	0.00	-	-
	903023060 - Community development	2.61	-2.26	0.57	0.00	22	-
	903033060 - Drug and substance abuse management	3.00		1.90		63	-

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Million)		Actual Expenditure as of 31st December 2024 (Kshs.Million)		Absorption Rate ()	
		Rec	Dev	Rec	Dev	Rec	Dev
904003060	CULTURE AND HERITAGE						
	904013060 - Protection and promotion of positive culture and heritage	5.66		2.23		39	-
905003060	SPORTS AND YOUTH DEVELOPMENT						
	905013060 - Youth sporting talent search and development	4.86		1.49		31	-
	905023060 - Sports development program		76.67		74.23	-	97
906003060	GENERAL ADMINISTRATION PLANNING AND SUPPORT SERVICES						
	906013060 - Personnel Services	17.91		16.21		90	-
	906023060 - Administration Services	36.93	126.61	27.93	73.05	76	58
1001003060	DEVELOPMENT/CONSTRUCTION & MAINTENANCE OF WATER SUPPLY SYSTEMS						
	1001023060 - Construction and maintenance of water pipeline supply systems		-19.85		0.00	-	-
	1001033060 - Development of Borehole water supply systems		-1.53		0.00	-	-
	1001043060 - Development/Construction of Surface water supply systems		-18.77		0.00	-	-
	1001063060 - Community Water Project		3.74		0.00	-	-
1002003060	GENERAL ADMINISTRATION PLANNING AND SUPPORT SERVICES						
	1002013060 - Personnel Services	21.86		19.48		89	-
	1002023060 - Administration Services	72.16	1,262.74	34.12	511.10	47	40
	GRAND TOTAL	**4,950.84**	**4,350.69**	**2,706.38**	**1,645.75**	**55**	**38**

***Source**: Kwale County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were personnel under the finance department, tourism and ICT, and Health and infrastructure, which were all above 80 per cent absorption rate.

3.19.15 Accounts Operated Commercial Banks

The County government operated a total of 66 accounts with 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.

3.19.16 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 31 January 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 report for the Kwale Climate Change Fund was not submitted to the Controller of Budget as of 15th January 2025.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.33.8 million 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.
iv. 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.
v. The programmes and sub-programmes in Table 3.165 were not aligned with the approved budget for each department;

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 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 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.*
iv. *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.*

3.20. County Government of Laikipia

3.20.1 Overview of FY 2024/25 Budget

The Laikipia County approved FY 2024/25 budget was Kshs.8.05 billion. It comprised Kshs.3.15 billion (39 per cent) and Kshs.4.89 billion (61.0 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.798.58 million (11 per cent) from the FY 2023/24 budget, comprised of a development budget of Kshs.2.37 billion and a recurrent budget of Kshs.4.87 billion. The increase in the county government budget was attributed to the increase in recurrent balance.

The Laikipia County Government budget will be financed from different sources of revenue. These include Kshs.5.57 billion (69 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.850.57 million as additional allocations/conditional grants, a cash balance of Kshs.145.84 million (5 per cent) brought forward from FY 2023/24, and Kshs.1.47 billion (18 per cent) generated as gross own-source revenue. The own source revenue includes Kshs.30.0 million (less than 1 per cent) as Appropriations-in-Aid (A-I-A), Kshs.602.5 million (8 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.842.5 million (11 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants.

3.20.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.3.28 billion to fund its development and recurrent activities. This amount consisted of Kshs.2.23 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.151.69 million, and its own source revenue (OSR) collection of Kshs.467.91 million. In addition, the County had a cash balance of Kshs.428.66 million from FY 2023/24. This detailed breakdown of the County's revenue performance provides a clear picture of its financial status.

The total OSR collection of Kshs.467.91 million includes Appropriations in Aid (AIA) of Kshs.8.62 million, Facilities Improvement Financing (FIF) of Kshs.308.97 and Kshs.158.94 million as ordinary OSR. Table 3.166 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.166: Laikipia County, Revenue Performance in the First Half of FY 2024/25

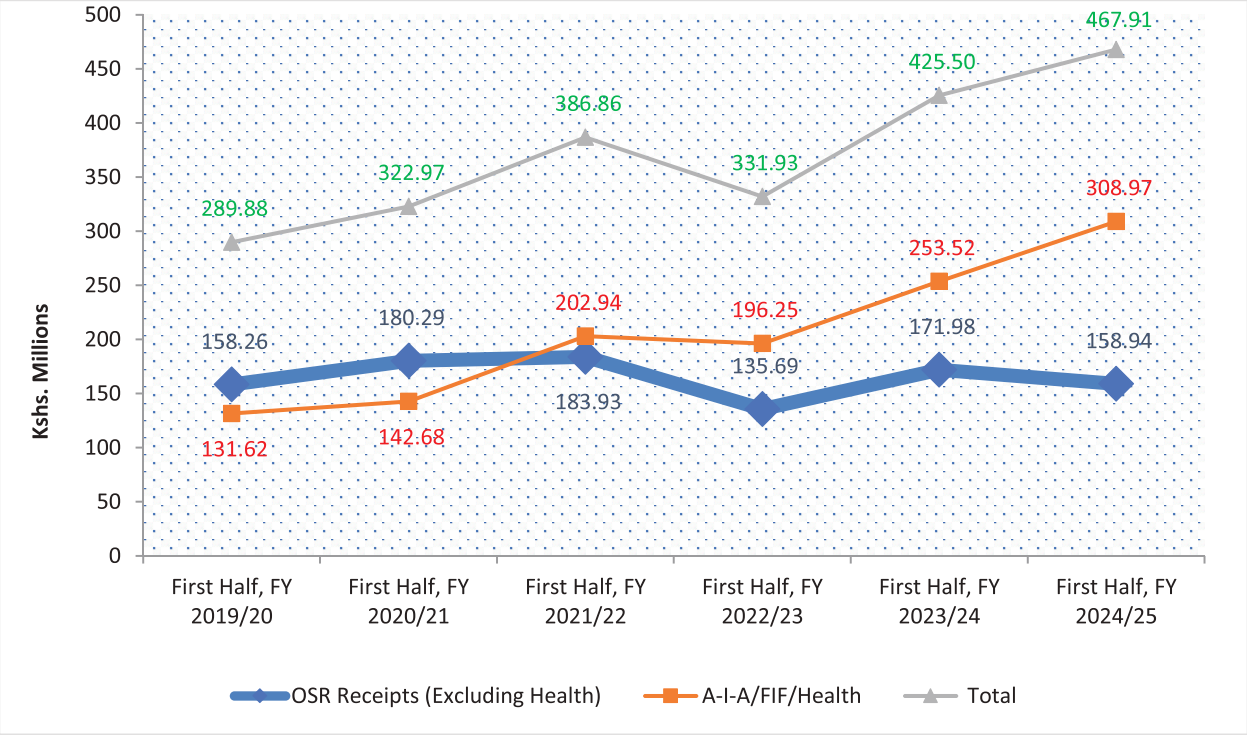
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	5,569,687,183	2,226,119,357	40
Sub Total		**5,569,687,183**	**2,226,119,357**	**40**
B	**Conditional Grants**			
1	Aggregated Industrial Park	250,000,000	150,000,000	60

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
2	Community Health Promoters	25,230,000		0
3	DANIDA	6,435,000	1,689,542	26
4	Food System Resilient Project (FSRP)	173,076,923		0
5	Kenya Agricultural Business Development Project (KABDP)	10,918,919		0
6	Kenya Devolution Support Program II	37,500,000		0
7	Urban Institution Grant	35,000,000		0
8	Urban Development Grant	77,214,879		0
9	Fuel Levy	235,196,042		0
Sub-Total		850,571,763	151,689,542	**18**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	842,500,000	158,941,709	19
2	Balance b/f from FY2023/24	0	428,659,722	0
3	Facility Improvement Fund (FIF)	602,500,000	308,969,577	51
4	Other Revenues	150,000,000	-	0
5	Appropriation in Aid (AIA)	30,000,000	8,620,000	29
Sub Total		1,625,000,000	905,191,008	56
Grand Total		**8,045,258,946**	3,282,999,907	**41**

Source: *Laikipia County Treasury*

Figure 77 shows the trend in own-source revenue collection from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 77: Trend in Own-Source Revenue Collection from the First Half of FY 2019/20 to the First Half of FY 2024/25



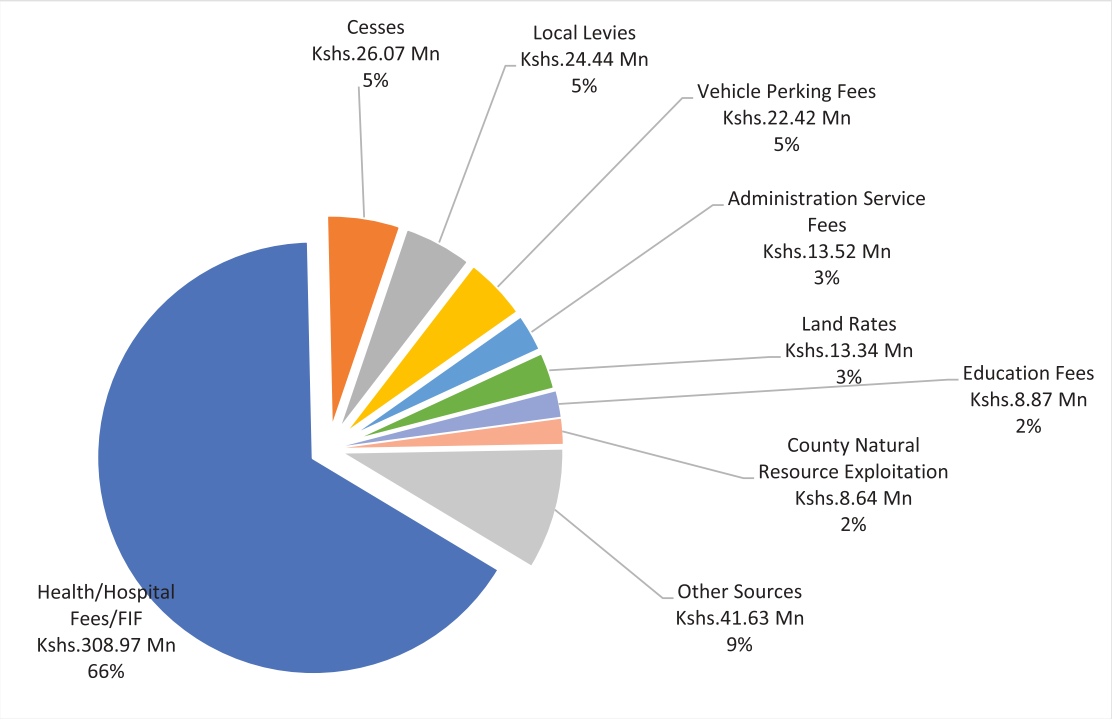
Source: *Laikipia County Treasury*

During the first half of FY 2024/25, the County generated Kshs.467.91 million from its revenue sources, including AIA and FIF. This amount was an increase of 10 per cent compared to Kshs.425.50 million realised in a similar period in FY 2023/24. This was 32 per cent of the annual target and 21 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.955.94 million.

The revenue streams which contributed the highest OSR receipts are shown in Figure 78.

Figure 78: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Laikipia County Treasury

The highest revenue stream, Kshs.308.96 million, was from Health /Hospital and FIF, contributing 66 per cent of the total OSR receipts during the reporting period.

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.2.77 billion from the CRF account during the reporting period comprised Kshs.510.56 million (18 per cent) for development programmes and Kshs.2.26 billion (82 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.72 billion was released towards the compensation of employees and Kshs.548.08 million for operations and maintenance expenditures. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive.

Analysis of the operations and maintenance exchequer releases indicates that 15 per cent was for domestic travel and 7 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.83.24 million and included Kshs.36.20 million for the County Executive and Kshs.47.04 million for the County Assembly. The foreign travel exchequer totalled Kshs.26.45 million, which the County Assembly incurred.

Table 3.167: 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	3,758,000,877	19,900,000	1,785,689,571	4,500,000	48	23
Finance, Economic Planning and The County Treasury	156,998,355	448,910,951	58,794,697	329,022,550	37	73
Health and Sanitation	206,475,000	822,200,000	58,246,259	65,741,942	28	8
Agriculture Livestock and Fisheries	16,000,000	285,385,842	6,526,200	10,000,000	41	4
Infrastructure and Public Works	35,000,000	770,796,042	18,197,039	18,956,250	52	2
Education	97,700,000	71,910,000	86,832,225	2,295,000	89	3
Trade	13,410,000	425,890,000	5,188,281	50,000,000	39	12
Gender, Culture and Social Services	4,200,000	2,000,000	1,743,250	-	42	0
Water	17,000,000	138,600,000	7,513,400	21,000,000	44	15
Rumuruti Municipality	2,000,000	5,000,000	2,000,000	-	100	0
Nyahururu Municipality	2,000,000	-	-	-	0	0
Nanyuki Municipality	37,000,000	82,214,879	1,000,000	-	3	0
County Assembly	548,716,069	77,950,931	231,398,954	9,047,888	42	12
Total	**4,894,500,301**	**3,150,758,645**	**2,263,129,876**	**510,563,630**	46	16

Source: County Government of Laikipia

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.576.86 million.

3.20.5 County Expenditure Review

The County spent Kshs.2.57 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.460.64 million and Kshs.2.11 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 15 per cent, while recurrent expenditures represented 43 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 30 June 2024. This amount includes Kshs.1.69 billion from the County Executive and Kshs.50.02 million from the County Assembly. The pending bills from the County Executive consist of Kshs.777.74 million for recurrent expenditures and Kshs.907.86 million for development expenditures in the first half of FY 2024/25; the County Executive paid off pending bills amounting to Kshs.205.96 million, comprising Kshs.100.74 million for recurrent programmes and Kshs.105.22 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.31.66 million, which was entirely for recurrent activities.

The County Executive and the Assembly submitted pending bill payment plans at the commencement of FY 2024/25, committing to pay Kshs.842.80 million and Kshs.25.01 million, respectively, in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.205.96 million for the Executive and Kshs.31.66 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.1.49 billion, comprising Kshs.1.48 for the County Executive and Kshs.18.36 million for the County Assembly.

3.20.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.60 billion on employee compensation, Kshs.242.95 million on operations and maintenance, and Kshs.434.12 million on development activities. Similarly, the County Assembly spent Kshs.113.31 million on employee compensation, Kshs.150.88 million on operations and maintenance, and Kshs.26.52 million on development activities, as shown in Table 3.168.

Table 3.168: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs. Million)		Exchequer Issues (Kshs.Million)		Expenditure (Kshs. Million)		Absorption (%)		Overall Absorption	Overall Expenditure as a Percentage of Revenue (%)
	Executive	Assembly	Executive	Assembly	Executive	Assembly	Executive	Assembly		
Total Recurrent Expenditure	**4,345.78**	**548.72**	**2,031.73**	**231.40**	1,844.69	264.18	**42**	**48**	**43**	
Compensation to Employees	3,464.76	245.00	1,601.74	113.31	1,601.74	113.31	46	46	46	52
Operations and Maintenance	881.03	303.72	430.00	118.09	242.95	150.88	28	50	33	
Development Expenditure	3,072.81	77.95	501.52	9.05	434.12	26.52	14	34	15	
Total	**7,418.59**	**626.67**	**2,533.25**	**240.45**	**2,278.81**	**290.71**	31	46	**32**	

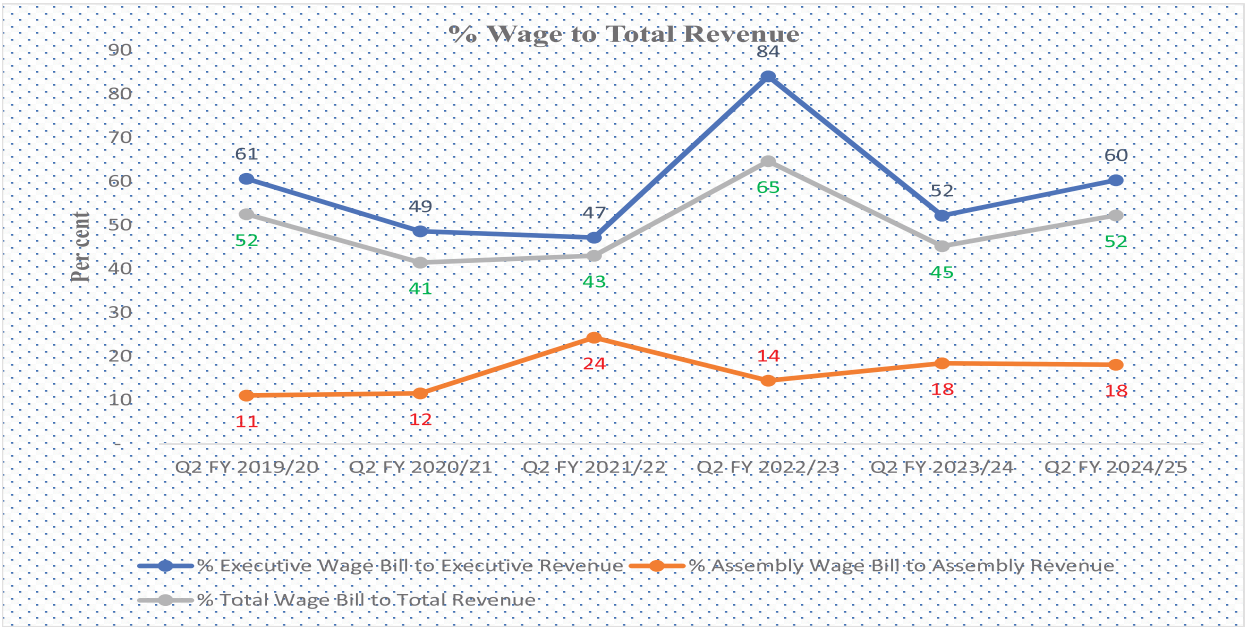
***Source**: Laikipia Treasury*

3.20.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.72 billion, or 52 per cent of the available revenue of Kshs.3.28 billion. This expenditure represented an increase from Kshs.1.27 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.759.0 million paid to the Health Sector employees, translating to 44 per cent of the total wage bill.

Figure 79 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 79: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2019/20 to the First Half of FY 2024/25



Source: Laikipia Treasury

Further analysis indicates that PE costs amounting to Kshs.1.49 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.224.23 million was processed through manual payrolls, which accounted for 13 per cent of the total PE cost.

The Assembly spent Kshs.3.58 million 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.27,103 per MCA. The Assembly had 18 House committees.

3.20.9 Emergency Fund and -Established Funds

Section 116 of the PFM Act 2012 allows Governments to establish other public funds with approval from the Executive Committee and the Assembly. The Government allocated Kshs248.24 million to Established funds in FY 2024/25, or 4 per cent of the overall budget. Further, in line with Section 110 of the PFM Act, 2012, the Government allocated Kshs.45.0 million to the Emergency Fund (0.56 per cent of the total budget).

Table 3.169 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.169: Performance of Established Funds in the First Half 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.)
	Executive Established Funds					
	Executive Emergency Fund	45,000.000	14,913,760	14,913,760	14,913,760	Yes
	Laikipia Development Authority	6,910,951	1,000,000	1,000,000	1,000,000	Yes
	Laikipia Car Loan and Mortgage	15,000,000	-	-	-	Yes
	Laikipia Education Bursary Fund	75,000,000	75,000,000	75,000,000	75,000,000	Yes
	Laikipia Leasing Fund	106,333,000	64,006,771	64,006,771	64,006,771	Yes
	Total	**248,243,951.00**	**154,920,531**	**154,920,531**	**154,920,531**	

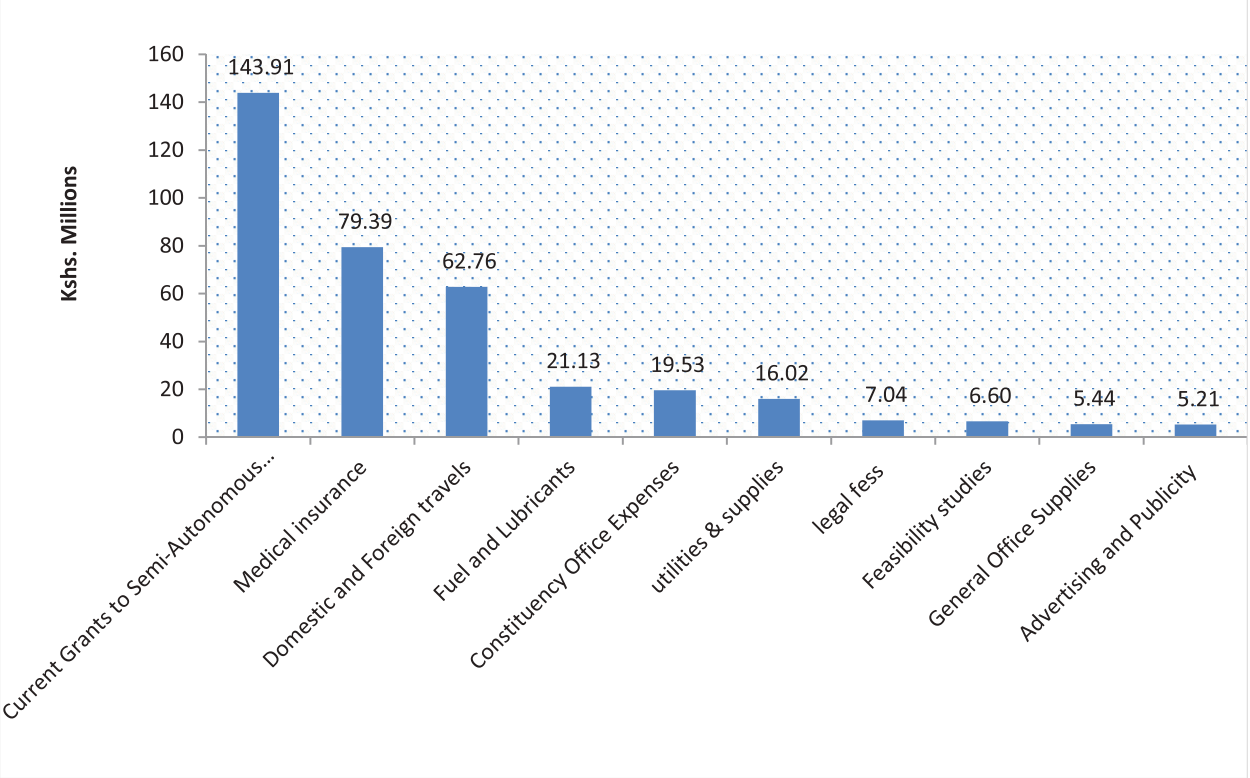
Source: *Laikipia Treasury*

During the reporting period, the CoB received quarterly financial reports from five Fund Administrators, as indicated in Table 3.169 to the requirement of Section 168 of the PFM Act, 2012.

3.20.10 Expenditure on Operations and Maintenance

Figure 80 summarises the Operations and Maintenance expenditure by major categories.

Figure 80: Laikipia County Government Operations and Maintenance Expenditure by Major Categories



Source: *Laikipia County Treasury*

Expenditure on domestic travel amounted to Kshs.83.24 million and comprised Kshs.47.04 million spent by the Assembly and Kshs.36.20 million by the Executive. Expenditure on foreign travel amounted to Kshs.26.45 million, which the Assembly incurred. Expenditure on foreign travel is summarised in Table 3.170.

Table 3.170: Summary of Highest Expenditure on Foreign Travel in the First Half of FY 2024/25

Arm of Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Laikipia Assembly	31	15-22 September 2024	Training	Uganda	12,896,190
Laikipia Assembly	1	21-25 October 2024	Training	Zimbabwe	212,520
Laikipia Assembly	32	8-14 December 2024	Training	Tanzania	13,339,528
Total					**26,448,238**

Source: County Assembly of Laikipia

The operations and maintenance costs include an expenditure of Kshs.7.04 million on legal fees/dues, arbitration and compensation payments, and legal fees.

3.20.11 Facility Improvement Financing

During the period under review, the reported a collection of Kshs.308.48 million as FIF, which was 51 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 County has developed regulations in 2021 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 (contrary to) Section 18 (e) of the FIF Act, 2023.

The expenditure by the health facilities amounted to Kshs.308.48 million, as shown in Table 3.171.

Table 3.171: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	LHS Nyahururu	230,420,000	156,636,044.76	68
	LHS Nanyuki	331,580,000	146,308,685.36	44
	General administration Services-	10,500,000	-	0
	Sub hospitals	30,000,000	5,537,400.25	18
	Total	**602,500,000**	308,482,130.37	51

Source: *Laikipia County Treasury*

The Health Facility with the highest absorption rate was 51.

3.20.12 Development Expenditure

In the First Half of FY 2024/25, the reported spending on development programmes was Kshs.460.64 million, representing a 14 per cent decrease compared to a similar period in FY 2023/24, when Kshs.535.33 million was spent. Table 3.172 summarises the development projects with the highest expenditure in the reporting period.

Table 3.172: Laikipia 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	Health	Renovation of Wamura Dispensary	Ngobit ward	3,577,846	3,577,846	100
2	Health	Proposed Fencing Works in Rumuruti in Sub-Cunty Office	Rumuruti Ward	4,066,728	4,066,728	100
3	Infrastructure	Maintenance of Cluster 1 roads in Nyahururu in Igwamiti ward	Igwamati Ward	4,940,266	4,940,266	100
4	Infrastructure	Grading and Gravelling of Vee Plot 10 Roads i=	Salama Ward	2,688,155	2,688,155	100
5	Infrastructure	Rehabilitation of Mariakani, Lumumba Park, Lunatic Stadium, Muhoya, IBIS and IRURA in Nanyuki Ward	Nanyuki Ward	4,961,269	4,961,269	100
6	Infrastructure	Proposed Mukuri Bridge in Nanyuki	Nanyuki Ward	12,481,728	6,240,864	48
7	Health	Maternity Equipment	Nyahururu	13,194,000.00	13,194,000.00	100
8	Water and Environment	Wide	Climate Change	15,000,000.00	10,260,998.00	68
9	Water	Wide	Drilling of boreholes (fuel and lubricants	25,500,000.00	10,000,000.00	39
10	Water and Environment	Climate Change	Wide	10,000,000.00	9,969,030.90	100

Source: *Laikipia County Treasury*

3.20.13 Budget Performance by Department

Table 3.173 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.173: Laikipia 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
Administration and Office of the Governor	3,758.00	19.90	1,785.69	4.50	1,707.00		96	-	45	-
Finance, Economic Planning and The Treasury	157.00	448.91	58.79	329.02	65.02	332.80	111	101	41	74
Health and Sanitation	206.48	822.20	58.25	65.74	33.70	39.39	58	60	16	5
Agriculture Livestock and Fisheries	16.00	285.39	6.53	10.00	4.79	8.60	73	86	30	3
Infrastructure and Public Works	35.00	770.80	18.20	18.96	10.62	18.31	58	97	30	2
Education	97.70	71.91	86.83	2.30	8.94	2.30	10	100	9	3
Trade	13.41	425.89	5.19	50.00	4.15	-	80	-	31	-
Gender, Culture and Social Services	4.20	2.00	1.74	-	1.73	-	100	-	41	-
Water	17.00	138.60	7.51	21.00	5.74	30.23	76	144	34	22
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	-	1.00	-	100	-	3	-
Assembly	548.72	77.95	231.40	9.05	264.18	26.52	114	293	48	34
Total	**4,894.50**	**3,150.76**	**2,263.13**	**510.56**	**2,108.87**	**460.64**	**93**	**90**	**43**	**15**

***Source**: Laikipia County Treasury*

Analysis of expenditures by departments shows that the Department of Finance recorded the highest absorption rate of the development budget, at 74.1 per cent, followed by the Department of Rumuruti Municipality, at 50 per cent. The Department of Rumuruti Municipality had the highest percentage of recurrent expenditures to budget, at 100 per cent, while the Department of Nanyuki Municipality had the lowest, at 2.7 per cent. The County Executive and Assembly are required to monitor and control their expenditure to ensure that it is in line with available funds.

3.20.14 Budget Execution by Programmes and Sub-Programmes

Table 3.174 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.174: Laikipia County Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Millions)		Actual Expenditure Jul 2024 - December 2024 (Kshs.Millions)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
DEPARTMENT: COORDINATION, ADMINISTRATION, ICT AND PUBLIC SERVICE							
P3 General Administration and Planning	Headquarter Administration Services - 0103014510	16.10	-	5.36	-	33	0
	ICT Infrastructure and Connectivity - 0505014510	1.30	2.00	0.10	-	7	0
	Administration - Laikipia East- 0701034510	0.85	-	-	-	0	0
	Administration - Laikipia North - 0701044510	1.30	-	-	-	0	0

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Millions)		Actual Expenditure Jul 2024 - December 2024 (Kshs.Millions)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Grants and Transfers to Government entities - 0717014510	37.50	-	-	-	0	0
	Administration - Laikipia West - 0701054150	0.45	-	-	-	0	0
	Administration - Sports Promotion Services - 0901054510	8.50	-	0.69	-	8	0
Sub Total		**66.00**	**2.00**	**6.14**	-		
General Administration and Planning	Compensation to Employees- 0701064510	3,611.26		1,681.13	-	47	0
Sub-Total		**3,611.26**	-	**1,681.13**	-		
ADMINISTRATION							
Executive Committee Support	Executive Support Service- 0708014510	56.00		15.49	-	28	0
	Legal Services - 0708024510	3.05		0.22	-	7	0
	Intergovernmental & Donor Liaison - 0708034510	5.00		0.32	-	6	0
Sub-Total		**64.05**	-	**16.04**	-		
Administration	Public Participation - 0702054150	2.00	-	-	-	0	0
	Services Delivery and Result report - 0702084510	3.10	-	-	-	0	0
	Decentralised Services - 0701064510	-	13.00	-	-	0	0
Sub-Total		**5.10**	**13.00**	-	-	0	0
Security and Policing Support Services	Urban Facilities Management Services- 0723024510	-	-	-	-	0	0
Human Capital Management and Devolution	Public Service Board- 0722024510	6.00	-	2.79	-	47	0
Human Capital Management and Devolution	Information and Records Management- 0722034510	1.80	-	0.34	-	19	0
Sub-Total		**7.80**	-	**3.14**	-		
Administration	Fleet - 0702074510	0.80		-	-	0	0
Sub-Total		**0.80**	-	-	-	0	0
Public Safety, Enforce and Disaster Management	Disaster Reduction Management - 0705014510	1.22	1.63	0.21	-	17	0
	Fire Services- 0705024510	0.86	3.27	-	-	0	0
	Enforcement And Disaster Management- 0705034510	0.67		0.35	-	52	0
	Alcohol Control Committee- 0705044510	0.25		-	-	0	0
Sub-Total		**3.00**	**4.90**	**0.56**	-		
TOTAL ADMINISTRATION		**3,758.00**	**19.90**	**1,707.00**	-		

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Millions)		Actual Expenditure Jul 2024 - December 2024 (Kshs.Millions)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
DEPARTMENT: FINANCE, ECONOMIC PLANNING AND THE TREASURY							
707004510 Financial Services	707064510 Treasury administrative services	20.00	-	17.79	-	89	0
	707084510 Financial Automation Services	0.80	-	0.23	-	29	0
	707074510 Laikipia Emergency Fund	-	45.00	-	9.93	0	22
	707044510 Revenue management services	-	10.00	-	-	0	0
Sub-Total		**20.80**	**55.00**	**18.02**	**9.93**		
0709004510 Administration and Support Services	709014510 Generation administration and support services	72.24	392.00	20.77	322.87	29	82
Sub-Total		**72.24**	**392.00**	**20.77**	**322.87**		
0725004510 Public Finance Management Services	725014510 Treasury Accounting and Reporting Services	4.50	-	0.60	-	13	0
	725044510 Budget Management	3.64	-	0.34	-	9	0
	725034510 Internal Audit Services	4.80	-	0.87	-	18	0
	725024510 Supply Chain Management Services	4.50	-	0.35	-	8	0
Sub-Total		**17.44**	**-**	**2.17**	**-**		
0706004510 Departmental administrative services/Centralised services	706044510 Revenue collection services	**34.50**	-	20.18	-	58	0
	706054510 Budget supply services	**1.40**	-	0.34	-	24	0
Sub-Total		**35.90**	**-**	**20.52**	**-**		
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	5.00	1.91	0.80	-	16	0
	0726044510 Programme Monitoring and Evaluation	1.57	-	0.42	-	26	0
Sub-Total		**6.57**	**1.91**	**1.22**	**-**		
0702004510 Administration	0702054510 Public participation	0.24	-	-	-	0	0
Sub-Total		**0.24**	**-**	**-**	**-**		
0721004510 Economic planning services	0721014510 Integrated Planning Services	1.60	-	0.75	-	47	0
	0721054510 Research Statistics and Documentation	2.20	-	1.58	-	72	0
Sub-Total		**3.80**	**-**	**2.32**	**-**		0

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Millions)		Actual Expenditure Jul 2024 - December 2024 (Kshs.Millions)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
FINANCE TOTAL		**157.00**	**448.91**	**65.02**	**332.80**		0
DEPARTMENT: HEALTH							
CURATIVE AND REHABILITATIVE HEALTH	HEALTH PRODUCTS AND TECHNOLOGIES SUPPORT-0401014510	-	162.00	-	20.98	0	13
	HEALTH INFRASTRUCTURE DEVELOPMENT-0401034510	-	148.00	-	18.41	0	12
	EMERGENCY REFERRAL AND REHABILITATIVE SERVICE-0401074510	98.80	512.20	15.58	-	16	0
	402014510 ADMINISTRATION, PROJECT PLANNING AND IMPLEMENTATION SERVICES	4.00	-	-	-	0	0
	HUMAN RESOURCE DEVELOPMENT-0402024510	3.00	-	-	-	0	0
	402044510 HEALTH LEADERSHIP AND GOVERNANCE	6.00	-	2.02	-	34	0
	STRATEGIC HEALTH INTERVENTIONS401054510	6.44	-	-	-	0	0
	PUBLIC HEALTH PROMOTION AND NUTRITION SERVICES-0405034510	25.23	-	-	-	0	0
Sub-Total		**143.47**	**822.20**	**17.60**	**39.39**	12	5
GENERAL ADMINISTRATIVE AND PLANNING SERVICES	HUMAN RESOURCE DEVELOPMENT-0402024510	0.30	-	-	-	0	0
	POLICY MANAGEMENT, PUBLIC MOBILISATION AND PARTICIPATION 401044510	9.70	-	0.75	-	8	0
	EMERGENCY REFERRAL AND REHABILITATIVE SERVICES 401064510	8.00	-	1.72	-	22	0
Sub-Total		**18.00**	-	**2.48**	-	14	0
Department LAIKIPIA DEPARTMENT OF HEALTH							
PREVENTIVE HEALTH SERVICES	COMMUNITY HEALTH STRATEGY, ADVOCACY AND SURVEILLANCE-0405044510	35.00	-	11.47	-	33	0
	FAMILY PLANNING, MATERNAL, AND CHILD HEALTH SERVICES-0405014510	2.20	-	0.81	-	37	0
	NON -COMMUNICABLE DISEASES CONTROL AND PREVENTION-0405024510	1.65	-	0.10	-	6	0

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Millions)		Actual Expenditure Jul 2024 - December 2024 (Kshs.Millions)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	PUBLIC HEALTH PROMOTION AND NUTRITION SERVICES-0405034510	4.91	-	1.25	-	25	0
	TB/HIV/AIDS PREVENTION AND CONTROL-0405054510	1.25	-	-	-	0	0
Sub-Total		**45.01**	**-**	**13.63**	**-**	30	0
HEALTH TOTAL		**206.48**	**822.20**	**33.70**	**39.39**	16	5
DEPARTMENT: AGRICULTURE							
DEPARTMENT: AGRICULTURE, LIVESTOCK AND FISHERIES							
Headquarters	SP1 0103014510 Headquarter Administration Services	4.00	204.00	1.18	8.60	29	4
	SP1 0103024510 Headquarter Administration Services	4.00	-	1.15	-	29	0
Livestock Production	SP2 0104024510 Livestock Resource Development and Management	1.35	16.00	0.36	-	27	0
Veterinary Services	SP5 0107054510 Animal Health and Disease Management	1.35	16.50	0.37	-	27	0
Fisheries Production	SP1 0110014510 Fisheries Development and Management	0.95	2.09	0.37	-	39	0
Crop Production & Horticulture	SP2 0117024510 Land and Crop Productivity Enhancement and Management	3.00	10.00	1.01	-	34	0
	SP4 1006044510 Climate Change Adaptation & Mitigation	1.35	36.80	0.35	-	26	0
TOTAL AGRICULTURE		**16.00**	**285.39**	**4.79**	**8.60**	30	3
DEPARTMENT: INFRASTRUCTURE							
P3-0103004510-General Administration and Planning Services	SP1 Administration Services-0105014510	9.60	-	1.06	-	11	0
P12-0112004510 - Physical Planning and Survey	SP1-0112014510 - Survey and Planning services	2.05	12.00	0.69	0.31	33	3
	SP2-0112024510 - Land management services	-	8.00	-	-	0	0
P13-0113004510-Land and Housing Management	SP2 Housing Policy Development-0113024510	-	9.50	-	-	0	0
P14-0114004510-Public Works Service Delivery Improvement	SP4 Building Construction Standard-0114044510	1.00	2.50	0.14	-	14	0
P15-0115004510-Roads Network Improvement Housing and Urban Development	SP1 Road Network improvement-0115014510	2.00	338.30	0.23	18.00	11	5

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Millions)		Actual Expenditure Jul 2024 - December 2024 (Kshs.Millions)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	SP3- Road network maintainance-0115034154	-	265.50	-	-	0	0
	SP4 Heavy equipment Maintenance-0115044510	-	35.00	-	-	0	0
	SP5-0115054510 - Mechanisation Services	-	90.00	-	-	0	0
	SP Urban Development-0115094510	-	10.00	-	-	0	0
P18-0118004510-Renewable /Green Energy Services	SP1 renewable/green energy services-0118014510	20.35	-	8.50	-	42	0
TOTAL INFRASTRUCTURE		**35.00**	**770.80**	**10.62**	**18.31**	30	2
DEPARTMENT: EDUCATION							
Administration and planning services	Headquarter Services	2.50	4.70	1.18	2.30	47	
	Personnel services	1.00	-	0.50	-	50	0
Sub Total		**3.50**	**4.70**	**1.68**	**2.30**		0
Early childhood development (ECD) and childcare facilities	Education Empowerment	75.00	-	-	-	0	0
	ECDE Infrastructure Improvement	-	44.00	-	-		0
	ECDE Teacher Services	1.50	-	0.72	-	48	0
	Children's Institutions Support Program (CEDC)	2.70	3.00	0.40	-	15	
Sub Total		**79.20**	**47.00**	**1.12**	-		0
Youth, Polytechnics, Vocational Training	Vocational Education and Training	14.50	20.21	6.05	-	42	0
	Library	0.50	-	0.08	-	16	
Sub Total		**15.00**	**20.21**	**6.13**	-	58	0
TOTAL EDUCATION		**97.70**	**71.91**	**8.94**	**2.30**	58	0
DEPARTMENT: TRADE							
Administration, planning and support services	301014510-SP1 Administration Service	4.56	-	1.74	-	38	0
	301044510-SP2 Personnel Services	1.55	-	-	-	0	0
Sub Total		**6.11**	-	**1.74**	-	28	0
Co-operative Development	0302034510 SP3 Research and Development	2.50	-	0.74	-	30	0
	302024510-SP2 Co-operative Revolving fund	-	3.00	-	-	0	0
Sub Total		**2.50**	**3.00**	**0.74**	-	0	0
Trade and Investment	0304014510- SP1 Market Infrastructure Development	-	20.59	-	-	0	0
	0304054510-SP5 Industrial Development and Investment Promotion	3.70	400.00	1.17	-	32	0
Sub Total		**3.70**	**420.59**	**1.17**	-		
Tourism Development and Promotion	0305014510 SP1 Tourism Promotion and Marketing	1.10	-	-		0	0
	0305024510 SP2 Tourism Infrastructural Development	-	2.30	0.50	-	0	0

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Millions)		Actual Expenditure Jul 2024 - December 2024 (Kshs.Millions)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Sub Total		**1.10**	**2.30**	**0.50**	-	46	0
TOTAL TRADE		**13.41**	**425.89**	**4.15**	-		
DEPARTMENT: GENDER							
Administration and planning services	Use of goods and services - 901014510	2.50	-	0.98	-	39	0
	Routine Maintenance - Other As - 903034510	-	2.00	-	-	0	0
Sub Total		**2.50**	**2.00**	**0.98**	-		
Culture and Social Services	Cultural events promotion services - 903014510	0.60	-	0.24	-	41	0
	Social services infrastructure - 903034510	0.70	-	0.31	-	44	0
	Persons with Disability Programme - 903044510	0.40	-	0.20	-	50	0
Sub-Total		**1.70**	-	**0.75**	-		
TOTAL GENDER		**4.20**	**2.00**	**1.73**	-		
DEPARTMENT: WATER							
WATER, ENVIRONMENT, NATURAL RESOURCES AND CLIMATE CHANGE							
Water Development	1003014510 Administrative and Planning Services	17.00	-	5.74	-	34	0
Environment and Natural Resources	1006014510 Solid Waste Management	-	45.60	-	10.00	0	22
	1006044510 Climate Change Adaptation & Mitigation	-	93.00	-	20.23	0	22
TOTAL WATER		**17.00**	**138.60**	**5.74**	**30.23**	0	22
DEPARTMENT: NANYUKI MUNICIPALITY							
P3-0103004510-General Administration and Planning Services	SP1 0103014510 Administration Services	37.00	-	1.00	-	3	0
P15-0115004510-Roads Network Improvement Housing and Urban Development	SP1-0115014510 Road Network improvement	-	82.21	-	-	0	0
TOTAL NANYUKI MUNICIPALITY		**37.00**	**82.21**	**1.00**	-	3	0
DEPARTMENT: RUMURUTI MUNICIPALITY							
P3-0103004510-General Administration and Planning Services	SP1 0103014510 Administration Services	2.00	-	2.00	-	100	0
P15-0115004510-Roads Network Improvement Housing and Urban Development	SP1-0115014510 Road Network improvement	-	5.00	-	2.50	0	50
TOTAL RUMURUTI MUNICIPALITY		**2.00**	**5.00**	**2.00**	**2.50**	100	50
DEPARTMENT: ASSEMBLY						0	0

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Millions)		Actual Expenditure Jul 2024 - December 2024 (Kshs.Millions)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
General administration support services	Compensation of employees/MCAs	281.60	-	117.59		42	0
	Other recurrent expenditure	47.63		40.92		86	0
	Assembly Staff Car & Mortgage Scheme	-		-		0	0
	Training of staff					0	0
	Subtotal	**329.23**		**158.51**		48	0
Legislative and oversight	Other recurrent expenditure	204.64		102.99		50	0
	Training	9.78		1.43		15	0
	Public participation	5.07		1.25		25	0
	Subtotal	**219.49**		**105.67**		48	0
Assembly infrastructure services	PURCHASE OF MOTOR VEHICLES		10.37			0	0
	REFURBISHMENT OF NON -RESIDENTIAL BUILDING-		34.52		0.29	0	1
	HOUSING LOANS TO PUBLIC SERVANTS		33.06		16.50	0	50
	Subtotal		**77.95**		26.52	0	34
Sub-Total		**548.72**	**77.95**	**264.18**	**26.52**	48	34
TOTAL		**4,892.50**	**3,150.76**	**2,214.55**	**460.64**	45	15

***Source**: Laikipia Treasury*

Based on absorption rates, the sub-programmes with the highest implementation levels were the General Administrative Service in the Department of Rumuruti Municipality, at 100 per cent; the Administrative Service in the Department of Finance, at 89 per cent; the Administrative and Support Service in the Department of Finance, at 82 per cent; and Urban Development at Rumuruti, at 50 per cent of budget allocation.

3.20.15 Accounts Operated Commercial Banks

The Government operated thirty-two accounts with commercial banks, including five accounts for Health Facilities, three accounts for Vocational Training Centers, five accounts for Established Funds, ten revenue accounts, five special purpose accounts (additional allocations), two imprest accounts, one recurrent operational account, and one development operational account.

Regulations 82(1)(b) of the PFM (Governments) Regulations, 2015, requires that 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.

3.20.16 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the budget, the COB identified the following challenges which hampered effective budget implementation;

i. Own-source revenue underperformed at Kshs.467.91 million against an annual target of Kshs.1.48 million, representing 32 per cent of the yearly target.
ii. High pending bills, which amounted to Kshs.1.49 billion as of 31 December 2024. Further, there was non-adherence to the payment plan for the pending bills by the Treasury.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.224.23 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.

iv. The Government uses commercial bank accounts for operations contrary to Regulations 82(1)(b) of the PFM (Governments) Regulations, 2015, which requires that Government bank accounts be opened and maintained at the Central Bank of Kenya. The commercial bank accounts are for 32

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

i. *It 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 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 IPPD system, and it is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
iv. *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.*

3.21. County Government of Lamu

3.21.1 Overview of FY 2024/25 Budget

The Lamu County Gross Approved FY 2024/25 budget is Kshs.5.29 billion. It comprises Kshs.2.21 billion (42 per cent) and Kshs.3.08 billion (58 per cent) allocation 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, comprised of a development budget of Kshs.1.54 billion and a recurrent budget of Kshs.3 billion. The increase in the budget is attributed to the rise in the equitable sharable revenue from the national government from the revenue raised nationally, additional conditional grants allocation and improved own-source revenue collection

The Lamu County Government budget will be financed from different sources of revenue. These include Kshs.3.36 billion (64 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.16 billion as additional allocations/conditional grants, a 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 (OSR). 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/conditional grants.

3.21.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.1.21 billion to fund its development and recurrent activities. This amount consisted of Kshs.1.61 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.11 million, and OSR collection of Kshs.87.83 million. In addition, the County had a cash balance of Kshs.478.61 billion from FY 2023/24.

The total OSR collection included Facilities Improvement Financing (FIF) of Kshs.60.96 million, and Kshs.26.88 million as ordinary OSR. Table 3.175 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.175: Lamu County, Revenue Performance in the First Half of FY 2024/25

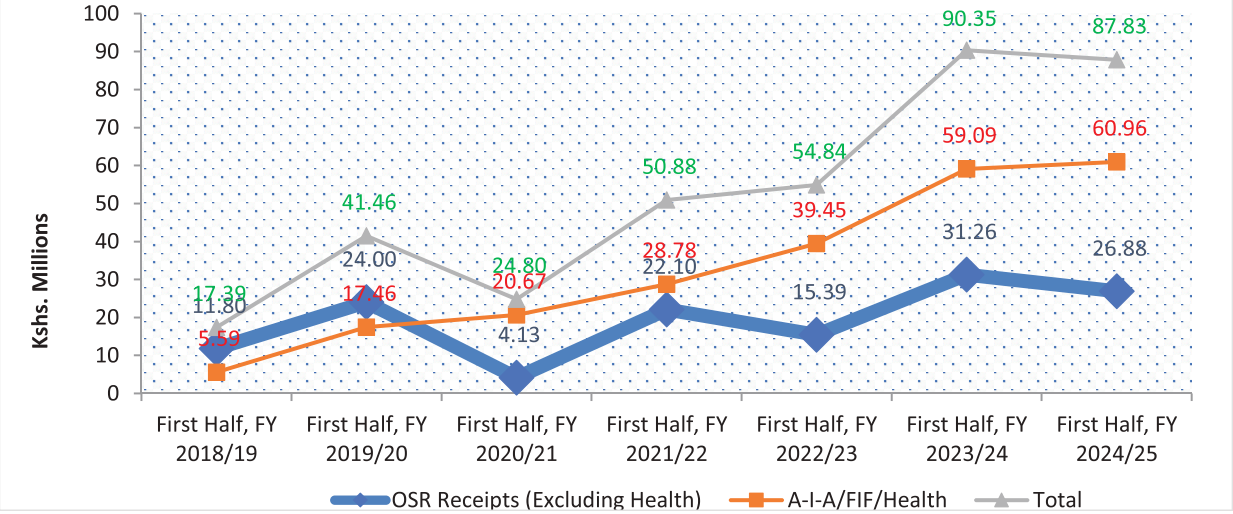
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	Equitable Share of Revenue Raised Nationally -	3,362,798,128	1,609,576,891	48
Subtotal		3,362,798,128	1,609,576,891	48

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
B	Additional Allocations			
	Roads Maintenance Fuel Levy	134,869,251	-	-
	DANIDA Grant to Finance Primary Health Care in a Devolved Context	3,997,000	-	-
	IDA(World Bank) - Kenya Informal Settlement Improvement Project-II (KISIP II)	28,128,530	-	-
	AFD- Kenya Informal Settlement Improvement Project II (KISIP II)	282,000,000	-	-
	IDA (World Bank) Loan for the Food Systems Resilience Project (FSRP)	173,076,923	-	-
	IDA (World Bank) Kenya Devolution Support Program-II (KDSP II)	37,500,000	-	-
	SWEDE N - Kenya Agricultural Business Development Project (KABD P)	10,918,919	-	-
	Community Health Promoters (CHPs) Project	14,520,000	-	-
	DA (World Bank Credit: Kenya Urban Support Project(KUSP)- Urban Development Grant (UDG)	20,547,228	-	-
	IDA (World Bank) Credit: Kenya Urban Support Project (KU SP)-Urban Institutional Grant (UIG)	35,000,000	-	-
	KfW (Germany Development Bank) loan for Co-Financing of FLLoCA County Climate Resilience Investment (CCRI)Grant	11,000,000	11,000,000	100
	IDA (World Bank) loan for the Financing of FLLoCA County Climate Resilience Investment (CCRI)Gr ant	70,000,000	-	-
	Balance brought forward FLLoCA	71,075,483	-	-
	Supplement Construction of County Headquarters	264,732,161	-	-
Subtotal		1,157,365,495	11,000,000	1
C	Own Source Revenue			
	Ordinary Own Source Revenue	160,000,000	26,875,357	17
	Appropriation in Aid (A-I-A)			
	Facility Improvement Fund (FIF)	130,000,000	60,957,742	47
Subtotal		290,000,000	87,833,099	30
D	Other Sources of Revenue			
	Unspent balance from FY 2023/24	478,613,730	478,613,730	100
	Other Revenues (provide a list)			
Sub Total		478,613,730	478,613,730	100
Grand Total		5,288,777,353	2,187,023,720	41

Source: *Lamu County Treasury*

Figure 81 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

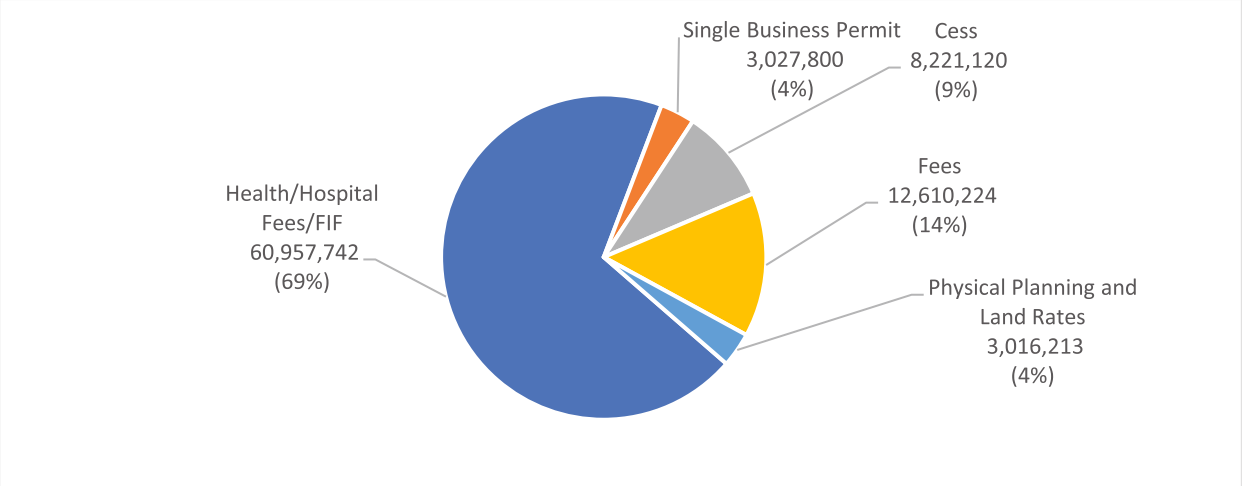
Figure 81: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: *Lamu County Treasury*

During the first half of FY 2024/25, the County generated Kshs.87.83 million from its revenue sources, including FIF. This amount was a decrease of 3 per cent compared to Kshs.90.35 million realised in a similar period in FY 2023/24 and was 30 per cent of the annual target, and 7 per cent of the share of equitable revenue received. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.2.69 million.

Figure 82: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source*: Lamu County Treasury*

The highest revenue stream, Kshs.60.96 million, was from Facility Improvement Financing, which contributed 69 per cent of the total OSR receipts during the reporting period.

3.21.3 Exchequer Issues

During the reporting period, the Controller of Budget approved the withdrawal of Kshs.1.21 billion from the CRF account, comprising Kshs.113.2 million (9 per cent) for development programmes and Kshs.1.1 billion (91 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.798.63 million was released towards compensation of employees and Kshs.302.66 million for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to delays in exchequer requisition.

Analysis of the operations and maintenance exchequer releases indicates that 15 per cent was for domestic travel and 13 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.43.97 million, including

Kshs.18.82 million for the County Executive and Kshs.25.14 million for the County Assembly. The foreign exchequer totalled Kshs.34.86 million, comprising Kshs.348,981 for the County Executive and Kshs.34.51 million for the County Assembly.

Table 3.176: 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	165,653,600	-	100	-
County Executive and PSM	147,081,596	65,796,810	58,543,559	3,107,638	100.0	100.
Finance, Economy & Strategic Planning	1,813,095,623	10,000,000	723,738,107	10,000,000	100.0	-
Agriculture, Irrigation & Food Security	14,000,000	273,600,000	482,030	-	94	-
Land, Physical Planning, & Urban Development	19,000,000	377,661,174	7,895,031	-	104	-
Education, Technology, Gender, Youth Affairs, Sports & Social Services	100,000,000	127,115,462	85,517,464	1,916,347	100	100
Medical Services	224,950,000	202,029,526	17,536,356	3,405,162	100	100
Trade, Investment & Tourism	30,980,139	37,139,634	6,087,850	-	100	-
Climate Change, Information, Communication, E-Government & Citizen Participation	11,320,000	24,487,461	1,477,853	-	100	-
Fisheries, Blue Economy, Livestock, Veterinary & Cooperative Development	7,070,450	50,000,000	727,200	20,000,000	100	100
County Public Service Board	10,425,000	-	1,550,121	-	100	-
Water & Energy	58,000,000	129,145,791	25,365,236	42,401,274	100	100
Public Health, Environment And Sanitation	35,086,260	172,744,059	4,804,715	23,000,000	100	100
Budget And Economic Planning	6,000,000	-	609,725	-	100	-
Road, Transport, Infrastructure & Public Works	6,000,000	232,438,138	304,640	-	100	-
Lamu Municipality	45,203,110	92,144,270	586,722	-	100	-
Devolutions, Disaster And Resource Mobilisation	47,058,100	307,232,161	407,620	9,322,252	100	100
Total	**3,082,742,867**	**2,206,034,486**	**1,101,287,829**	**113,152,673**	**100**	**100**

***Source**: Lamu County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.698.39 million. The performance of expenditures to exchequer issues that are above 100 per cent was attributed to the County utilising the balances in the special purpose accounts (SPA)

3.21.4 County Expenditure Review

The County spent Kshs.1.21 billion on development and recurrent programmes in the reporting period. The expenditure represented 63 per cent of the total funds released by the CoB and comprised Kshs.113.15 million and Kshs.1.1 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 5 per cent, while recurrent expenditure represented 36 per cent of the annual recurrent expenditure budget.

3.21.5 Settlement of Pending Bills

The County reported pending bills totalling Kshs.49.12 billion as of 30 June 2024. This amount includes 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.25.3 million for development expenditures.

As of 31 December 2024, the outstanding bills amounted to Kshs.49.12 billion, all for the County Executive, as the County Assembly has no pending bills.

3.21.6 Expenditure by Economic Classification

The County Executive spent Kshs.722 million on employee compensation, Kshs.213.62 million on operations and maintenance, and Kshs.113.15 million on development activities. Similarly, the County Assembly spent Kshs.76.62 billion on employee compensation, and Kshs.89.03 million on operations and maintenance, as shown in Table 3.177.

Table 3.177: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	Executive	Assembly	Executive	Assembly	Executive	Assembly
Total Recurrent Expenditure	**2,575,743,867**	**507,000,000**	**935,633,226**	**165,653,600**	**36**	**33**
Compensation to Employees	1,782,299,990	224,898,800	721,999,839	76,624,828	41	34
Operations and Maintenance	793,443,877	282,101,200	213,633,387	89,028,772	27	32
Development Expenditure	**2,101,534,486**	**104,500,000**	**113,152,673**	-	**5**	-
Total	**4,677,278,353**	**611,500,000**	**1,048,785,899**	**165,653,600**	**22**	**27**

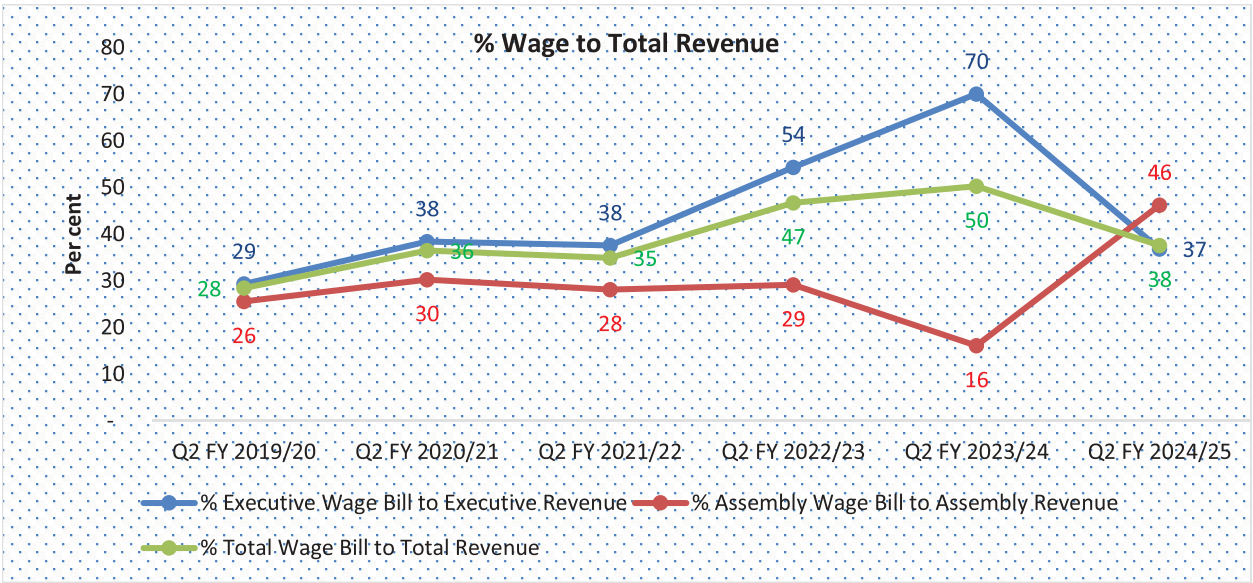
***Source**: Lamu County Treasury*

1.1.6 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.798 million, or 41 per cent of the available revenue of Kshs.1.93 billion. This expenditure represented a decrease from Kshs.809.1 million reported in a similar period in FY 2023/24. The wage bill included Kshs.579.3 million paid to the Health Sector employees, translating to 72 per cent of the total wage bill.

Figure 83 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 83: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2019/20 to the First Half of FY 2024/25



Source: Lamu County Treasury and County Assembly

Further analysis indicates that PE costs amounting to Kshs.692.31 million were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.106.32 million was processed through manual payrolls, which accounted for 13 per cent of the total PE cost.

The County Assembly spent Kshs.8.92 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.148,698 per MCA. The County Assembly had 17 House Committees.

3.21.7 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.139.71 million to County-Established funds in FY 2024/25, or 3 per cent of the County's overall budget. Further, 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 3.178 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.178: Performance of County Established Funds in the First Half 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.)
	County Executive Established Funds					Yes
	Emergency Fund	12,773,006.00	-	2,991,911.00	-	Yes
	Bursary Fund	82,334,948.00	79,422,308.00	58,007,390.00	79,422,308.00	Yes
	Fisheries Revolving Fund	2,759,563.00	-	-	-	Yes
	Housing Fund	35,628,352.00	-	-	-	Yes
	Disability Fund	987,802.00	-	971,130.00	-	Yes
	Youth Fund	3,579,346.00	-	3,577,480.00	-	Yes
	Women Fund	1,649,158.00	-	1,635,680.00	-	Yes
	Total	**139,712,175.00**	**79,422,308**	**67,183,591.00**	**79,422,308.00**	

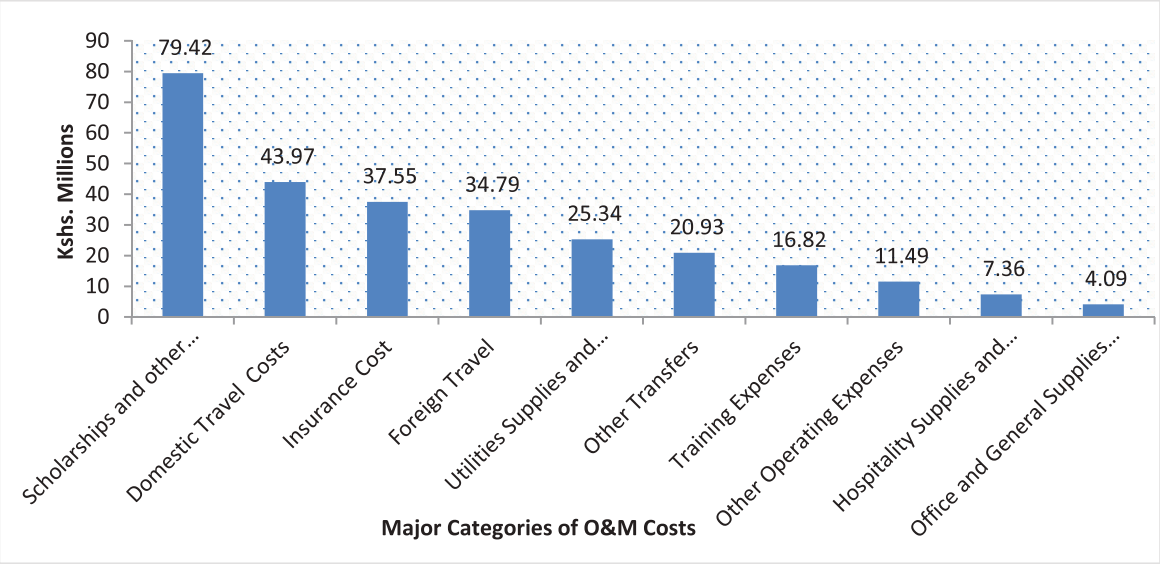
Source: *Lamu County Treasury*

During the reporting period, the CoB received quarterly financial reports from the seven fund administrators, as indicated in Table 3.178, contrary to the requirement of Section 168 of the PFM Act, 2012.

3.21.8 Expenditure on Operations and Maintenance

Figure 84 summarises the Operations and Maintenance expenditure by major categories.

Figure 84: Lamu County, Operations and Maintenance Expenditure by Major Categories



Source: *Lamu County Treasury*

Expenditure on domestic travel amounted to Kshs.43.97 million and comprised Kshs.25.14 million spent by the County Assembly and Kshs.18.83 million by the County Executive. Expenditure on foreign travel amounted to Kshs.34.79 million and comprised Kshs.34.51 million by the County Assembly and Kshs.348,981 by the County Executive. Expenditure on foreign travel is summarised in Table 3.179.

Table 3.179: Summary of Highest Expenditure on Foreign Travel in the First Half of FY 2024/25

Arm of County Government	NO. OF Officers Travelled	Date Travelled	Purpose of the travel	Destination	Total costs of travel (Kshs.)
County Assembly	14	7th-20th September 2024	Attend the role of Legislature in Influencing Government Policies Program	Dubai	14,146,860.00
County Assembly	5	1st-14th September 2024	Attend 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	4th-15th November 2024	Attend Capacity Building Training on Public Policy Designing and Management Program	Dubai	3,263,260.00
County Assembly	3	19th-30th August 2024	Attend the Ethical Leadership Program	Dubai	3,030,170.00
County Assembly	1	26th July-12th August 2024	Attend the Paris 2024 Olympics	France	1,209,780.00

Source: Lamu County Assembly

3.21.9 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.60.96 million as FIF, which was 47 per cent of the annual target of Kshs.130 million. The collected amount was retained and utilised at the source in accordance with the Facility Improvement Financing Act of 2023.

The expenditure by the health facilities amounted to Kshs.57.63 million, as shown in Table 3.180.

Table 3.180: Breakdown of Expenditure by Health Facilities in the First Half 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	32,906,056	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.

3.21.10 Development Expenditure

In the first half of FY 2024/25, the County reported spending Kshs.113.15 million on development programmes, a decrease of 20.1 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.141.62 million. Table 3.181 summarises development projects with the highest expenditure in the reporting period.

Table 3.181: Lamu 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.	Health Services, Sanitation and Environment	Construction of In-patient wards for Mpeketoni Sub-County Hospital	Bahari	3,500,000	3,405,162	97
2.	Water Management and Conservation	Bora Moyo Water Project	Witu	1,449,000	1,401,274	97
3.	Education, Gender, Youth Affairs, Sports and Social Services	Construction of 2 classrooms and four toilets at Jericho ECDE	Hongwe	3,150,000	1,916,347	61
4.	County Executive	Construction of Governors residence	Mkomani	50,000,000	3,107,638	44
5.	Devolution, Disaster Management and Resource Mobilization	Supplement Construction of County Headquarters	Faza Island	264,732,161	9,322,252	22

Source: *Lamu County Treasury*

3.21.11 Budget Performance by Department

Table 3.182 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.182: 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	165.65	-	165.65	-	100	-	33	-
County Executive and PSM	147.08	65.80	58.54	3.11	58.54	3.11	100	100	40	5
finance, Economy & Strategic Planning	1,813.10	10.00	723.74	10.00	723.74		100	-	40	-
Agriculture, Irrigation & Food Security	14.00	273.60	0.48	-	0.45	10.00	94	-	3	4

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
Land, Physical Planning, & Urban Development	19.00	377.66	7.90	-	8.21	-	104	-	43	-
Education, Technology, Gender, Youth Affairs, Sports & Social Services	100.00	127.12	85.52	1.92	85.23	1.92	100	100	85	2
Medical Services	224.95	202.03	17.54	3.41	17.54	3.41	100	100	8	2
Trade, Investment & Tourism	30.98	37.14	6.09	-	6.09	-	100	-	20	-
Climate Change, Information, Communication, E-Government & Citizen Participation	11.32	24.49	1.48	-	1.48	-	100	-	13	-
Fisheries, Blue Economy, Livestock, Veterinary & Cooperative Development	7.07	50.00	0.73	20.00	0.73	20.00	100	100	10	40
County Public Service Board	10.43	-	1.55	-	1.55	-	100	-	15	-
Water & Energy	58.00	129.15	25.37	42.40	25.37	42.40	100	100	44	33
Public Health, Environment and Sanitation	35.09	172.74	4.80	23.00	4.80	23.00	100	100	14	14
Budget and Economic Planning	6.00	-	0.61	-	0.61	-	100	-	10	-
Road, Transport, Infrastructure & Public Works	6.00	232.44	0.30	-	0.30	-	100	-	5	-
Lamu Municipality	45.20	92.14	0.59	-	0.59	-	100	-	1	-
Devolutions, Disaster and Resource Mobilisation	47.06	307.23	0.41	9.32	0.41	9.32	100	100	0.9	3
Total	**3,082.74**	**2,206.03**	**1,101.29**	**113.15**	**1,101.29**	**113.15**	**100**	**100**	**36**	**5**

***Source**: Lamu County Treasury*

Analysis of department expenditure shows that the Department of Fisheries, Blue Economy, Livestock, Veterinary and Cooperative Development recorded the highest absorption rate of development budget at 40 per cent, followed by the Department of Water and Conservation Management at 33 per cent. The Department of Education, Technology, Gender, Youth Affairs, and Sports & Social Services had the highest percentage of recurrent expenditure to budget at 85 per cent. In contrast, the Department of Devolution, Disaster and Resource Mobilization had the lowest at 0.9 per cent.

The performance of expenditures to exchequer issues that are above 100 per cent are a result of the County utilising balances in the special purpose accounts (SPA).

3.21.12 Budget Execution by Programmes and Sub-Programmes

Table 3.183 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.183: Lamu County, Budget Execution by Programmes and Sub-Programmes

Program	Sub Program	Description	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
			Rec	Dev	Rec	Dev	Rec	Dev
COUNTY ASSEMBLY								
General Administration and Planning		Administration Services	256,470,278	-	82,313,395		32	0
Legislation. Representation and Oversight				104,500,000	83,340,205		33	0
		Sub Total	**507,472,589**	**104,500,000**	**165,653,600**		33	0
COUNTY EXECUTIVE								
703003212	703013210	Administration Services	147,081,596	65,796,810	58,543,559	3,107,638	40	5
		Sub Total	**147,081,596**	**65,796,810**	**58,543,559**	**3,107,638**	40	5
FINANCE								
711003213	711013210	Administration Services	1,798,279,880	-	723,328,016	-	40	0
712003213	712043210	Procurement	1,250,000	-	113,040	-	9	0
	712023210	Resource mobilisation	11,062,250	5,000,000	111,200	-	1	0
	712053210	Public Finance & Accounting	1,505,493	5,000,000	98,650	-	7	0
	712033210	Internal Audit	998,000	-	87,200	-	9	0
		Sub Total	**1,813,095,623**	**10,000,000**	**723,738,106**	-	40	0
AGRICULTURE AND PLANNING								
116003214	116013210	Agricultural Extension Research & Training	9,450,000	-	452,330	-	5	0
	116053210	Training & Accommodation	-	5,000,000	-	-	0	0
	116023210	Promotion of Mechanised Agriculture	-	25,000,000	-	-	0	0
	116083210	Provision of Relief seeds to vulnerable farmers	-	45,000,000	-	-	0	0
	116033210	Promotion of Agro-Processing & Value Addition Technologies	4,350,000	188,995,842	-	-	0	0
117003214	117023210	Irrigated Farming	-	10,000,000	-	10,000,000	0	100
		Sub Total	**13,800,000**	**273,995,842**	**452,330**	**10,000,000**	3	4
LANDS								
101003215	101013210	Administration Services	4,000,000	-	709,381	-	18	0
102003215	102023210	Physical planning	-	67,532,644	-	-	0	0
103003215	103013210	Housing & Urban Development	-	310,128,530	-	-	0	0
104003215	104013210	Infrastructure Development	15,000,000	-	7,500,000	-	50	0
		Sub Total	**19,000,000**	**377,661,174**	**8,209,381**	-	**43**	**0**
EDUCATION								
501003216	501013210	Administration Services	20,000,000	-	5,810,506	-	29	0

Program	Sub Program	Description	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
			Rec	Dev	Rec	Dev	Rec	Dev
502003216	502013210	Promotion of Early Childhood Education	-	32,550,000	-	1,916,347	0	6
	502023210	Bursaries	80,000,000	-	79,422,308	-	99	0
503003216	503013210	Village Polytechnics	-	31,000,000	-	-	0	0
	503043210	Youth and Sports	-	20,100,000	-	-	0	0
	503023210	Development of Sports facilities	-	5,000,000	-	-	0	0
504003216	504023210	Woman Empowerment	-	8,600,000	-	-	0	0
	504013210	Social Development	-	29,865,461	-	-	0	0
		Sub Total	**100,000,000**	**127,115,461**	**85,232,814**	**1,916,347**	**85**	**2**
MEDICAL SERVICES								
	401013210	Human Resource & Development	18,950,000	-	6,121,399	-	32	0
402003217	402043210	SP4 curative Services	197,600,000	52,807,386	6,689,773	-	3	0
	402013210	Primary Health Care Services	-	1,160,000	-	-	0	0
	402023210	Hospital Services	-	22,262,140	-	3,405,162	0	15
403003217	403043210	SP4 Preventive and Promotive Services	8,400,000	125,800,000	4,725,184	-	56	0
		Sub Total	**224,950,000**	**202,029,526**	**17,536,356**	**3,405,162**	**8**	**2**
TRADE AND CULTURE								
301003218	301013210	Administration Services	5,980,139	-	2,682,200	-	45	0
302003218	302023210	Promotion & Marketing	-	2,500,000	-	-	0	0
303003218	303033210	Market development	-	18,654,517	-	-	0	0
304003218	304013210	Cultural Festival	25,000,000	-	3,405,650	-	14	0
	305023210	SME Development	-	15,985,117	-	-	0	0
		Sub Total	**30,980,139**	**37,139,634**	**6,087,850**	**-**	20	0
ICT								
101003219	101013210	Administration Services	3,320,000	-	1,477,853	-	45	0
	202023210	Communication & Citizen Participation	1,500,000	-	-	-	0	0
203003219	203013210	Networking Infrastructure	6,500,000	24,487,461	-	-	0	0
		Sub Total	**11,320,000**	**24,487,461**	**1,477,853**	**-**	13	0
FISHERIES AND LIVESTOCK								
106003220	106013210	Administration, Planning and Monitoring & Evaluation	7,070,450	-	727,200	-	10	0
109003220	109013210	Fish farming	-	23,000,000	-	-	0	0
111003220	111013210	Livestock Extension Services	-	1,000,000	-	-	0	0
112003220	112013210	Veterinary Service Management	-	26,000,000	-	20,000,000	0	77
		Sub Total	**7,070,450**	**50,000,000**	**727,200**	**20,000,000**	10	40
PUBLIC SERVICE BOARD								

Program	Sub Program	Description	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
			Rec	Dev	Rec	Dev	Rec	Dev
709003221	709013210	Administration Services	5,625,000	-	449,350	-	8	0
710003221	710053210	Human Resource Management and Development	4,800,000	-	1,100,771	-	23	0
		Sub Total	**10,425,000**	-	**1,550,121**	-	15	0
WATER								
105003223	105013210	Water management, Conservation & Provision	58,000,000	129,145,791	25,365,236	42,401,274	44	33
		Sub Total	**58,000,000**	**129,145,791**	**25,365,236**	**42,401,274**	44	33
PUBLIC HEALTH								
202003225	202023210	Communication & Citizen Participation	-	6,000,000	-	-	0	0
404003225	404023210	Public Health & licencing	28,380,000	166,744,059	4,608,515	23,000,000	16	14
	404013210	Waste management	3,700,000	-	146,300	-	4	0
501003225	501013210	Administration Services	3,006,260	-	49,900	-	2	0
		Sub Total	**35,086,260**	**172,744,059**	**4,804,715**	**23,000,000**	14	13
BUDGET AND ECONOMIC PLANNING								
	713023210	Budget and Economic Planning	6,000,000	-	609,725	-	10	0
		Sub Total	**6,000,000**	-	**609,725**	-	10	0
INFRASTRUCTURE								
101003228	101013210	Administration Services	6,000,000	-	304,640	-	5	0
104003228	104013210	Infrastructure Development	-	232,438,138	-	-	0	0
		Sub Total	**6,000,000**	**232,438,138**	**304,640**	-	5	0
MUNICIPALITY								
101003229	101013210	Administration Services	45,203,110	-	586,722	-	1	0
104003229	104013210	Infrastructure Development	-	92,144,270	-	-	0	0
		Sub Total	**45,203,110**	**92,144,270**	**586,722**	-	1	0
DEVOLUTION								
101003230	101013210	Administration Services	47,058,100	307,232,161	407,620	9,322,252	1	3
		Sub Total	**47,058,100**	**307,232,161**	**407,620**	**9,322,252**	1	3
			3,082,742,867	**2,206,034,486**	**1,101,288,086**	**113,152,673**	**36**	**5**

***Source**: Lamu County Treasury*

Based on absorption rates, the sub-programmes with the highest implementation levels were Bursaries in the Department of Education, Technology, Gender, Youth Affairs, Sports and Social Services at 99 per cent and Irrigated farming in the Department of Agriculture, Irrigation and Food Security at 100 per cent of budget allocation.

3.21.13 Accounts Operated Commercial Banks

The County Government operated 43 accounts with commercial banks, including five accounts for Health Facilities, 11 accounts for Vocational Training Centers, eight accounts for Established Funds, four revenue accounts, five special purpose accounts (additional allocations), and one imprest account.

This is contrary to Regulation 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 only exemption is for imprest bank accounts for petty cash and revenue collection bank accounts.

3.21.14 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.87.83 million against an annual target of Kshs.290 million, representing 30.29 per cent of the yearly target.
ii. Use of manual payroll. Personnel emoluments amounting to Kshs.106.32 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 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 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 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.*
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.*

3.22. 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 (70 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs.183.06 million (1 per cent) from the FY 2023/24 budget, which is comprised of a development budget of Kshs.5.03 billion and a recurrent budget of Kshs.10.77 billion. The increase in the budget was attributed to the inclusion of equitable shareable revenue of Kshs.366.71 million, balance brought forward from FY 2023/24 of Kshs.783.85 million, CGAAA 2024 ceilings of Kshs.269.86 million, the inclusion of Kshs.12.92 million of equalisation fund, Kshs.191.56 million from Industrial Park & Aggregation Centres Grant, Kshs.89.23 million from Kenya Urban Support Program, Kshs.58.42 million from KDSP Level, and Kshs.96.94 million from FLLoCA - County climate Resilience Investment Grant. 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 (65 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 (5 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.2.79 billion (18 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.184.

3.22.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.5.23 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.98 billion from the equitable share of revenue raised nationally and Kshs.414.45 million from its own source revenue (OSR) collection. In addition, the County had a cash balance of Kshs.783.51 million from FY 2023/24.

The total OSR collection of Kshs.414.45 million includes Facilities Improvement Financing (FIF) of Kshs.80.0 million, and Kshs.334.45 million as ordinary OSR. Table 3.184 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.184: Machakos County, Revenue Performance in the First Half of FY 2024/25

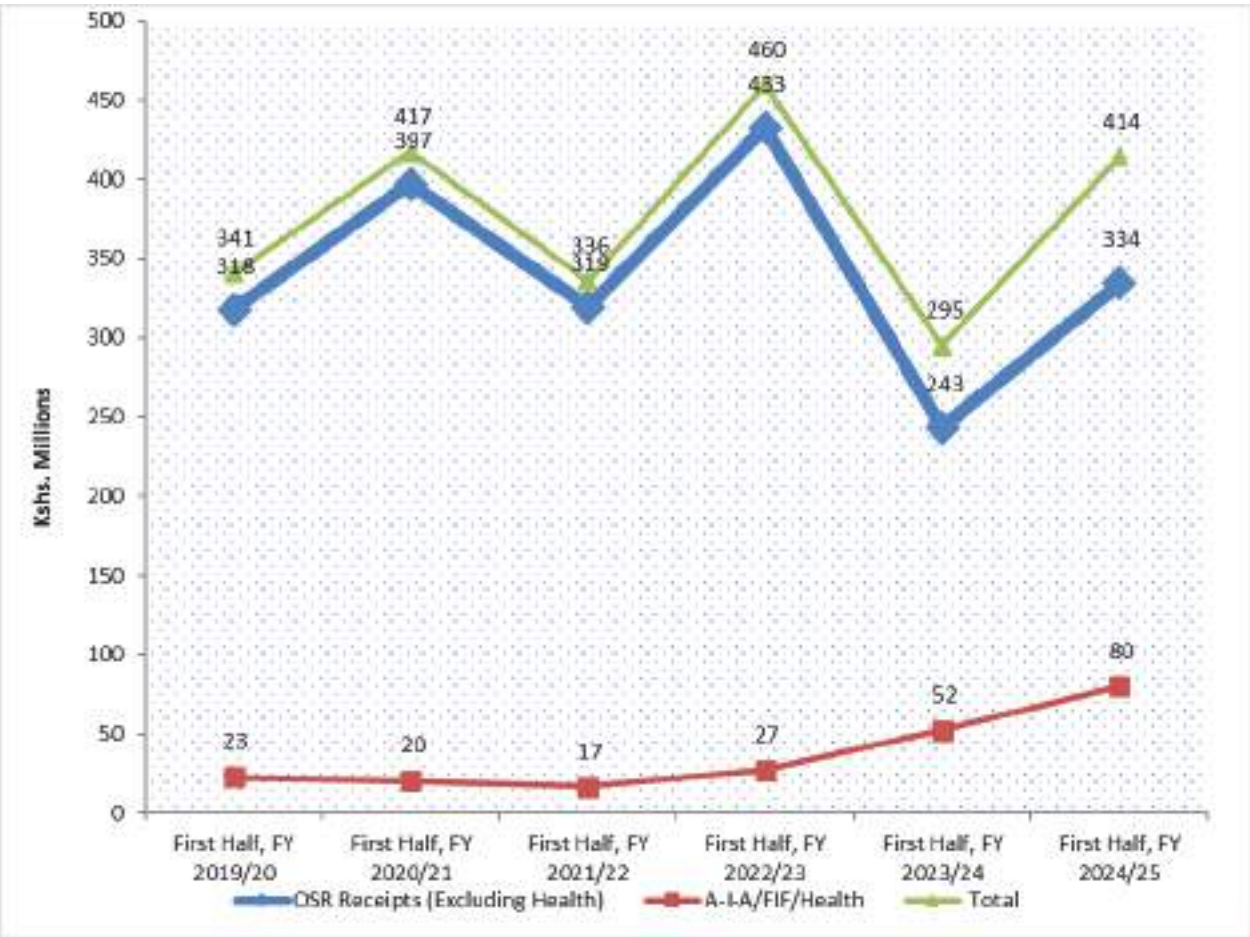
S/No.	Revenue Category	Annual Budget Allocation (Kshs.)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	9,914,003,936	**3,982,847,520**	**40**
Subtotal		**9,914,003,936**	**3,982,847,520**	**40**
B	**Additional Allocations/Conditional Grants**			
	Court Fines	1,617,189	-	-
	Mineral Royalties	91,029	-	-
	Equalization Fund	12,923,347	-	-
	Community Health Promoters Project	83,250,000	-	-
	Road Maintenance Fuel Levy (RMFL)	314,847,146	-	-
	Aggregated Industrial Parks Programme	191,555,385	52,631,579	28
	Kenya Urban Support Project-Urban Development Grant (UDG)-World Bank	179,392,140	-	-
	Kenya Urban Support Project-Urban Institutional Grant (UIG)-World Bank	35,000,000	-	-
	Kenya Devolution Support Program (KDSP I)	58,417,280		
	Kenya Devolution Support Program (KDSP II)	37,500,000	-	-
	Primary Healthcare in Devolved Context (DANIDA)	12,250,425	-	-
	Emergency Locust Response Project (ELRP)	104,600,000	-	-
	Kenya Agricultural Business Development Project-Sweden	10,918,919	-	-
	Aquaculture Business Development Project (IFAD)	12,262,438	-	-
	Financing Locally Led Climate Change Action (FLLoCA) Progam- County Climate Resilience Investment-World Bank	234,440,930	-	-
	FLLoCA County Climate Institutional Support - World Bank	11,000,000	-	-
	National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	-	-
Sub-total		**1,451,581,380**	**52,631,579**	**4**
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	2,788,961,508	334,454,452	15
	Appropriation in Aid (A-I-A)	-	-	-
	Facility Improvement Fund (FIF)	687,000,000	79,998,091	13
Sub-total		**3,475,961,508**	**414,452,543**	**15**

S/No.	Revenue Category	Annual Budget Allocation (Kshs.)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
D	**Other Sources of Revenue**			
	Unspent balance from FY 2023/24	783,851,812	783,851,812	100
Sub Total		783,851,812	783,851,812	100
Grand Total		**15,625,398,636**	**5,233,783,454**	**34**

Source: *Machakos County Treasury*

Figure 85 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 85: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

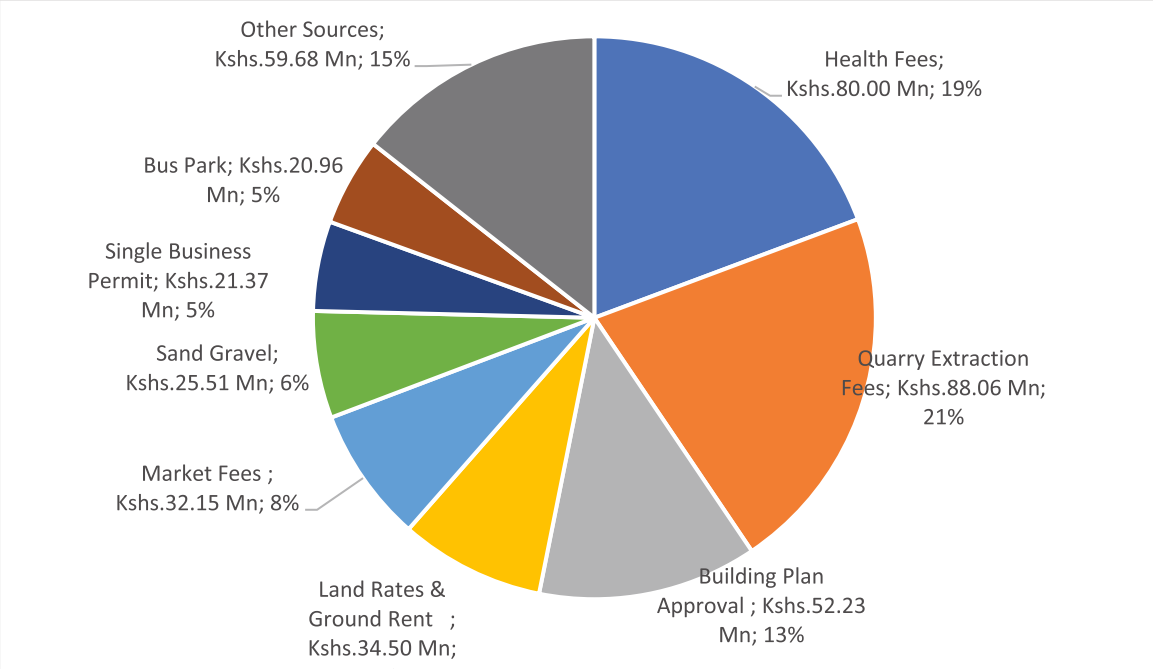


Source: *Machakos County Treasury*

During the first half of FY 2024/25, the County generated Kshs.414.45 million from its revenue sources, including AIA and FIF. This amount was an increase of 40 per cent compared to Kshs.295.25 million realised in a similar period in FY 2023/24 and was 12 per cent of the annual target and 10 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.13.78 million.

The increase in OSR can be attributed to revenue digitalisation, enhanced enforcement and supervision, a revenue mapping exercise, and target setting for all revenue streams. Figure 86 shows the revenue streams that contributed the highest OSR receipts.

Figure 86: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Machakos County Treasury

The highest revenue stream, Kshs.80.0 million, was from Health Fees/FIF, contributing 19 per cent of the total OSR receipts during the reporting period.

3.22.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.78 billion from the CRF account during the reporting period, which comprised Kshs.808.03 million (17 per cent) for development programmes and Kshs.3.97 billion (83 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.95 billion was released towards compensation of employees and Kshs.1.02 billion for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the November 2024 and December 2024 exchequer request for the County Executive and December 2024 exchequer request for the County Assembly due to delay in exchequer disbursement.

Analysis of the operations and maintenance exchequer releases indicates that 21 per cent was for domestic travel and 0.7 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.210.49 million and included Kshs.102.85 million for the County Executive and Kshs.107.63 million for the County Assembly. The foreign exchequer totalled Kshs.7.24 million, comprising 4.79 million for the County Executive and Kshs.2.44 million for the County Assembly.

Table 3.185: 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	797,345,769	53,312,174	147,936,039	3,707,128	19	7.0
County Public Service Board	38,013,709	18,000,000	23,481,047	-	62	-
Roads, Transport and Public Works	277,315,520	1,012,608,511	79,672,758	252,085,197	29	25
County Assembly	1114313264	174400000	406,537,093	-	37	-
Agriculture, Food Security and Co-operative Development	277,236,359	455,393,212	135,335,005	68,851,981	49	15
Health Services & Emergency Services	4,347,640,010	607,578,996	1,931,738,990	79,337,213	44	13

Department	Revised Net Budget Allocation (Kshs.million)		Exchequer Issues (Kshs.million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Water, Irrigation, Environment and Climate Change	163,600,496	664,088,175	46,317,227	50,583,153	28	8
Finance, Economic Planning & Revenue Management	1,156,831,120	724,257,491	380,775,585	185,809,509	33	26
Gender, Youth, Sports & Social Welfare	143,971,665	306,693,863	87,970,063	22,239,463	61	7
Trade, Industry, Tourism & Innovation	156,576,868	272,139,952	88,189,989	82,792,409	56	30
Education	762,572,320	105,787,707	173,771,508	8,605,346	23	8
Lands, Urban Development, Housing & Energy	251,203,441	345,760,161	125,222,754	54,015,617	50	16
Devolution	1,252,348,036	59,558,044	308,225,180	-	25	-
Office of the County Attorney	86851773	-	33,848,938	-	39	-
	10,825,820,350	**4,799,578,286**	**3,969,022,174**	**808,027,016**	**37**	**17**

Source: *Machakos County Treasury*

As of 31 December 2024, the County Government's cash balance in the CRF account was Kshs.552.29 million.

3.22.4 County Expenditure Review

The County spent Kshs.5.97 billion on development and recurrent programmes in the reporting period. The expenditure represented 125 per cent of the total funds released by the CoB and comprised of Kshs.1.18 billion and Kshs.4.79 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 25 per cent, while recurrent expenditure represented 44 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 30 June 2024. This amount includes 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 billion for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.853.85 million, comprising Kshs.708.37 million for recurrent programmes and Kshs.145.48 million for development programmes. Meanwhile, the County Assembly settled nil pending bills.

The County Executive and the Assembly submitted pending bills payment plans at the commencement of FY 2024/25, committing to pay Kshs.1.26 billion and Kshs.31.73 million, respectively, in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.853.85 million for the Executive and nil for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.5.07 billion, comprising Kshs.4.94 billion for the County Executive and Kshs.128.31 million for the County Assembly.

3.22.6 Expenditure by Economic Classification

The County Executive spent Kshs.3.22 billion on employee compensation, Kshs.1.14 billion on operations and maintenance, and Kshs.1.19 million on development activities. Similarly, the County Assembly spent Kshs.281.78 million on employee compensation, Kshs.153.73 million on operations and maintenance, and nil on development activities, as shown in Table 3.186.

Table 3.186: 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	4,355,538,849	435,512,612	45	39
Compensation to Employees	6,218,680,369	379,601,743	3,215,087,713	281,779,371	52	74
Operations and Maintenance	3,492,826,717	734,711,521	1,140,451,136	153,733,241	33	21
Development Expenditure	4,625,178,286	174,400,000	1,186,742,015	-	26	-
Total	**14,336,685,372**	**1,288,713,264**	**5,542,280,864**	**435,512,612**	**39**	**34**

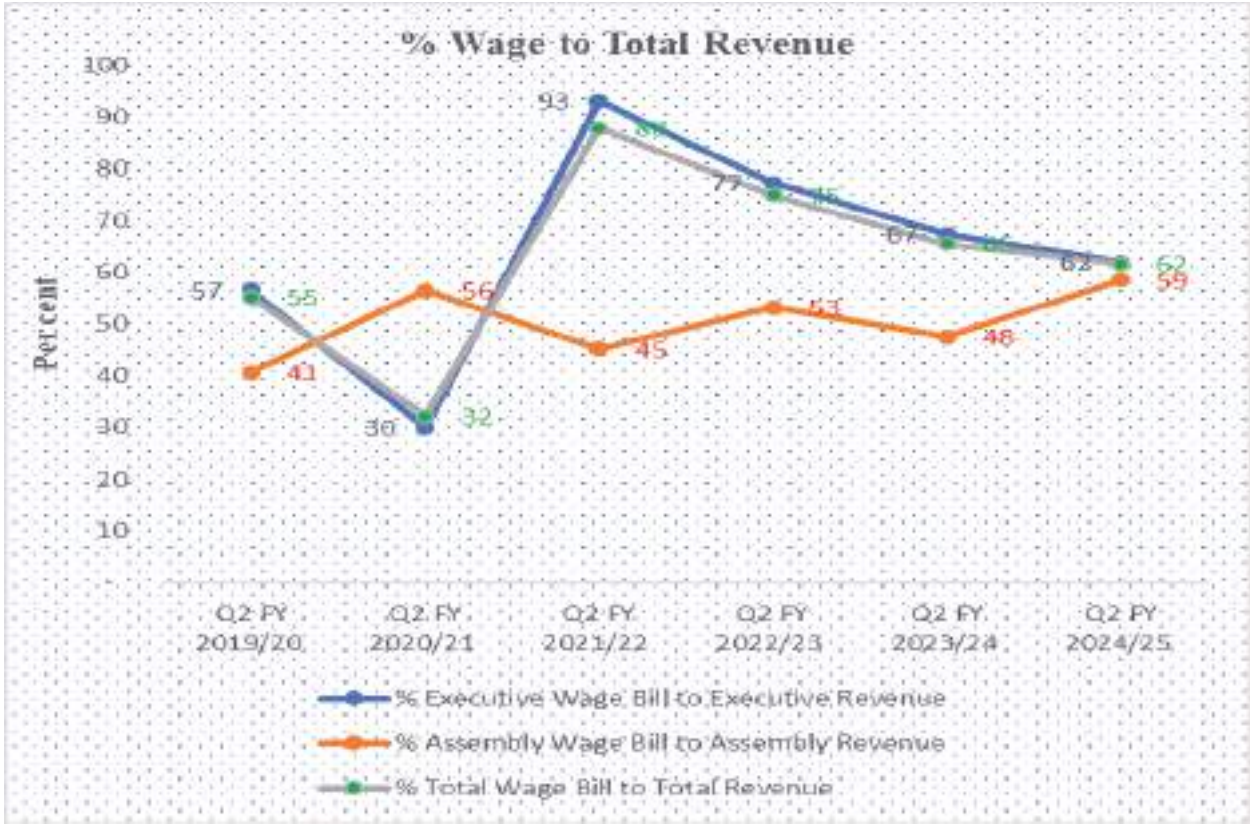
***Source**: Machakos County Treasury*

3.22.7 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.3.50 billion, or 62 per cent of the available revenue of Kshs.5.26 billion. This expenditure represented an increase from Kshs.3.30 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.72 billion paid to the Health Sector employees, translating to 49 per cent of the total wage bill.

Figure 87 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 87: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2019/20 to the First Half of FY 2024/25



Source: Machakos County Treasury

Further analysis indicates that PE costs amounting to Kshs.3.42 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.75.52 million was processed through manual payrolls, which accounted for 2 per cent of the total PE cost.

The County Assembly spent Kshs.21.36 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.116.716 per MCA. The County Assembly had 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 any funds to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.187 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.187: Performance of County Established Funds in the First Half of FY 2024/25

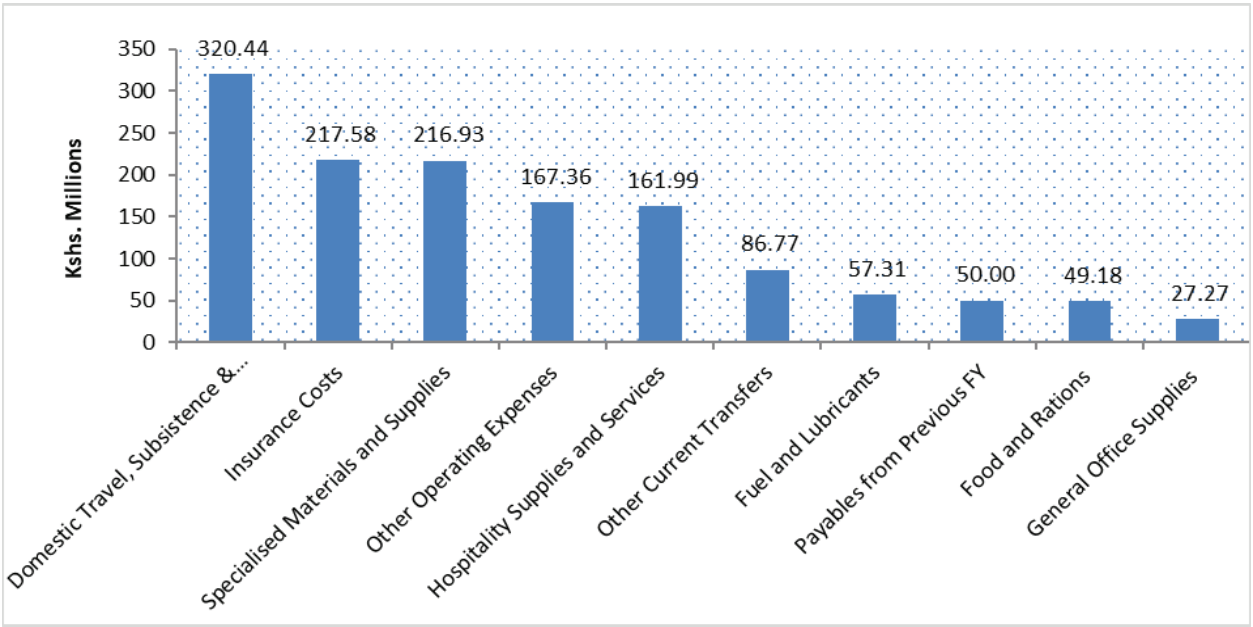
S/ No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Half of FY 2024/25 (Kshs.)	Actual Expenditure in First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Half Financial Statements (Yes/No.)
	County Executive Established Funds					
	Machakos County Education Bursary Fund	120,000,000	-	12,265	680,251,016	Yes
	Machakos County Executive Mortgage & Car Loan Scheme	-	-	-	96,000,000	Yes
	Machakos County Climate Fund	163,584,159	11,000,000	63,873,714	444,329,453	Yes
	County Assembly Established Funds					
	Machakos County Housing & Car Loan Scheme Fund - MCA	-	-	11,222,205	386,000,000	Yes
	Machakos County Housing & Car Loan Scheme Fund - Staff	20,000,000	-	5,480,087	273,000,000	Yes
	Total	**303,584,159**	**11,000,000**	**80,588,271**	**1,879,580,469**	

Source: *Machakos County Treasury*

3.22.9 Expenditure on Operations and Maintenance

Figure 88 summarises the Operations and Maintenance expenditure by major categories.

Figure 88: Machakos County, Operations and Maintenance Expenditure by Major Categories



Source: *Machakos County Treasury*

Expenditure on domestic travel amounted to Kshs.320.42 million and comprised Kshs.125.45 million spent by

the County Assembly and Kshs.195.0 million by the County Executive. Expenditure on foreign travel amounted to Kshs.52.49 million and comprised Kshs.8.99 million by the County Assembly and Kshs.43.50 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.188.

Table 3.188: Summary of Highest Expenditure on Foreign Travel in the First Half 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	3	10th to 17th October, 2024	Meeting with women MPs in the UK Parliament and with members of the Kenyan diaspora	London, United Kingdom	1,401,400
County Assembly	2	19th to 23rd October, 2024	The 7th Africa Colloquium of Legal Counsel to Parliaments	Victoria Falls, Zimbabwe	239,800
County Assembly	7	2nd to 8th July, 2024	Workshop on Legal and Legislative drafting organised by the LSK	Arusha, Tanzania	1,835,038
County Assembly	1	5 August, 2024	Agent fees for US Visa application	USA	225,000
County Assembly	3	10th to 17th October, 2024	Agent fees for US Visa applica-tion-UK	London, United Kingdom	56,000
County Assembly	14	7th to 14th December, 2024	Capacity building tour at the East African Legislative Assembly	Arusha, Tanzania	565,928
County Assembly	1	7th to 14th December, 2024	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 at the East African Legislative Assembly	Arusha, Tanzania	846,000
County Assembly	7	15th to 22nd December,2024	Agent fees for US Visa applica-tion-Saudi Arabia	Riyadh, Saudi Arabia	258,000
County Assembly	7	16th to 22nd December, 2024	The 19th Annual Meeting of the Inter-net Governance Forum	Riyadh, Saudi Arabia	2,969,694
County Executive	5	7th to 16th December 2024	Livestock and Food Security Initiative Conference.	Brazil	3,399,679.80
County Executive	6	1st to 7th December 2024	Imprest issued to attend the 30th ICPAK Executive Seminar	Dubai	2,005,700
County Executive	10	12th to 21st August 2024	Training In Contemporary Public Administration, Leadership, Manage-ment, Good Governance. Networking and Twinning Program.	Dubai	1,000,300
County Executive	14	2nd to 13th December 2024	Strategic Management Programme	Dubai	3,072,108

Source: Machakos County Treasury and Machakos County Assembly

The other operating expenses include an expenditure of Kshs.45.02 million on the Governor's Cup and KICOSCA games, as well as security operations of Kshs.7.59 million, Kshs.4.66 million on contracted technical services, Kshs.14.02 million on contracted guards and cleaning services, and Kshs.25.10 million on Legal fees/ Dues, arbitration and compensation payments, and legal fees.

3.22.10 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.80.0 million as FIF, which was 12 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 of 2023. The County has developed 2023 regulations to operationalise the FIF Act of 2023. However, it's setting up hospital boards and committees to enable the facilities to utilise the funds and report on their expenditures.

Thus, the Health Facilities did not provide a report on the utilisation of the FIF during the reporting period, which was in line with (contrary to) Section 18 (e) of the FIF Act, 2023.

3.22.11 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.1.19 billion on development programmes, representing an increase of 467 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.209.14 million. Table 3.189 summarises development projects with the highest expenditure in the reporting period.

Table 3.189: Machakos 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, Industry, Tourism & Innovation	Construction of County Aggregation and Industrial Park	Mukuyu	476,634,987	160,170,940	34
2	Roads, Transport & Public Works	Katangi – Kinyaata – Kithimani Road (Phased) 5 kms	Katangi, Ikombe, Kithimani Yatta	244,514,716	85,173,531	35
3	Agriculture and Food Security	Purchase of Certified Crop Seed (Crop seeds to farmers)	All Wards	61,175,440	61,175,440	100
4	Health Services	Phased New Machakos Specialist Hospital	Machakos Central Ward	1,499,885,589	55,315,483	4
5	Roads, Transport & Public Works	Kathalani – Kaviani Road (Phased) 3.2 km	Upper Kaewa	154,580,347	47,001,798	30
6	Roads, Transport & Public Works	Mlolongo – Gossip – Police Road (Phased) 4.3 km	Mlolongo/ Syokimau	326,815,930	34,298,086	10
7	Roads, Transport & Public Works	Supply Refined Fuels and Lubricants for Roads grading programme	Countywide	36,249,958	28,780,045	79
8	Water, Environment & Irrigation	Construction of Matokini earth dam	Matokini, Katangi Ward	24,418,402	24,418,402	100
9	Devolution	Phased Completion of Multipurpose Subcounty Offices	Tala-Katine	-	23,684,095	-
10	Education	Construction of Matuu Daycare Center	Matuu	29,909,770	16,841,983	56

Source: *Machakos County Treasury*

3.22.12 Budget Performance by Department

Table 3.190 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.190: 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	147.94	3.71	377.37	7.41	255	-	47	-
County Public Service Board	38.01	18.00	23.48	-	17.63	-	75	-	46	-
Roads, Transport and Public Works	277.32	1,012.61	79.67	252.09	110.52	283.78	139	113	40	28
County Assembly	1,114.31	174.40	406.54	-	435.51	-	107	-	39	-
Agriculture, Food Security and Co-operative Development	277.24	455.39	135.34	68.85	133.21	71.26	98	104	48	16
Health Services & Emergency Services	4,347.64	607.58	1,931.74	79.34	2,160.78	94.61	112	119	50	16

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
Water, Irrigation, Environment and Climate Change	163.60	664.09	46.32	50.58	68.94	134.47	149	266	42	20
Finance, Economic Planning & Revenue Management	1,156.83	724.26	380.78	185.81	519.46	467.66	136	252	45	65
Gender, Youth, Sports & Social Welfare	143.97	306.69	87.97	22.24	51.08	9.80	58	44	36	3
Trade, Industry, Tourism & Innovation	156.58	272.14	88.19	82.79	72.62	12.44	82	15	46	5
Education	762.57	105.79	173.77	8.61	229.23	28.66	132	333	30	27
Lands, Urban Development, Housing & Energy	251.20	345.76	125.22	54.02	113.37	62.27	91	115	45	18
Devolution	1,252.35	59.56	308.23	-	460.25	14.38	149	-	37	24
Office of the County Attorney	86.85	-	33.85	-	41.08	-	121	-	47	-
Total	**10,825.82**	**4,799.58**	**3,969.02**	**808.03**	**4,791.05**	**1,186.74**	**121**	**146**	**44**	**25**

***Source**: Machakos County Treasury*

Analysis of expenditure by departments shows that the Department of Finance, Economic Planning & Revenue Management recorded the highest absorption rate of development budget at 65 per cent, followed by the Department of Roads, Transport and Public Works at 28 per cent. The Department of Health Services & Emergency Services had the highest percentage of recurrent expenditure to budget at 50 per cent, while the Department of Education had the lowest at 30 per cent.

Further analysis shows expenditures to exchequer issues for several departments being higher as indicated by the financial statements using payments done at IFMIS level. Generally, a substantial number of transactions may appear as having been paid at IFMIS but in practice, they are awaiting funding at the CBK Internet Banking (IB) level resulting in the variance.

3.22.13 Budget Execution by Programmes and Sub-Programmes

Table 3.191 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.191: TMachakos County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 December,2024		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	219,353,060	7,414,256	57	28
	Transport Services	75,477,181	-	13,479,799	-	18	-
	Office of the County Secretary	57,791,785	19,125,340	23,939,800	--	41	-
	Office of the County Advisors	47,087,201	-	14,970,947	-	32	-
	Human Resource and Administration Services	72,083,109	-	26,051,424	-	36	-
	Hospitality Services Section	55,342,684		14,259,291	-	26	-
	Office of the Deputy Governor	84,902,064	7,334,480	**63,315,316**	-	75	-
	Cabinet Office	19,005,239	-	1,998,035	-	11	-
	Sub-Total	**797,345,769**	**53,312,174**	**377,367,672**	**7,414,256**	47	14
County Public Service Board							

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 December,2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Human Resource and Administration	Human Resource and Administration	38,013,709	18,000,000	17,631,612	-	46	-
	Sub- Total	**38,013,709**	**18,000,000**	**17,631,612**	-	46	-
ROADS, TRANSPORT AND PUBLIC WORKS							
Roads and Transport	General Administration and Support Services	257,730,520	35,565,769	108,007,489	-	42	-
	Road Development and Maintenance	1,505,000	814,647,704	263,800	234,793,092	18	29
	County Fleet Management	-	115,719,621		44,657,960	-	39
Public Works	County Government Buildings Services	18,080,000	46,675,417	2,253,650	4,330,228	12	9
	Sub-Total	**277,315,520**	**1,012,608,511**	**110,524,939**	**283,781,280**	40	28
HEALTH SERVICES							
General Administration and Support Services	General Administration and Support Services	3,544,357,190	405,816,455	1,755,101,622	70,342,993	50	17
Curative and Rehabilitative Health	Machakos Level 5	246,379,350	4,000,000	96,919,608	4,000,000	39	100
	Kangundo Level 4	46,100,000	12,000,000	32,991,811	-	72	-
	Matuu Level 4	38,500,000	24,000,000	30,821,855	-	80	-
	Kathiani Level 4	50,500,000	10,500,000	32,162,483	-	64	-
	Mwala Level 4	32,500,000	10,000,000	25,715,957	-	79	-
	Kimiti Level 4	26,500,000	6,000,000	18,211,621	-	69	-
	Masinga Level 4	33,600,000	3,000,000	27,770,225	-	83	-
	Athiriver Level 4	20,500,000	8,000,000	14,981,637	-	73	-
	Mutituni Level 4	20,500,000	6,000,000	14,978,747	-	73	-
	Ndithini Level 4	22,500,000	14,000,000	16,399,390	-	73	-
	Kalama Level 4	25,500,000	5,000,000	19,331,200	-	76	-
Preventive and Promotive Services	Public Health	240,203,470	99,262,541	75,395,410	20,262,541	31	20
	Sub-Total	**4,347,640,010**	**607,578,996**	**2,160,781,566**	**94,605,534**	50	16
WATER, IRRIGATION, ENVIRONMENT, CLIMATE CHANGE AND NATURAL RESOURCES							
Water Resources Management	Water Resources Management	103,689,399	201,393,207	46,401,021	36,412,290	45	18
Development and Promotion of Irrigation	Development and Promotion of Irrigation	-	9,561,724	-	-	-	-
Sewerage System and Sanitation Management	Sewerage System and Sanitation Management	5,940,000	80,757,521	2,495,950	-	42	-
General Administrative and Support Services	General Administrative and Support Services	2,750,000	-	1,271,800	-	46	-
Environment and Natural Resources	Environment and Natural Resources	12,736,938	22,908,000	5,821,875	7,935,000	46	35
Climate Change	Climate Change	38,484,159	349,467,723	12,950,354	90,126,619	34	26
TOTAL		**163,600,496**	**664,088,175**	**68,941,000**	**134,473,909**	42	20
AGRICULTURE, FOOD SECURITY AND CO-OPERATIVE DEVELOPMENT							
Agriculture and Food Security	General Administration and support services	246,320,763	444,695,363	118,549,640	71,257,192	48	16
Co-operative Development	Co-operative Development and Marketing	30,915,596	10,697,849	14,661,615	-	47	-
TOTAL		**277,236,359**	**455,393,212**	**133,211,255**	**71,257,192**	48	16

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 December,2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT							
Resource mobilisation	Revenue Management	410,303,059	36,614,450	198,082,934	2,714,450	48	7
County Treasury	Budget formulation, Coordination and Implementation	63,291,024	42,941,650	30,204,079	-	48	-
	Supply Chain Management Section	10,741,192		2,909,320		27	-
	Accounts Services	200,174,846	554,917,949	76,559,144	459,982,254	38	83
	Audit Section	15,112,288	12,923,347	9,283,438	-	61	-
	Human Resource Management and Support Services	239,802,501		89,759,579	-	37	-
Economic Planning & External Resource Mobilization	Economic Planning and Statistical Services	58,251,914	3,000,000	45,570,978	-	78	-
	Monitoring and Evaluation	15,760,199	-	7,316,105	-	46	-
	External Resource Mobilisation	6,216,166	-	1,804,560	-	29	-
Directorate of Governors Project Delivery Unit	Directorate of Governors Project Delivery Unit	29,141,939	-	12,896,005	-	44	-
ICT	ICT General Administration and support services	48,055,132	64,995,254	21,954,317	4,962,091	46	8
	Public Communication	59,980,860	8,864,841	23,120,232	-	39	-
TOTAL		**1,156,831,120**	**724,257,491**	**519,460,691**	**467,658,795**	45	65
GENDER, YOUTH, SPORTS & SOCIAL WELFARE							
Youth and Sports	Administrative Services						
	Stadium Management	78,147,105	168,941,334	48,488,164	9,797,321	62	6
Gender and Social Welfare	Administrative Services	59,174,560	17,752,529	2,194,937	-	4	-
	Special Programmes		95,000,000		-	-	-
	Digital Economy	6,650,000	25,000,000	399,995	-	6	-
TOTAL		**143,971,665**	**306,693,863**	**51,083,096**	**9,797,321**	35	-
TRADE, INDUSTRY, TOURISM AND INNOVATION							
Trade, Industry and Innovation	Headquarters & Administrative Services	21,462,140		9,336,867		44	-
	Trade and External Relations	689,166	19,410,715	300,000	9,410,716	44	48
	Small and Medium-sized Enterprises	9,857,576	47,673,852	3,163,615	3,031,429	32	6
	Industrialisation and Innovation	23,919,656	191,555,385	10,343,216	-	43	-
	Investment Promotion	23,019,152	-	11,650,000	-	51	-
Tourism Administrative & Support Services	Tourism Administrative & Support Service	50,619,360	-	22,837,264	-	45	-
	Heritage & Culture	1,700,000	-	598,510	-	35	-
	Liquor Management	7,809,818	-	7,470,960	-	96	-
	Tourism Development and Marketing	8,500,000	-	4,079,900	-	48	-
	Management of Recreational Services	4,000,000	12,000,000	840,040	-	21	-
	Machawood	4,000,000	1,500,000	1,995,955	-	50	-
	County Image Directorate	1,000,000	-	-	-	-	-
TOTAL		**156,576,868**	**272,139,952**	**72,616,327**	**12,442,145**	46	5
EDUCATION							

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 December,2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
General Administration and Support Service	Headquarter administrative services	634,870,229	52,163,635	226,204,422	12,245,000	36	23
Basic Education	Basic Education	623,191		294,796		47	-
	Vocational Training	127,078,900	53,624,072	2,717,730	16,415,830	2	31
TOTAL		**762,572,320**	**105,787,707**	**229,216,948**	**28,660,830**	30	27
LANDS, HOUSING AND URBAN DEVELOPMENT & ENERGY							
Lands and Physical Planning	Lands and Physical Planning	63,377,057	21,169,005	39,200,272	-	62	-
County Electrification	County Electrification	26,686,470	118,306,546	12,043,487	55,857,146	45	47
Housing and Urban Development	Housing and Urban Development	135,614,119	980,000	53,545,152	-	39	-
	Machakos Municipality	7,765,795	185,225,140	2,509,575	2,014,150	32	1
	Mavoko Municipality	10,200,000	11,386,700	3,975,001	2,698,801	39	24
	Kangundo Tala Municipality	7,560,000	8,692,770	2,093,979	1,696,901	28	20
TOTAL		**251,203,441**	**345,760,161**	**113,367,466**	**62,266,998**	45	18
DEVOLUTION							
Public Service and Performance Management	General Administration and support services	616,922,720	2,400,200	193,494,288	-	31	-
	Performance Management	7,500,000	-	1,224,000	-	16	-
	Training, Research and Development	54,176,614	-	9,320,532	-	17	-
	Human Resource Development	16,000,000	-	5,750,178	-	36	-
County Administration & Decentralised Units	General Administration and support services	365,372,243	30,047,111	159,446,126	14,383,751	44	48
Public participation, citizen engagement, and customer care	Civic Engagement	7,500,000	11,000,000	2,386,901	-	32	-
	Administration and Co-ordination	5,850,000		2,372,150		41	-
	Solid Waste Management	15,020,000		7,206,000		48	-
Inspectorate, Firefighting and Emergency Services	Inspectorate Services and Management	154,206,459	16,110,733	74,915,185	-	49	-
	Emergency Services	9,800,000	-	4,139,200	-	42	-
TOTAL		**1,252,348,036**	**59,558,044**	**460,254,560**	**14,383,751**	37	24
OFFICE OF THE COUNTY ATTORNEY							-
	Legal Services	86,851,773	-	41,081,710	-	47	-
Sub-Total		**86,851,773**	-	**41,081,710**	-	47	-
COUNTY ASSEMBLY							-
Programme 1	Representation, Oversight & Legislative	1,114,313,264	174,400,000	435,512,612	-	39	-
	Sub Total	1,114,313,264	174,400,000	435,512,612	-	44	25
Grand Total		**10,825,820,350**	**4,799,578,286**	**4,791,051,461**	**1,179,327,759**	44	57

***Source**: Machakos County Treasury*

The sub-programmes with the highest implementation levels based on absorption rates were Machakos Level 5 in the Department of Health Services at 100 per cent, Liquor Management in the Department of Trade, Industry and Innovation at 96 per cent, Accounting Services in the Department of Finance, Economic Planning and ICT Services at 83 per cent, and Matuu Level 4 in the Department of Health Services at 80 per cent of budget allocation.

3.22.14 Accounts Operated Commercial Banks

The County Government operated 225 accounts with commercial banks, including 164 accounts for Health Facilities, nine accounts for Established Funds, 16 revenue accounts, 28 special purpose accounts (additional allocations), three imprest accounts, two special operations accounts, three salary suspense accounts.

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.

3.22.15 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 underperformance of own-source revenue at Kshs.414.45 million against an annual target of Kshs.3.48 billion, representing 12 per cent of the yearly target.
ii. The high pending bills amounted to Kshs.5.07 billion as of 31 December 2024. 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.75.52 million 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.
iv. 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 225.

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 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 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.*
iv. *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.*

3.23. County Government of Makueni

3.23.1 Overview of FY 2024/25 Budget

The Makueni County Gross Approved Supplementary I FY 2024/25 budget is Kshs.12.23 billion. It comprises Kshs.4.30 billion (35 per cent) and Kshs.7.30 billion (65 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.05 billion (9 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.3.33 billion and a recurrent budget of Kshs.7.85 billion. The increase in the budget was attributed to the inclusion of Kshs.1,004,193,182 from FY 2023/24, a reallocated budget comprising Kshs.676,436,878 June 2024 exchequer disbursement, Kshs.73,855,204 cash balances brought forward, Kshs.193,203,730 Special Purposes Accounts cash balances, Kshs.42,882,395 un-disbursed conditional grants and over-collection of A-I-A of Kshs.17,814,975. The County's Net Approved Supplementary I Budget (gross budget less A-I-A estimates) is Kshs.11.84 billion, which consists of Kshs.7.54 billion for recurrent and Kshs.4.30 billion for development.

The budget will be financed from different sources of revenue. These include; Kshs.8.76 billion (72 per cent) as the equitable share of revenue raised nationally, Kshs.990.05 million (8 per cent) as additional allocations, a cash balance of Kshs.1.004 million (8 per cent) brought forward from FY 2023/24 and Kshs.1.47 billion (12 per cent) generated as gross own source revenue. The own source revenue of Kshs.1.47 billion comprises Kshs.389.80 million (27 per cent) as Appropriations-in-Aid (A-I-A), Kshs.176.40 million (12 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.905.18 million (62 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.192.

3.23.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.4.98 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.53 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.31 million, and its own source revenue (OSR) collection of Kshs.469.63 million. In addition, the County had a cash balance of Kshs.948.20 million from FY 2023/24.

The total OSR collection of Kshs.469.63 million; Appropriations in Aid (A-I-A) of Kshs.163.74 million, Facilities Improvement Financing (FIF) of Kshs.144.35 million, and Kshs.161.54 million as ordinary OSR. Table 3.192 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.192: Makueni County, Revenue Performance in the First Half 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 -	8,762,816,136	3,526,383,006	40
B	**Additional Allocations**			
	IDA(World Bank) Credit National Agricultural Value Chain Development Project(NAVCDP)	151,515,152	-	-
	Kenya Agricultural Business Development Project (KABDP)	10,918,919	-	-
	KDSP-II Grant	37,500,000	-	-
	Community Health Promoters (CHPs) Project	113,700,000	-	-
	Nutrition International Donor funding	21,013,780	20,000,000	95
	DANIDA- Primary healthcare in a devolved context	11,407,500	-	-
	Roads Maintenance Fuel Levy	415,079,544	-	-
	Urban Institutional Grant (UIG) - World Bank	35,000,000	-	-
	IDA (World Bank) Credit Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant	11,000,000	11,000,000	100
	IDA (World Bank Credit: Kenya Urban Support Project (KUSP)- Urban Development Grant (UDG)	40,167,542	-	-
	IDA (World Bank) Credit Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Resilience Investment (CCRI) Grant	142,746,435	-	-
Subtotal		**990,048,872**	**31,000,000**	**3**
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	905,177,623	161,539,422	18
	Appropriation in Aid (A-I-A)	389,825,700	163,742,496	42
	Facility Improvement Fund (FIF)	176,430,000	144,346,468	82
Subtotal		1,471,433,323	469,628,386	32
D	**Other Sources of Revenue**			

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
	Unspent balance from FY 2023/24	1,004,193,182	948,201,484	94
	Other Revenues (provide a list)	0	3,658,895	0.0
Sub Total		**1,004,193,182**	**951,860,379**	**95**
Grand Total		**12,228,491,513**	**4,978,871,771**	**41**

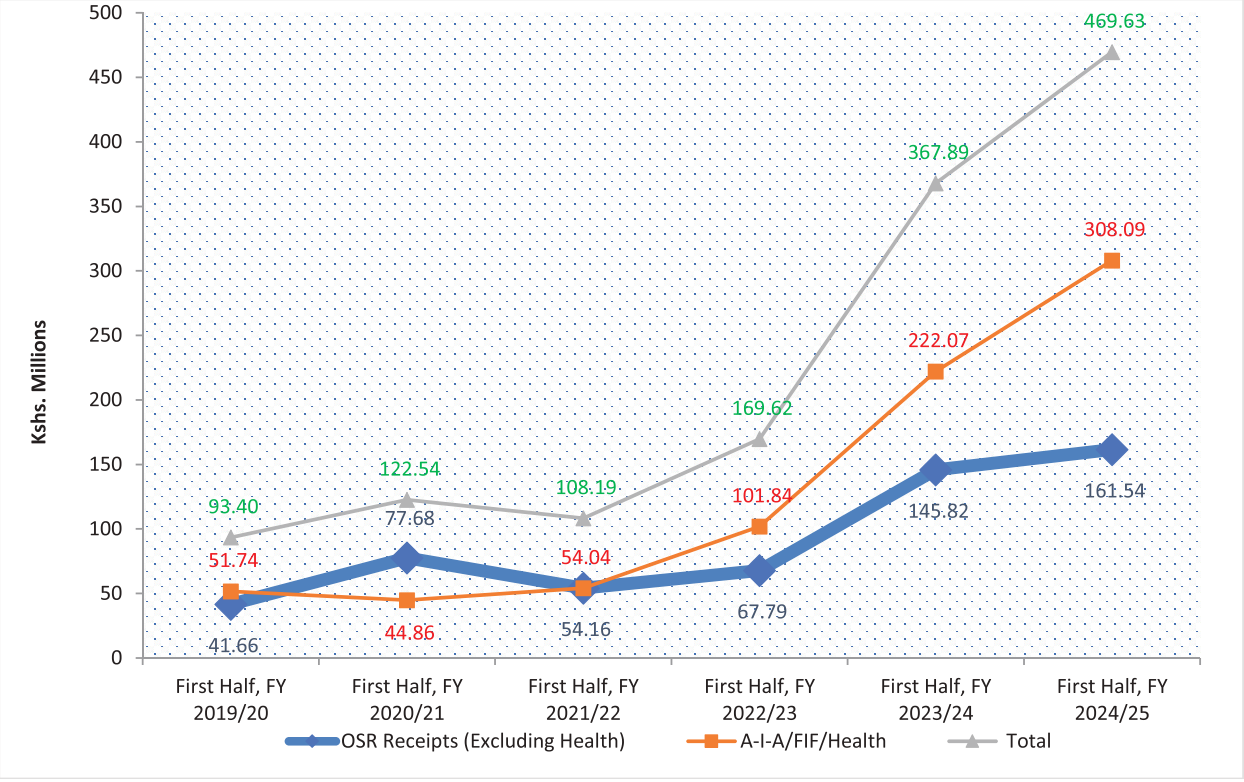
Source: Makueni County Treasury

The Conditional grants are 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-half 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. In addition, the County has legislation (The Makueni County Health Services Act 2017) to govern the operations of Health Facilities.

Figure 89 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 89: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: *Makueni County Treasury*

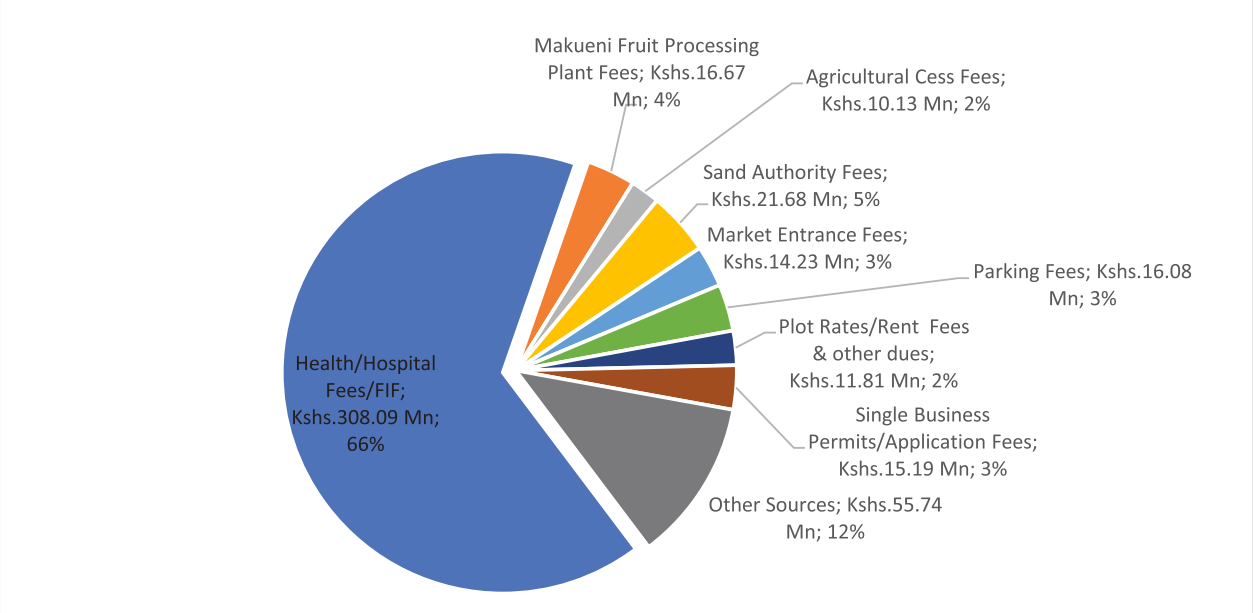
During the first half of FY 2024/25, the County generated Kshs.469.63 million from its revenue sources, including AIA and FIF. This amount was an increase of 28 per cent compared to Kshs.367.89 million realised in a similar period in FY 2023/24. This was 32 per cent of the annual target and 13 per cent of the equitable revenue share disbursed. The OSR includes received revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.23.14 million.

The increase in OSR can be attributed to the automation and integration of revenue systems, collaboration with

the Kenya National Bureau of Statistics to conduct a detailed business census to map all traders, thus broadening the tax base, engagement of dedicated and motivated community revenue champions across village clusters, timely submission of NHIF/SHIF claims, and enhanced collections from the County Treasury.

The revenue streams which contributed the highest OSR receipts are shown in Figure 90.

Figure 90: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: *Makueni County Treasury*

The highest revenue stream, Kshs.308.09 million, was from Facilities Improvement Financing (FIF), which comprised medical health service fees of Kshs.144.35 million, NHIF/SHIF and Linda Mama reimbursements, and Edu Afya fees of Kshs.162.20 million, and Universal Health Care Registration fees amounting to Kshs.1.54 million. The FIF contributed 66 per cent of the total OSR receipts during the reporting period.

3.23.3 Borrowing by the County

The County Government did not disclose any borrowing made during the review period including short-term (cash flow management) borrowings.

3.23.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.71 billion from the CRF account during the reporting period, which comprised Kshs.277.53 million (7 per cent) for development programmes and Kshs.3.44 billion (93 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.42 billion was released towards compensation of employees and Kshs.1.02 billion for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to the delay in disbursement of the National Government equitable share to counties.

Analysis of the operations and maintenance of recurrent exchequer releases indicates that 14 per cent was spent on domestic travel and 1 per cent on foreign travel. The domestic travel exchequer amounted to Kshs.117.76 million and included Kshs.24.62 million for the County Executive and Kshs.93.13 million for the County Assembly. The foreign exchequer totalled Kshs.7.36 million, comprising Kshs.2.72 million for the County Executive and Kshs.4.64 million for the County Assembly.

Table 3.193: Makueni 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
Land, Physical Planning & Mining	83,504,160	545,625,496	39,505,271	30,402,246	47	6
Wote Municipality	67,931,605	57,514,011	34,430,975	247,900	51	>1
Emali-Sultan Municipality	32,044,280	42,745,731	15,066,954	912,447	47	2
Sand Authority	57,753,699	5,000,000	19,373,464	-	34	-
Health Services	3,116,670,444	1,120,254,181	1,525,210,815	98,755,949	49	9
Infrastructure, Transport, Public Works, Housing & Energy	129,884,354	970,352,483	55,031,414	29,394,328	42	3
ICT, Education and Internship	940,012,087	265,826,061	373,148,784	16,888,426	40	6
Trade, Industry & Cooperatives	140,487,215	39,719,270	57,336,189	1,233,100	41	3
Department of Gender, Children, Youth, Sports, and Social Services	142,424,334	149,165,453	32,034,941	10,089,180	22	7
County Attorney	42,540,335	5,200,000	25,151,322	-	59	-
Governorship	521,048,407	-	104,377,435	-	20	-
County Secretary	464,245,270	-	60,464,394	-	13	-
County Public Service Board	70,998,317	-	25,502,449	-	36	-
Finance & Socio-Economic Planning	501,243,960	48,834,973	230,214,081	-	46	-
Devolution, Public participation, County Administration and Special Programmes	308,850,060	38,741,225	155,884,968	-	50	-
Water, Sanitation and Irrigation	109,852,701	528,587,393	55,082,197	27,257,586	50	5
Agriculture, Livestock, Fisheries and Cooperative Development	257,650,271	356,262,164	119,098,465	22,300,213	46	6
Makueni Fruit Development and Marketing Authority	35,555,220	46,499,364	16,713,613	40,050,315	47	86
County Assembly	906,121,976	79,345,015	490,339,364	-	54	-
Total	**7,928,818,694**	**4,299,672,820**	**3,433,967,095**	**277,531,690**	**43**	**6**

***Source**: Makueni County Treasury*

As of 31 December 2024, the County Government's cash balance in the CRF account was Kshs.834,926,849.55.

3.23.5 County Expenditure Review

The County spent Kshs.3.96 billion on development and recurrent programmes in the reporting period. The expenditure represented 107 per cent of the total funds released by the CoB and comprised Kshs.534.47 million and Kshs.3,43 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 12 per cent, while recurrent expenditures represented 43 per cent of the annual recurrent expenditure budget.

3.23.6 Settlement of Pending Bills

As of 30 June 2024, the county reported pending bills totalling Kshs.829.47 million. This amount includes Kshs.686.83 million from the County Executive and Kshs.142.64 million from the County Assembly. The pending bills from the County Executive consist of Kshs.499.59 million for recurrent expenditures and Kshs.187.24 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.393.27 million for recurrent programmes only. Meanwhile, the County Assembly settled pending bills worth Kshs.109.30

million for recurrent activities. As of 31 December 2024, neither arm of the county government settled any pending bills 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.576.69 million and Kshs.114.11 million in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.393.27 million for the Executive and Kshs.109.3 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.326 million, comprising Kshs.293.56 million for the County Executive and Kshs.33.34 million for the County Assembly.

3.23.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.18 billion on employee compensation, Kshs.751.20 million on operations and maintenance, and Kshs.534.47 million on development activities. Similarly, the County Assembly spent Kshs.233.91 million on employee compensation and Kshs.256.43 million on operations and maintenance but did not process any payment towards development activities, as shown in Table 3.194.

Table 3.194: 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	**7,022,696,719**	**906,121,976**	**2,935,376,150**	**490,339,364**	**42**	**54**
Compensation to Employees	4,746,548,777	451,423,604	2,184,174,400	233,906,413	46	52
Operations and Maintenance	2,276,147,942	454,698,372	751,201,750	256,432,950	33	56
Development Expenditure	4,220,327,803	79,345,015	534,471,537	-	13	-
Total	**11,243,024,522**	**985,466,991**	**3,469,847,687**	**490,339,364**	31	**50**

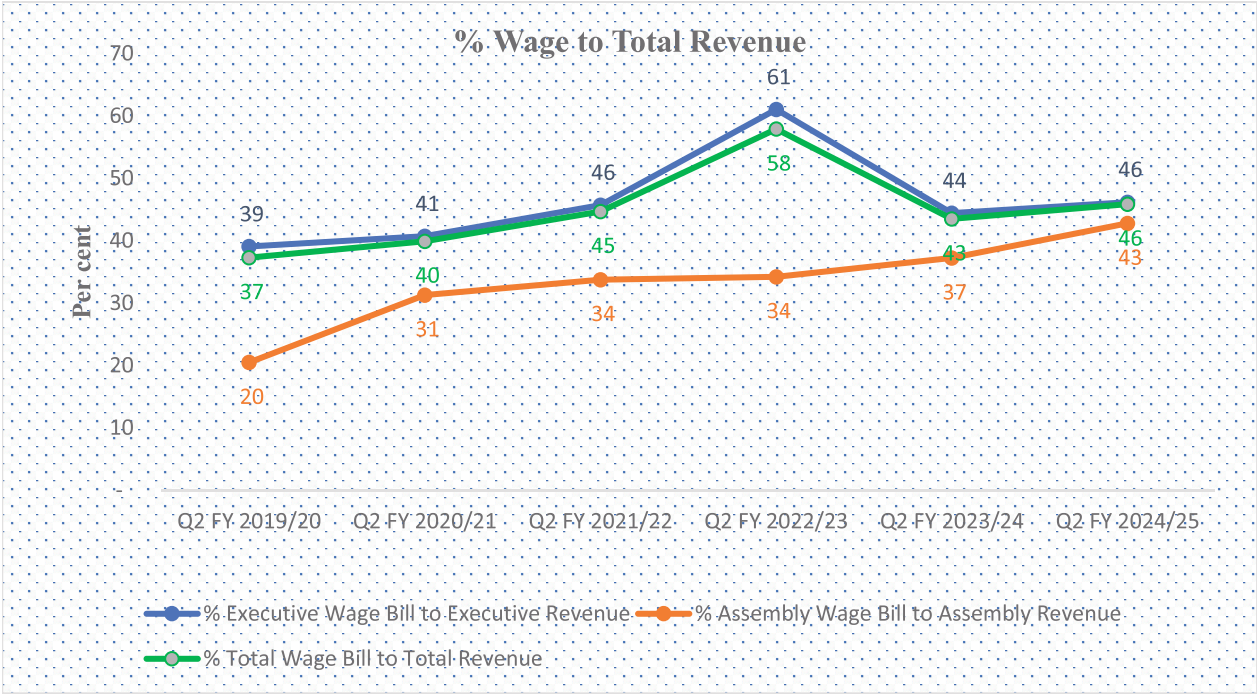
***Source**: Makueni County Treasury*

3.23.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.42 billion, or 49 per cent of the available revenue of Kshs.4.98 billion. This expenditure represented an increase from Kshs.1.61 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.23 billion paid to the Health Sector employees, translating to 51 per cent of the total wage bill.

Figure 91 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 91: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2019/20 to the First Half of FY 2024/25



Source: Makueni County Treasury

Further analysis indicates that PE costs amounting to Kshs.2.37 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.45,51 million of the County Assembly PE Costs were processed through manual payrolls, which accounted for 2 per cent of the total county government PE cost.

The County Assembly spent Kshs.23.59 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.81,908 per MCA. The County Assembly had 24 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. The County allocated Kshs.624.94 million to County-Established Funds in FY 2024/25, or 5 per cent of the County's overall budget. Further, the County allocated Kshs.50.40 million to the Emergency Fund (0.4 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.195 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.195: Performance of County Established Funds in the First Half 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.)
	County Executive Established Funds					
	State and Public Officers Car Loan & Mortgage Fund	10,000,000	10,000,000	10,000,000	350,250,000	Yes
	Makueni County Climate Change Fund	50,398,534	1,034,880.00	1,034,880	414,443,768	Yes

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.)
	Empowerment Fund	-	-	-	219,967,031	Yes
	Emergency Fund	114,900,000	10,924,849	8,535,569	279,170,620	Yes
	Makueni County Bursary Fund	449,646,296	22,000,000	44,996,944	212,746,436	Yes
	County Assembly Established Funds					
	Makueni Car Loan and Mortgage Fund	2,212,000	-	-	468,115,531	Yes
	Total					

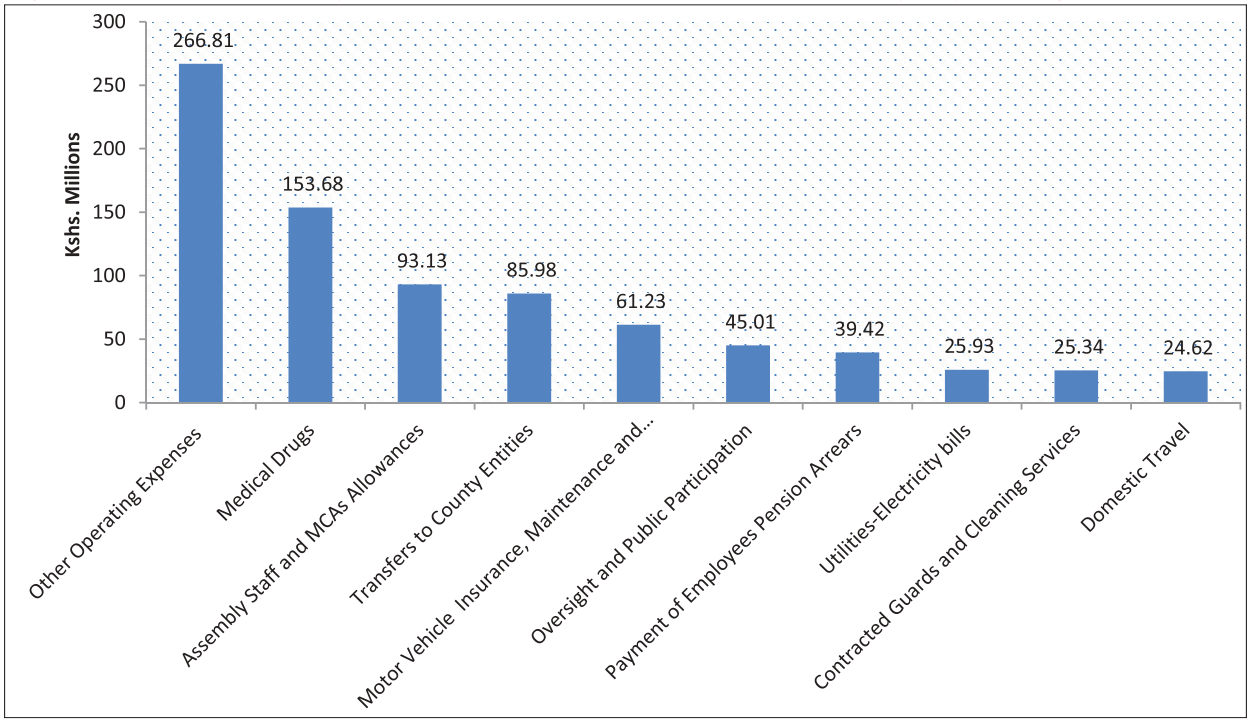
Source: *Makueni County Treasury*

As indicated, the CoB received quarterly financial reports from the Six Fund Administrators during the reporting period that ended 31 December 2024.

3.23.10 Expenditure on Operations and Maintenance

Figure 92 summarises the Operations and Maintenance expenditure by major categories.

Figure 92: Makueni County, Operations and Maintenance Expenditure by Major Categories



Source: *Makueni County Treasury*

Table 3.196: Breakdown of Other Operating Expenditures

S/No.	Department	Description	Approved Budget Allocation in FY 2024/25 (Kshs.)	Actual Expenditure in First Half of FY 2024/25 (Kshs.)
1	Agriculture	Agricultural Extension Programmes and Training Institutes	11,073,982	3,757,815
2	Attorney	Coordination of policy & bills preparation	1,600,000	647,400
3	CPSB	Office Reallocation, Software, Productivity Mainstreaming	7,150,000	2,992,733
4	CS	Performance Contracting, Records and publications, CEC Affairs, Payroll Management	16,700,000	2,996,500
5	Devolution	Operationalize Development Committees, KDSP-II Matching Grant, AIEs, Coordination of Government activities & intelligence gathering, Inspection of Premises	58,787,496	29,386,294
6	Education	ECDE Capitation and Facilitation of ECDE Officers & Teachers Internship, Mentoring & Volunteer Programme, Conditional Grant for transferred Library services &Web hosting	53,523,357	4,559,845
7	Finance	Revenue mobilisation, Coordination of county plans, Coordination of county statistics and indicators, Lap trust and Lap Fund Pending bill, Financial Reporting and Management, Preparation of Budgets	131,481,608	89,249,206
8	Gender	Youth Empowerment, KYISA Games, Empowerment to PWDs	82,601,671	3,734,250
9	Governor	Community Events & Field Activities, Media Outreach, Community Outreach, Community Outreach	58,968,077	27,701,849
10	Health	Promotion of county health services, primary healthcare & ambulance services	162,196,186	64,676,858
11	Lands	Finalization of Environment, Forest and Solid Waste Policies, Survey of Muuni Subward, Wildlife Management Electric Fence, Revenue mobilisation on land-based revenue	14,224,346	6,581,424
12	Trade	Market Governance, Small Business Development Centres USAID Matching Grant, Promotion of Public Sanitation- Market Cleaning, Waste collection, transportation and disposal	61,764,835	22,238,121
13	Transport	Planning, budget indicator training, Development of Annual Energy inventory survey, Energy Promotion	3,592,000	3,220,865
14	Water	Community outreach, Annual Staff team building conferences	6,143,633	5,068,433
	Total		**669,807,191**	**266,811,593**

Expenditure on domestic travel amounted to Kshs.117.76 million and comprised Kshs.93.13 million spent by the County Assembly and Kshs.45.06 million by the County Executive. Expenditure on foreign travel amounted to Kshs.7.36 million and comprised Kshs.4.64 million by the County Assembly and Kshs.2.72 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.197.

Table 3.197: Summary of Highest Expenditure on Foreign Travel in the First Half 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	1	5th -9th October, 2024	Formalisation of partnership with the Marrakesh-sari region	Morocco	634,260
County Executive	3	5th -9th October, 2024	Attend the signing ceremony for the memorandum of understanding between the regional council of Marrackech-sari and the Government of Makueni County.	Morocco	2,085,400
County Assembly	6	5th – 14th April, 2024	Attend a programme on organisational change for tomorrow's teams	Istanbul – Turkey	4,113,864
County Assembly	2	21-24th April, 2024	Attend the 3rd African Outstanding Professionals Awards in Tanzania, 2024	Tanzania	527,460

Source: *Makueni County Treasury and Makueni County Assembly*

3.23.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.144.35 million as FIF, which was 82 per cent of the annual target of Kshs.176.43 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has legislation (The Makueni County Health Services Act 2017) that governs the operations of the health facilities.

The Health Facilities provided 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.330.66 million, as shown in Table 3.198.

Table 3.198: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Makueni County Referral Hospital	414,406,182	128,619,104	31
	Makindu Sub-County Hospital	243,889,199	70,727,724	29
	Sultan Hamud Sub-County Hospital	78,778,750	24,304,814	31
	Kibwezi Sub-County Hospital	89,703,290	20,610,697	23
	Mbooni Sub-County Hospital	56,435,920	16,972,413	30
	Kilungu Sub-County Hospital	34,800,000	13,663,244	39
	Tawa Sub-County Hospital	46,000,000	12,826,628	28
	Matiliku Sub-County Hospital	30,597,480	10,172,131	33
	Kisau Sub-County Hospital	28,308,013	9,481,951	33
	Kambu Sub-County Hospital	23,844,800	7,268,812	30
	Mtito Andei Sub-County Hosptital	14,791,168	4,161,655	28
	Emali Sub County Hospital	15,600,000	3,805,315	24
	Kalawa Sub-County Hospital	14,070,000	3,195,188	23
	Nthongoni Sub-County Hospital	9,024,280	2,451,545	27
	Mukuyuni Sub-County Hospital	15,167,800	1,868,403	12
	Mutyambua Sub-County Hospital	958,000	527,433	55
	Total	**1,116,374,882**	**330,657,057**	**30**

Source: *Makueni County Treasury*

The Health Facility with the highest absorption rate was Mutyambua Sub-County Hospital at 55%.

3.23.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.534.47 million on development programmes, representing. an increase of 113 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.251.15 million. Table 3.199 summarises development projects with the highest expenditure in the reporting period.

Table 3.199: Makueni 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	Water, Sanitation and Irrigation	Dam Construction Unit (DCU)	County HQs	9,000,000	5,400,900	60% Complete
2	Water, Sanitation and Irrigation	Kwa Ngoka Borehole	Mavindini	6,000,000	4,235,540	71% Complete

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
3	Education, ICT and Internship	CTTI Development and Capitation	County Wide	15,020,000	5,044,644	34% complete
4	Infrastructure, Transport, Public Works, Housing and Energy	Enhancement of infrastructure projects	County HQs	8,386,455	8,289,897	99% Complete
5	Infrastructure, Transport, Public Works, Housing and Energy	Routine maintenance of Kisau/Kiteta ward access roads	Kisau/Kiteta	5,000,000	3,500,000	70% Complete
6	Department of Gender, Children, Youth, Sports, and Social Services	Sports Development Programme	County HQs	10,615,000	5,101,800	48% Complete
7	Agriculture, Livestock, Fisheries and Cooperative Development	Issuance of certified Maize seeds only, DK 8031 & Duma 43	Kilungu/Mbitini	9,000,000	8,865,377	99% Complete
8	Agriculture, Livestock, Fisheries and Cooperative Development	De-Risking and Value Enhancement (DRIVE) project	County HQs/ Wide	7,500,000	6,183,961	82% Complete
9	Makueni Fruit Development and Marketing Authority	Purchase of mangoes for puree production	HQs	10,285,086	3,497,843	34% Complete
10	Water, Sanitation and Irrigation	Kwa Maima earth dam	Emali/Mulala	6,000,000	4,012,700	67% Complete

Source: Makueni County Treasury

3.23.13 Budget Performance by Department

Table 3.200 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.200: Makueni 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
Land, Physical Planning & Mining	83.51	545.63	39.51	30.4	39.34	54.44	99	179	47.1	10.0
Wote Municipality	67.93	57.51	34.43	0.25	29.65	0.3	86.1	122.8	43.6	0.5
Emali-Sultan Municipality	32.04	42.75	15.07	0.91	7.12	0.49	47.2	53.7	22.2	1.1
Sand Authority	57.75	5	19.37	-	26.81	1.1	138.4	-	46.4	22
Health Services	3,116.67	1,120.251	1,525.21	98.76	1,505.83	382.07	98.7	386.9	48.3	34.1
Infrastructure, Transport, Public works, Housing & Energy	129.88	970.52	55.03	29.39	55.91	23.57	101.6	80.2	43.0	2.4
ICT, Education and Internship	940.01	265.83	373.15	16.89	381.28	6.58	102.2	39.0	40.6	2.5
Trade, Industry & Cooperatives	140.49	39.72	57.34	1.23	55.36	0.46	96.6	37.3	39.4	1.2
Department of Gender, Children, Youth, Sports, and Social Services	142.42	149.17	32.03	10.09	31.603	8.45	98.7	83.8	22.2	5.7
County Attorney	42.54	5.20	25.15	-	25.64	-	102.0	-	60.3	-
Governorship	521.05	-	104.38	-	112.75	-	108.0	-	21.6	-
County Secretary	464.25	-	60.46	-	62.75	-	103.8	-	13.5	-

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	70.99	-	25.5	-	34.06	-	133.6	-	48.0	-
Finance & Socio-Economic Planning	501.24	48.83	230.21	-	235.36	-	102.2	-	47.0	-
Devolution, Public participation, County Administration and Special Programmes	308.85	38.74	155.88	-	146.95	-	94.3	-	47.6	-
Water, Sanitation and Irrigation	109.85	528.59	55.08	27.26	56.09	28.63	101.8	105.0	51.1	5.4
Agriculture, Livestock, Fisheries and Cooperative Development	257.65	356.26	119.1	22.3	120.97	23.37	101.6	104.8	47.0	6.6
Makueni Fruit Development and Marketing Authority	35.56	46.49	16.71	40.05	7.93	4.99	47.4	12.5	22.3	10.7
County Assembly	906.12	79.35	490.34	-	490.34	-	100.0	-	54.1	-
Total	**7,928.82**	**4,299.67**	**3,433.97**	**277.53**	**3,425.72**	**534.47**	**99.8**	**192.6**	**43.2**	**12.4**

Source: *Makueni County Treasury*

Analysis of department expenditure shows that the Department of Health Services recorded the highest absorption rate of the development budget at 34.1 per cent, followed by the Sand Authority and Makueni Fruit Development Authority at 22 and 10.7 per cent, respectively. The Department of County Attorney and County Assembly had the highest percentage of recurrent expenditure to budget at 60 per cent and 54 per cent, respectively. In comparison, the Department of County Secretary had the lowest at 14 per cent.

The departments with expenditures to exchequers higher than 100 per cent are listed and explained as follows:

Table 3.201: Reasons why Expenditure Exceeded Exchequer Issued for Makueni County

Department	Expenditure to Exchequer Issues (%)		Remarks
	Rec	Dev	
Land, Physical Planning & Mining	-	179.1	The expenditure includes FLOCCA funds that were in the special purpose account as reallocations
Wote Municipality	-	122.8	The over-expenditure was caused by emerging priority issues that were addressed using funds from other departments' exchequer releases. These funds were subsequently repaid in later requisitions from the exchequer.
Health Services	-	386.9	The expenditure includes AIA expenditure of Kshs.308,088,963 which is not released via the exchequer
Infrastructure, Transport, Public works, Housing & Energy	101.6	-	The over-expenditure was caused by emerging priority issues that were addressed using funds from other departments' exchequer releases. These funds were subsequently repaid in later requisitions from the exchequer.
ICT, Education and Internship	102.2	-	The over-expenditure was caused by emerging priority issues that were addressed using funds from other departments' exchequer releases. These funds were subsequently repaid in later requisitions from the exchequer.
County Attorney	102	-	The over-expenditure was caused by emerging priority issues that were addressed using funds from other departments' exchequer releases. These funds were subsequently repaid in later requisitions from the exchequer.
Governship	108.4	-	The over-expenditure was caused by emerging priority issues that were addressed using funds from other departments' exchequer releases. These funds were subsequently repaid in later requisitions from the exchequer.
County Secretary	103.8	-	The over-expenditure was caused by emerging priority issues that were addressed using funds from other departments' exchequer releases. These funds were subsequently repaid in later requisitions from the exchequer.

Department	Expenditure to Exchequer Issues (%)		Remarks
	Rec	Dev	
County Public Service Board	133.6	-	The over-expenditure was caused by emerging priority issues that were addressed using funds from other departments' exchequer releases. These funds were subsequently repaid in later requisitions from the exchequer.
Finance & Socio-Economic Planning	102.2	-	The over-expenditure was caused by emerging priority issues that were addressed using funds from other departments' exchequer releases. These funds were subsequently repaid in later requisitions from the exchequer.
Water, Sanitation and Irrigation	101.8	122.4	The over-expenditure was caused by emerging priority issues that were addressed using funds from other departments' exchequer releases. These funds were subsequently repaid in later requisitions from the exchequer.
Agriculture, Livestock, Fisheries and Co-operative Development	101.6	104.8	The over-expenditure was caused by emerging priority issues that were addressed using funds from other departments' exchequer releases. These funds were subsequently repaid in later requisitions from the exchequer.

Source: Makueni County Treasury

3.23.14 Budget Execution by Programmes and Sub-Programmes

Table 3.202 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.202: Makueni County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Land, Physical Planning & Mining							
Programme 1: General administration & planning	SP1. General administration & planning	65,444,726	-	32,161,256	-	49	
Programme 2: : Land Survey & Mapping	SP2. Land Survey & Mapping	1,926,181	36,566,757	400,292	4,591,490	21	13
Programme 3: Urban planning	SP3. 1 Urban planning	4,700,000	48,352,239	4,125,000	4,852,395	88	10
Programme 4: Mining mapping & development	SP4. 1 Mining mapping & development	1,080,000	1,600,000	-	-	-	-
Programme 5: Environment management and protection	SP 5. 1 Environment management and protection	10,353,253	459,106,500	2,651,373	44,996,944	26	10
	Sub Total	**83,504,160**	**545,625,496**	**39,337,921**	**54,440,830**	**47**	**10**
Wote Municipality							
Wote Municipality	SP 1. 1 Wote Municipality	67,931,605	57,514,011	29,651,853	304,400	44	1
	Sub Total	**67,931,605**	**57,514,011**	**29,651,853**	**304,400**	**44**	**1**
Emali-Sultan Municipality							
Emali-Sultan Municipality	SP 1. 1 Emali-Sultan Municipality	32,044,280	42,745,731	7,117,178	**490,398**	22	1
	Sub Total	**32,044,280**	**42,745,731**	**7,117,178**	**490,398**	**22**	**1**
Sand Authority							
General administration & planning	SP 1.1: General Administration & Planning	57,753,699	5,000,000	26,808,865	1,101,320	46	22
	Sub Total	**57,753,699**	**5,000,000**	**26,808,865**	**1,101,320**	**46**	**22**
Health Services							
General administration & planning	SP1. 1 General administration & planning	2,658,433,749	913,117,034	1,290,160,700	357,610,553.60	49	39
Curative healthcare services	SP2. 1: Curative health care services	363,415,723	31,235,847	156,284,323	1,284,763.00	43	4

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Preventive and promotive healthcare services	SP3. 1 Preventive and promotive healthcare services	94,820,972	175,901,300	59,388,448	23,173,152.25	63	13
	Sub Total	**3,116,670,444**	**1,120,254,181**	**1,505,833,471**	**382,068,469**	**48**	**34**
Infrastructure, Transport, Public works, Housing & Energy							
General administration & planning	SP1. 1 General administration & planning	92,976,455	20,386,455	44,733,071	8,289,897	48	
Road Transport	SP2.1: Road transport	19,092,000	849,665,385	1,717,360	15,284,341	9	2
Infrastructure development	SP3.3: Infrastructure development	550,000		250,000		45	-
Energy Infrastructure & development	SP4.1: Energy Infrastructure & development	17,265,899	100,300,643	9,206,659		53	-
	Sub Total	**129,884,354**	**970,352,483**	**55,907,090**	**23,574,238**	**43**	**2**
ICT, Education and Internship							
General administration & planning	SP1. 1 General administration & planning	728,195,605	-	363,175,201	-	50	
Early childhood development education	SP2.1: Early Childhood Development Education	18,431,871	178,747,807	2,505,920	219,436	14	-
Technical training & non-formal education	SP3.3: Technical training & non-formal education	1,050,000	57,701,060	50,000	5,044,644	5	9
Support to Education and Library Services	SP4.1: Support to Education and Library Services	155,602,357	59,500	12,714,949	-	8	-
ICT Infrastructure & Systems Development	SP5.1: ICT Infrastructure & Systems Development	17,800,000	29,317,694	1,232,900	1,315,900	7	4
Internship, Mentorship and Volunteerism	SP6.1: Internship, Mentorship and Volunteerism	18,932,254	-	1,602,925	-	8	
	Sub Total	**940,012,087**	**265,826,061**	**381,281,895**	**6,579,980**	41	2
Trade, Industry & Cooperatives							
General administration & planning	SP1. 1 General administration & planning	116,877,767	-	**46,877,633**	-	40	
Trade development & promotion	SP2.1; Trade development & promotion	7,800,000	35,219,270	**4,056,475**	459,440	52	1
Industrial development and promotion	SP3. 1 Industrial development and promotion	5,750,000	1,000,000	2,761,176	-	48	-
Tourism development & promotion	SP4. 1 Tourism development & promotion	2,096,088	2,000,000	-	-	-	-
Culture, Art and the Music promotion	SP5. 1 Culture, Art and the Music promotion	7,963,360	1,500,000	1,667,162	-	21	-
	Sub Total	**140,487,215**	**39,719,270**	**55,362,445**	**459,440**	**39**	**1**
Department of Gender, Children, Youth, Sports, and Social Services							
General administration & planning	P1: General administration & planning	62,357,267	-	28,099,596	-	45	
Gender and Social Development	P2: Gender and Social Development	17,746,486	74,670,295	3,063,350	2,152,500	17	3
Sports development	P3: Sports development	24,176,567	15,923,154	441,000	-	2	-
Youth empowerment	P4: Youth empowerment	38,144,013	58,572,004	-	6,301,800	-	11
	Sub Total	**142,424,334**	**149,165,453**	**31,603,946**	**8,454,300**	**22**	**6**

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Attorney							
General Administration & Support Services	P1: General administration & planning	42,540,335	5,200,000	25,642,565	-	60	
	Sub Total	**42,540,335**	**5,200,000**	**25,642,565**		**60**	
Governorship							
General Administration & Support Services	P1: General administration & planning	521,048,407		112,725,100		22	
	Sub Total	**521,048,407**	-	**112,725,100**		**22**	
County Secretary							
Leadership & coordination of departments	SP1. 1 Leadership & coordination of departments	464,245,270		62,752,829		14	
	Sub Total	**464,245,270**	-	**62,752,829**		**14**	
CPSB							
Public Service Human Resource Management and Development.	SP2: Public Service Human Resource Management and Development.	70,998,317		34,059,599		48	
	Sub Total	**70,998,317**		**34,059,599**		**48**	
Finance & Socio-Economic Planning							
General Administration & Support Services	SP1: General administration & planning	371,417,537	48,834,973	176,252,873	-	47	-
Public financial management	Sub-Programme 2.1: Financial Accounting Services	11,907,568	-	7,539,204	-	63	
	Sub-Programme 2.2: Budget formulation, coordination and management	43,150,000	-	18,643,871	-	43	
	Sub-Programme 2.3: Internal audit services	7,300,000	-	2,670,231	-	37	
	Sub-Programme 2.4; Resource mobilisation	39,338,022	-	18,085,820	-	46	
	Sub-Programme 2.5: Supply Chain Management Services	2,850,000	-	1,688,625	-	59	
	Sub-Programme 2.6; Economic planning	9,289,525	-	4,553,586	-	49	
	Sub-Programme 2.7; Monitoring & Evaluation	7,100,000	-	3,060,798	-	43	
	Sub-Programme 2.8; County Statistics	5,100,000	-	2,103,657	-	41	
	Sub-Programme 2.9: Enterprise Risk Management	991,308	-	-	-	0	
	Sub-Programme 2.10; Assets Management	2,800,000	-	756,646	-	27	
	Sub Total	**501,243,960**	**48,834,973**	**235,355,312**	-	47	-
				235,355,312	-		
Devolution, Public participation, County Administration and Special Programmes							
General Administration & Planning	SP1: General Administration & Planning	244,563,390	37,500,000	118,306,760		48	-
Participatory Development. & Civic Education	SP2: Participatory Development. & Civic Education	19,514,800	-	9,110,316		47	

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Research, Documentation and Knowledge Management	SP3: Research, Documentation and Knowledge Management	-	-	-			
Coordination of Service Delivery and Enforcement	SP4: Coordination of Service Delivery and Enforcement	29,811,534	941,225	15,706,380		53	
Disaster Risk Preparedness and Mitigation	SP5: Disaster Risk Preparedness and Mitigation	10,988,336	300,000	3,242,514		30	
Alcoholic Drinks Control and Licencing	SP6: Alcoholic Drinks Control and Licencing	3,972,000	-	587,000		15	
	Sub Total	**308,850,060**	**38,741,225**	**146,952,970**	-	**48**	-
Water, Sanitation and Irrigation							
General administration & planning	SP1: General Administration & Planning	98,952,701	10,652,500	51,594,107	1,892,980	52	18
Water infrastructure Development	SP 2.1: Water harvesting and storage	3,840,000	196,985,876	1,540,000	5,400,900	40	3
	SP2: Piped water supply infrastructure	3,680,000	197,983,312	1,540,000	3,020,400	42	2
	SP.3: Groundwater development	3,380,000	122,965,705	1,410,920	18,315,015	42	15
	Sub Total	**109,852,701**	**528,587,393**	**56,085,027**	**28,629,295**	**51**	**5**
Agriculture, Livestock, Fisheries And Cooperative Development							
General administration & planning	SP1: General Administration & Planning	236,994,981	184,526,856	114,974,076	8,143,336	49	4
Land, Crop development & productivity	SP 2: Land, Crop development & productivity	2,581,308	78,680,099	1,435,000	2,355,295	56	3
Agribusiness and information management	SP3; Agribusiness and information management	5,223,982	30,846,053	1,846,813	-	35	-
Livestock Production, Management and Development	SP 4: Livestock Production, Management and Development	10,950,000	57,606,381	2,541,206	12,875,762	23	22
Cooperative Development	SP 5: Cooperative Development	1,900,000	4,602,775	174,573	-	9	-
	Sub Total	**257,650,271**	**356,262,164**	**120,971,668**	**23,374,394**	**47**	**7**
Makueni Fruit Development and Marketing Authority							
General Administration & Support Services	P1: General administration & planning	**35,555,220**	**46,499,364**	7,926,417	4,994,474	22	11
	Sub Total	**35,555,220**	**46,499,364**	**7,926,417**	**4,994,474**	**22**	**11**
County Assembly							
Legislation and Representation	SP1: Legislation and Representation	906,121,976	79,345,015	490,339,364	-	49	-
	Sub Total	**906,121,976**	**79,345,015**	**490,339,364**	-	**49**	-
Total County Budget		**7,928,818,694**	**4,299,672,820**	**3,425,715,514**	**534,471,537**	**43**	**12**

Source: *Makueni County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were Urban Planning in the Department of Lands, Physical Planning & Mining at 88 per cent, Preventive & Promotive Health Care Services in the Department of Health Services and Financial Accounting Services in the Department of Finance and Social Economic Planning both at 63 per cent and General Administration Support Services in the Department of County Attorney at 60 per cent of budget allocation.

3.23.15 Accounts Operated Commercial Banks

The County Government operated twenty-nine accounts with commercial banks, including seventeen accounts for Health Facilities, one account for Vocational Training Centres, one for Youth, Women, and PWSSD, seven accounts for Established Funds, one account for revenue collections, one special purpose account (additional allocations), one imprest account, and one recurrent operational account.

This is 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 only exemption is for imprest bank accounts for petty cash and revenue collection bank accounts.

Worth noting, the County Government operated sixteen accounts with the Central Bank of Kenya, including fourteen accounts for development, two for recurrent, one for deposit and 1 for revenue receipts.

3.23.16 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 underperformance of own-source revenue at Kshs.473.29 million against an annual target of Kshs.1.47 billion, representing 32 per cent of the yearly target.
ii. The County Assembly used manual payroll. Personnel emoluments amounting to Kshs.45.51 million 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.
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 revenue collections, health facilities, established funds, imprest accounts and recurrent operational accounts.

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 Government requires that salaries be processed through the IPPD system, and the County Assembly 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 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.*

3.24. 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 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 Kshs.993.93 increase in additional allocations.

The budget will be financed from different sources of revenue. These include Kshs.12.05 billion (81 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.51 billion (10 per cent) as additional allocations, 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 3.203.

3.24.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.5.91 billion to fund its development and recurrent activities. This amount consisted of Kshs.4.83 billion from the equitable share of revenue raised nationally and its own-source revenue (OSR) collection of Kshs.91.03 million. In addition, the County had a cash balance of Kshs.986.07 million from FY 2023/24.

The total OSR collection of Kshs.91.03 million includes Facilities Improvement Financing (FIF) of Kshs.17.96 million, and Kshs.73.10 million as ordinary OSR. Table 3.203 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.203: Mandera County, Revenue Performance in the First Half 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**	12,054,974,660	4,832,655,891	40
Sub Total		**12,054,974,660**	**4,832,655,891**	**40**
B	**Additional Allocation**			
1	FLLoCA CCIR Grant FY 2023/2024 Allocations B/f (Amount in SPA)	286,447,747	-	0
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	FLLoCA 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	FLLoCA County Climate Institutional Support Grant FY 2023/24 Allocations (not received)	11,000,000	-	0
14	FLLoCA 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	-	0
18	DANIDA Grant - Primary Health Care (Balance in SPA)	1,190,001	-	0
Sub-Total		**1,513,386,974**	**0**	**0**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	278,609,881	73,073,754	27
2	Balance b/f from FY2023/24	986,068,763	986,068,763	100
3	Facility Improvement Fund (FIF)	57,923,965	17,959,596	31

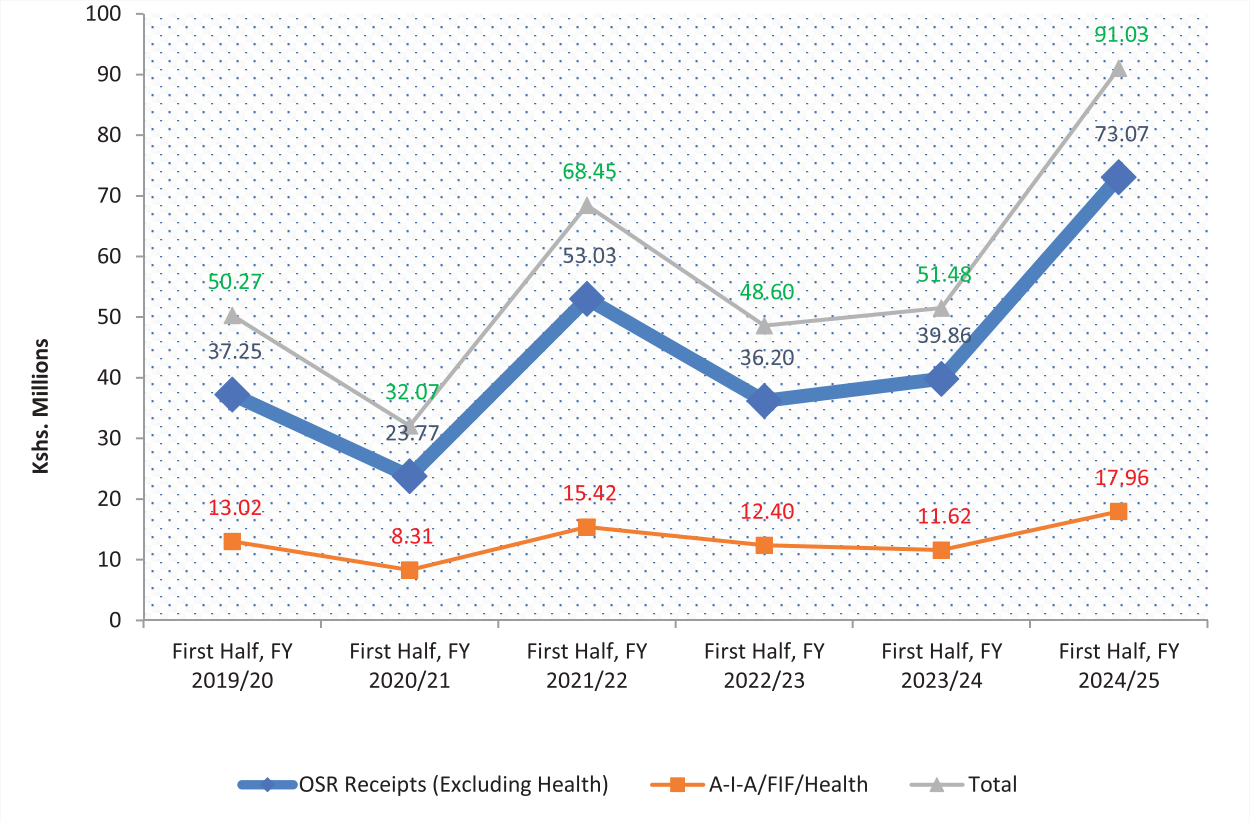
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
Sub Total		1,322,602,609	1,079,807,279	82
Grand Total		**14,890,964,243**	**5,909,758,004**	**40**

Source: *Mandera County Treasury*

The County has developed governing legislation for operating ordinary A-I-A and FIF.

Figure 93 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 93: Trend in Own-Source Revenue Collection from the First Half of FY 2019/20 to the First Half of FY 2024/25



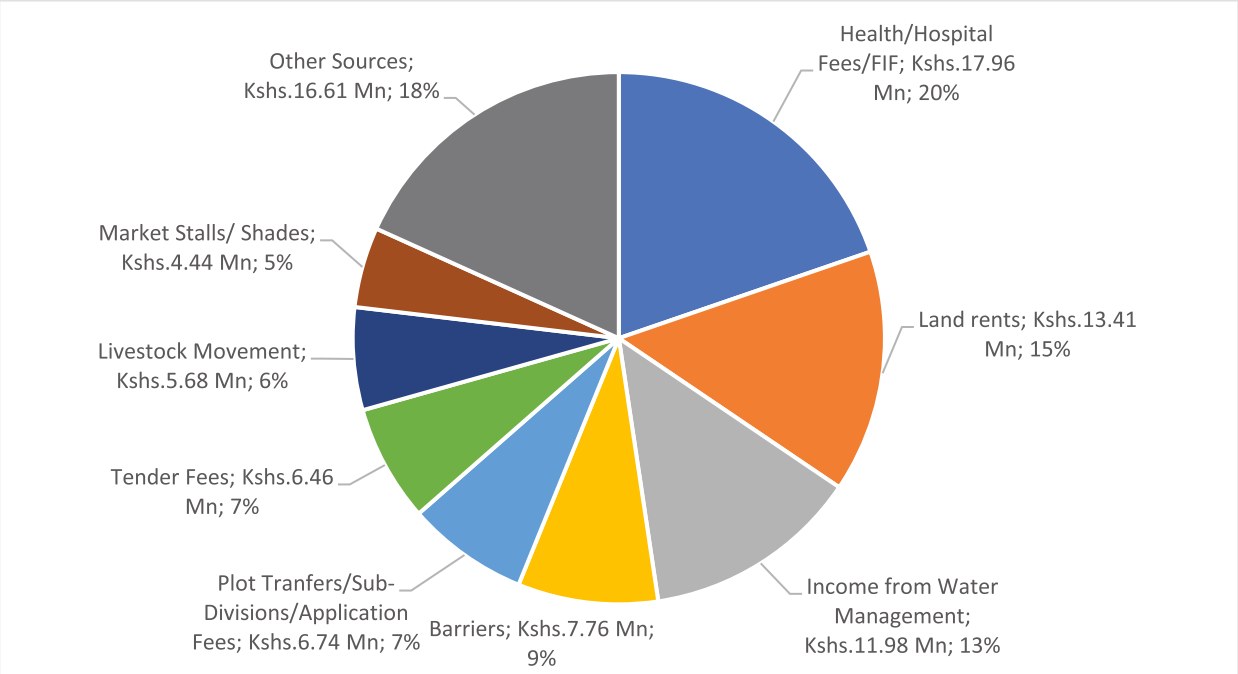
Source: *Mandera County Treasury*

During the first half of FY 2024/25, the County generated Kshs.91.03 million from its revenue sources, including AIA and FIF. This amount was an increase of 82 per cent compared to Kshs.51.48 million realised in a similar period in FY 2023/24, which was 28 per cent of the annual target and 7 per cent of the equitable revenue share disbursed.

The increase is attributed to improved enforcement, automation, general stability, and security.

The revenue streams which contributed the highest OSR receipts are shown in Figure 94.

Figure 94: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Mandera County Treasury

The highest revenue stream, Kshs.17.96 million, was from Health Services FIF, which contributed 20 per cent of the total OSR receipts during the reporting period.

3.24.3 Borrowing by the County

The county government did not report on any borrowing during the reporting period.

3.24.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.78 billion from the CRF account during the reporting period, comprising Kshs.1.9 billion (33 per cent) for development programmes and Kshs.3.88 billion (67 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.3 billion was released towards employee compensation and Kshs.1.58 billion for operations and maintenance expenditures.

Analysis of the operations and maintenance exchequer releases indicates that 4 per cent was for domestic travel and 0.47 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.59.43 million and included Kshs.34.63 million for the County Executive and Kshs.24.81 million for the County Assembly. The foreign exchequer totalled Kshs.7.47 million, all for the County Assembly.

Table 3.204: Mandera 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	883.91	102.42	258.87	70.16	29	69
County Executive Services	501.87	-	236.07	-	47	0
Finance and Economic Planning	469.81	17.00	201.55	12.00	43	71
Agriculture, Livestock and Fisheries	349.35	644.55	123.97	169.85	35	26
Water, Energy, Environment and Natural Resources	367.71	1,880.21	138.90	720.32	38	38
Education and Human Capital Development	1,132.28	271.34	638.36	99.50	56	37

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Health Services	2,165.45	492.08	980.90	131.72	45	27
Lands and Urban Development	243.59	577.13	98.99	222.04	41	38
Roads, Transport and Works Roads	294.62	915.33	146.11	248.53	50	27
Social Development	113.80	566.69	49.51	207.79	44	37
Public Service Management	2,007.41	-	840.39	-	42	0
County Public Service Board	77.22	12.97	36.64	6.48	47	50
Trade and Cooperative Development	60.55	412.45	25.10	12.60	41	3
Office of the County Secretary	196.29	50.00	69.75	-	36	0
Office of the County Attorney	84.96	-	38.10	-	45	0
TOTALS	**8,948.80**	**5,942.16**	**3,883.20**	**1,900.99**	**43**	**32**

Source: *Mandera County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.130.06 million.

3.24.5 County Expenditure Review

The County spent Kshs.5.81 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 Kshs1.9 billion and Kshs.3.88 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 33 per cent, while recurrent expenditure represented 43 per cent of the annual recurrent expenditure budget.

3.24.6 Settlement of Pending Bills

As of 30 June 2024, the County reported pending bills totalling Kshs2.23 billion. This includes Kshs.2.23 billion from the County Executive and Kshs.4.22 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 first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.840.63 million, comprising Kshs.386.1 million for recurrent programmes and Kshs.454.52 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.4.22 million, all for recurrent activities.

The County Executive and the County Assembly submitted pending bill payment plans at the commencement of FY 2024/25, committing to pay Kshs1.09 billion and Kshs.4.22 million in the first half of FY 2024/25. However, the County adhered to this payment plan, clearing Kshs.840.06 million for the Executive and Kshs.4.22 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.1.39 billion for the County Executive.

3.24.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.14 billion on employee compensation, Kshs.1.48 million on operations and maintenance, and Kshs.1.83 million on development activities. Similarly, the County Assembly spent Kshs.124.05 billion on employee compensation, Kshs.134.81 million on operations and maintenance, and Kshs.70.16 million on development activities, as shown in Table 3.205.

Table 3.205: 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	**8,064,889,080**	**883,911,204**	**3,624,334,361**	**258,865,465**	**45**	**29**
Compensation to Employees	4,929,722,028	510,812,204	2,140,009,078	124,051,069	43	24
Operations and Maintenance	3,135,167,052	373,099,000	1,484,325,284	134,814,396	47	36
Development Expenditure	**5,839,742,645**	**102,421,313**	**1,830,825,315**	**70,160,320**	**31**	**69**
Total	**13,904,631,726**	**986,332,517**	**5,455,159,677**	**329,025,785**	**39**	**33**

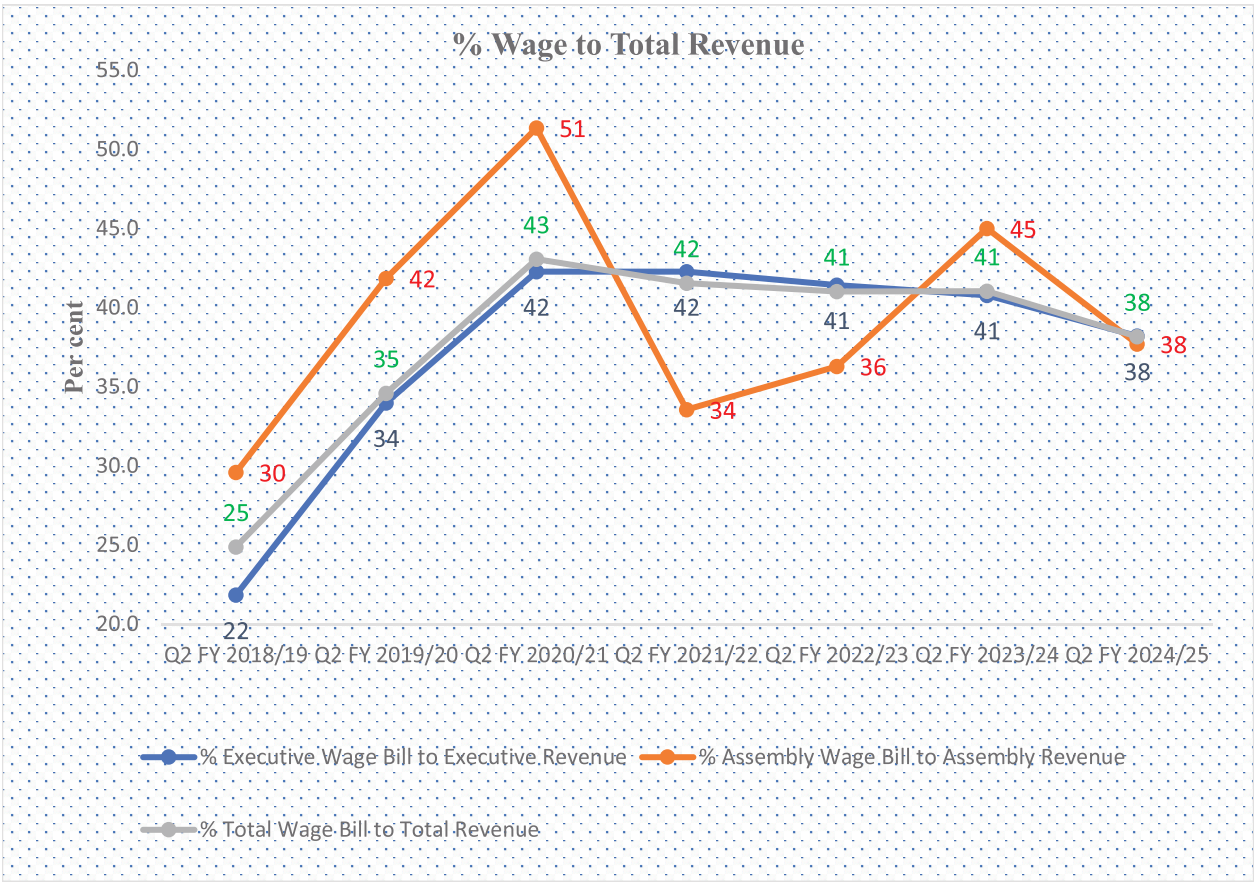
***Source**: Mandera County Treasury*

3.24.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.26 billion, or 38 per cent of the available revenue of Kshs.5.91 billion. This expenditure represented an increase from Kshs.2.23 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.702.9 million paid to the Health Sector employees, translating to 31 per cent of the total wage bill.

Figure 95 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 95: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Mandera County Treasury

Further analysis indicates that PE costs amounting to Kshs.2.14 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.125.23 million was processed through manual payrolls, which accounted for 5.5 per cent of the total PE cost.

The County Assembly spent Kshs.4.04 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.13,191.18 per MCA. The County Assembly had 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 County-Established Bursary funds 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 3.206 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.206: Performance of County Established Funds in the First Half 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	135,034,734	1,727,034,734	YES
	Total	**460,000,000**	**335,034,734**	**135,034,734**	**1,727,034,734**	

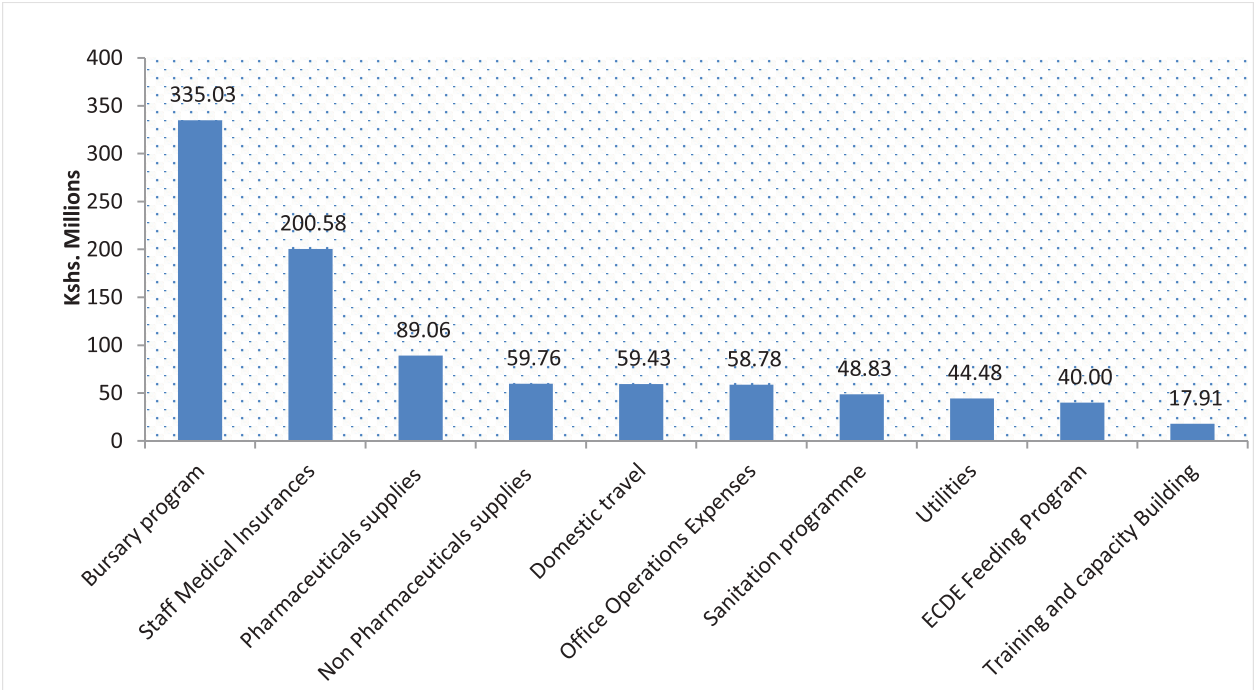
Source: *Mandera County Treasury*

During the reporting period, the CoB received quarterly financial reports from the Bursary Fund Administrators, as indicated in Table 3.206, which was in line with the requirement of Section 168 of the PFM Act, 2012. The Bursary Fund's 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.

3.24.10 Expenditure on Operations and Maintenance

Figure 96 summarises the Operations and Maintenance expenditure by major categories.

Figure 96: Mandera County, Operations and Maintenance Expenditure by Major Categories



Source: *Mandera County Treasury*

Expenditure on domestic travel amounted to Kshs.59.43 million and comprised Kshs.24.81 million spent by the County Assembly and Kshs.34.62 million by the County Executive. Expenditure on foreign travel amounted to Kshs.7.47 million and was all by the County Assembly. Expenditure on foreign travel is summarised in Table 3.207.

Table 3.207: Summary of Highest Expenditure on Foreign Travel in the First Half 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 of Mandera	4	24th - 30th June 2024	Training on Legislative, Practice and procedures	Dubai-UAE	2,912,060
County Assembly of Mandera	4	24th - 30th June 2024	Being on County Finance and Budget training	Dubai-UAE	3,641,684
County Assembly of Mandera	1	2nd - 10th Sept 2024	Workshop on World Sustainable Development submit	New Delhi, India	391,300
County Assembly of Mandera	1	4th - 11th Oct 2024	Workshop on United Nations Simulation conference crafting future leaders in a post-pandemic Era.	Istanbul, Turkiye	522,340
TOTAL					**7,467,384**

Source: Mandera County Assembly

The operations and maintenance costs include an expenditure of Kshs.25.967 million on garbage collection and Kshs.50 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.24.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.10.2 million as FIF, which was 69 per cent of the annual target of Kshs.57.92 million. The collected amount was retained and utilised at source in line with the Mandera County Health Services 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.10 million, as shown in Table 3.208.

Table 3.208: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Mandera County Referral Hospital	57,923,965.11	10,203,156	18
	Total	**57,923,965.11**	**10,203,156**	**18**

Source: *Mandera County Treasury*

1.1.7 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.1.9 billion on development programmes, representing an increase of 155 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.755.95 million. Table 3.209 summarises development projects with the highest expenditure in the reporting period.

Table 3.209: Mandera 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	County Assembly of Mander	Construction of additional works Phase 11 and other infrastructure and civil works in the county Assembly Building	Mandera East	170,000,000	70,160,320	41
2	Water Services	Proposed Augmentation And Upgrading Of Banisa Water Supply At Banisa Town In Banisa Sub County	Banisa	220,434,636	30,000,000	14
3	Water Services	Proposed Augmentation And Upgrading Of Rhamu Water Supply Project (Phase 1) In Mandera North Sub County	Mandera North	208,818,953	30,000,000	14
4	Water Services	Proposed Construction Of Didkuro Water Supply In Mandera West Sub-County	Mandera west	184,682,867	40,000,000	22
5	Water Services	Proposed Augmentation And Upgrading Of Lafey Water Supply Project At Lafey Town In Lafey Sub County.	Lafey	128,388,015	15,000,000	12
6	Water Services	Proposed Construction Of Dandu Water Supply Project At Dandu Town In Dandu Sub County	Lafey	117,910,821	20,000,000	17
7	Water Services	Proposed Augmentation And Upgrading Of Ashabito Water Supply Project Phase 1 Atashabito	Mandera North	81,459,147	12,000,000	15
8	Water Services	Proposed Construction Of 100,000M3 Dadach Gabab Earth Pan In Banisa Sub-County, Mandera County	Banisa	74,946,231	74,946,231	100
9	Water Services	Proposed Augmentation And Upgrading Of Khalalio Water Supply Project At Khalalio Town In Mandera East Sub County	Mandera East	66,227,207	9,000,000	14
10	Water Services	Proposed Desilting Of Qaba Guto Earth Pan By 80,000M3	Mandera south	40,223,306	4,950,801	12

Source: *Mandera County Treasury*

3.24.12 Budget Performance by Department

Table 3.210 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.210: 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	258.87	70.16	255.25	70.16	99	100	29	69
County Executive Services	501.87	-	236.07	-	236.07	-	100	-	47	-
Finance and Economic Planning	469.81	17.00	201.55	12.00	201.55	12.00	100	100	43	71
Agriculture, Livestock and Fisheries	349.35	644.55	123.97	169.85	123.97	169.85	100	100	35	26
Water, Energy, Environment and Natural Resources	367.71	1,880.21	138.90	720.32	138.90	720.32	100	100	38	38

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
Education and Human Capital Development	1,132.28	271.34	638.36	99.50	638.36	99.50	100	100	56	37
Health Services	2,165.45	492.08	980.90	131.72	980.90	131.72	100	100	45	27
Lands and Urban Development	243.59	577.13	98.99	222.04	98.99	222.04	100	100	41	38
Roads, Transport and Works Roads	294.62	915.33	146.11	248.53	146.11	248.53	100	100	50	27
Social Development	113.80	566.69	49.51	207.79	49.51	207.79	100	100	44	37
Public Service Management	2,007.41	-	840.39	-	840.39	-	100	-	42	-
County Public Service Board	77.22	12.97	36.64	6.48	36.64	6.48	100	100	47	50
Trade and Cooperative Development	60.55	412.45	25.10	12.60	25.10	12.60	100	100	41	3
Office of the County Secretary	196.29	50.00	69.75	-	69.75	-	100	-	36	-
Office of the County Attorney	84.96	-	38.10	-	38.10	-	100	-	45	-
Total	**8,948.80**	**5,942.16**	**3,883.20**	**1,900.99**	**3,879.59**	**1,900.99**	**100**	**100**	**43**	**32**

***Source**: Mandera 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 71 per cent, followed by the County Assembly at 69 per cent. The Department of Education had the highest percentage of recurrent expenditure to budget at 56 per cent, while the County Assembly had the lowest at 29 per cent.

3.24.13 Budget Execution by Programmes and Sub-Programmes

Table 3.211 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.211: Mandera County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Agriculture, Livestock and Fisheries							
General Administration & Support Services	General Administration & Support Services	183,998,598	-	68,948,156	-	**37**	-
Livestock Resources Management and Development	Livestock Resources Management and Development	78,250,000	105,823,301	8,800,000	47,823,301	**11**	**45**
Food Security and Sustainable Agriculture	Crop Management and Development	62,900,000	427,399,967	41,625,000	80,916,025	**66**	**19**
Irrigation Development and Management	Irrigation Development and Management	24,200,000	111,325,484	4,600,000	41,109,998	**19**	**37**
	Sub Total	**349,348,598**	**644,548,752**	**123,973,156**	**169,849,324**	**35**	**26**
Land and Urban Development							

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
General Administration & Support Services	General Administration & Support Services	69,153,340	-	30,005,256	-	**43**	-
Land Use Planning and Survey	Land Use Planning and Survey	41,550,000	48,926,640	17,800,000	20,002,600	**43**	**41**
Physical Planning housing and urban development	Physical Planning housing and urban development	4,200,000	528,208,000	1,105,800	202,039,000	**26**	**44**
Solid Waste Management	Solid Waste Management	128,684,879	-	50,075,000	-	**39**	-
	Sub-Total	**243,588,219**	**577,134,640**	**98,986,056**	**222,041,600**	**41**	**44**
Roads, Public Works and Transport							
General Administration & Support Services	General Administration & Support Services	156,225,616	-	72,477,906	-	**46**	-
Road And Air Transport Infrastructure Development	Road And Air Transport Infrastructure Development	127,491,417	876,327,815	70,331,449	244,530,387	**55**	**28**
Public Works Management	Public Works Management	10,900,000	39,000,000	3,300,000	4,000,000	**30**	**10**
	Sub-Total	**294,617,033**	**915,327,815**	**146,109,355**	**248,530,387**	**50**	**27**
Trade and Cooperative Development							
General Administration and Planning	General Administration and Planning	42,749,748	-	20,446,158	-	**48**	-
Cooperative Development and Promotion	Cooperative Development and Promotion	7,400,000	15,449,789	2,250,000	7,449,789	**30**	**48**
Trade Development and Promotion	Trade Development and Promotion	10,400,000	397,000,000	2,400,000	5,152,174	**23**	**1**
	Sub-Total	**60,549,748**	**412,449,789**	**25,096,158**	**12,601,963**	**41**	**3**
Health Services							
General Administration and Planning	General Administration and Planning	1,525,499,284	-	702,899,165	-	**46**	-
Preventive, Promotive and Reproductive Health Services	Preventive, Promotive and Reproductive Health Services	129,523,501	209,373,070	19,754,600	26,164,859	**15**	**12**
Curative Rehabilitative and Referral Services	Curative Rehabilitative and Referral Services	510,425,547	282,708,633	258,242,195	105,556,027	**51**	**37**
	Sub-Total	**2,165,448,332**	**492,081,703**	**980,895,960**	**131,720,886**	**45**	**27**
Education and Human Capital Development							
General Administration and Planning	General Administration and Planning	1,009,626,588	-	592,084,975	-	**59**	-
Early Childhood Education	Early Childhood Education	102,650,000	248,285,210	43,625,000	91,995,678	**42**	**37**
Vocational and Technical Training Services	Vocational and Technical Training Services	15,500,000	23,049,894	1,450,000	7,500,000	**9**	**33**

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Education Support Services	Education Support Services	4,500,000	-	1,200,000	-	**27**	-
	Sub-Total	**1,132,276,588**	**271,335,104**	**638,359,975**	**99,495,678**	**56**	**37**
County Executive Services							
Management of County Affairs	General Administration and Planning	501,872,333	-	236,073,037	-	**47**	-
	Sub-Total	**501,872,333**	**-**	**236,073,037**	**-**	**47**	**-**
Office of the County Secretary							
Policy, Leadership and Executive Coordination	Leadership and executive coordination	196,286,068	50,000,000	69,750,000	-	**36**	-
	Sub-Total	**196,286,068**	**50,000,000**	**69,750,000**	**-**	**36**	**-**
Office of the County Attorney							
Legal and Public Sector Advisory Services	Legal and advisory services	84,957,458	-	38,100,000	-	**45**	-
	Sub-Total	**84,957,458**	**-**	**38,100,000**	**-**	**45**	**-**
County Public Service Board							
Ethics, Governance and Public Service Values	Ethics, Governance and Public Service Values	77,217,041	12,965,500	36,644,020	6,482,750	**47**	**50**
	Sub-Total	**77,217,041**	**12,965,500**	**36,644,020**	**6,482,750**	**47**	**50**
County Assembly							
Legislation and Representation	Legislation and Representation	883,911,204	102,421,313	**255,254,823**	**70,160,320**	**29**	**69**
	Sub-Total	**883,911,204**	**102,421,313**	**255,254,823**	**70,160,320**	**29**	**69**
Finance and Economic Planning							
General Administration and Planning	Administration Planning	339,915,598	-	150,120,719	-	**44**	-
Public Finance Management	Accounting Services	4,300,000	-	2,050,000	-	**48**	-
	Financial Services and Report	6,000,000	-	2,950,000	-	**49**	-
	Internal Audit Services	2,800,000	-	600,000	-	**21**	-
	Supply Chain Management Affairs	11,500,000	-	2,900,000	-	**25**	-
	County Asset Management system	9,700,000	-	700,000	-	**7**	-
Economic Planning and Statistics	County Economic Planning and Statistics	33,958,000	-	14,315,775	-	**42**	-
Revenue Collection and Enhancement	Revenue Collection and Enhancement	43,415,000	10,000,000	20,800,000	5,000,000	**48**	**50**
ICT and E-Government Services	ICT and E-Government Services	18,220,000	6,999,408	7,110,000	6,999,408	**39**	**100**
	Sub-Total	**469,808,598**	**16,999,408**	**201,546,494**	**11,999,408**	**43**	**71**
County Public Service Management							

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
General Administration and Planning	Administration Planning	1,967,005,734	-	824,241,468	-	**42**	-
Devolved Governance and Enforcement Services	Devolved Governance and Enforcement Services	-	-	-	-	-	-
Civic Education and Public Participation	Civic Education and Public Participation	4,500,000	-	1,050,000	-	**23**	-
De-Radicalisation and Countering Violence	De-Radicalisation and Countering Violence	-	-	-	-	-	-
Community Cohesion and Conflict Management	Community Cohesion and Conflict Management	35,900,000	-	15,100,000	-	**42**	-
	Sub-Total	**2,007,405,734**	**-**	**840,391,468**	**-**	**42**	**-**
Social Development							
General Administration and Planning	Administration Planning	47,454,960	-	23,812,071	-	**50**	-
Women's Empowerment and Affirmative Action	Women's Empowerment and Affirmative Action	6,200,000	8,000,000	950,000	-	**15**	-
Youth Empowerment and Sports	Youth Empowerment and Sports	27,000,000	39,199,813	13,350,000	6,299,950	**49**	**16**
Culture and Gender Development Promotion	Culture and Gender Development Promotion	6,450,000	10,000,000	1,600,000	10,000,000	**25**	**100**
Disaster Preparedness and Management	Disaster Preparedness and Management	26,700,000	509,487,878	9,800,000	191,487,878	**37**	**38**
	Sub-Total	**113,804,960**	**566,687,691**	**49,512,071**	**207,787,828**	**44**	**37**
Water, Energy, Environment and Climate Change							
General Administration and Planning	Administration Planning	172,488,370	-	81,637,095	-	**47**	-
Water and Sewerage Management	Water and Sewerage Management	150,220,000	1,275,182,562	55,009,516	704,023,732	**37**	**55**
Energy and Natural Resources	Energy and Natural Resources	4,700,000	30,000,000	850,000	16,291,760	**18**	**54**
Environment and Climate Change	Environment and Climate Change	40,300,000	575,029,682	1,400,000	-	**3**	-
	Sub-Total	**367,708,370**	**1,880,212,244**	**138,896,611**	**720,315,492**	**38**	**38**
Grand Total		**8,948,800,284**	**5,942,163,959**	**3,879,589,184**	**1,900,985,635.**	**43**	**32**

***Source**: Mandera County Treasury*

The sub-programmes with the highest levels of implementation based on absorption rates were Culture and Gender Promotion Development in the Department of Gender at 100 per cent, ICT and e-government Services in the Department of Finance at 100 per cent, and Legislative Services in the County Assembly Development at 69 per cent of budget allocation.

3.24.14 Accounts Operated Commercial Banks

The County Government operated twenty-two accounts with commercial banks, including seven accounts for Health Facilities, five accounts for revenue collection, three municipalities' operations accounts, one account for Established Fund(bursary), two County Assembly Service Board accounts, one account for the ELRP project, one retention account, and two water companies' accounts.

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.

3.24.15 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 underperformance of own-source revenue at Kshs.93.74 million against an annual target of Kshs.336.53 million, representing 27.9 per cent of the yearly target.
ii. The high level of pending bills amounted to Kshs.1.39 billion as of 31 December 2024.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.125.23 million were processed through manual payroll, accounting for 5.5 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. 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 hospitals, revenue collection, municipalities, and departmental imprests.

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 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 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.*
iv. *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.*

3.25. County Government of Marsabit

3.25.1 Overview of FY 2024/25 Budget

The Marsabit County Gross Approved FY 2024/25 budget is Kshs.10.34 billion. It comprised Kshs.3.75 billion (39 per cent) and Kshs.5.96 billion (61 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.290.87 million (3 per cent) from the FY 2023/24 budget comprised of a development budget of Kshs.4.32 billion and a recurrent budget of Kshs.5.10 billion. The increase in the County Government budget was attributed to the rise in sharable revenue allocation.

The budget will be financed from different sources of revenue. These include Kshs.7.83 billion (76 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.35 billion(13 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 (31 per cent) as ordinary own-source revenue. A breakdown of the additional allocations

is shown in Table 3.212.

3.25.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.4.16 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.15 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.79.21 million. In addition, the County had a cash balance of Kshs.912.18 million from FY 2023/24.

The total OSR collection of Kshs.79.2 million includes Facilities Improvement Financing (FIF) of Kshs.50.79 million, and Kshs.28.41 million as ordinary OSR. Table 3.212 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.212: Marsabit County, Revenue Performance in the First Half of FY 2024/25

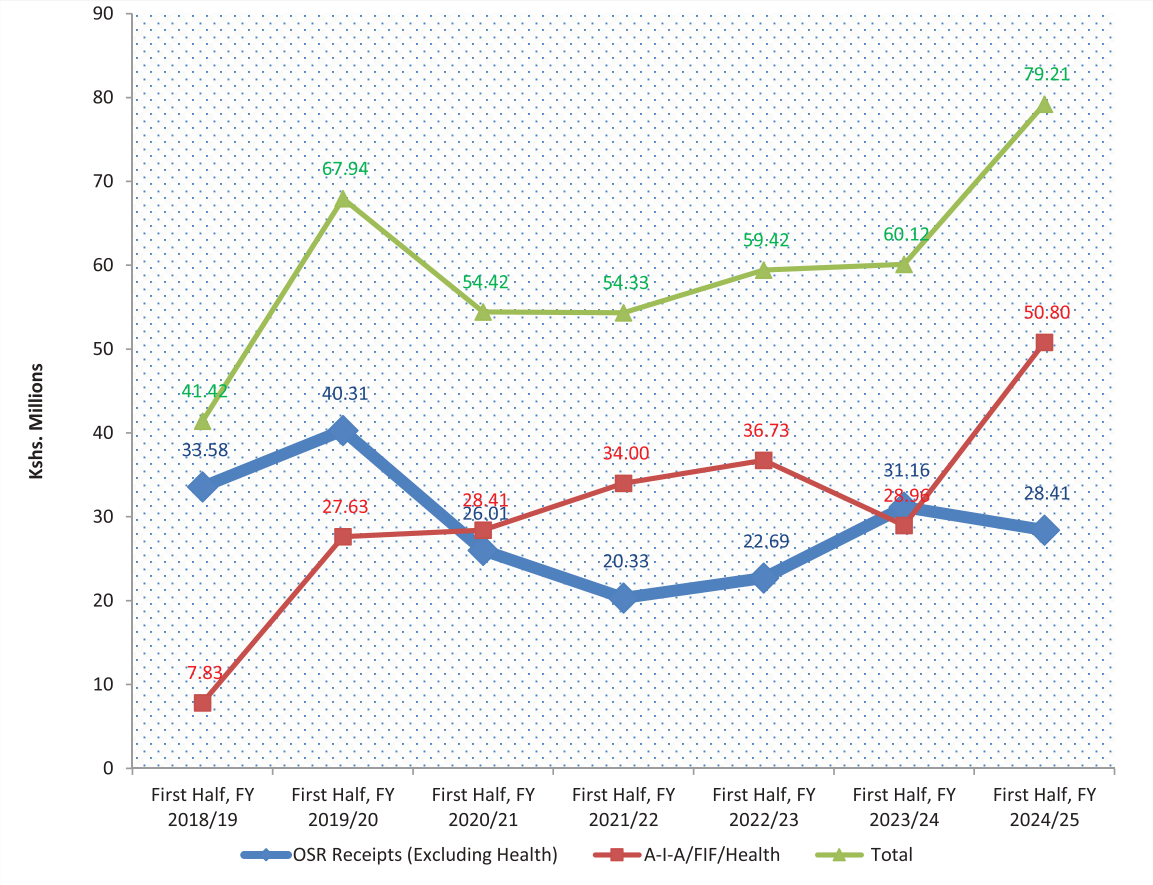
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	Equitable Share of Revenue Raised Nationally -	7,830,334,637	3,152,817,313	40
	Subtotal	7,830,334,637	3,152,817,313	40
B	Additional Allocations			
	DANIDA Grant - Primary Health Care in Devolved Context	10,432,500	-	0
	KDSP II	37,500,000	-	0
	World Bank- Emergency Locust Response Project (ELRP)	142,500,000	-	0
	Kenya Livestock Commercialization Project (KELCOP)	41,250,000	-	0
	Road Maintenance Levy Fund	237,670,000	-	0
	Community Health Promoters	47,074,916	-	0
	Transfer of Museum Function	2,878,080	-	0
	Food Systems Resilience Project	173,076,923	-	0
	Kenya Urban Support Programme - UIG	35,000,000	-	0
	FLLoCA - CCRI	137,500,000		0
	FLLoCA - CCIS	11,000,000	11,000,000	100
	Sweden - Kenya Agri Business Development Programme (KABDP)	11,989,919	-	0
	DRPNK	462,435,270	-	0
	Unconditional Allocation for 20% Share of Mineral Royalties	331,285	-	0
	Subtotal	1,350,638,893	11,000,000	1
C	Own Source Revenue			
	Ordinary Own Source Revenue	110,000,000	28,411,718	26
	Appropriation in Aid (A-I-A)	0	0	0
	Facility Improvement Fund (FIF)	141,164,000	50,796,888	36
	Subtotal	251,164,000	79,208,606	32
D	Other Sources of Revenue			
	Unspent balance from FY 2023/24	912,187,635	912,187,635	100
	Other Revenues (provide a list)	0	0	0
	Subtotal	912,187,635	912,187,635	100

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
Grand Total		10,344,325,165	4,155,213,554	40

Source: *Marsabit County Treasury*

Figure 97 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 97: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

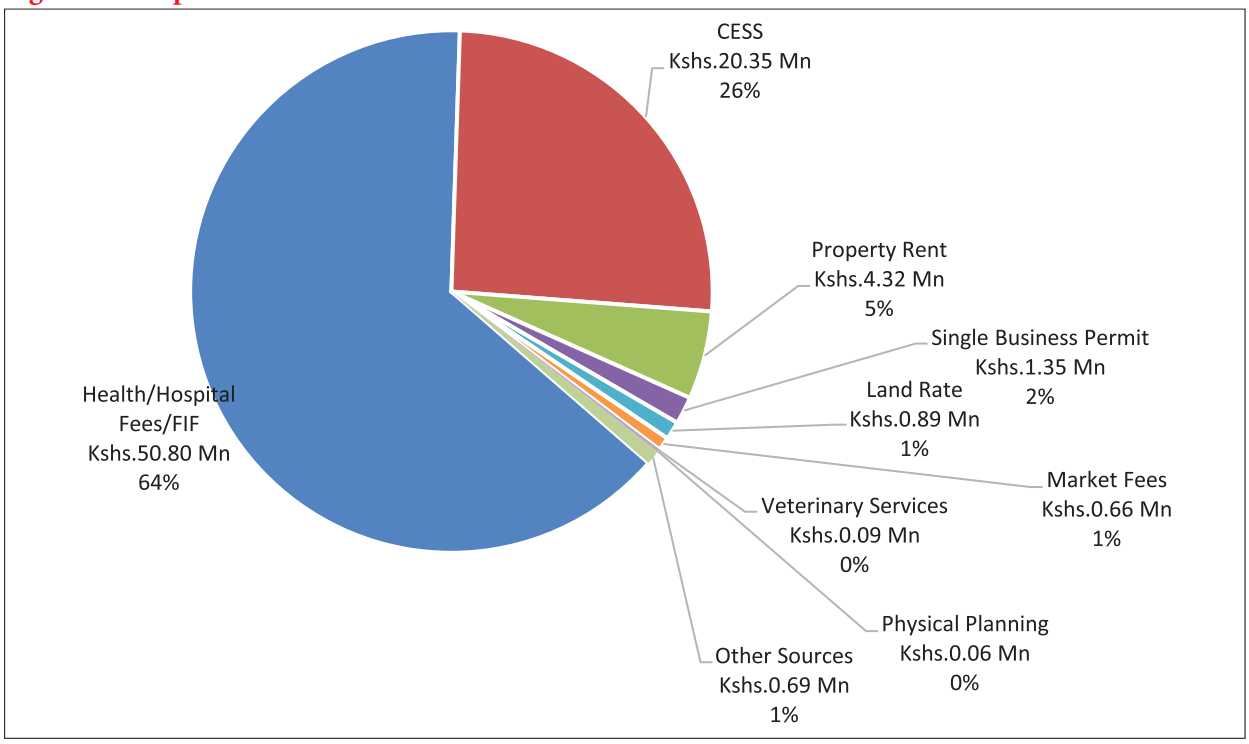


Source: *Marsabit County Treasury*

During the first half of FY 2024/25, the County generated Kshs.79.21 million from its revenue sources, including AIA and FIF. This amount was an increase of 24.1 per cent compared to Kshs.60.12 million realised in a similar period in FY 2023/24 and was 31.5 per cent of the annual target and 2.5 per cent of the equitable revenue share disbursed. The OSR did not include any 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 98.

Figure 98: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: *Marsabit County Treasury*

The highest revenue stream, Kshs.50.79 million, was from Facility Improvement Financing, which contributed 64.1 per cent of the total OSR receipts during the reporting period.

3.25.3 Borrowing by the County

The County Government did not report any borrowing as of 31 December 2024.

3.25.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.71 billion from the CRF account during the reporting period, which comprised Kshs.1.01 billion (27 per cent) for development programmes and Kshs.2.70 billion (73 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.09 billion was released towards compensation of employees and Kshs.608.01 million for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to payroll challenges occasioned by migration from the IPPD system to HRIS.

Analysis of the operations and maintenance exchequer releases indicate that 0.2 per cent was for domestic travel and 0.01 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.104.55 million, including Kshs.43.02 million for the County Executive and Kshs.61.53 million for the County Assembly. The foreign travel exchequer totalled Kshs.5.55 million, comprising Kshs.5.05 million for the County Executive and Kshs.0.5 million for the County Assembly.

Table 3.213: 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	607.44	299.14	152.71	39	25
County Executive	572.44	150.00	341.44	-	60	-
Finance & Economic Planning	332.46	737.50	157.01	471.31	47	64

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	281.11	889.45	142.81	109.43	51	12
County Public Service Board	110.00	15.00	31.40	-	29	-
Education, Skill Development, Youth & Sports	621.00	117.81	205.67	29.06	33	25
County Health Services	1,848.07	239.19	1,065.90	44.54	58	19
Administration, Coordination & ICT	575.00	6.00	145.36	-	25	-
Energy, Lands & Urban Development	219.00	57.60	101.22	11.65	46	20
Roads & Public Works	130.00	414.87	42.04	20.14	32	5
Water, Environment & Natural Resources	220.00	279.05	81.10	76.25	37	27
Trade, Industry & Enterprise Development	112.12	190.00	45.61	95.00	41	50
Tourism, Culture & Social Services	135.68	48.90	39.52	2.64	29	5
Office of the County Attorney	29.98		2.53		8	-
Office of the County Secretary	10.50		0.10		1	-
Total	**5,962.71**	**3,752.81**	**2,700.86**	**1,012.73**	45	27

***Source**: Marsabit County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.511.33 million.

3.25.5 County Expenditure Review

The county spent Kshs.3.60 billion on development and recurrent programmes during the reporting period. The expenditure represented 97.0 per cent of the total funds released by the CoB and comprised Kshs.974.75 million and Kshs.2.63 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 25.9 per cent, while recurrent expenditure represented 44.1 per cent of the annual recurrent expenditure budget.

3.25.6 Settlement of Pending Bills

As of 30 June 2024, the county reported pending bills totalling Kshs.1.12 billion. They included Kshs.700.85 million from the County Executive and Kshs.425.13 million from the County Assembly. The pending bills from the County Executive consist of Kshs.700.85 for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.471.31 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.140.71 million for development activities.

The County Executive and the Assembly submitted pending bill payment plans at the commencement of FY 2024/25, committing to pay Kshs.569.27 million and Kshs.384.26 million in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.471.31 million for the Executive and Kshs.140.71 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.513.97 million, comprising Kshs.229.55 million for the County Executive and Kshs.284.42 million for the County Assembly.

3.25.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.98 billion on employee compensation, Kshs.388.02 million on operations and maintenance, and Kshs.815.39 million on development activities. Similarly, the County Assembly spent Kshs.106.46 billion on employee compensation, Kshs.151.81 million on operations and maintenance, and Kshs.159.36 million on development activities, as shown in Table 3.214.

Table 3.214: 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	**5,197,369,292**	**765,337,843**	**2,368,235,422**	**258,266,338**	**46**	**34**
Compensation to Employees	3,337,904,734	293,211,000	1,980,218,702	106,455,371	59	36
Operations and Maintenance	1,859,464,558	472,126,843	388,016,720	151,810,967	21	32
Development Expenditure	**3,145,366,395**	**607,442,968**	**815,394,413**	**159,356,673**	**26**	**26**
Total	**8,342,735,687**	**1,372,780,811**	**3,183,629,835**	**417,623,011**	**38**	**30**

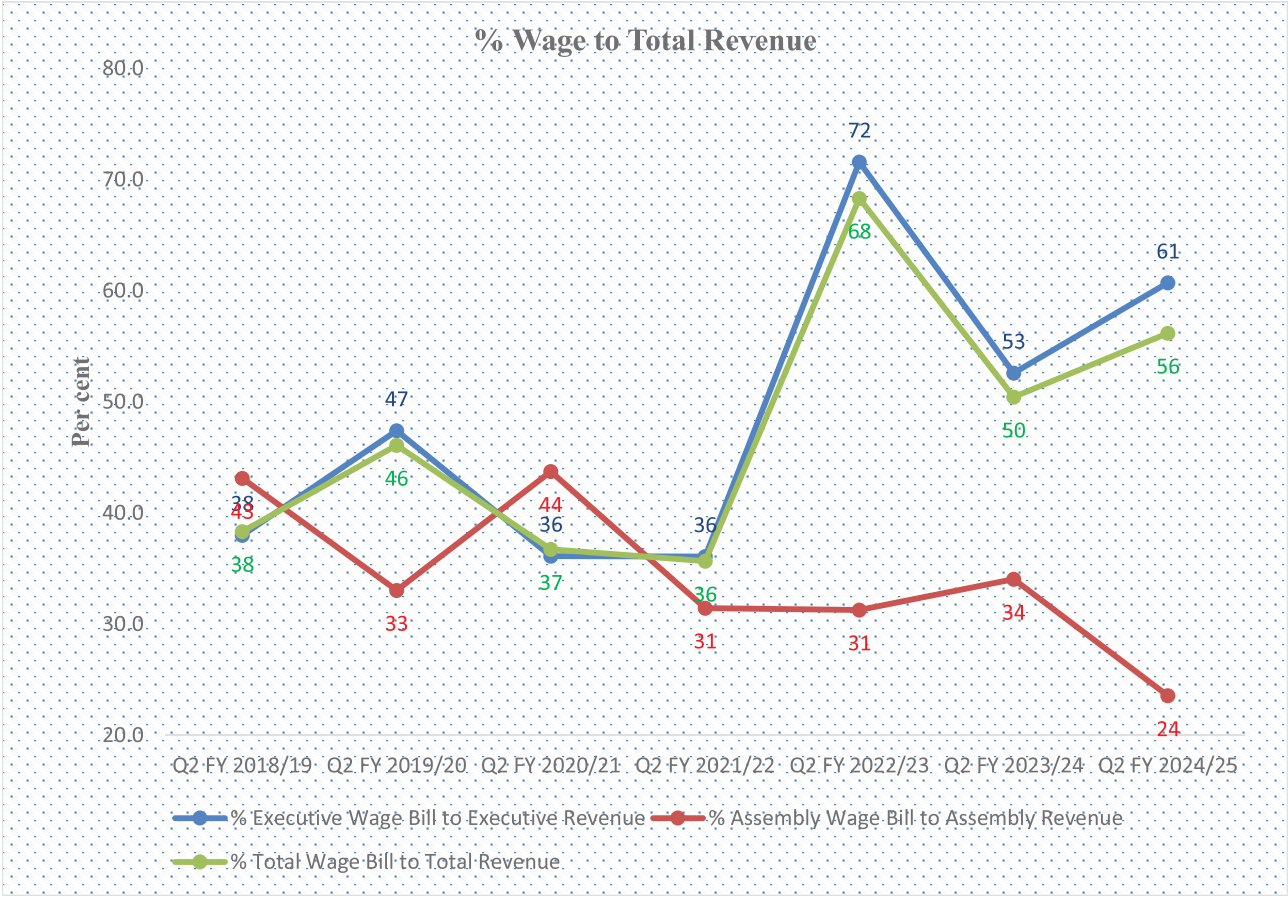
***Source**: Marsabit County Treasury*

3.25.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.09 billion, or 56.2 per cent of the available revenue of Kshs.3.71 billion. This expenditure represented an increase from Kshs.1.74 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.959.97 million paid to the Health Sector employees, translating to 46.0 per cent of the total wage bill.

Figure 3 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 99: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: *Marsabit County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.76 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.328.06 million was processed through manual payrolls, which accounted for 16 per cent of the total PE cost.

The County Assembly spent Kshs.13.19 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.66,661 per MCA. The County Assembly had 21 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.228 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 contrary to Section 110 of the PFM Act, 2012.

Table 3.215 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.215: Performance of County Established Funds in the First Half 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.)
	County Executive Established Funds					
	Scholarship Fund	228,000,000	Nil	0	647,000,000.00	NO

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.)
	Emergency Fund	Nil	Nil	0	826,999,240.00	NO
	Car Loan and Mortgage- Executive	Nil		0	121,000,000.00	NO
	Sub Total	**228,000,000**		**0**	**1,594,999,240.00**	
	County Assembly Established Funds					
	Car and mortgage loan scheme for staff	Nil	Nil	0	141,570,671	No
	Marsabit County Assembly Car Loan and Mortgage –Members	NIL	Nil	0	259,000,000	No
	Sub Total	**0**	**0**	**0**	**400,570,671**	
	Total	**228,000,000**	**0**	**0**	**1,995,569,911**	

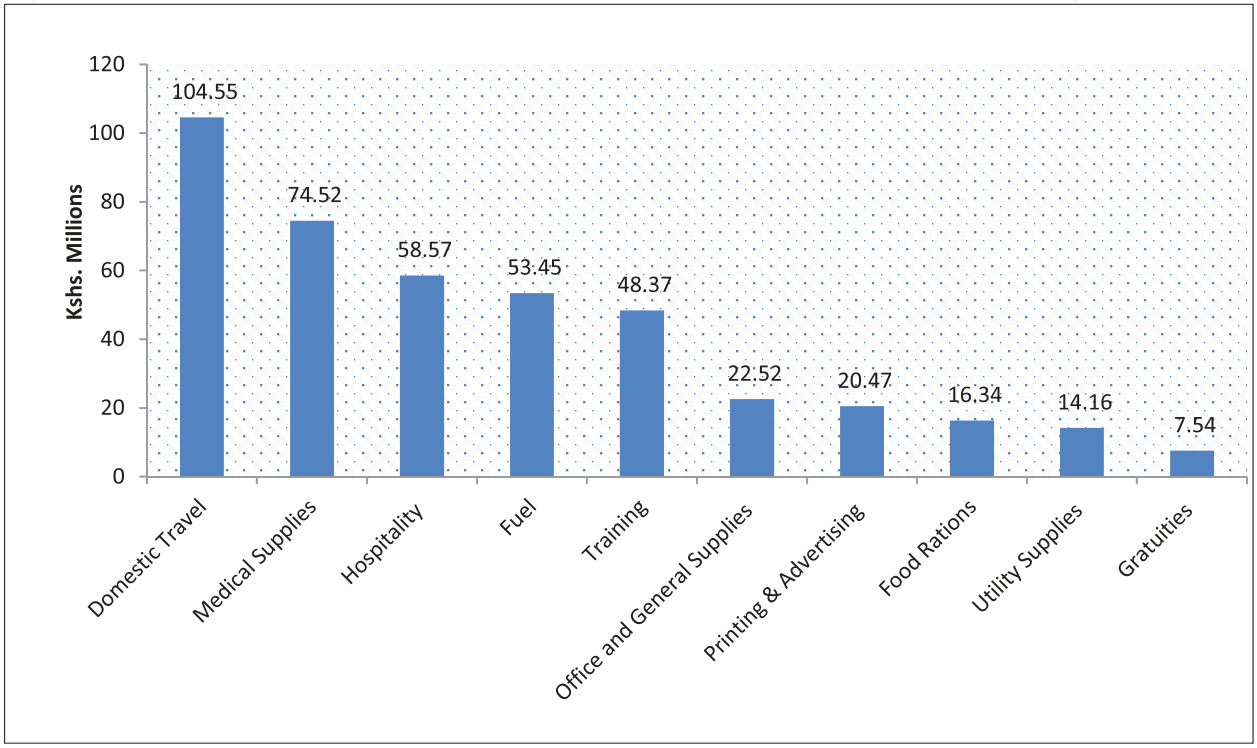
Source: *Marsabit County Treasury*

During the reporting period, the CoB did not receive any of the quarterly financial reports from all Fund Administrators, as indicated in Table 3.215e, contrary to the requirement of Section 168 of the PFM Act, 2012.

3.25.10 Expenditure on Operations and Maintenance

Figure 100 summarises the Operations and Maintenance expenditure by major categories.

Figure 100: Marsabit County, Operations and Maintenance Expenditure by Major Categories



Source: *Marsabit County Treasury*

Expenditure on domestic travel amounted to Kshs.104.55 million and comprised Kshs.61.52 million spent by the County Assembly and Kshs.43.03 million by the County Executive. Expenditure on foreign travel amounted to Kshs.5.56 million and comprised Kshs.500,000 by the County Assembly and Kshs.5.06 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.216.

Table 3.216: Summary of Highest Expenditure on Foreign Travel in the First Half 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	1	22 September 2024	Attend the 79th Session of the United Nations General Assembly	New York - United States of America	1,124,912
County Executive	3	25 November 2024	Attend the ICA Global Co-operative Conference in New Delhi-India	New Delhi India	2,101,512.00
County Executive		11 November 2024	Attend United Nations Climate Change Conference of Parties COP 29	Baku Azerbaijan	1,829,360
County Assembly	1	3rd-5th Dec 2024	2024 IDU Forum by the Leadership Institute	Washington, USA	500,000

***Source**: Marsabit County Treasury and Marsabit County Assembly*

There was no reported (recurrent) expenditure on garbage collection, legal fees/dues, arbitration, or compensation payments.

3.25.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.50.79 million as FIF, which was 35.9 per cent of the annual target of Kshs.141.16 million. The collected amount was retained and utilised at the source in accordance with the Facility Improvement Financing Act of 2023. However, the county has not developed regulations to operationalise the FIF Act 2023.

The expenditure by the health facilities amounted to Kshs.55.23 million, as shown in Table 3.217. The amount was higher than annual collections due to balances that were brought forward from FY 2023-2024

Table 3.217: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Marsabit County Referral Hospital	76,164,000	39,217,140	52
	Moyale Sub County Hospital	45,000,000	12,233,416	27
	Kalacha Hospital	10,000,000	1,900,000	19
	Laisamis Sub County Hospital	10,000,000	1,875,609	19
	Total	**141,164,000**	**55,226,165**	**39**

***Source:** Marsabit County Treasury*

The Health Facility with the highest absorption rate was Marsabit County Referral Hospital at 51.5 per cent.

3.25.12 Development Expenditure

In the first half of FY 2024/25, the county reported spending Kshs.974.75 million on development programmes, an increase of 3.9 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.937.01 million. Table 3.218 summarises development projects with the highest expenditure in the reporting period.

Table 3.218: Marsabit 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	Executive	Drought Mitigation Project	County Wide	405,295,813	405,295,813	100
2	Health	Completion of Sololo level 4 hospital.	Sololo	21,685,525.00	21,685,525.00	95%

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
3	Roads and public works	Upgrading of Moyale town roads to bitumen standard	Moyale	18,690,000.00	18,690,000.00	98%
4	County Assembly	Expansion of County Assembly Office Block	Marsabit	55,000,000.00	12,458,980.00	22.7%
5	County Assembly	Const. of Ward Office - Karare		4,999,948.00	4,999,948.00	100
6	Roads and public works	Construction of roads from Dambala Fachana to Gada Korma	Dambala Fachana	4,897,600.00	4,897,600.00	100
7	Lands	Rehabilitation of drainage system in Marsabit town.	Saku	4,380,198.00	4,380,198.00	100
8	Health	Installation of new solar panels at Kargi Health Centre	Kargi	3,680,448.00	3,680,448.00	100
9	Water	Supply and delivery of plastic tanks	worldwide	3,700,000.00	3,700,000.00	100
10	Water	Purchase of Submersible Motors and Pumps for Boreholes	Obbu ward	3,300,000	3,300,000	100

Source: *Marsabit County Treasury*

3.25.13 Budget Performance by Department

Table 3.219 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.219: Marsabit 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 Assembly	765.34	607.44	299.14	159.36	258.27	159.36	86.3	100	34	26
County Executive	572.44	150.00	294.20	32.88	274.20	32.88	93	100	48	22
Finance & Economic Planning	332.46	737.50	189.41	461.21	189.41	423.23	100	92	57	57
Agriculture, Livestock & FisherieS	281.11	889.45	125.07	257.91	118.21	257.91	95	100	42	29
County Public Service Board	110.00	15.00	49.56	-	49.56	-	100	-	45	-
Education, Skill Development, Youth & Sports	621.00	117.81	225.44		225.44		100	-	36	-
County Health Services	1,848.07	239.19	1,065.90		1,071.42	-	101	-	58	-
Administration, Coordination & ICT	575.00	6.00	166.05	-	166.05	-	100	-	29	-
Energy, Lands & Urban Development	219.00	57.60	71.22	2.94	70.87	2.94	100	100	32	5
Roads & Public Works	130.00	414.87	38.04	37.06	31.68	37.06	83	100	24	9
Water, Environment & Natural Resources	220.00	279.05	78.10	51.26	77.31	51.26	99	100	35	18
Trade, Industry & Enterprise Development	112.12	190.00	45.61	10.11	40.96	10.11	90	100	37	5
Tourism, Culture & Social Services	135.68	48.90	43.96		43.96		100	-	32	-
Office of the County Attorney	29.98		5.90		5.90		100	-	20	-

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 County Secretary	10.50		3.24		3.24		100	-	31	-
Total	**5,962.71**	**3,752.81**	**2,700.86**	**1,012.73**	**2,626.50**	**974.75**	97	96	44	26

Source: *Marsabit County Treasury*

Analysis of department expenditures shows that the Department of Finance and Economic Planning recorded the highest absorption rate of the development budget, at 57 per cent, followed by the Department of Agriculture, Livestock & Fisheries, at 29 per cent. The Department of Health Services had the highest percentage of recurrent expenditures to budget, at 58.0 per cent. The Office of the County Attorney had the lowest, at 20 per cent.

3.25.14 Budget Execution by Programmes and Sub-Programmes

Table 3.220 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.220: Marsabit County, Budget Execution by Programmes and Sub-Programmes

‘	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Assembly							
General Administration Support Services	SP 1.1 Salaries and allowances for employees and M.C.As	282,161,000	-	108,056,303	-	38	-
	SP 1.2 Employer Contribution to Pension	11,050,000	-	4,622,160	-	42	-
	SP 1.2 Hospitality, Catering services, donations and gifts, boards, committees, conferences and seminars	46,460,000	-	13,226,750	-	29	-
	SP 1.3 Domestic payables from previous financial years	910,432	424,542,968	-	152,106,673	-	36
Legislature and Oversight	SP 2.1 Domestic and foreign accommodation, air travel and daily subsistence allowance	155,900,000	-	62,155,165	-	40	-
	SP 2.2 ICT, Hansard and Communication Equipment	6,500,000	-	2,383,364	-	37	-
	SP 2.3 Mortgage & Car Loans and Tax	-	-	-	-	-	-
	SP 2.4 Staff Training and Development and Tuitions	29,557,263	-	5,120,560	-	17	-
	SP 3.12 Maintenance of motor vehicle	6,000,000	-	2,821,196	-	47	-
County Assembly Infrastructure improvement	SP 3.13 Purchase of furniture and general equipment	1,500,000	-	-	-	-	-
	SP 3.14 Construction of County Assembly Headquarters and modern chambers, Construction of speakers' residence, construction and equipping of ward offices	-	182,900,000	-	7,250,000	-	4

‘	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	SP 3.15 Improvement of ICT services	3,016,760	-	928,050	-	31	-
	SP 3.16 Maintenance of plants, machinery & other assets	6,000,000	-	350,000	-	6	-
	SP 3.17 Electricity, water and sewerage and other utility charges	7,814,764	-	2,854,000	-	37	-
	SP 3.18 Printing, advertisement and information supplies and services	18,821,371	-	13,516,640	-	72	-
	SP 3.19 Rental of approved assets and hire of motor vehicles	2,900,000	-	580,000	-	20	-
	SP 3.20 Insurance cost for group personal, building, motor vehicle and medical cover	39,769,950	-	1,712,859	-	4	-
	SP 3.21 Purchase of computers, printers, general office supplies and accessories and sanitary cleaning materials	32,138,568	-	20,306,781	-	63	-
	SP 3.22 Fuel, oil, lubricants and tyres	7,000,000	-	1,502,000	-	22	-
	SP 3.23 Bank service commission and charges, legal fees, management fees, contracted professional charges and other operating expenses	17,610,000	-	-	-	-	-
	SP 3.24 Current transfers to other levels of Government	46,860,000	-	6,044,093	-	13	-
	SP 3.25 Uniform, Specialised materials and supplies	4,000,000	-	1,801,016	-	45	-
	-SP 3.26 Membership fees and dues and subscription for international organisation	5,500,000	-	2,750,000	-	50	-
	SP 3.28 Refurbishment of buildings	3,000,000	-	-	-	-	-
	SP 3.29 Gratuity/pension	15,867,735	-	7,535,401	-	48	-
	SP 3.30 Purchase of motor vehicle	15,000,000	-	-	-	-	-
	SP 3.29 Gratuity/pension					-	-
	SP 3.30 Purchase of motor vehicle					-	-
	Sub Total	**765,337,843**	**607,442,968**	**258,266,338**	**159,356,673**	34	26
County Executive services							
County Management Services	Executive Infrastructure Development	-	150,000,000		32,882,943	-	22
	County Executive services	501,795,216	-	247,144,119		49	-

‘	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Information and Communication Service	Public Sector Advisory services	30,000,000	-	14,593,300		49	-
	County Information and Communication Services	29,500,000	-	7,411,300		25	-
Inter-Governmental Relations	Inter/Intra Governmental Coordination	6,148,784	-	3,000,000		49	-
County Legal Services	County Legal Services	5,000,000		2,056,000		41	-
	Sub Total	**572,444,000**	**150,000,000**	**274,204,719**	**32,882,943**	48	22
Finance & Economic Planning							
General Administration Planning and Support Services	Financial Services	267,714,124	700,000,000	158,303,347	423,226,997	59	61
	ICT Services	7,000,000	-	3,000,000		43	-
ICT Infrastructure	capacity building	-	37,500,000		-	-	-
Public Financial Management	Budget formulation, coordination & Management	10,000,000		3,455,000		35	-
	Resource Mobilisation	10,000,000		3,797,968		38	-
	Internal audit services	10,000,000		7,087,050		71	-
	Supply chain services	3,000,000		1,500,000		50	-
	Accounting services	19,748,034		10,132,400		51	-
Economic and Financial Policy Formulation	Fiscal Policy Formulation and Management	5,000,000		2,137,500		43	-
	Sub Total	**332,462,158**	**737,500,000**	**189,413,265**	**423,226,997**	57	57
Agriculture, Livestock & Fisheries							
General Administration, Planning and Support Services	General Administration, Planning and Support Services	129,463,100	-	46,527,122	-	36	-
Livestock Resources Management and Development	Livestock Policy Development and Capacity Building	122,652,929	-	69,502,127	-	57	-
	SP3 Livestock Production and Management	-	23,300,000	-	-	-	-
	Livestock Products Value Addition and Marketing	-	41,250,000	-	36,758,000	-	89
Fisheries Development and Management	Fisheries Policy, Strategy and Capacity Building	28,993,337	4,000,000	2,185,000	-	8	-
Crop Development and Management	Lands and Crop Development	-	900,000	-	-	-	-
	Food Security Initiatives	-	820,002,112	-	221,154,184	-	27
	Sub Total	**281,109,366**	**889,452,112**	**118,214,249**	**257,912,184**	42	29
Energy, Lands & Urban Development							
Urban Development Services	Town Administration Services	2,000,000	43,100,000	235,200	-	12	-

‘	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Land and Physical Planning Services	Solid Waste Management	-	14,500,000	-	2,942,748	-	20
	Administration and Support services	133,892,052	-	52,825,864	-	40	-
Urban Development Services	Land Mapping &Zoning, Survey, adjudication and Physical planning	21,000,000	-	1,848,218	-	9	-
	Administrative and support services	15,707,948	-	1,215,000	-	8	-
	Solid Waste Management	41,400,000	-	14,750,298	-	36	-
	Towns Facelift	5,000,000	-	-	-	-	-
	Sub Total	**219,000,000**	**57,600,000**	**70,874,580**	**2,942,748**	32	5
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	20,000,000	11,000,000	8,224,427	-	41	-
	Specialised Services	20,000,000	43,988,500	18,747,656	-	94	-
	Drugs and commodities	160,000,000	-	55,021,344	-	34	-
General Administration, Planning and Support Services	Health Infrastructure development	-	176,200,000	-	-	-	-
Maternal and child health	Health Planning and Financing	1,638,074,916	-	984,883,741	-	60	-
	Integrated MCH and Family planning services	10,000,000	-	4,544,830	-	45	-
	Sub Total	**1,848,074,916**	**239,188,500**	**1,071,421,998**	-	58	-
Administration, Coordination & ICT							
General administration planning and Support Services	Administration services	337,200,000	1,000,000	135,138,650	-	40	-
	Peacebuilding and conflict resolution	10,000,000	-	2,006,200	-	20	-
	Disaster management and emergency response	200,000,000	-	16,336,970	-	8	-
	ICT Services	-	5,000,000	-	-	-	-
Coordination of functions of devolved units	Coordination of County Government Departments	21,800,000	-	9,563,680	-	44	-
Public Participation and Civic Education	Public participation	6,000,000	-	3,000,000	-	50	-
	Sub Total	**575,000,000**	**6,000,000**	**166,045,500**	-	29	-
County Public Service Board							
General administration planning and Support ServiceS	Administration services	73,222,670	-	44,638,906	-	61	-
	Board Management Service	27,007,330	15,000,000	3,644,115	-	14	-

‘	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Human Resource Management and Development	Human Resource Management	6,270,000	-	779,236	-	12	-
	Establishment, Management and Consultancy Services	3,500,000	-	499,000	-	14	-
	Sub Total	**110,000,000**	**15,000,000**	**49,561,257**	-	45	-
Office of the County Attorney							
Legislation and Oversight services	Legislation and Oversight services	29,978,854		5,902,200	-	20	-
	Sub Total	**29,978,854**	-	**5,902,200**	-	20	-
Office of the County Secretary							
County Information and Communication Services	County Information and Communication Services	10,500,000		3,243,990	-	31	-
	Sub Total	**10,500,000**	-	**3,243,990**	-	31	-
Education, Skill Development, Youth & Sports							
General Administration, Planning and Support Services	General Administration, Planning and Support Services	314,000,000	-	185,642,388	-	59	-
Skills development, youth and sport	Youth Empowerment & Training	-	12,200,000	-	-	-	-
Early Childhood Development and Education	Scholarships and educational benefits	228,000,000		-	-	-	-
Pre – Primary Education	Early Childhood Development and Education	50,000,000	11,000,000	19,648,180	-	39	-
	ECD Teachers Training	15,500,000	-	10,085,690	-	65	-
	ECD Infrastructure Development and Management	-	77,250,000	-	-	-	-
Youth Development	Youth Training and Capacity Building	4,000,000	5,000,000	1,980,000	-	50	-
Vocational Education and Training	Technical Trainers and Instructor Services	7,500,000	-	7,151,800	-	95	-
	Infrastructure Development and Expansion	-	3,000,000	-	-	-	-
Sports	Sports Training and Competitions	2,000,000	1,000,000	933,500	-	47	-
	Development and Management of Sports Facilities	-	8,355,784	-	-	-	-
	Sub Total	**621,000,000**	**117,805,784**	**225,441,558**	-	36	-
Tourism, Culture & Social Services							
General Administration, Planning and Support Services	Financial Services	135,678,080	-	43,958,141	-	32	-
Culture Services	Conservation of Culture and Heritage	-	48,900,000	-	-	-	-
	Sub Total	**135,678,080**	**48,900,000**	**43,958,141**	-	32	-
Roads & Public Works							
General administration planning and Support Services	General administration planning and Support Services	130,000,000	-	31,683,932	-	24	-

‘	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Road Transport Infrastructure Development	Roads Infrastructure Development	-	414,870,000	-	37,061,711	-	9
	Sub Total	**130,000,000**	**414,870,000**	**31,683,932**	**37,061,711**	24	9
Trade, Industry & Enterprise Development							
General Administration, Planning and Support Services	Financial Services	112,121,920	-	40,956,804	-	37	-
Enterprise Development	Develop infrastructure and facilities.	-	190,000,000	-	10,105,000	-	5
	Sub Total	**112,121,920**	**190,000,000**	**40,956,804**	**10,105,000**	37	5
Water, Environment & Natural Resources							
Water Resources Management	Water Storage	-	20,100,000	-	-	-	-
	Water Supply Infrastructure Development	-	107,450,000	-	-	-	-
General Administration, Planning and Support Services	General Administration, Planning and Support Services	132,941,170	-	61,832,049		47	-
Natural Resources Conservation and Management	Forests Conservation and Management	87,058,830	151,500,000	15,481,180	51,262,830	18	34
	Sub Total	**220,000,000**	**279,050,000**	**77,313,229**	**51,262,830**	35	18
Grand Total		**5,962,707,135**	**3,752,809,363**	**2,626,501,760**	**974,751,086**	**44**	**26**

***Source**: Marsabit County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were Vocational Education and Training in the Department of Education, Skill Development, Youth & Sports at 95 per cent, Curative Health Services in the Department of County Health Services at 94 per cent, General Administration Planning and Support Services in the Department of County Public Service Board at 61 per cent, and General administration planning and Support Services in the Department of Finance & Economic Planning at 59 per cent of budget allocation.

3.25.15 Accounts Operated Commercial Banks

The County Government operated 30 accounts with commercial banks, including five accounts for Health Facilities, four accounts for Vocational Training Centers, six accounts for Established Funds, two revenue accounts, eight special purpose accounts (additional allocations), two imprest accounts, one recurrent operational account, one development operational account, and one deposits account.

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.

3.25.16 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 submitted its financial reports late to the Controller of Budget, which affected the timely preparation of the budget implementation report. The report was received on 24 January 2025.
ii. The underperformance of own-source revenue at Kshs.28.41 million against an annual target of Kshs.110 million, representing 25 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 January 2025.

iv. High pending bills amounted to Kshs.513.97 million as of 31 December 2024. 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.328.06 million were processed through manual payroll, accounting for 16 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 accounts and deposit retention accounts.

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 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.*

3.26. 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 comprised 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 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 the increase in additional allocations by Kshs.833.05 million, increase in Equitable Share of Revenue Raised nationally by Kshs.986.53 million and increase in own source revenue by Kshs.201.00 million. The County's Net Approved Budget is Kshs.13.08 billion, which consists of Kshs.8.53 billion for recurrent and Kshs.4.55 billion for development.

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 3.221.

3.26.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.5.46 billion to fund its development and recurrent activities. This amount consisted of Kshs.4.92 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.65.13 million, and its own source revenue (OSR) collection of Kshs.428.56 million. In addition, the County had a cash balance of Kshs.47.97 billion from FY 2023/24.

The total OSR collection of Kshs.428.56 billion includes Appropriations in Aid (AIA) of Kshs.6.39 million, Facilities Improvement Financing (FIF) of Kshs.309.63 million, and Kshs.112.55 million as ordinary OSR. Table 3.221 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.221: Meru County, Revenue Performance in the First Half 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**	**10,879,160,115**	**4,918,311,185**	**45**
Sub Total		**10,879,160,115**	**4,918,311,185**	**45**
B	**Conditional Grants**			
1	National Agricultural Value Chain Development Project (NAVCDP)	151,515,152		
2	Aquaculture Business Development Programme (ABDP)	23,306,984		
3	Aggregated Industrial Parks Programme	187,500,000	54,131,579	29
4	De-risking and Value Chain Enhancement (DRIVE)	63,341,980		
5	Livestock Value Chain Support Project	99,394,800		
6	DANIDA Grant	12,382,500		
7	World Bank Emergency Locust Responses Projects (ELRP)	104,600,000		
8	Kenya Devolution Support Programme (KDSP)	37,500,000		
9	Kenya Informal Settlement Programme (KISP)II	333,506,111		
10	World Bank Credit Financing Locally Led Climate Action Programme (FLLoCA	188,269,899	11,000,000	6
11	Fuel Levy Fund	284,617,468		
12	World Bank KUSP (Kenya Urban Support Programme)-UIG	35,000,000		
13	World Bank KUSP (Kenya Urban Support Programme)-UDG	320,000,000		
14	Kenya Agricultural Business Development Projects (KABDP)	10,918,919		
15	Transfer to Library Services	12,902,906		
16	Community Health Promoters- conditional funding	111,480,000		
Sub-Total		**1,976,236,719**	**65,131,579**	**3**

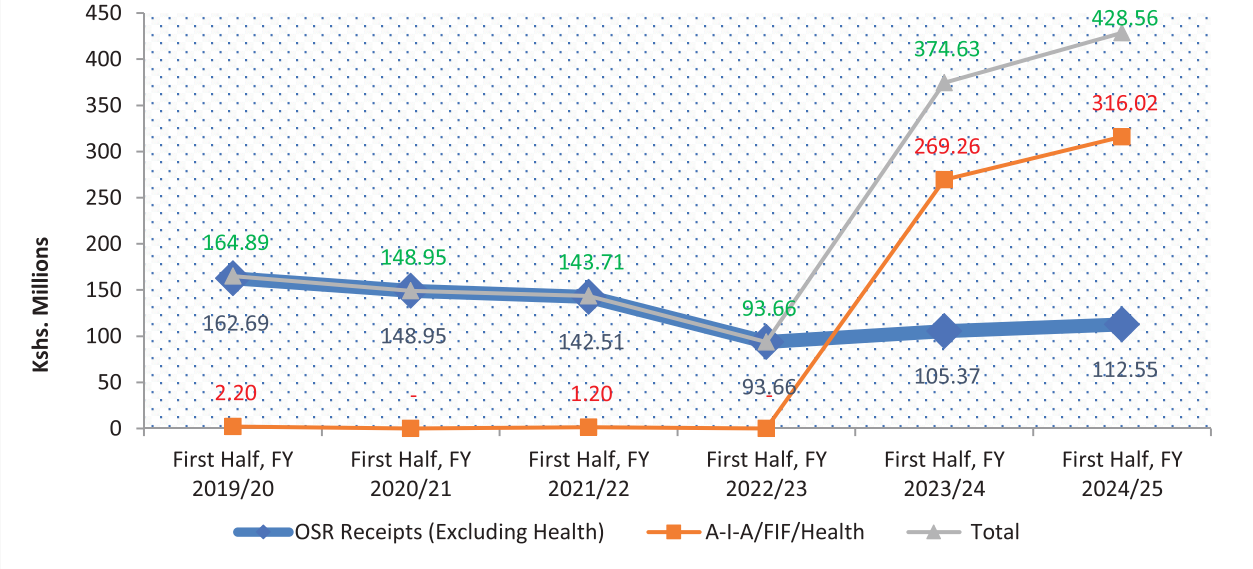
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	500,000,000	112,546,294	23
2	Balance b/f from FY2023/24	0	47,967,278	
3	Facility Improvement Fund (FIF)	550,000,000	309,626,322	56
4	Appropriation in Aid (AIA)	17,000,000	6,389,667	38
Sub Total		1,067,000,000	476,529,560	45
	Grand Total	**13,922,396,834**	**5,459,972,324**	**39**

Source: *Meru County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF.

Figure 101 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 101: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

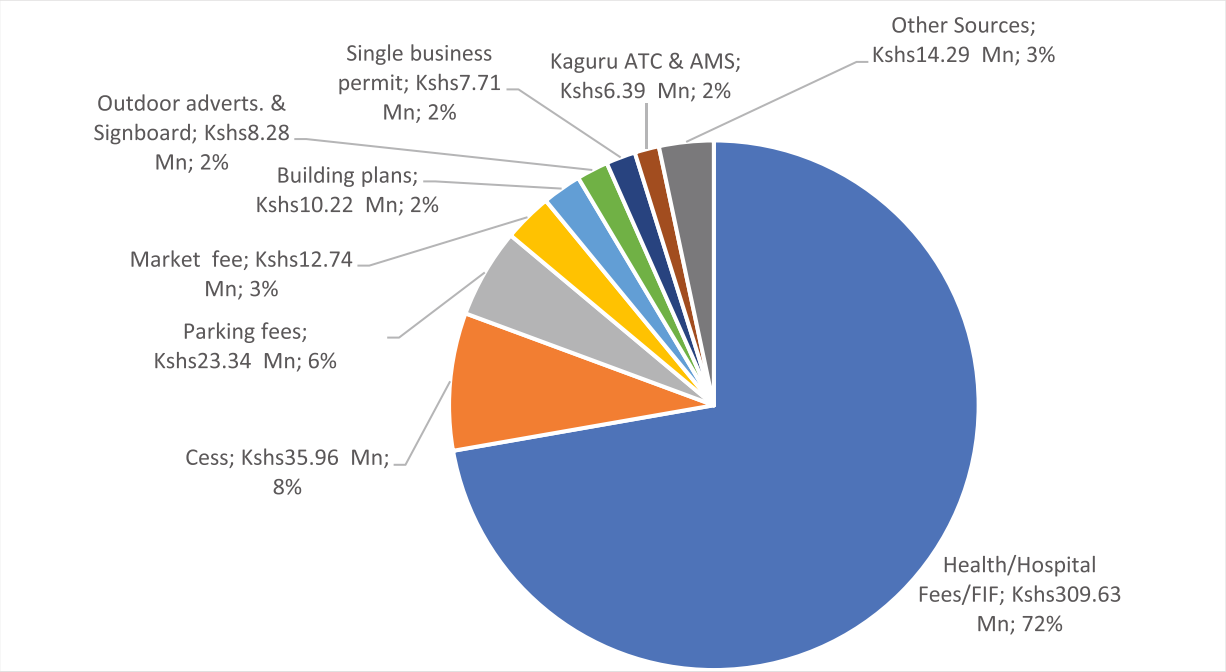


Source: *Meru County Treasury*

During the first half of FY 2024/25, the County generated Kshs.428.56 million from its revenue sources, including AIA and FIF. This amount was an increase of 14 per cent compared to Kshs.374.63 million realised in a similar period in FY 2023/24 and was 40 per cent of the annual target and 9 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 102.

Figure 102: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Meru County Treasury

The highest revenue stream, Kshs.309.63 million, was from Health/Hospital Fees/FIF, contributing 72 per cent of the total OSR receipts during the reporting period.

3.26.3 Borrowing by the County

There was no evidence that the County borrowed during the period under review.

3.26.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs4.61 billion from the CRF account, comprised of Kshs.703.92 million (15 per cent) for development programmes and Kshs.3.91 billion (85 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.63 million was released towards compensation of employees and Kshs.1.27 billion for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly.

Analysis of the operations and maintenance exchequer releases indicates that 16 per cent was for domestic travel, and no expenditure was incurred on foreign travel. The domestic travel exchequer amounted to Kshs.203.22 million and included Kshs.70.84 million for the County Executive and Kshs.132.38 million for the County Assembly.

Table 3.222: Meru County, Budget Allocation and Exchequer Issued by Department

Department	Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Net Approved Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	1,013.38	132.02	440.86	4.47	43.5	3.4
Office of the Governor	160.25	-	39.62	-	24.7	-
Finance, Economic Planning and ICT	928.99	240.30	335.72	123.71	36.1	51.5
Agriculture, Livestock & Fishery	47.72	486.41	17.84	9.18	37.4	1.9
Water & Irrigation	43.80	549.78	21.34	78.00	48.7	14.2
Education, Technology, Gender, Culture & Social Development	257.52	195.00	149.04	-	57.9	0.0
Health Services	284.71	378.74	70.70	16.21	24.8	4.3

Department	Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Net Approved Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Lands, Physical Planning, Urban Development & Public Works	71.65	739.50	19.86	20.00	27.7	2.7
Public Service Administration & Legal Affairs	5,566.86	105.00	2,759.63	51.64	49.6	49.2
Roads, Transport & Energy	40.90	1,166.67	9.42	168.70	23.0	14.5
Trade, Investment, Industrialization, Tourism & Co-op Development	25.33	447.69	5.32	230.07	21.0	51.4
Youth Affairs & Sports	44.73	111.33	22.23	1.94	49.7	1.7
County Public Service Board	44.12	-	17.22	-	39.0	-
TOTAL	**8,530**	**4,552**	**3,908.81**	**703.92**	45.8	15.5

***Source**: Meru County Treasury*

As of 31 December 2024, the County Government's cash balance in the CRF account was Kshs.1.16 billion.

3.26.5 County Expenditure Review

The County spent Kshs.4.81 billion on development and recurrent programmes in the reporting period. The expenditure represented 104 per cent of the total funds released by the CoB and comprised of Kshs.786.05 billion and Kshs.4.03 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 16 per cent, while recurrent expenditure represented 45 per cent of the annual recurrent expenditure budget.

3.26.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.37 billion as of 30 June 2024. This includes Kshs.1.36 billion from the County Executive and Kshs.12.92 million from the County Assembly. The pending bills from the County Executive consist of Kshs.404.98 million for recurrent expenditures and Kshs.965.52 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.687.62 million, comprising Kshs.185.17 million for recurrent programmes and Kshs.502.46 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.12.92 million, which included Kshs.10.27 million for recurrent activities and Kshs.2.65 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.500 million and Kshs.12.92 million, respectively, in the first half of FY 2024/25. However, the County Executive adhered to this payment plan, as it cleared Kshs.687.62 million in the review period.

As of 31 December 2024, the outstanding bills for the County Executive amounted to Kshs.669.96 million.

Worth noting is that the County Executive's pending bills as of 30 June have been revised from the previously reported Kshs.1.33 billion in the first quarter of FY 2024/25.

3.26.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.40 billion on employee compensation, Kshs.1.19 billion on operations and maintenance, and Kshs.781.58 million on development activities. Similarly, the County Assembly spent Kshs.232.03 million on employee compensation, Kshs.208.83 million on operations and maintenance, and Kshs.4.47 million on development activities, as shown in Table 3.223.

Table 3.223: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	Executive	Assembly	Executive	Assembly	Executive	Assem-bly
Total Recurrent Expenditure	**7,936,586,667**	**1,013,378,296**	**3,587,912,777**	**440,860,018**	**45**	**44**
Compensation to Employees	5,077,036,181	528,636,486	2,401,852,889	232,032,562	47	44
Operations and Maintenance	2,859,550,486	484,741,810	1,186,059,888	208,827,456	42	43
Development Expenditure	**4,840,414,545**	**132,017,326**	**781,580,233**	**4,474,327**	**16**	**3**
Total	**12,777,001,212**	**1,145,395,622**	**4,369,493,010**	**445,334,345**	**34**	**39**

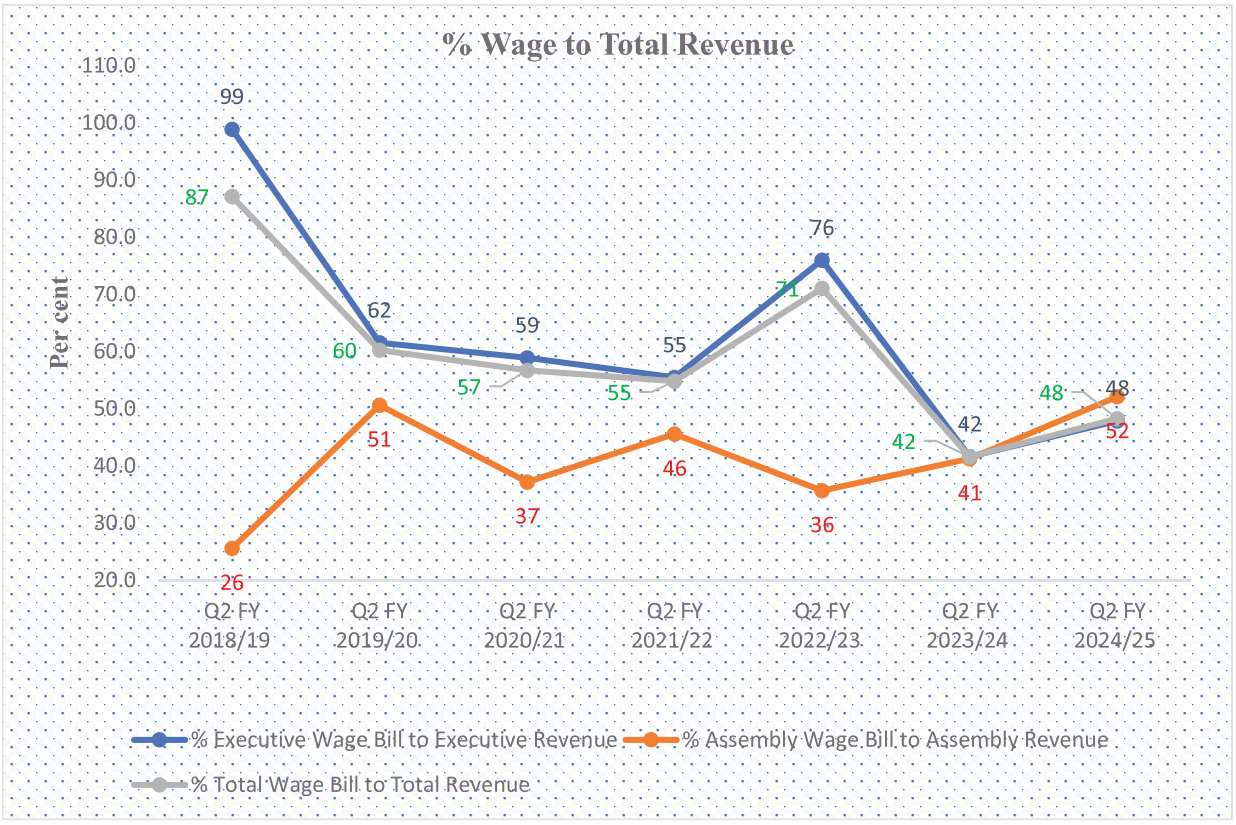
***Source**: Meru County Treasury*

3.26.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.63 billion, or 48 per cent of the available revenue of Kshs.5.46 billion. This expenditure represented an increase from Kshs.1.88 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.36 billion paid to the Health Sector employees, translating to 52 per cent of the total wage bill.

Figure 103 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 103: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Meru County Treasury

Further analysis indicates that PE costs amounting to Kshs.2.57 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.65.81 million was processed through manual payrolls, which accounted for 2 per cent of the total PE cost.

The County Assembly spent Kshs.24.36 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.57,989 per MCA. The County Assembly had 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.693.02 million to County-Established funds in FY 2024/25, or 5 per cent of the County's overall budget, but did not allocate any funds to the Emergency Fund. However, they 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 in line with 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 Half 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.)
County Executive Established Funds						
1.	Meru County Micro-Finance Corporation	78,758,591	50,699,040	59,279,299		Yes
2.	Meru County Investment and Development Corporation	21,600,000	10,740,776	16,173,484		Yes
3.	Meru Youth Service	10,000,000	3,559,469	3,559,469		Yes
4.	Meru County Revenue Board	336,660,640	156,692,266	156,692,266		Yes
5.	Education Scholarship Fund	136,000,000	136,000,000			No
6.	Meru County Executive Staff Housing	80,000,000	24,000,000	4,638,129	642,517,727	Yes
County Assembly Established Funds						
7.	County Assembly of Meru Staff Car Loan and Housing Scheme Fund	30,000,000	0	408,130	247,692,366	Yes
8.	County Assembly of Meru Members Car Loan and Housing Scheme Fund	0	0	3,150,883	480,000,000	Yes
	Total	**693,019,231**	**381,691,551**	**243,901,660**	**1,370,210,093**	

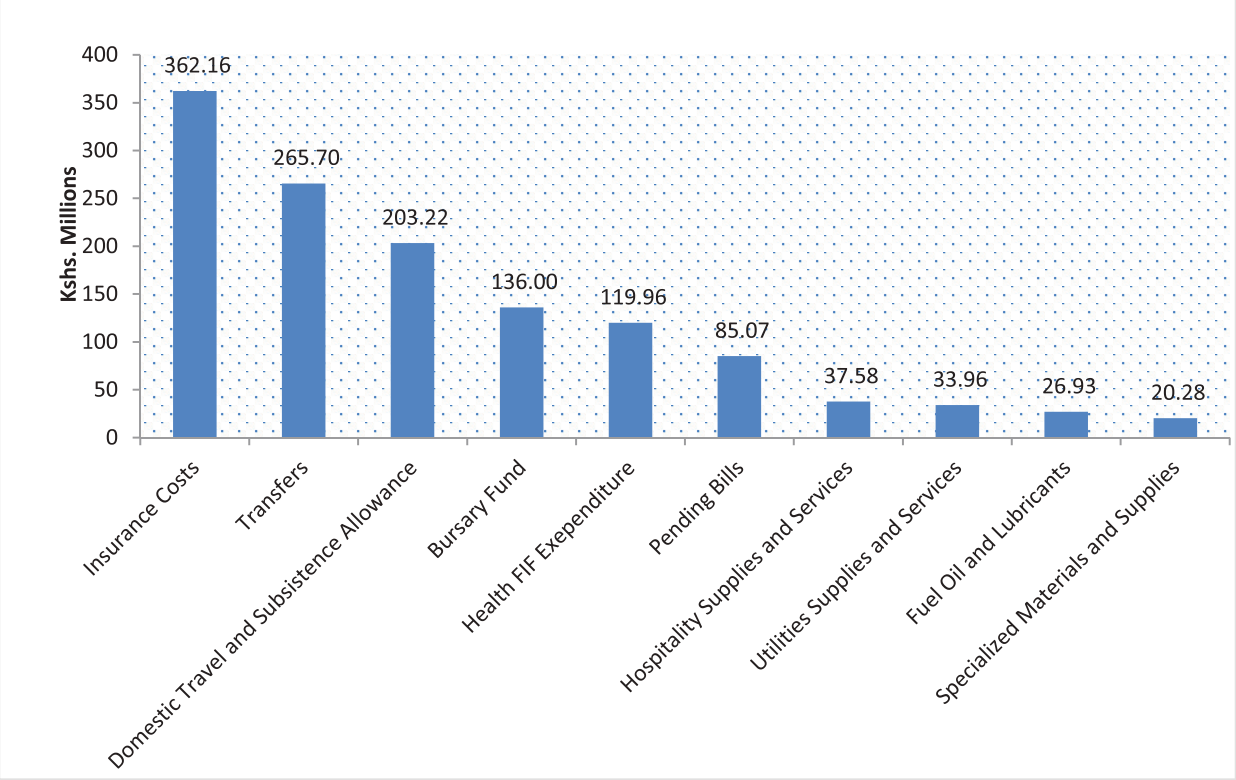
Source: *Meru County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from the Education Scholarship Fund Administrator, as indicated in Table 3.224, contrary to the requirement of Section 168 of the PFM Act, 2012.

3.26.10 Expenditure on Operations and Maintenance

Figure 104 summarises the Operations and Maintenance expenditure by major categories.

Figure 104: Meru County, Operations and Maintenance Expenditure by Major Categories



Source: Meru *County Treasury*

Expenditure on domestic travel amounted to Kshs.202.22 million and comprised Kshs.132.38 million spent by the County Assembly and Kshs.70.84 million by the County Executive. The County Assembly and the Executive did not report any Expenditure on foreign travel during the period under review.

The operations and maintenance costs include an expenditure of Kshs.13.50 million on legal fees/dues, arbitration and compensation payments, and legal fees.

3.26.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.309.98 million as FIF, which was 56 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 Health Facilities did 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 expenditure by the health facilities amounted to Kshs.202.09, as shown in Table 3.225.

Table 3.225: Breakdown of Expenditure by Health Facilities in the First Half 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	122,571,469	41
2	Nyambene Level IV hospital	94,675,000	32,499,958	34
3	Kanyakine Sub-County Hospital	43,700,000	23,516,818	54
4	Miathene Sub-County Hospital	30,350,000	6,650,668	22
5	Mutuati Sub-County Hospital	13,950,000	2,370,366	17

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
6	Kangeta Sub-County Hospital	1,775,000	795,000	45
7	Mikinduri Sub-County Hospital	11,250,000	1,489,390	13
8	Timau Sub-County Hospital	3,900,000	1,068,074	27
9	Mikumbune Sub-County Hospital	8,975,000	1,405,219	16
10	Githongo Sub-County Hospital	7,750,000	1,060,782	14
11	Muthara Sub-County Hospital	9,814,186	2,533,604	26
12	Kibirichia Sub-County Hospital	935,000	449,720	48
13	Naari Sub-County Hospital	575,000	273,266	48
14	Giaki Sub-County Hospital	1,585,000	739,765	47
15	Mbeu Sub-County Hospital	1,475,000	642,200	44
16	Kinoro Sub-County Hospital	445,000	142,500	32
17	Public Health Offices	17,100,000	3,880,991	23
	Total	**550,000,000**	**202,089,791**	37

Source: *Meru County Treasury*

The Health Facility with the highest absorption rate was Kanyakine Sub-County Hospital at 54 per cent.

3.26.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.786.05 million on development programmes, representing an increase of 118 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.359.54 million. Table 3.226 summarises development projects with the highest expenditure in the reporting period.

Table 3.226: Meru 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, Co-operatives & Tourism Development	The payment includes part of the Aggregation warehouse and cold storage, value-added Warehouses, Office block, Powerhouse, Amplification Work, Civil works, boundary wall, Mechanical Installation and borehole, pump house, electrical works, and materials on site.	Buuri Subcounty	500,000,000	155,344,193	31
2	Public Service Administration & Legal Affairs	Leopard Rock Hotel Compensation		330,000,000	50,000,000	15
3	Trade, Co-operatives & Tourism Development	The payment includes part of the Aggregation warehouse and cold storage, value-added Warehouses, Office block, Powerhouse, Amplification Work, Civil works, boundary wall, Mechanical Installation and borehole, pump house, electrical works, and materials on site.	Buuri Subcounty	500,000,000	36,724,880	7
4	Roads Transport & Energy	Provide, place and compact asphalt concrete Type 1 with 5 - 6 % nominal bitumen content by weight to the total mix as wearing course on the carriageway as directed by the Engineer.	Kibirichia ward	33,000,000	33,000,000	100

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
5	Trade, Co-operatives & Tourism Development	The payment includes part of the Aggregation warehouse and cold storage, value-added Warehouses, Office block, Powerhouse, Amplification Work, Civil works, boundary wall, Mechanical Installation and borehole, pump house, electrical works, and materials on site.	Buuri Subcounty		15,906,698	-
6	Trade, Co-operatives & Tourism Development	Payment for Paving Works of Katheri Market	Abothuguchi West	9,968,000	9,968,000	100
7	Finance, Economic Planning & ICT	Construction of Ablution Block at Kmtc Miathene Campus	Miathene KMTC	8,893,027	8,893,027	100
8	Finance, Economic Planning & ICT	Procurement of Imported Bull Semen and Artificial Insemination Kit	Countywide	16,949,750	8,474,875	50
9	Roads Transport & Energy	Drainage Works in Curio Shop -Ntumburi Catholic Kwa Marete Kwa Magiri Kwa Eng Muruyia	Buuri	8,473,323	8,473,323	100
10	Lands, Physical Planning, Urban Development & Public Works	Infrastructure development by installing high mast security lights in Majengo and Salama and water connection	Majengo Settlement	6,400,000	6,400,000	100

Source: *Meru County Treasury*

The reported development expenditure includes Kshs.82.13 million for Health FIF projects, while Kshs.78.00 million and Kshs.20 million were funds transfers to special purpose accounts for the additional allocation of FLOCCA and KISIP II. The reports on utilising the Kshs.78.00 million for Financing Locally Led Climate Action Programme (FLOCCA) were not provided.

3.26.13 Budget Performance by Department

Table 3.227 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.227: 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	440.86	4.47	440.86	4.47	100	100	44	3
Office of the Governor	160.25	-	39.62	-	39.62	-	100	-	25	-
Finance, Economic Planning and ICT	928.99	240.30	335.72	123.71	335.72	123.71	100	100	36	51
Agriculture, Livestock & Fishery	47.72	486.41	17.84	9.18	17.84	9.18	100	100	37	2
Water & Irrigation	43.80	549.78	21.34	78.00	21.34	78.00	100	100	49	14
Education, Technology, Gender, Culture & Social Development	257.52	195.00	149.04	-	149.04	-	100	-	58	0
Health Services	704.71	798.74	254.70	142.19	190.66	98.34	75	69	27	12

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
Lands, Physical Planning, Urban Development & Public Works	71.65	739.50	19.86	20.00	19.86	20.00	100	100	28	3
Public Service Administration & Legal Affairs	5,566.86	105.00	2,759.63	51.64	2,759.63	51.64	100	100	50	49
Roads, Transport & Energy	40.90	1,166.67	9.42	168.70	9.42	168.70	100	100	23	14
Trade, Investment, Industrialization, Tourism & Co-op Development	25.33	447.69	5.32	230.07	5.32	230.07	100	100	21	51
Youth Affairs & Sports	44.73	111.33	22.23	1.94	22.23	1.94	100	100	50	2
County Public Service Board	44.12	-	17.22	-	17.22	-	100	-	39	-
TOTAL	**8,949.96**	**4,972.43**	**4,092.82**	**829.90**	**4,028.77**	**786.05**	**98**	**95**	**45**	**16**

***Source**: Meru County Treasury*

NB: The FIF Collected was not fully spent. The amount collected was 309.98 million, while the total spent was Kshs.202.09 million (recurrent Kshs.119.96 million and development Kshs.82.13 million). The proportionate amount for the exchequer part in A-I-A is based on Expenditure and Amount Collected.

Analysis of expenditure by departments shows that the Departments of Finance, Economic Planning and ICT and Trade, Investment, Industrialization, Tourism & Co-op Development recorded the highest absorption rate of development budget at 51 per cent, followed by the Department of Public Service Administration & Legal Affairs at 49 per cent. The Department of Education, Technology, Gender, Culture & Social Development had the highest percentage of recurrent expenditure to budget at 58 per cent, while the Department of Trade, Investment, Industrialization, Tourism & Co-op Development had the lowest at 21 per cent.

3.26.14 Budget Execution by Programmes and Sub-Programmes

Table 3.228 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.228: Meru County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
COUNTY ASSEMBLY OF MERU							
Legislation and Representation	Legislation & Representation	468,433,422	-	207,799,156	-	44	-
Legislative Oversight	Legislative Oversight	218,716,758	-	93,432,975	-	43	-
General Administration, Planning & Support Services	General Administration, Planning and Support Services	326,183,116	132,017,326	139,627,287	4,474,328	43	3
Sub-Total		**1,013,333,295**	**132,017,326**	**440,859,418**	**4,474,328**	**44**	**3**
OFFICE OF THE GOVERNOR							
Headquarters	Headquarters	27,150,000	-	13,755,420	-	51	-
Governors Press	Governors Press	21,500,000	-	7,542,200	-	35	-
Monitoring and Evaluation	Monitoring and Evaluation	14,450,000	-	1,948,800	-	14	-
Research and Public Participation	Research and Public Participation	8,850,000	-	1,281,300	-	15	-

Programme	Sub-Programme	Gross Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Special programmes (Fire, Rescue and Emergency Services)	Special programmes (Fire, Rescue and Emergency Services)	34,200,000	-	3,621,100	-	11	-
Partnership Development and External Linkages	Partnership Development and External Linkages	10,850,000	-	1,042,400		10	-
Delivery Unit	Delivery Unit	5,000,000	-	647,100	-	13	-
Protocol & Event Management	Protocol & Event Management	8,300,000	-	1,481,500	-	18	-
Office of the Deputy Governor	Office of the Deputy Governor	29,950,000	-	8,299,695		28	-
Sub-Total		**160,250,000**	**-**	**39,619,515**	**-**	**25**	**-**
FINANCE ECONOMIC PLANNING & ICT							
Headquarters	Headquarters	278,512,000	239,296,663	43,480,429	123,709,354	16	52
Meru Investment Corporation	Meru Investment Corporation	21,600,000	-	16,173,484	-	75	-
Meru Microfinance Corporation	Meru Microfinance Corporation	78,758,591	-	59,279,299	-	75	-
Meru County Revenue Board	Meru County Revenue Board	336,660,640	-	156,692,266	-	47	-
Procurement	Procurement	9,000,000	-	3,737,966	-	42	-
Internal Audit	Internal Audit	6,230,000	-	2,890,600	-	46	-
Budget and Policy	Budget and Policy	20,300,000	-	5,604,568	-	28	-
Accounts	Accounts	157,965,741	-	40,654,703	-	26	-
P6.ICT Development	P6.ICT Development	8,050,000	1,000,000	2,958,125	-	37	-
Economic Planning and Coordination Services	Economic Planning and Coordination Services	7,470,000	-	1,842,000	-	25	-
Fleet Management	Administration Services	4,447,752	-	2,402,800	-	54	-
Sub-Total		**928,994,724**	**240,296,663**	**335,716,240**	**123,709,354**	**36**	**52**
AGRICULTURE, LIVESTOCK DEVELOPMENT AND FISHERIES							
General Administration	General Administration	7,379,126	352,786,092	1,823,100	9,179,461	25	3
Livestock	Livestock	7,300,000	99,394,800	4,060,200	-	56	-
Fisheries	Fisheries	1,700,000	34,225,903	-	-	-	-
Agricultural Development	Agricultural Development	11,790,000	-	2,703,867	-	23	-
Animal Disease Management	Animal Disease Management	2,550,000	-	261,000	-	10	-
Agricultural Training Center (KAGURU)	Agricultural Training Center (KAGURU)	17,000,000	-	8,990,555	-	53	-
Sub-Total		**47,719,126**	**486,406,795**	**17,838,722**	**9,179,461**	**37**	**2**

Programme	Sub-Programme	Gross Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
WATER IRRIGATION ENVIRONMENT & NATURAL RESOURCES							
Water & Irrigation	Water & Irrigation	13,280,766	180,516,151	2,595,550	-	20	-
Noise pollution	Noise pollution	30,515,132	369,262,000	18,747,196	78,000,000	61	21
Sub-Total		**43,795,898**	**549,778,151**	**21,342,746**	**78,000,000**	**49**	**14**
EDUCATION, TECHNOLOGY, GENDER & SOCIAL DEVELOPMENT							
Administration Services	Administration Services	149,853,100	115,453,849	139,614,999	-	93	-
Early Childhood Development Education (ECDE)	Early Childhood Development Education (ECDE)	93,839,477	20,750,000	6,874,300	-	7	-
Technical and Vocation Education	Technical and Vocation Education	3,056,535	58,800,000	188,500	-	6	-
Village Polytechnics	Village Polytechnics	5,614,670	-	2,175,800	-	39	-
Library Services	Library Services	5,161,162	-	184,000	-	4	-
Sub-Total		**257,524,944**	**195,003,849**	**149,037,599**	**-**	**58**	**-**
HEALTH SERVICES							
General Administration Support and Planning	General Administration Support and Planning	12,097,383	-	5,099,600	-	42	-
Curative Health	Curative Health	455,015,300	798,742,133	184,146,526	98,342,182	41	12
Preventive and Promotive Health	Preventive and Promotive Health	237,598,330	-	1,410,500	-	1	-
Sub-Total		**704,711,013**	**798,742,133**	**190,656,626**	**98,342,182**	**27**	**12**
LANDS, PHYSICAL PLANNING, URBAN DEVELOPMENT & PUBLIC WORKS							
Lands & Housing	Lands & Housing	9,750,000	28,790,706	3,627,746	-	37	-
Physical Planning and Urban Development	Physical Planning and Urban Development	44,550,000	700,706,111	4,215,400	20,000,000	10	3
Meru Town Municipality	Meru Town Municipality	6,000,000	-	6,000,000	-	100	-
Maua Municipality	Maua Municipality	4,000,000	-	4,000,000	-	100	-
Timau Municipality	Timau Municipality	2,800,000	-	996,427	-	36	-
Public Works	Public Works	4,550,000	10,000,000	1,024,200	-	23	-
Sub-Total		**71,650,000**	**739,496,817**	**19,863,773**	**20,000,000**	**28**	**3**
PUBLIC SERVICE ADMINISTRATION & LEGAL AFFAIRS							
General Administration	General Administration	81,196,416	-	4,655,690	-	6	-
Coordination of County Government Functions Sub-County	Coordination of County Government Functions Sub-County	7,036,060	-	3,815,380	-	54	-

Programme	Sub-Programme	Gross Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Office Accommodation Enforcement Services	County Office Accommodation Enforcement Services	27,913,943	-	11,675,313	-	42	-
Human Resource	Human Resource	5,411,279,181	104,997,298	2,721,515,867	51,637,357	50	49
Legal Representation, Advisory Services and Legislative Process	Legal Representation, Advisory Services and Legislative Process	38,832,064	-	17,971,600	-	46	-
Town Management & Administration	Town Management & Administration	600,000	-	-	-	-	-
Sub-Total		**5,566,857,664**	**104,997,298**	**2,759,633,850**	**51,637,357**	**50**	**49**
ROADS, TRANSPORT & ENERGY							
General Administration-Roads	General Administration-Roads	25,750,170	1,151,673,306	6,942,384	168,699,712	27	15
Infrastructure	Infrastructure	6,400,000	15,000,000	1,632,200	-		
Public Works	Public Works	8,750,000	-	848,786	-	10	-
Sub-Total		**40,900,170**	**1,166,673,306**	**9,423,370**	**168,699,712**	**23**	**15**
TRADE, TOURISM & COOPERATIVE DEVELOPMENT							
Co-operatives Development	Co-operatives Development	5,930,000	39,570,000	2,312,061	-	39	-
Tourism	Tourism	11,472,228	-	1,136,600	-	10	-
Trade	Trade	7,930,000	408,115,664	1,874,000	230,068,957	24	56
Sub-Total		**25,332,228**	**447,685,664**	**5,322,661**	**230,068,957**	**21**	**51**
YOUTH AFFAIRS & SPORTS							
Youth Affairs Programme	Youth Affairs Programme	5,606,422	10,463,868	1,515,300	1,943,210	27	19
Sports Development	Sports Development	19,670,000	100,870,000	14,304,400	-	73	-
Meru Youth Service	Meru Youth Service	10,000,000	-	3,559,469	-	36	-
Gender Mainstreaming	Gender Mainstreaming	9,455,000	-	2,855,700	-	30	-
Sub-Total		**44,731,422**	**111,333,868**	**22,234,869**	**1,943,210**	**50**	**2**
COUNTY PUBLIC SERVICE BOARD							
Headquarters	Headquarters	44,119,478	-	17,222,806	-	39	-
Sub-Total		**44,119,478**	**-**	**17,222,806**	**-**	**39**	**-**
Grand Total		**8,949,919,962**	**4,972,431,870**	**4,028,772,195**	**786,054,561**	**45**	**16**

***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 each, Meru Microfinance Corporation in the Department of Finance, Economic Planning and ICT at 75 per cent and Meru Investment Corporation in the Department of Finance, Economic Planning and ICT at 75 per cent of budget allocation.

3.26.15 Accounts Operated Commercial Banks

The County Government operated twenty-eight accounts with commercial banks, including five accounts for Established Funds, two revenue accounts, six special purpose accounts (additional allocations), nine Accounts for County semi-autonomous agencies, an imprest account, a recurrent operational account, and a development operational account (ECDE Projects).

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.

3.26.16 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 by law, which is against the requirement of Section 168 of the PFM Act, 2012. The reports for the Education Scholarship Fund were not submitted to the Controller of Budget as of 15 January 2025.
ii. High pending bills amounted to Kshs.669.96 million as of 31 December 2024.
iii. There is inconsistency in the county Treasury's reporting of pending bills. The County Treasury reported pending bills as of 30 June 2024, which differs from the amounts reported during the FY 2024/25 first Quarter reporting period.
iv. Use of manual payroll. Personnel emoluments amounting to Kshs.65.81 million 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.
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 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.*
iii. *The County Treasury should be consistent in reporting pending bills and ensure accuracy in the computation.*
iv. *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.*
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.*

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 in both the County Revenue Fund and Special Purpose 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 3.229.

3.27.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.5.66 billion to fund its development and recurrent activities. This amount consisted of Kshs.4.15 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.607.12 million, including Kshs.541.99 million opening balances of conditional grants retained in special purposes bank operational accounts and its own source revenue (OSR) collection of Kshs.220.37 million. In addition, the County had a cash balance of Kshs.688.43 million from FY 2023/24.

The total OSR collection of Kshs.202.37 million includes Facilities Improvement Financing (FIF) of Kshs.104.45 million, and Kshs.115.92 million as ordinary OSR. Table 3.229 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.229: Migori County, Revenue Performance in the First Half of FY 2024/25

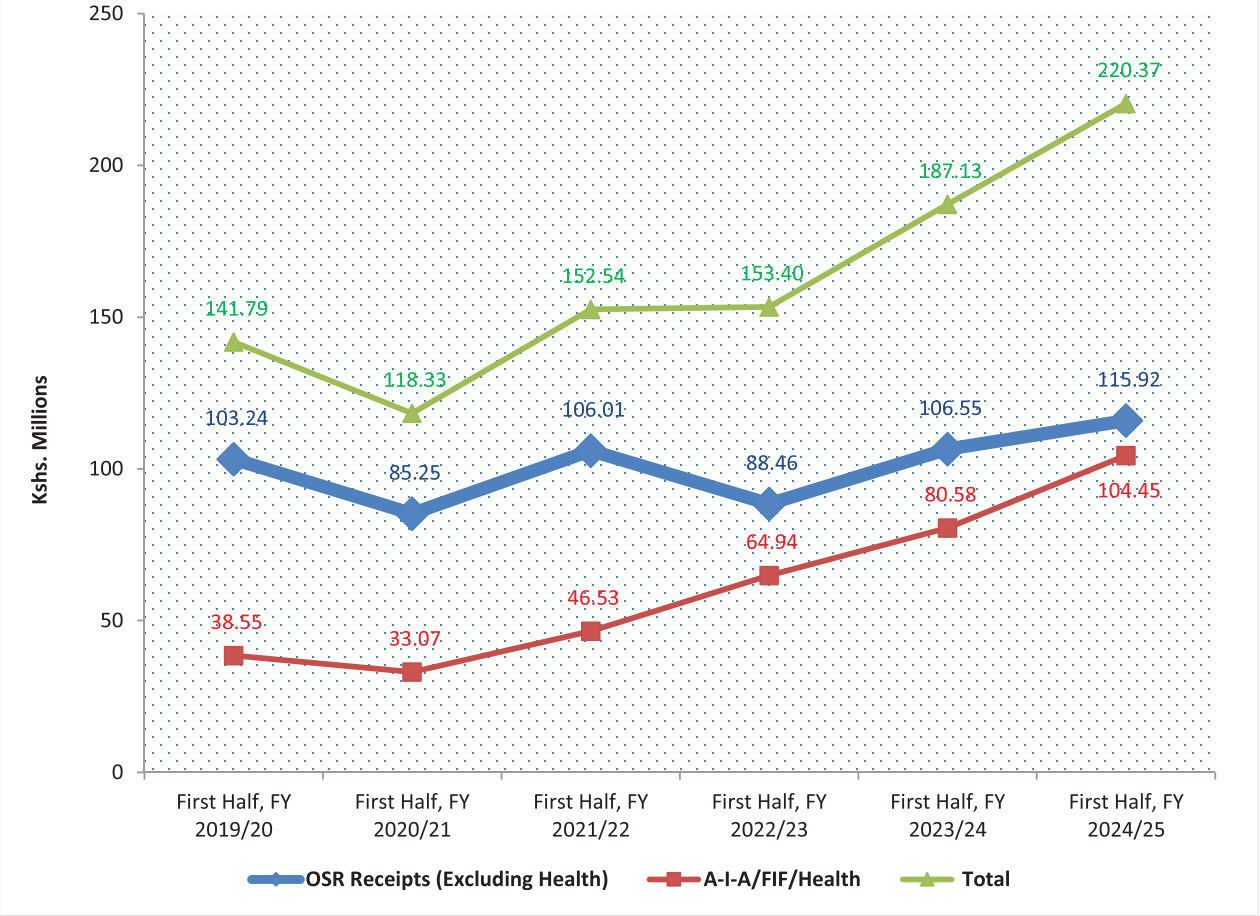
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally** -	8,341,446,108	4,147,122,523	50
Subtotal		**8,341,446,108**	**4,147,122,523**	**50**
B	**Additional Allocations**			
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
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	22
17.	Kenya Water and Sanitation (K-WASH) Program	199,874,000	-	-

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
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 FLOCCA Bal C/Fwd	372,833,613	372,833,613	100
26.	Migori County Health Special Bal. C/Fwd	915,068	915,068	100
27.	Migori County RMLF Bal. C/Fwd	681,918	681,918	100
28.	Migori County NARIGP Operations Account Bal. C/Fwd	4,261,826	4,261,826	100
29.	Migori County Agriculture Chain Bal. C/Fwd	161,794,532	161,794,532	100
30.	Migori County Industrial Park Bal. C/Fwd	1,500,000	1,500,000	100
Subtotal		**1,967,432,713**	**607,118,536**	**31**
C	**Own Source Revenue**			
31.	Ordinary Own Source Revenue	550,000,000	115,917,226	21
32.	Appropriation in Aid (A-I-A)	-	-	-
33.	Facility Improvement Fund (FIF)	140,000,000	104,451,115	75
Subtotal		**690,000,000**	**220,368,341**	**32**
D	**Other Sources of Revenue**			
34.	Unspent balance from FY 2023/24	688,425,652	688,425,652	100
Sub Total		**688,425,652**	**688,425,652**	**100**
Grand Total		**11,687,304,473**	**5,663,035,051**	**49**

Source: *Migori County Treasury*

Figure 105 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 105: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

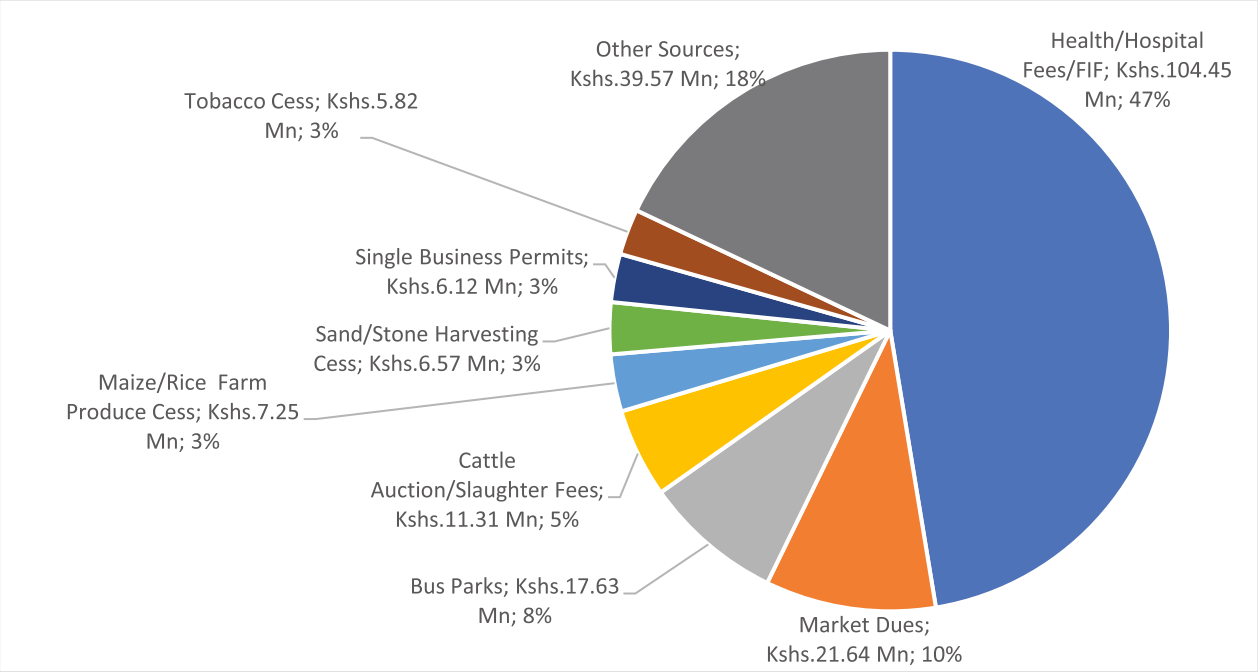


***Source**: Migori County Treasury*

During the first half of FY 2024/25, the County generated Kshs.220.37 million from its revenue sources, including FIF. This amount was an 18 per cent increase compared to Kshs.187.13 million realised in a similar period in FY 2023/24, 32 per cent of the annual target and 5 per cent of the equitable revenue share disbursed. The improved performance resulted from re-opening county-wide dormant markets and auction rings, automation of more revenue streams, deployment of more enforcement personnel in revenue collection outlets, and introduction of high penalties on clients /vendors operating without licenses and late payments.

The revenue streams which contributed the highest OSR receipts are shown in Figure 106.

Figure 106: Top Streams of Own Source Revenue in the First Half FY 2024/25



***Source**: Migori County Treasury*

The highest revenue stream, Kshs.104.45 million, was from Health/Hospital Fees/FIF, which contributed 47.4 per cent of the total OSR receipts during the reporting period.

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. The short-term borrowing was utilised to pay Members of the County Assembly and Staff allowances in arrears for the FY 2023/24 and defray office operations during July 2024 due to delayed disbursement of June 2024 shareable revenues. The amount is still owed as of 31 December 2024.

3.27.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.3.23 billion from the CRF account comprised Kshs.481.90 million (15 per cent) for development programmes and Kshs.2.75 billion (85 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.46 billion was released towards compensation of employees and Kshs.1.29 billion for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer request for both County Executive and County Assembly due to challenges resulting from the migration from IPPD system to HRIS-Kenya such as mass data updates (leave and uniform allowances payable annually), PAYEs, revised pensionable allowance, Housing levy & SHIF reliefs as communicated by KRA's public notice, and variances in data for AC-local authority staff and AY-County state officers amongst others.

Analysis of the operations and maintenance exchequer releases indicates that 7.6 per cent was for domestic travel and zero per cent for foreign travel. The domestic travel exchequer amounted to Kshs.110.94 million, including Kshs.21.50 million for the County Executive and Kshs.89.44 million for the County Assembly.

Table 3.230: 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	88.44	30.98	38	4

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Trade, Tourism, Industry, Market & Cooperative Development	123.80	338.48	39.84	141.05	32	42
Health Medical Services	1,648.21	350.76	773.43	76.95	47	22
Education, Gender inclusivity, Social Services, Youth and Sports	543.47	157.04	197.66	2.00	36	1
Roads, Transport, Public Works & Infrastructural Development	147.93	947.78	52.00	46.30	35	5
Lands, Physical Planning, Housing & Urban Development	111.50	106.31	37.59	18.79	34	18
Rongo Municipality	21.62	26.80	9.91	4.52	46	17
Kehancha Municipality	25.13	26.80	9.08	4.39	36	16
Migori Municipality	21.32	62.86	7.42	1.49	35	2
Awendo Municipality	22.00	35.40	7.35	13.09	33	37
Environment, Natural Resources, Climate Change & Disaster Management	261.77	595.93	86.31	-	33	-
Finance and Economic Planning	1,091.54	28.13	445.43	11.63	41	41
Public Service Management, Monitoring & Evaluation & Performance Contracting	900.86	19.85	238.98	-	27	-
County Executive	433.52	153.46	183.13	17.96	42	12
County Assembly	1,036.28	52.64	357.79	-	35	-
Water and Energy	225.11	516.65	74.98	101.43	33	20
Public Health & Sanitation	443.58	131.03	82.75	17.32	19	13
Office of the County Attorney	118.25	-	55.01	-	47	-
Total	**7,411.69**	**4,275.61**	**2,747.10**	**487.90**	37	11

***Source**: Migori County Treasury*

As of 31 December 2024, the County Government's cash balance in the CRF account was Kshs.1.13 billion.

3.27.5 County Expenditure Review

The County spent Kshs.3.50 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.810.59 million and Kshs.2.68 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 19 per cent, while recurrent expenditure represented 36 per cent of the annual recurrent expenditure budget. The over-expenditure is attributed to opening cash balances retained and utilised in the special purpose bank operational accounts at the beginning of the year for conditional grants and re-voted in the current budget.

3.27.6 Settlement of Pending Bills

As of 30 June 2024, the county reported pending bills totalling Kshs.1.94 billion. This amount includes Kshs.1.76 billion from the County Executive and Kshs.184.72 million from the County Assembly. The pending bills from the County Executive consist of Kshs.875.34 million for recurrent expenditures and Kshs.881.38 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.787.25 million, comprising Kshs.437.57 million for recurrent programmes and Kshs.349.68 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.8.73 million, entirely recurrent and nil 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.15.99 million, respectively, in the first half of FY

2024/25. However, the County did not adhere fully to this payment plan, clearing only Kshs.787.25 million for the Executive and Kshs.8.21 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.1.12 billion, comprising Kshs.969.47 million for the County Executive and Kshs.153.43 million for the County Assembly.

3.27.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.27 billion on employee compensation, Kshs.1.08 billion on operations and maintenance, and Kshs.810.59 million on development activities. Similarly, the County Assembly spent Kshs.196.48 million on employee compensation, Kshs.145.02 million on operations and maintenance, and nil on development activities, as shown in Table 3.231.

Table 3.231: 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**	**2,343,434,795**	**341,503,118**	**37**	**33**
Compensation to Employees	3,129,196,116	514,544,066	1,265,426,764	196,483,116	40	38
Operations and Maintenance	3,246,212,214	521,740,781	1,078,008,031	145,020,002	33	28
Development Expenditure	**4,222,974,602**	**52,636,694**	**810,594,931**	-	19	0
Total	**10,598,382,932**	**1,088,921,541**	**3,154,029,726**	**341,503,118**	**29**	**31**

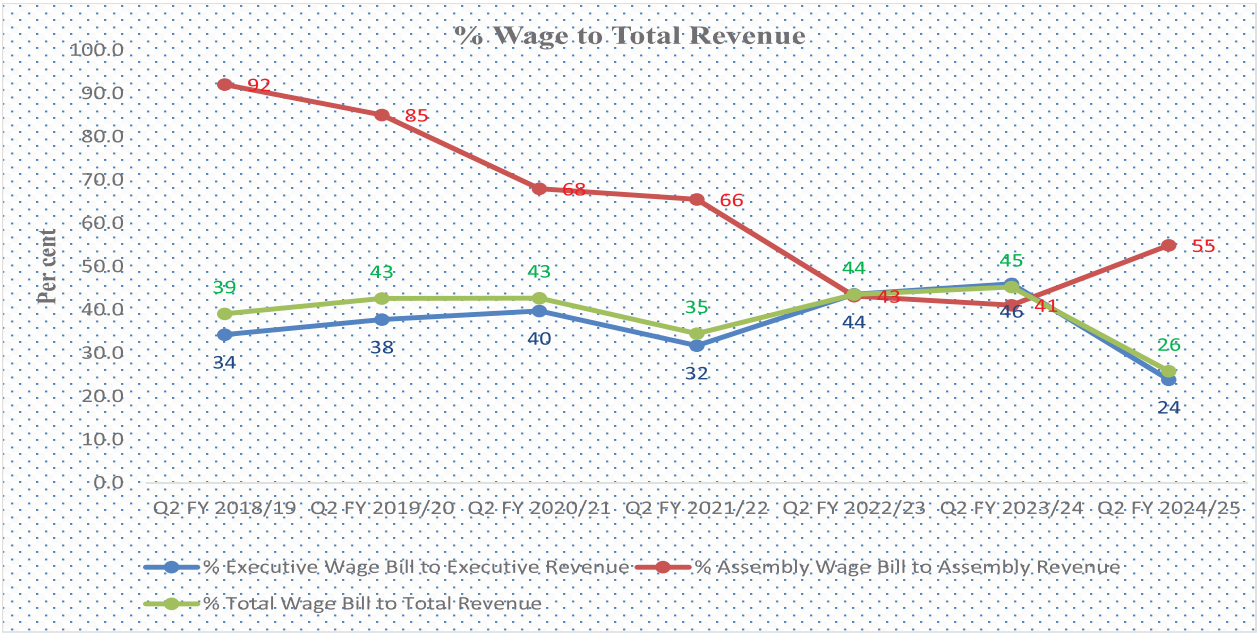
***Source**: Migori County Treasury*

3.27.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.46 billion, or 26 per cent of the available revenue of Kshs.5.66 billion. This expenditure represented an 18 per cent decrease from Kshs.1.78 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.606.96 million paid to the Health Sector employees, translating to 42 per cent of the total wage bill. The decline was occasioned by systemic payroll challenges, which delayed the payment of salaries and wages for December 2024 of Kshs.314.65 million. The amount was eventually paid in early January 2025.

Figure 107 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 107: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



***Source**: Migori County Treasury*

Further analysis indicates that the entire PE cost of Kshs.1.46 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system.

The County Assembly spent Kshs.18.04 million on committee sitting allowances for the 60 MCAs against the annual budget allocation of Kshs.43.52 million. The average monthly sitting allowance was Kshs.50,608 per MCA. The County Assembly had 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 per cent of the County's overall budget. Further, contrary to Section 110 of the PFM Act, 2012, the county did not allocate funds to the Emergency Fund in the budget.

Table 3.232 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.232: Performance of County Established Funds in the First Half 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.)
	County Executive Established Funds					
1	Migori County Executive Car Loans & House Mortgage Fund Scheme	-	-	-	247,500,000	Yes
2	Migori County Education Bursary Fund	120,000,000	-	-	840,000,000	Yes
3	Migori County Scholarships & Educational Benefits Fund	20,000,000	-	-	279,000,000	Yes
4	Migori County Alcoholic Drink Fund	-	-		2,250,318	Yes
5	Emergency Fund	-	-	-	-	Unregulated
6	Migori County SMEs Trade Development – UNUA BIASHARA	-	-	-	54,000,000	Yes
	County Assembly Established Funds					
7	Migori County Assembly Car Loans & House Mortgage Fund Scheme	8,000,000	-	-	236,000,000	Yes
	Total	**148,000,000**	**-**	**-**	**1,658,750,318**	

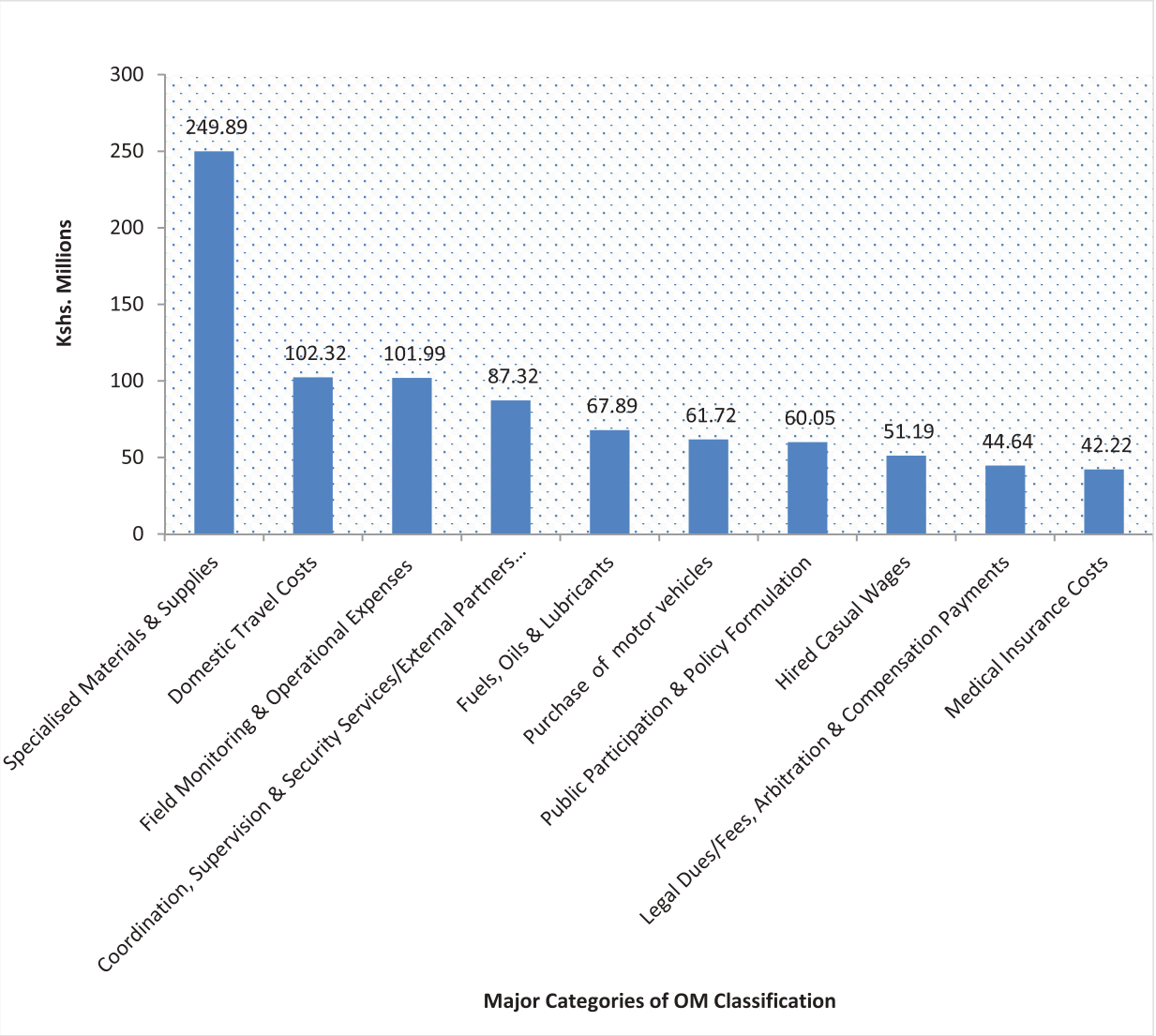
Source: Migori *County Treasury*

During the reporting period, the CoB received all the quarterly financial reports from the fund administrators, as indicated in Table 3.232, which was in line with the requirement of Section 168 of the PFM Act, 2012.

3.27.10 Expenditure on Operations and Maintenance

Figure 108 summarises the Operations and Maintenance expenditure by major categories.

Figure 108: Migori County, Operations and Maintenance Expenditure by Major Categories



Source: Migori *County Treasury*

Expenditure on domestic travel amounted to Kshs.102.32 million and comprised Kshs.83.32 million spent by the County Assembly and Kshs.19.22 million by the County Executive. No expenditure on foreign travel was incurred by the two arms of the County Government in the reporting period.

The operations and maintenance costs include an expenditure of Kshs.14.22 million on garbage collection and Kshs.44.64 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.27.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.104.45 million as FIF, which was 75 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 Act provides that 72 per cent of the total collection is ploughed back to the County health facilities, 20 per cent is utilised by the Public Health & Sanitation Department, 5 per cent is retained at the Hospital Emergency Fund, whereas 3 per cent accounts for Health Management Board Administrative Expenses. The expenditure by the health facilities amounted to Kshs.63.86 million, as shown in Table 3.233.

Table 3.233: Breakdown of Expenditure by Health Facilities in the First Half 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	-	34,594,129	-
2.	Kehancha Sub-County Hospital	-	5,251,000	-
3.	Rongo Sub-County Hospital	-	4,503,720	-
4.	Isebania Sub-County Hospital	-	3,326,000	-
5.	Awendo Sub-County Hospital	-	3,309,175	-
6.	Muhuru Sub-County Hospital	-	2,865,000	-
7.	Ntimaru Sub-County Hospital	-	2,815,000	-
8.	Macalder Sub-County Hospital	-	1,896,500	-
9.	Uriri Sub-County Hospital	-	1,395,250	-
10.	Othoro Sub-County Hospital	-	971,400	-
11.	Karungu Sub-County Hospital	-	944,660	-
12.	Kegonga Sub-County Hospital	-	929,651	-
13.	Nyamaraga Sub-County Hospital	-	750,000	-
14.	Oyani Sub-County Hospital	-	145,940	-
15.	God Kwer Sub-County Hospital	-	107,000	-
16.	Ongo Sub-County Hospital	-	52,250	-
	Total	**140,000,000**	**63,856,675**	**45.6**

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 Isebania Sub-County Hospital, respectively**. It is good to note that the FIF budget is consolidated as a single line item in the approved budget in the Department of Health Medical Services.**

3.27.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.810.59 million on development programmes, representing an increase of 53 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.530.96 million. Table 3.234 summarises development projects with the highest expenditure in the reporting period.

Table 3.234: Migori 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, Tourism, Industry, Market & Cooperative Development	On-going Construction of Industrial Aggregation Park	Macalder Kanyarwanda Ward	116,631,579.00	116,631,579.00	80 % Complete
2	Roads, Transport, Public Works & Infrastructural Development	Construction & Completion of Osiri Footbridge	Macalder Kanyarwanda ward	24,494,034.00	24,494,034.00	100 % Complete
3	Roads, Transport, Public Works & Infrastructural Development	Construction & Completion of Sare Box Culvert & Access Road	South Sakwa Ward	14,997,988.00	14,997,988.00	100 % Complete
4	Roads, Transport, Public Works & Infrastructural Development	Construction & Completion of Kenyaboni Box Culverts & Access Road	Tagare Ward	14,995,009.12	14,995,009.12	100 % Complete

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation Status (%)
5	Roads, Transport, Public Works & Infrastructural Development	Construction & Completion of Obware –Kayara Culvert	Kanyasa Ward	14,970,728.00	14,970,728.00	100 % Complete
6	Health Medical Services	Supply & Delivery of Hospital Equipments	Migori County Referral Hospital	13,989,800.00	13,989,800.00	100 % Complete
7	Roads, Transport, Public Works & Infrastructural Development	Construction & Completion of Ombasa Footbridge	West Sakwa Ward	13,110,795.00	13,110,795.00	100 % Complete
8	Environment, Natural Resources, Climate Change & Disaster Management	Proposed Rehabilitation of Mobachi Dam	Wasimbete Ward	12,969,615.00	12,969,615.00	100 % Complete
9	Health Medical Services	Supply & Delivery of Hospital Equipment	Migori County Referral Hospital	11,962,906.00	11,962,906.00	100 % Complete
10	Trade, Tourism, Industry, Market & Cooperative Development	Renovation & Upgrading of Awendo Market	Central Sakwa Ward	10,598,844.60	10,598,844.60	100 % Complete

Source: *Migori County Treasury*

3.27.13 Budget Performance by Department

Table 3.235 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.235: 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	88.44	30.98	86.16	25.14	97	81	37	4
Trade, Tourism, Industry, Market & Cooperative Development	123.80	338.48	39.84	141.05	35.56	141.05	89	100	29	42
Health Medical Services	1,648.21	350.76	773.43	76.95	766.21	76.95	99	100	47	22
Education, Gender inclusivity, Social Services, Youth and Sports	543.47	157.04	197.66	2.00	192.42	7.84	97	392	35	5
Roads, Transport, Public Works & Infrastructural Development	147.93	947.78	52.00	46.30	50.50	46.30	97	100	34	5
Lands, Physical Planning, Housing & Urban Development	111.50	106.31	37.59	18.79	36.23	10.05	96	54	33	10
Rongo Municipality	21.62	26.80	9.91	4.52	8.67	4.52	88	100	40	17

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
Kehancha Municipality	25.13	26.80	9.08	4.39	4.86	4.39	54	100	19	16
Migori Municipality	21.32	62.86	7.42	1.49	6.93	1.49	93	100	33	2
Awendo Municipality	22.00	35.40	7.35	13.09	6.37	13.09	87	100	29	37
Environment, Natural Resources, Climate Change & Disaster Management	261.77	595.93	86.31	-	86.31	331.43	100	-	33	56
Finance and Economic Planning	1,091.54	28.13	445.43	11.63	424.09	11.63	95	100	39	41
Public Service Management, Monitoring & Evaluation & Performance Contracting	900.86	19.85	238.98	-	241.88	-	101	-	27	-
County Executive	433.52	153.46	183.13	17.96	169.50	17.96	93	100	39	12
County Assembly	1,036.28	52.64	357.79	-	341.50	-	95	-	33	-
Water and Energy	225.11	516.65	74.98	101.43	84.31	101.43	113	100	38	20
Public Health & Sanitation	443.58	131.03	82.75	17.32	87.05	17.32	105	100	20	13
Office of the County Attorney	118.25	-	55.01	-	56.38	-	103	-	48	-
Total	**7,411.69**	**4,275.61**	**2,747.10**	**487.90**	**2,684.94**	**810.59**	**98**	**166**	**36**	**19**

***Source**: Migori County Treasury*

Analysis of expenditure by departments shows that the Department of Environment, Natural Resources, Climate Change & Disaster Management recorded the highest absorption rate of development budget at 56 per cent, followed by the Department of Trade, Tourism, Industry, Market & Cooperative Development at 42 per cent. The Office of the County Attorney had the highest percentage of recurrent expenditure to budget at 48 per cent, while the Kehancha Municipality had the lowest at 19 per cent.

The over-expenditure is attributed to opening cash balances retained and utilised in the special purpose bank operational accounts at the beginning of the year for conditional grants and re-voted in the current budget.

3.27.14 Budget Execution by Programmes and Sub-Programmes

Table 3.236 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.236: Migori County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Department of County Executive							
General administration & support services	General Administration	101,065,257	140,000,000	89,311,199	5,996,961	88	4
Pending Bills	Pending Bills - 2023/24FY	86,303,660	1,499,961	18,755,091	-	22	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Governance & Administration Services	Governor's State-house Services	16,000,000	-	4,000,000	-	25	-
	Coordination and Supervision Services	14,000,000	-	5,571,700	-	40	-
	Lake Region Economic Bloc	5,000,000	-	290,500	-	6	-
	Council of Governors	5,000,000	-	1,898,200	-	38	-
	Liaison office - Nairobi	5,000,000	-	200,000	-	4	-
	Chief of Staff	5,000,000	-	-	-	-	-
	Protocol Office	5,000,000	-	450,000	-	9	-
	Security Services	5,000,000	-	-	-	-	-
	Communication and Press	5,000,000	-	-	-	-	-
	Political Advisor	5,000,000	-	-	-	-	-
	Economic Advisor	5,000,000	-	-	-	-	-
	Sub- Total-Office of the Governor	**262,368,917**	**141,499,961**	**120,476,690**	**5,996,961**	**46**	**4**
General administration & support services	Administrative services	21,900,000	-	7,695,400	-	35	-
	County Cabinet Office/Assembly	6,000,000	-	646,650	-	11	-
County secretary services	County secretary service.	13,600,000	-	594,870	-	4	-
	Sub- Total- County Secretary	**41,500,000**	**-**	**8,936,920**	-	**22**	**-**
General administration & support services	Administrative services	25,000,000	-	9,867,630	-	40	-
	Security Services	1,000,000	-	-	-	-	-
Cohesion & peacebuilding	Peace Building Initiatives	6,250,000	-	246,900	-	4	-
	Conflict management & resolution	6,350,000	-	-	-	-	-
Research & Education	Research & Education Services	1,000,000	-	-	-	-	-
Geospatial information services.	Geospatial information services	4,000,000	-	-	-	-	-
Performance management services	Performance Management services.	3,700,000	-	-	-	-	-
	Sub- Total- Deputy Governor	**47,300,000**	**-**	**10,114,530**	-	**21**	**-**
General administration & support services	General administration services	25,810,000	-	6,786,191	-	26	-
ICT infrastructure	ICT infrastructure & connectivity	2,400,000	-	1,700,000	-	71	-
Communication services	Communication services	1,500,000	-	-	-	-	-
E-governance	Automation services	500,000	-	-	-	-	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
E-learning	Digital curriculum integration & development.	-	-	-	-	-	-
Pending Bills	Pending Bills - 2023/24FY	13,322,900	11,960,500	5,028,300	11,960,500	38	100
Digital innovation	Innovation services	1,600,000	-	1,548,500		97	-
	Sub- Total- (ICT)	**45,132,900**	**11,960,500**	**15,062,991**	**11,960,500**	**33**	**100**
General Administration & Support Services	Administrative & support services	12,650,000	-	5,750,571	-	46	-
Resource Mobilisation Services	Resource Mobilisation services	2,550,000	-	1,100,000	-	43	-
Cohesion & peace building	Civic Education	-	-	-	-	-	-
	Peace Building Initiatives	1,300,000	-	670,000	-	52	-
Pending Bills	Pending Bills - 2023/24FY	8,817,750	-	6,989,000	-	79	-
External partnerships & affairs	External partner's relations management	7,100,000	-	400,000	-	6	-
	Intergovernmental Relations	1,200,000	-	-	-	-	-
	Linkages and partnerships	3,600,000	-	-	-	-	-
	Sub- Total- (Special Programmes)	**37,217,750**	**-**	**14,909,571**	**-**	40	-
Sub- Total		**433,519,567**	**153,460,461**	**169,500,702**	**17,957,461**	**39**	**12**
Department of County Attorney							
General administration & support services	Finance & Administration	17,078,400	-	11,251,700		66	-
Pending Bills	Pending Bills - 2023/24FY	15,453,890	-	-		-	-
Legal Services	Advisory & Research services	2,400,000	-	-		-	-
	Staff Development	1,700,000	-	200,000		12	-
	Legal Advisory Services	5,000,000	-	564,000		11	-
	Legal compliance services	76,621,600	-	44,360,424		58	-
Sub- Total		**118,253,890**	**-**	**56,376,124**	**-**	**48**	**-**
Department of Public Service Management, Monitoring & Evaluation & Performance Contracting							
General Administration & Support Services	Administrative Support Services	641,079,413	-	180,381,460	-	28	-
Human Capital Management & Development Services	Human Resource Management Services	6,355,162	-	2,224,800	-	35	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Devolved Units Administration Services	Devolved Units Administration Services	14,300,000	-	5,661,320	-	40	-
	Devolved Units (Ward) Development Programme	-	-		-	-	-
Civic Education & Public Participation	Civic Education services	35,000,000	-	3,827,915	-	11	-
Public Communication & Records Management Services	Record management programme	1,600,000	-	500,000	-	31	-
	Public Communications	16,300,000	-	500,000	-	3	-
	Public Service coordination services	8,400,000	-	-	-	-	-
Kenya Devolution Support Program II	Kenya Devolution Support Program II	47,500,000	-	-	-	-	-
Pending Bills	Pending Bills - 2023/24FY	21,709,909	19,854,449	15,522,704	-	72	-
County Security and Compliance Enforcement Services	Support and administration services	6,500,000	-	756,000	-	12	-
	Sub- Total- (PSM)	**798,744,484**	**19,854,449**	**209,374,199**	**-**	**26**	**-**
Policy, planning, general administration, & support services	General Administration services	56,600,000	-	23,773,186	-	42	-
Public Service Board services	Public Service Board services	10,100,000	-	-	-	-	-
National values & principles of governance	National Values & Principles of Governance	8,100,000	-	580,000	-	7	-
Pending Bills	Pending Bills - 2023/24FY	13,059,000	-	2,400,000	-	18	-
Information & records management	Records management services	500,000	-	-	-	-	-
	Sub- Total- (PSB)	**88,359,000**	**-**	**26,753,186**	**-**	**30**	**-**
General administration & support services	Administrative Support Services	2,900,000	-	1,149,630	-	40	-
	Efficient Monitoring & Evaluation	6,600,000	-	2,599,360	-	39	-
Pending Bills	Pending Bills - 2023/24FY	4,253,094	-	2,003,844	-	47	-
	Sub- Total- (M&E)	**13,753,094**	**-**	**5,752,834**	**-**	42	-
Sub- Total		**900,856,578**	**19,854,449**	**241,880,219**	**-**	**27**	**-**
Department of Agriculture, Livestock, Veterinary Services, Fisheries & Blue Economy							
General Administration & Support Services	Administrative services	155,549,626	-	65,000,674		42	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Agricultural Policy & Planning	Policies & Legal Framework	3,943,000	-	1,281,600		33	-
Agricultural Extension services	Field extension services & support	14,441,649	-	2,473,113		17	-
Crop Development & Management	Crop Development	-	14,041,500	-	12,041,500	-	86
Agribusiness Development	Agribusiness Development	3,841,984	-	539,695		14	-
Pending Bills	Pending Bills	-	729,500	-	699,200	-	96
	Pending Bills - 2023/24FY	8,407,754	42,545,351	3,046,409		36	-
Donor Funds	Donor Funds	-	594,424,164		-	-	-
	Sub- Total- (Agriculture)	**186,184,013**	**651,740,515**	**72,341,491**	**12,740,700**	**39**	**2**
General administration & support services	Administrative services	6,250,562	-	4,068,300		65	-
Livestock extension & support services	Extension services	8,250,000	-	1,897,110		23	-
Livestock market development	Market support infrastructure	-	2,000,000		1,697,328	-	85
Livestock enterprise development & value addition	Livestock enterprise development	-	1,000,000		-	-	-
Donor Funds	Donor Funds	-	14,323,680		-	-	-
Livestock breeds improvement	Livestock multiplication & upgrading	-	-		4,873,822	-	-
Livestock Information and Research support and Linkages	Livestock research support and linkages	-	10,400,000		-	-	-
Livestock climate change adaptation & mitigation	Livestock-focused climate risk management	-	1,600,000		-	-	-
	Sub- Total- (Livestock)	**14,500,562**	**29,323,680**	**5,965,410**	**6,571,150**	**41**	**22**
General administration	Administrative services	8,018,362	-	2,367,998		30	-
Livestock disease & pest control management	Disease & pest control	1,000,000	4,000,000	100,000	2,089,920	10	52
	Disease surveillance	-	3,000,000		-	-	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Livestock breeding & livestock products improvement	Breeds selection & artificial insemination	1,000,000	-	-		-	-
Veterinary public health	Meat hygiene services	250,000	1,000,000	-	-	-	-
Veterinary extension & clinical services	Extension services	600,000	-	-		-	-
	Sub- Total- (Veterinary)	**10,868,362**	**20,000,000**	**2,467,998**	**2,089,920**	**23**	**10**
General administrative services	Administrative services	18,816,200	-	4,530,705		24	-
Donor Funds	Donor Funds	-	13,617,785		-	-	-
Fisheries policy & planning	Policy & planning services	1,000,000	-	400,000		40	-
Aquaculture development	Aquaculture production systems	-	5,600,000		-	-	-
	Fish breeding & stockings services	-	2,000,000		-	-	-
	Fish feeds & feeding services	-	2,400,000		-	-	-
Fish marketing & value addition	Fish marketing services	-	4,300,000		-	-	-
	Licensing services	300,000	-	-		-	-
Lakefront (capture) fisheries development & management	Fisheries co-management services.	2,234,695	-	50,000		2	-
Extension supports services	Extension services & support	1,635,000	-	400,000		25	-
Fish safety & quality assurance	Fish inspection services	120,000	-	-		-	-
	Residue monitoring & control services	130,000	-	-		-	-
Blue Economy	Fish Infrastructure development	-	4,000,000		-	-	-
	Search & rescue centre services	-	4,700,000		3,733,760	-	79
	Sub- Total- (Fisheries)	-	**8,700,000**	-	**3,733,760**	-	43
Sub- Total		**235,788,832**	**725,681,980**	**86,155,604**	**25,135,530**	**37**	**4**
Department of Education, Gender Inclusivity, Social Services, Youth and Sports							
General Administration & Support Services	General administration	266,481,840	-	152,863,646		57	-
	Quality assurance & standard services	1,006,215	-	-		-	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Early Childhood Development Education Services	Quality assurance & standard services	8,500,000	-	500,000		6	-
	ECDE co-curriculum development	2,000,000	-	1,990,000		100	-
	School feeding programme.	1,250,000	-	-		-	-
	Community ECD services	-	43,048,701		-	-	-
Education support services	Bursary/scholarship	145,000,000	-	-		-	-
Child Care Services	Child protection responsive services & caregiving support services	1,000,000	-	200,000		20	-
Youth development & empowerment	Technical, vocational, education & training	16,000,000	28,550,000	-	1,999,998	-	7
	Youth empowerment program	5,000,000	-	-		-	-
	Youth enterprise development	1,000,000	-	-		-	-
Pending Bills	Pending Bills - 2023/24FY	12,235,192	73,445,308	399,500	5,844,416	3	8
Sports Development	Sports Development Services	12,000,000	12,000,000	2,995,000	-	25	-
	Talent development Services	3,000,000	-	-		-	-
	Ward Sports Activities (Community Projects)	32,000,000	-	26,101,000		82	-
	Sub- Total- (Education)	**506,473,247**	**157,044,009**	**185,049,146**	**7,844,414**	**37**	**5**
Gender Development & Equality Services	Women Empowerment	8,500,000	-	4,691,200		55	-
	Gender-responsive education support	11,250,000	-	300,000		3	-
	Adolescent Girls & women, water, sanitation, & hygiene support services	3,300,000	-	1,508,050		46	-
	People with Disability (PWDs) Empowerment	3,000,000	-	875,500		29	-
	Culture & heritage conservation	10,950,000	-	-		-	-
	Sub- Total- (Gender Inclusivity)	**37,000,000**	**-**	**7,374,750**	**-**	**20**	**-**
Sub- Total		**543,473,247**	**157,044,009**	**192,423,896**	**7,844,414**	**35**	**5**
Department of Medical Services							

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Planning & Administrative Support Services	Policy formulation, planning, Monitoring & Evaluation, Research, & Learning.	3,800,000	-	-		-	-
	Administration & support services	37,300,317	-	10,418,300		28	-
	Human Resource Management & Development	1,231,553,329	-	685,962,886		56	-
	Infrastructure & Health Facility Management	-	92,000,000		73,368,354	-	80
	Health Financing & Universal Health Coverage (UHC) coordination	12,460,000	-	500,000		4	-
	Standards & Quality Assurance	1,000,000	-	200,400		20	-
Preventive & Promotive Health Services	Environmental health services	1,200,000	-	-		-	-
	Human Nutrition & Dietetics services	1,700,000	-	-		-	-
	HIV/AIDS management	2,000,000	-	252,000		13	-
	TB control	1,200,000	-	-		-	-
	Malaria Control	1,400,000	-	-		-	-
	Non-Communicable Diseases (NCDs	1,400,000	-	-		-	-
	Disease surveillance/ Emergency preparedness	950,000	-	-		-	-
	Maternal & Reproductive Health services	3,160,000	-	700,000		22	-
	Neonatal, Child, Adolescent & Youth health services	1,800,000	-	-		-	-
	Expanded Program for Immunization (Immunization	3,120,000	-	400,000		13	-
	Gender-based violence health services	1,200,000	-	300,000		25	-
Donor Funds	Donor Funds	-	124,723,404		-	-	-
Pending Bills	Pending Bills - 2023/24FY	142,992,436	125,034,912	42,661,355	3,579,702	30	3
Curative, Rehabilitative & Referral Services	Hospital-Level Services	-	5,000,000		-	-	-
	Ambulance & Referral Services	3,200,000	-	530,591		17	-
	Health Products & Technologies	53,190,996	-	19,681,271		37	-
	Diagnostic & Rehabilitation Services	7,580,000	-	4,598,920		61	-
	Health Services Management Fund	136,000,000	4,000,000	-	-	-	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Sub- Total		**1,648,207,078**	**350,758,316**	**766,205,723**	**76,948,056**	**47**	**22**
Department of Public Health & Sanitation							
Planning & Administrative Support Services	Policy formulation, planning, Monitoring & evaluation, Research, & learning.	14,669,591	-	2,812,000		19	-
	Administration & support services	44,883,200	-	14,708,451		33	-
	Human Resource Management & Development	25,432,231	-	8,185,951		32	-
	Infrastructure & Health Facility Management	-	106,093,053		11,130,200	-	11
	Health Financing & Universal Health Coverage (UHC) coordination	10,000,000	-	-		-	-
	Standards & Quality Assurance	550,000	-	-		-	-
	Community health infrastructure services (CHVs)	30,915,754	-	11,929,296		39	-
Preventive & Promotive Health Services	Human Nutrition & Dietetics services	16,850,000	-	621,400		4	-
	HIV/AIDS management	19,170,000	-	-		-	-
	TB control	18,600,000	-	-		-	-
	Malaria Control	14,228,000	-	330,000		2	-
	Non-Communicable Diseases (NCDs	10,630,000	-	-		-	-
	Disease surveillance/ Emergency preparedness	11,950,000	-	-		-	-
	Health promotion & education	2,800,000	-	-		-	-
	Maternal & Reproductive Health services	13,500,000	-	500,000		4	-
	Neonatal, Child, Adolescent & Youth health services	4,000,000	-	450,000		11	-
	Expanded Program for Immunization (Immunization)	12,270,000	-	-		-	
	Gender-ased violence health services	900,000	-	150,000		17	-
	Neglected Tropical Diseases services.	950,000	-	100,000		11	-
	Environmental Health & Sanitation Services	1,000,000	-	200,000		20	-
	County co-funding	12,000,000	-	-		-	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Curative, Rehabilitative & Referral Services	Health Products & Technologies	88,900,000	-	30,694,509		35	-
	Diagnostic & Rehabilitation Services	1,500,000	-	-		-	-
Donor Funds	DANIDA	25,273,568	-	-		-	-
Pending Bills	Pending Bills - 2023/24FY	62,609,020	24,939,715	16,370,470	6,193,683	26	25
Sub- Total		**443,581,364**	**131,032,768**	**87,052,077**	**17,323,883**	**20**	**13**
Department of Environment, Natural Resources, Climate Change & Disaster Management							
General administration & support services	General administration	54,060,003	-	29,717,758		55	-
Mazingira Youth Programme	Mazingira Youth Programme	42,200,000	-	7,587,400		18	-
Environment Management & Protection	Solid Waste Management Services	17,011,000	-	14,222,512		84	-
Donor Funds	Donor Funds	-	592,933,186		331,427,479	-	56
Community Projects	Community Projects	-	1,000,000		-	-	-
Climate Change Adaptation & Mitigation	Climate Change	16,500,000	-	12,456,670		76	-
	Climate Information Services (CIS)	500,000	-	-		-	-
	Climate Change legal frameworks	4,500,000		-		-	-
	Establish Grievance Redress Structures	10,700,000		-		-	-
	Strengthening Resource Management Units (CFAs and WRUAS)	5,000,000		-		-	-
	Climate Change Awareness Campaigns	4,500,000		-		-	-
	Climate Change Governance	8,800,000		-		-	-
	Facilitation of Climate change Operations	1,320,000		-		-	-
	Monitoring and Evaluation of FLLOCA Projects	5,900,000		1,529,320		26	-
	FLLOCA PIU consultative meetings	4,700,000		-		-	-
	Support climate change learning events and exhibitions	-		-		-	-
Pending Bills	Pending Bills	45,380,782	1,999,800	13,020,370		29	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Natural Resources Management & Forestry Development	Forestry development	5,300,000	-	700,000		13	-
	Natural Resources Management & Conservation	3,200,000	-	200,000		6	-
	Artisanal mining & quarry services	500,000	-	-		-	-
Disaster Management and Response	Disaster Management	28,900,000	-	6,579,500		23	-
	Fire Rescue Services	2,800,000	-	299,950		11	-
Sub- Total		**261,771,785**	**595,932,986**	**86,313,480**	**331,427,479**	**33**	**56**
Department of Finance and Economic Planning							
General administration & support services	Administrative services	550,750,317	-	121,947,752		22	-
Finance & Accounting services.	Accounting services	157,623,087	-	116,005,546		74	-
	Pending Bills - 2023/24FY	81,053,610	8,633,040	47,605,937	-	59	-
	Sub- Total- (Accounting Services)	**789,427,014**	**8,633,040**	**285,559,235**	**-**	**36**	**-**
Resource Mobilisation services	Revenue mobilisation services	40,185,000	-	14,860,917		37	-
	Revenue Automation Services	34,000,000	-	-		-	-
	Revenue board services	17,115,000	-	-		-	-
Pending Bills	Pending Bills	15,000,000	-	-		-	-
	Sub- Total- (Revenue)	**106,300,000**	**-**	**14,860,917**	**-**	14	-
General administration & support services	Administrative services	7,520,000	-	5,325,500		71	-
Supply chain management services	Supply chain management Services	4,419,295	16,500,000	2,732,500	11,632,040	62	71
	Sub- Total- (Supply Chain Management)	**11,939,295**	**16,500,000**	**8,058,000**	**11,632,040**	**68**	**71**
Audit services	Audit services	36,618,326	-	26,569,910		73	-
	Internal Audit Committee	4,600,000	-	-		-	-
	Sub- Total- (Audit)	**41,218,326**	**-**	**26,569,910**	**-**	65	-
General administration & support services	Administrative services	42,156,562	3,000,000	19,378,105	-	46	-
Economic Planning Services	Policy plans & formulation	18,000,000	-	14,430,895		80	-
Pending Bills	Pending Bills	3,500,000	-	-		-	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Budgeting Services	Budget coordination & management	63,496,061	-	48,737,135		77	-
County Statistical Information Services	County statistical information system	8,500,000	-	3,500,000		41	-
County Budget & Economic Forum Services	County budget & economic forum services	7,000,000	-	3,000,000		43	-
	Sub- Total- (Economic Planning)	**142,652,623**	**3,000,000**	**89,046,135**	-	62	-
Sub- Total		**1,091,537,258**	**28,133,040**	**424,094,197**	**11,632,040**	**39**	**41**
Department of Lands, Physical Planning, Housing & Urban Development							
Administrative Services	General administrative services	73,773,465	-	27,926,436		38	-
Land, Rent & Rates Services	Rents & rates services	-	15,000,000		5,754,598	-	38
Pending Bills	Pending Bills - 2023/24FY	13,929,250	25,308,575	179,000		1	-
Land Survey Services	Land Survey Services	-	5,000,000		4,300,000	-	86
	Sub- Total- (Lands)	**87,702,715**	**45,308,575**	**28,105,436**	**10,054,598**	**32**	**22**
Administrative services	General administrative services	15,134,756	-	5,636,648		37	-
Physical Planning Services	Physical Planning Services (Prep of Macalder LPLUDP-2024-2034)	5,800,000	-	2,237,550		39	-
	Preparation of Special Area Plan-Phase I	-	8,000,000		-	-	-
	Preparation of town plans	-	10,000,000		-	-	-
	Completion of GIS lab	-	4,000,000		-	-	-
	Maintenance and civil works	-	4,000,000		-	-	-
	Physical Planning Services (Establishment of County Physical and Land Use Planning Consultative Forum and Liaison Committee)	1,308,000	-	250,000		19	-
Donor Funding	Donor Funding	-	35,000,000		-	-	-
Urban Development Services	Urban Development Services	1,557,244	-	-		-	-
	Sub- Total- (Physical Planning)	**23,800,000**	**61,000,000**	**8,124,198**	-	**34**	-
Sub- Total		**111,502,715**	**106,308,575**	**36,229,634**	**10,054,598**	**33**	**10**
Rongo Municipality							
Administrative and Support Services	Planning, Administration, & governance services	13,280,000	-	3,789,994		29	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Board Activities	6,720,000	-	3,465,800		52	-
Pending Bills	Pending Bills - 2023/24FY	1,619,949	3,999,271	1,418,999	-	88	-
Infrastructure Development	Infrastructure development	-	22,800,729		4,516,634	-	20
Sub- Total		**21,619,949**	**26,800,000**	**8,674,793**	**4,516,634**	**40**	**17**
Kehancha Municipality							
Administrative and Support Services	Planning, Administration, & governance services	14,180,000	-	4,863,000		34	-
	Board Activities	6,720,000	-	-		-	-
Pending Bills	Pending Bills - 2023/24FY	4,229,118	4,391,020	-	-	-	-
Infrastructure Development	Infrastructure development	-	22,408,980		4,391,020	-	20
Sub- Total		**25,129,118**	**26,800,000**	**4,863,000**	**4,391,020**	**19**	**16**
Migori Municipality							
Administrative and Support Services	Planning, Administration, & governance services	13,280,000	-	3,466,419		26	-
	Board Activities	6,720,000	-	3,281,500		49	-
Pending Bills	Pending Bills - 2023/24	1,319,686	-	179,690		14	-
Infrastructure Development	Infrastructure development	-	62,861,322		1,488,280	-	2
Sub- Total		**21,319,686**	**62,861,322**	**6,927,609**	**1,488,280**	**33**	**2**
Awendo Municipality							
Administrative and Support Services	Planning, Administration, & governance services	13,280,000	-	1,966,455		15	-
	Board Activities	6,720,000	-	3,373,750		50	-
Pending Bills	Pending Bills - 2023/24FY	2,002,986	10,598,845	1,029,939	10,598,844	51	100
Infrastructure Development	Infrastructure development	-	24,800,000		2,495,044	-	10
Sub- Total		**22,002,986**	**35,398,845**	**6,370,144**	**13,093,888**	**29**	**37**
Department of Roads, Transport, Public Works & Infrastructural Development							
General administration & support services	Administrative services	111,215,685	-	36,504,800		33	-
Road Development, Maintenance & Management	Community access roads	-	267,197,667		8,697,739	-	3
	Major roads	-	450,000,000		-	-	-
	Bridges & culvert services	-	50,000,000		37,604,829	-	75
	Road Maintenance Fuel Roads	-	100,681,918		-	-	-
Pending Bills	Pending Bills - 2023/24FY	11,061,260	53,902,666	10,028,420	-	91	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Transport Infrastructure Management Services	Transport management services	-	26,000,000		-	-	-
	Sub- Total- (Roads)	**122,276,945**	**947,782,251**	**46,533,220**	**46,302,568**	**38**	**5**
General administration & support services	Administrative services	17,779,182	-	2,436,750		14	-
Public works services	Architectural Services	2,240,000	-	428,300		19	-
	Quantity Surveyor's Services	1,660,000	-	400,000		24	-
	Mechanical & Electrical Engineering services	1,340,000	-	200,000		15	-
	Structural engineering services	1,916,000	-	500,000		26	-
	Mechanisation service	720,000	-	-		-	-
	Sub- Total- (Public Works)	**25,655,182**	**-**	**3,965,050**	**-**	**16**	**-**
Sub- Total		**147,932,127**	**947,782,251**	**50,498,270**	**46,302,568**	**34**	**5**
Department of Trade, Tourism, Industry, Market & Cooperative Development							
Policy, Planning & administrative support services	Administrative support services	87,604,394	-	30,522,699	-	35	-
Trade Promotion, Development & Support to SMEs	Trade development & promotion of SME services	1,000,000	-	500,000	-	50	-
	Trade infrastructure development services	-	52,132,976		21,417,033	-	41
	Trade regulation & information management systems	1,500,000	-	300,000	-	20	-
	Community projects	-	-	-	-	-	-
Pending Bills	Pending Bills - 2023/24FY	4,892,789	34,844,546	777,480	2,999,736	16	9
Legal metrology services	Legal metrology services	2,300,000	-	400,000		17	-
	Sub- Total- (Trade)	**97,297,183**	**86,977,522**	**32,500,179**	**24,416,769**	**33**	**28**
General administrative & support services	Administrative support services	-	-			-	-
Industrial development & investment services	Industrial & enterprise development	3,200,000	251,500,000	550,000	116,631,579	17	46
	Investment promotion services.	1,800,000	-	450,000		25	-
	Sub- Total- (Industrialisation)	**5,000,000**	**251,500,000**	**1,000,000**	**116,631,579**	**20**	**46**

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
General administrative & support services	Administrative support services	-	-		-	-	-
Tourism Research & Development	Tourism product development	7,400,000	-	255,250	-	3	-
	Tourism promotion, investment & marketing	4,100,000	-	500,000	-	12	-
	Tourism development & investment services.	-	-		-	-	-
	Sub- Total- (Industrialisation)	**11,500,000**	**-**	**755,250**	**-**	**7**	**-**
General administrative & support services	Administrative support services	3,000,000	-	200,000	-	7	-
Cooperative Policy, Research Advisory	Cooperative Policy, Research Advisory	2,000,000	-	300,000	-	15	-
Cooperative Development & Promotion Services	Cooperative Development & Promotion Services	2,000,000	-	600,000	-	30	-
Cooperative Audit	Cooperative Audit	1,100,000	-	100,000	-	9	-
Cooperative Governance, Oversight & Compliance	Cooperative Governance, Oversight and Compliance	400,000	-	100,000	-	25	-
	Sub- Total- (Cooperative Development)	**8,500,000**	**-**	**1,300,000**	**-**	**15**	**-**
Liquor Licensing and Control	Alcohol Fund	-	-			-	-
	Liquor Licensing and Control	1,500,000	-	-		-	-
	Sub- Total- (Liquor Licensing)	**1,500,000**	**-**	**-**	**-**	-	-
Sub- Total		**123,797,183**	**338,477,522**	**35,555,429**	**141,048,348**	**29**	**42**
County Assembly Services							
General administration & support services	Administrative services	717,227,179	-	261,010,636		36	-
Infrastructure Development	Infrastructure Development services	-	50,000,000	8,212,000	-	-	-
Pending Bills	Pending Bills	73,815,978	2,636,694	-	-	-	-
	Sub- Total- (Office of the Clerk)	**791,043,157**	**52,636,694**	**269,222,636**	**-**	**34**	**-**
General administration & support services	Administrative services	43,789,750	-	2,970,793		7	-

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December, 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Oversight Management Services	Committee Management Services	133,173,168	-	62,008,354		47	-
	Representation	68,278,772	-	7,301,335		11	-
	Sub- Total- (Speakers Office)	**245,241,690**	-	**72,280,482**	-	**30**	-
Sub- Total		**1,036,284,847**	**52,636,694**	**341,503,118**	-	**33**	-
Department of Water and Energy							
Policy, General Administration & Support Services	Policies & legal framework	-	-			-	-
	General administrative services	102,468,652	-	21,640,039		21	-
	Operation & maintenance of rural water services	10,799,000	8,000,000	-	-	-	-
Water supply & Management services	Urban Water Supply & sewerage services	34,441,955	20,831,998	20,914,960	-	61	-
	Rural Water Services	13,979,668	-	-		-	-
	Water Conservation, protection, & Governance	-	5,200,000		-	-	-
	Community water services	-	100,477,601		-	-	-
Pending Bills	Pending Bills - 2023/24FY	49,675,692	162,264,479	34,938,231	101,430,732	70	63
Donor Funding	Donor Funding	-	199,874,000		-	-	-
Energy Development Services	Renewable energy development	13,750,000	20,000,000	6,820,664	-	50	-
Sub- Total		**225,114,967**	**516,648,078**	**84,313,894**	**101,430,732**	**38**	**20**
Grand -Total		**7,411,693,177**	**4,275,611,296**	**2,684,937,913**	**810,594,931**	**36**	**19**

***Source**: Migori County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: ECDE Co-Curriculum Development in the Department of Education, Gender inclusivity, Social Services, Youth and Sports at 99.5 per cent, followed closely by Digital Innovation services in the Department of County Executive at 96.8 per cent, Settlement of pending bills in the Department of Roads, Transport, Public Works & Infrastructural Development at 90.7 per cent , and General Administration & Support Services in the Department of County Executive at 88.4 per cent of budget allocation.

3.27.15 Accounts Operated Commercial Banks

The County Government operated 76 accounts with commercial banks, including 32 accounts for Health Facilities, 5 accounts for Established Funds, 3 revenue accounts, 7 special purpose accounts (additional allocations), 2 imprest accounts, One Salary control account, and 26 for departmental operational accounts as shown.

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.

3.27.16 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. Own-source revenue underperformed at Kshs.220.37 million, representing 32 per cent of the yearly target of Kshs.690 million.
ii. There was a high level of pending bills, which amounted to Kshs.1.12 billion as of 31 December 2024. Further, the county Treasury did not adhere to the payment plan for the pending bills.
iii. The County Treasury did not properly manage inter-departmental vote books and had weak budgeting practices, as shown in Table 3.235. Some county departments incurred expenditures in excess of approved exchequer issues and diversion of funds to non-exchequered activities
iv. 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 mainly for County Health facilities & Dispensaries Services and various departments' office operations and activities.

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 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 improve on vote book management and exercise stringent budgetary controls to ensure expenditure is within the approved budget and exchequer releases.*
iv. *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.*

3.28. County Government of Mombasa

3.28.1 Overview of FY 2024/25 Budget

The Mombasa County Gross approved FY 2024/25 budget is Kshs.16.25 billion. It comprises Kshs.5.19 billion (32 per cent) and Kshs.11.07 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.5.43 billion and a recurrent budget of Kshs.9.27 billion.

The budget will be financed from different sources of revenue. These include Kshs.8.14 billion (50 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.2.12 billion as additional allocations and Kshs.5.99 billion (37 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.1.05 billion (18 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.4.94 billion (82 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.237.

3.28.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.5.65 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.28 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.1.68 billion. In addition, the County had a cash balance of Kshs.629.64 million from FY 2023/24.

The total OSR collection of Kshs.1.68 billion includes Facilities Improvement Financing (FIF) of Kshs.507.52 million and Kshs.1.18 billion as ordinary OSR. Table 3.237 summarises the total revenue available to the County Government during the first half of FY 2024/25.

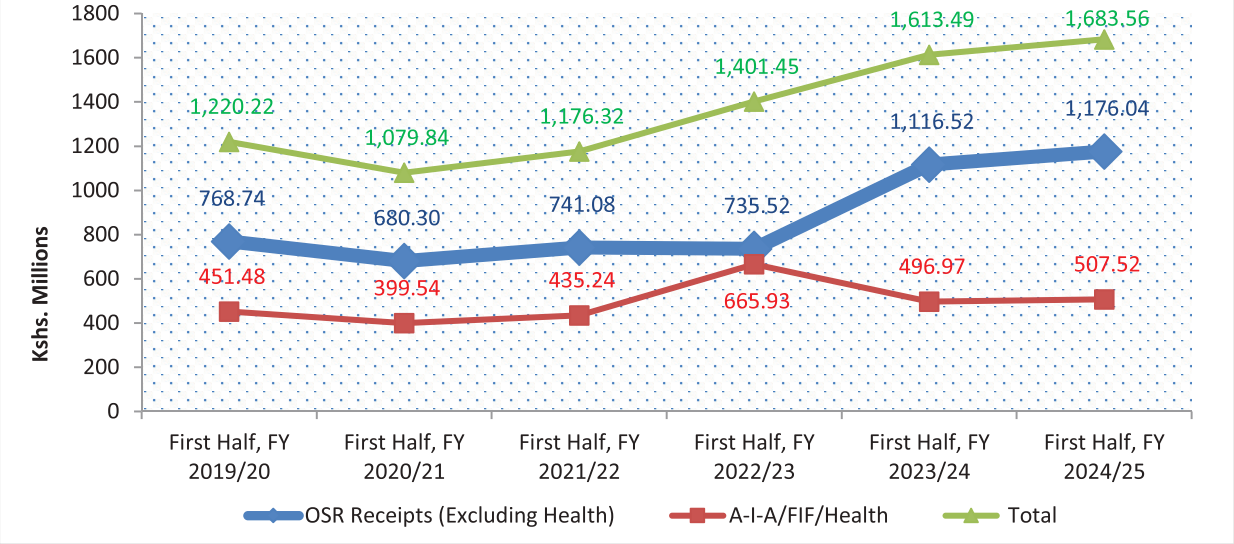
Table 3.237: Mombasa County, Revenue Performance in the First Half of FY 2024/25

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	3,278,364,921	40
Sub Total		**8,141,725,357**	**3,278,364,921**	**40**
B	**Conditional Grants**			
1	SWEDEN - Kenya Agricultural Business Development Project (KABDP)	10918919	0	
2	Kenya Devolution Support Programme 2 (KDSP II)	37500000	0	
3	Roads Maintenance Fuel Levy	130442751.6	0	
4	DANIDA- Primary Health Care in Devolved System Program	10,871,250	0	
5	Community Health Promoters Program	71,610,000	0	
6	World Bank - Kenya Informal Settlement Improvement Project (KISIP II)	860,000,000	0	
7	World Bank - Water and Sanitation Development Project	1,000,000,000	0	
8	County Aggregation and Industrial Parks	0	54,131,579	
Sub-Total		**2,121,342,921**	**54,131,579**	**3**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	4,941,017,284	1,176,042,307	24
2	Balance b/f from FY2023/24	0	629,635,078	
3	Facility Improvement Fund (FIF)	1,050,000,000	507,520,873	48
4	Other Revenues	0	0	
5	Mineral Royalties	17,042	0	
Sub Total		5,991,034,326	2,313,198,258	39
Grand Total		**16,254,102,604**	**5,645,694,758**	**35**

Source: *Mombasa County Treasury*

Figure 109 shows the trend in own-source revenue collection from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 109: Trend in Own-Source Revenue Collection from the First Half of FY 2019/20 to the First Half of FY 2024/25

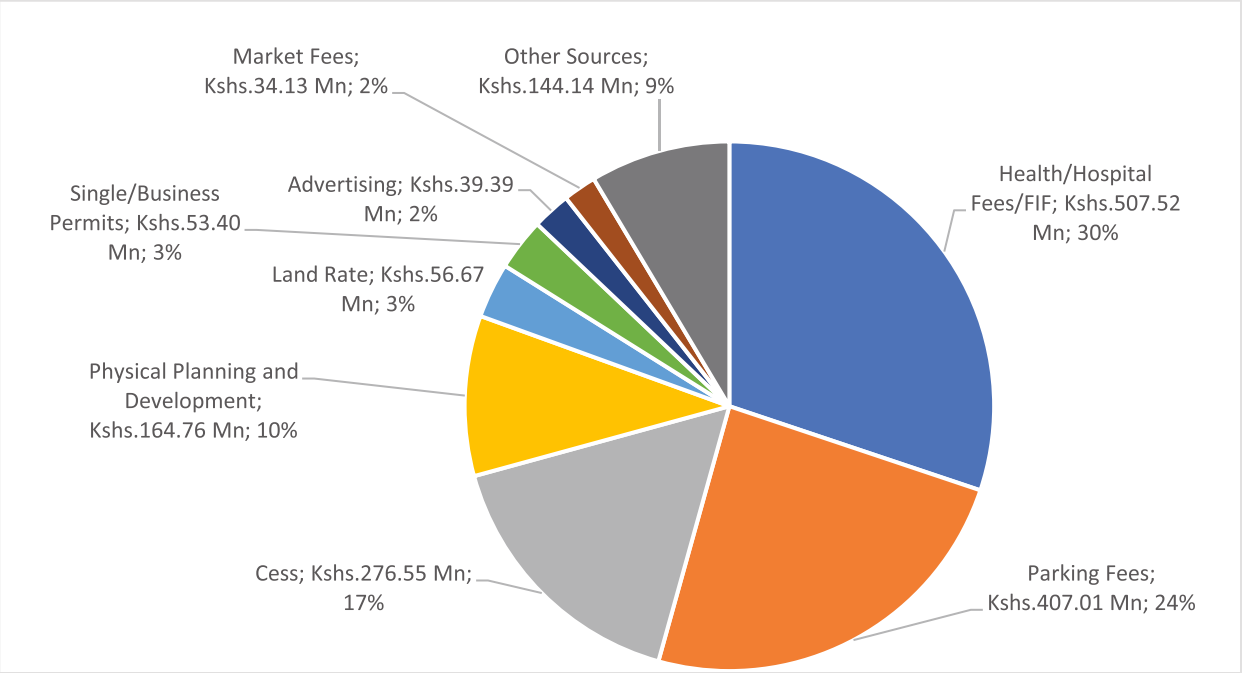


Source: *Mombasa County Treasury*

During the first half of FY 2024/25, the County generated Kshs.1.68 billion from its revenue sources, FIF. This amount was an increase of 4 per cent compared to Kshs.1.61 billion realised in a similar period in FY 2023/24 and was 34 per cent of the annual target and 51 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.15.60 million.

The revenue streams which contributed the highest OSR receipts are shown in Figure 110.

Figure 110: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Mombasa County Treasury

The highest revenue stream of Kshs.507.52 million was from FIF, contributing to 30 per cent of the total OSR receipts during the reporting period.

3.28.3 Borrowing by the County

The County Treasury did not provide information on borrowing.

3.28.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.4.93 billion from the CRF account comprised Kshs.652.66 million (13 per cent) for development programmes and Kshs.4.3 billion (87 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.3.43 billion was released towards compensation of employees and Kshs.843.38 million for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to late disbursement of the exchequer by the National Treasury.

Analysis of the operations and maintenance exchequer releases indicate that 6 per cent was for domestic travel and 5 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.51.22 million, including Kshs.11.45 million for the County Executive and Kshs.39.77 million for the County Assembly. The foreign exchequer totalled Kshs.38.55 million, comprising Kshs.7.23 million for the County Executive and Kshs.31.01 million for the County Assembly.

Table 3.238: Mombasa 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	813.74	80.00	332.05	4.89	41	6
Public Service Board	131.69	10.00	55.09	0.80	42	8
Finance and Economic Planning	1,130.48	442.51	499.89	246.50	44	56
Health	4,237.32	600.00	1,859.85	-	44	0
Transport, Infrastructure & Public Works	736.57	863.54	382.99	117.86	52	14
Environment and Governance	904.47	247.80	272.01	10.97	30	4
Education	864.38	151.00	244.68	22.46	28	15
Water, Natural Resources and Climate Change Resilience	217.24	1,104.05	56.53	234.54	26	21
Public Service Administration, Youth, Gender, Social Services and Sports.	821.52	270.00	141.65	-	17	0
Tourism, culture & Trade	458.46	239.50	160.71	4.65	35	2
Lands, Urban Renewal and Housing	195.07	1,070.00	81.52	10.00	42	1
Blue Economy, Cooperatives, Agriculture and Livestock	198.89	78.30	79.86	-	40	0
County Attorney	103.01	-	22.16	-	22	0
County Executive	253.46	37.00	86.23	-	34	0
Total	**11,066.30**	**5,193.70**	**4,275.22**	**652.67**	**39**	**13**

***Source**: Mombasa County Treasury*

As of 31 December 2024, 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.4.58 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.652.66 million and Kshs.4.28 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 11 per cent, while recurrent expenditure represented 36 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 30 June 2024. This amount includes 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 billion for recurrent expenditures and Kshs.1.70 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.732.33 million, comprising Kshs.536.83 million for recurrent programmes and Kshs.195.51 million for development programmes. Meanwhile, 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.669.51 million and Kshs.25.88 million in the first half of FY 2024/25. However, the County adhered to this payment plan, clearing Kshs.732.33 million for the Executive and Kshs.25.53 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.3.72 billion, comprising Kshs.3.71 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.2.60 billion on employee compensation, Kshs.1.08 billion on operations and maintenance, and Kshs.647.77 million on development activities. Similarly, the County Assembly spent Kshs.154.52 million on employee compensation, Kshs.169.53 million on operations and maintenance, and Kshs.4.89 million on development activities, as shown in Table 3.239.

Table 3.239: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.Million)		Exchequer Issues (Kshs.Million)		Expenditure (Kshs. Million)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**10,252.56**	**813.74**	**3,943.17**	**332.06**	**3,670.91**	**324.05**	**36**	**40**
Compensation to Employees	6,378.80	446.77	3,277.33	154.52	2,595.60	154.52	41	35
Operations and Maintenance	3,873.76	366.96	665.84	177.54	1,075.30	169.53	28	46
Development Expenditure	5,113.71	80.00	647.77	4.89	583.66	4.89	11	6
Total	**15,366.26**	**893.74**	**4,590.94**	**336.94**	**4,254.56**	**328.94**	**28**	**37**

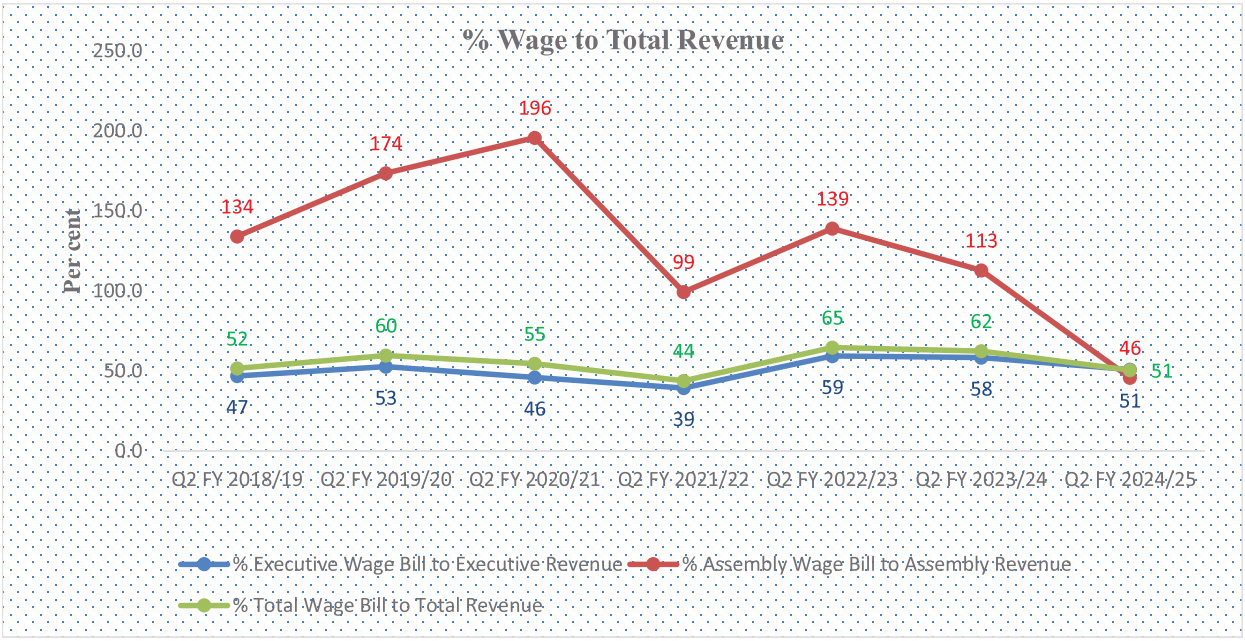
***Source**: Mombasa County Treasury*

3.28.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.75 billion, or 62 per cent of the available revenue of Kshs.5.44 billion. This expenditure represented a decrease from Kshs.3.21 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.34 billion paid to the health sector employees, translating to 49 per cent of the total wage bill.

Figure 111 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 111: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Mombasa County Treasury

Further analysis indicates that PE costs amounting to Kshs.2.61 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.142.61 million was processed through manual payrolls, which accounted for 5 per cent of the total PE cost.

The County Assembly spent Kshs.16.73 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.64852.71 per MCA. The County Assembly had 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. The County allocated Kshs.548.51 million to County-Established funds in FY 2024/25, or 3 per cent of the County's overall budget. Further, the County allocated Kshs.30.00 million to the Emergency Fund (0.2 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.240 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.240: Performance of County Established Funds in the First Half of FY 2024/25

S/No.	Name of the Fund	Approved Budget 2024/25 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 31 December 2024 (Yes/No.)
County Executive Established Funds					
1	Mombasa County Scholarship and Other Educational Benefits	448,508,728	97,500,000.00	76,282,861	YES
2	Grants for Management of Natural Disasters	30,000,000	-	0	NO
3	Mombasa Investment Corporation	30,000,000	10,000,000.00	17,412,546	YES
County Assembly Established Funds					
4	Car Loans and Mortgage for Members and Staff	40,000,000	10,000,000.00	1,293,427	YES
	Total	**548,508,728**	**117,500,000.00**	**94,988,834.00**	

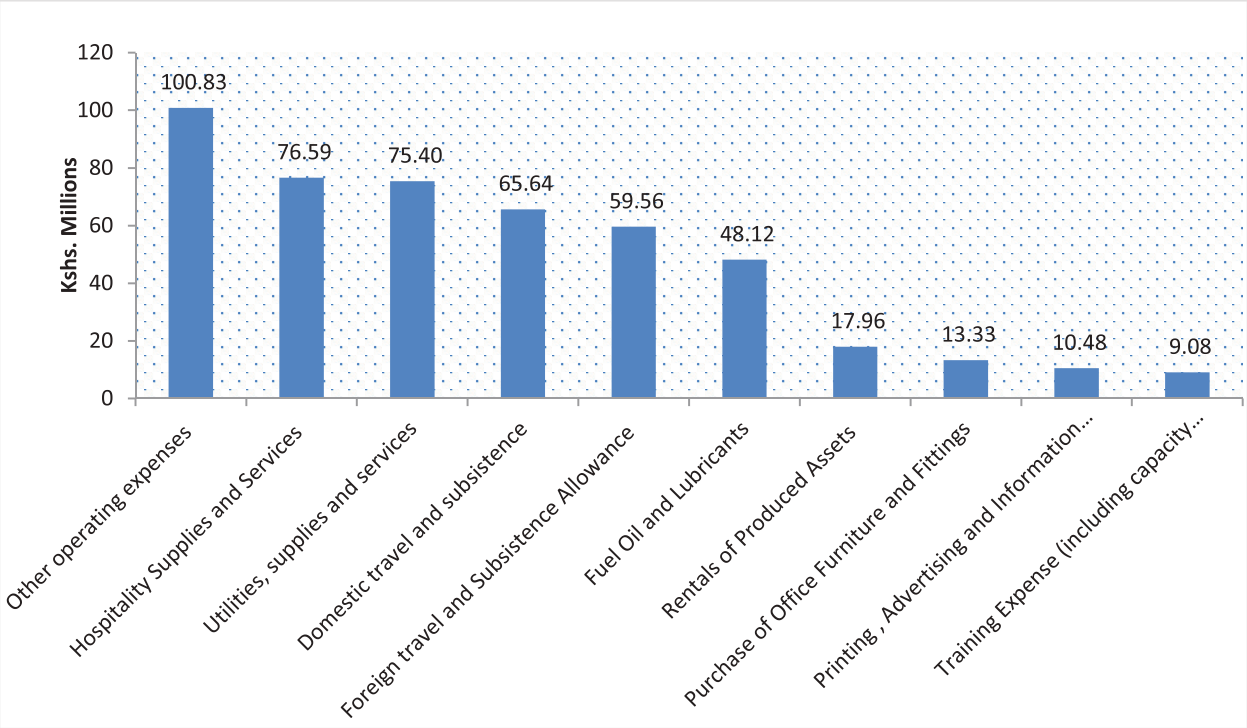
Source: *Mombasa County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from the Management of Natural Disaster Fund Administrators, as indicated in Table 3.240, contrary to the requirement of Section 168 of the PFM Act, 2012.

3.28.10 Expenditure on Operations and Maintenance

Figure 112 summarises the Operations and Maintenance expenditure by major categories.

Figure 112: Mombasa County, Operations and Maintenance Expenditure by Major Categories



Source *Mombasa County Treasury*

Expenditure on domestic travel amounted to Kshs.65.64 million and comprised Kshs.1.57 million spent by the County Assembly and Kshs.21.76 million by the County Executive. Expenditure on foreign travel amounted to Kshs.59.56 million and comprised Kshs.31.05 million by the County Assembly and Kshs.9.95 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.241.

Table 3.241: Summary of Highest Expenditure on Foreign Travel in the First Half 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.)
Assembly	7	23rd Nov-1st Dec 2024	Being paid for training on disaster preparedness & risk management program – Dubai	DUBAI	4,156,080.00
Assembly	6	31st Oct-8th Nov 2024	Training on legislative best practices & policy development	DUBAI	3,615,840.00
Assembly	6	29th Oct-6th Nov 2024	Training on fundamentals of the legislative process	DUBAI	3,615,840.00
Assembly	6	12th-20th November 2024	Being paid for night outs & 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	6	14th-22nd November 2024	Being paid for night outs & transport-understanding legislative roles & responsibilities training - Dubai	DUBAI	3,416,160.00
Executive	4	4-10 Nov 2024	Facilitation for the invitation to the international Andalus conference in Granda, 4-10 Nov 2024, Spain	SPAIN	3,371,900.00
Assembly	5	8th-14th October 2024	Being payment for training on labour and workforce relations 2024-Singapore	SINGAPORE	3,082,092.50
Assembly	5	9th-15th October 2024	Being payment for training on public policy, governance and conflict mgt 2024-Singapore	SINGAPORE	2,998,050.50

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Assembly	7	18th-26th November 2024	Being prepayment for training on economic empowerment & livelihood development - Arusha	TANZANIA	2,398,480.00
Executive	2	17-27 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	2	11 - 18 Nov 2024	Facilitation attend the public sector governance conference from 11 - 18 Nov 2024 in Istanbul, Turkey	TURKEY	1,667,608.00
Executive	1	18-27 Sept 2024	Facilitation to attend the unstoppable Africa 2024 event in New York 18-27 Sept 2024	USA	916,590.00
Executive	1	23-Oct-2024 To 5 November 2024	Facilitation for travel to participate in Africa - US trade & investment mission to settle city, Washington, in the USA, 23-oct-2024 to 5 November 2024	USA	835,530.00
Executive	2	11th-14th November 2024	Facilitation 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
Assembly	2	8th-13th October 2024	Being payment for the inaugural Seoul Smart Life Week 2024-Korea	KOREA	553,715.00
Executive	1	31st 2024-November 5th 2024	Facilitation to attending global quality of life conference in Cairo, Egypt, from 31 October 2024-November 5th, 2024	EGYPT	487,650.00

Source: *Mombasa County Treasury and Mombasa County Assembly*

The operations and maintenance costs include an expenditure of Kshs.63.7 million on legal fees/dues, arbitration and compensation payments, and legal fees.

3.28.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.507.52 million as FIF, which was 48.3 per cent of the annual target of Kshs.1.05 billion. 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, in line with (contrary to) Section 18 (e) of the FIF Act, 2023.

3.28.12 Development Expenditure

In the first half of FY 2024/25, the county reported spending Kshs.588.55 million on development programmes. an increase of 71.7 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.2.08 million.

3.28.13 Budget Performance by Department

Table 3.242 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.242: Mombasa 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	813.74	80	332.06	4.89	324.15	4.89	98	100	40	6
Public Service Board	131.69	10	55.09	800	48.39	-	88	-	37	-

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	1,130.48	442.51	499.89	246.5	481.42	214.78	96	87	43	49
Health	4,237.32	600	1,859.85	-	1,650.67	-	89	-	39	-
Transport, Infrastructure & Public Works	736.57	863.54	382.99	117.86	274.68	15.49	72	13	37	2
Environment And Governance	904.47	247.8	272.01	10.97	351.97	2.72	129	25	39	1
Education	864.38	151	244.68	22.46	238.89	17.95	98	80	28	12
Water, Natural Resources, and Climate Change Resilience	217.24	1,104.05	56.53	234.54	69.75	234.54	123	100	32	21
Public Service Administration, Youth, Gender, Social Services and Sports.	821.52	270	141.65	-	140.67	68.23	99	-	17	25
Tourism, culture & Trade	458.46	239.5	160.71	4.65	160.22	12.24	100	263	35	5
Lands, Urban Renewal And Housing	195.07	1,070.00	81.52	10	71.43	10	88	100	37	1
Blue Economy, Cooperatives, Agriculture And Livestock	198.89	78.3	79.86	-	61.27	7.72	77	-	31	10
County Attorney	103.01	-	22.16	-	26.34	-	119	-	26	-
County Executive	253.46	37	86.23	-	95.21	-	110	-	38	-
Total	**11,066.30**	**5,193.70**	**4,275.23**	**1,451.87**	**3,995.06**	**588.56**	**93**	**41**	**36**	**11**

***Source**: Mombasa County Treasury*

The County Treasury did not provide an explanation for why certain departments' expenditures exceeded their respective exchequer receipts.

Analysis of department expenditure shows that the Department of Finance and Economic Planning recorded the highest absorption rate of development budget at 49 per cent, followed by the Department of Public Service Administration, Youth, Gender, Social Services and Sports at 25 per cent. The Department of Finance and Economic Planning had the highest percentage of recurrent expenditure to budget at 42 per cent. In contrast, the Department of Public Service Administration, Youth, Gender, Social Services and Sports had the lowest at 17 per cent.

3.28.14 Budget Execution by Programmes and Sub-Programmes

Table 3.243 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.243: Mombasa County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
THE EXECUTIVE							

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Programme 1	General Administration and Human Resource Planning Services	154,760,063	0	78,428,441		50.68	
	Governor's and Deputy Governor's Affairs	49,500,000	15,000,000	7,665,770		15.49	0.00
	Protocol, Hospitality and Communication	23,000,000	20,000,000	4,854,340		21.11	0.00
	Governor's Advisory Council and special programs	10,000,000	0	1,292,358		12.92	0.00
	County Secretary's Affairs	9,000,000	2,000,000	1,212,758		13.48	0.00
	Cabinet affairs, Service delivery Unit, Intergovernmental and Public service Transformation	7,200,000	0	1,759,350			
	Sub Total	**253,460,063**	**37,000,000**	**95,213,017**	**0**	**37.57**	**0.00**
COUNTY ASSEMBLY							
HUMAN RESOURCE MANAGEMENT	COMPENSATION TO EMPLOYEES	670,164,171	80,000,000	154,615,328	4,888,414	23.07	0.00
	USE OF GOODS AND SERVICES	143,571,762		81,306,533	0	56.63	
LEGAL	USE OF GOODS AND SERVICES			88,226,966			
	Sub-Total	**813,735,933**	**80,000,000**	**324,148,827**	**4,888,414**	**39.83**	**6.11**
COUNTY PUBLIC SERVICE BOARD							
Programme 3	Administration Unit	131,692,825	10,000,000	48,388,965	0	36.74	0.00
	Sub-Total	**131,692,825**	**10,000,000**	**48,388,965**	**0**	**36.74**	**0.00**
FINANCE AND ECONOMIC PLANNING							
Programme 4	Administration Unit	731,605,778	0	317,059,296	4,170,588	43.34	
	Financial Management Services-Accounting Unit	260,195,498	366,129,808	105,109,721	204,558,570	40.40	55.87
	Planning and Monitoring Unit	111,806,607	23,000,000	48,996,950		43.82	0.00
	Digital Transformation	26,876,558	53,383,192	10,255,832	6,047,055		
	Sub-Total	**1,130,484,441**	**442,513,000**	**481,421,798**	**214,776,213**	**42.59**	**48.54**
ENVIRONMENT & GOVERNANCE							
Programme 5	Administration, Planning and Support Services	739,535,878		351,973,356	2,717,418	47.59	
	Environment Compliance and Enforcement	18,700,000	21,800,000			0.00	0.00
	Solid Waste Management	19,660,000	169,000,000			0.00	0.00
	Public Affairs and Empowerment Programs	108,750,000					
	County Administration and Serikali Mitaani	10,370,000	40,000,000				
	Inspectorate, Enforcement and compliance	7,450,000	17,000,000				
	Sub-Total	**904,465,878**	**247,800,000**	**351,973,356**	**2,717,418**	**38.92**	**1.10**
Education							
Programme 6	General Administration, Planning and Support Services	343,676,025	44,000,000	158,886,104	5,938,264	46.23	13.50

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Early Childhood Education	15,500,000	84,000,000		9,232,877	0.00	10.99
	Vocational Training & Education	3,000,000	12,000,000		2,775,303	0.00	23.13
	Child Care	3,000,000	11,000,000			0.00	0.00
	Elimu Fund	499,200,000		80,000,000		16.03	0.00
						0.00	0.00
	Sub-Total	**864,376,025**	**151,000,000**	**238,886,104**	**17,946,444**	**27.64**	**11.89**
HEALTH SERVICES							
Programme 7	Administration Unit	3,285,636,744	178,374,932	1,615,665,531		49.17	0.00
	Preventive and Promotive Health services	157,680,000	27,000,000	1,021,573		0.65	0.00
	Curative/Clinical Health Services	132,000,000	59,625,068			0.00	0.00
	Special Programs	12,000,000	0		0	0.00	
	Coast General Teaching and Referral Hospital	650,000,000	335,000,000	**33,977,502**		5.23	0.00
	Sub-Total	**4,237,316,744**	**600,000,000**	**1,650,664,606**	**0**	**38.96**	**0.00**
WATER, NATURAL RESOURCES & CLIMATE CHANGE RESILIENCE							
Programme 8	Administration unit	170,042,057	1,000,000,000	69,508,761	234,539,000	40.88	23.45
	Natural Resources Management	7,443,830	2,000,000	26,800		0.36	0.00
	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	214,477		1.08	0.00
	Sub-Total	**217,235,887**	**1,104,050,260**	**69,750,038**	**234,539,000**	**32.11**	**21.24**
PUBLIC SERVICE ADMINISTRATION, YOUTH, GENDER, SOCIAL SERVICES & SPORTS							
Programme 9	Administration planning and support services	692,517,956	0	138,803,135		20.04	
	Human Resource Management & Development	54,300,000	0	1,241,400		2.29	0.00
	Public Service Reforms	45,700,000	0			0.00	
	Youth Affairs & Sports Development	13,400,000	270,000,000	500,000	68,228,617	3.73	25.27
	Gender, PWD Integration and Social Services	15,600,000	0	124,400		0.80	
	Sub-Total	**821,517,956**	**270,000,000**	**140,668,935**	**68,228,617**	**17.12**	**25.27**
TOURISM, CULTURE & TRADE							
Programme 10	General Administration Planning & support services	335,649,661	0	155,414,675		46.30	0.00
	Trade Development and Markets/ Consumer Protection	13,555,000	239,500,000		11,479,702	0.00	4.79
	E-Licensing & Services	1,470,000	0	500,000		34.01	
	Tourism Marketing and Product Development	78,885,000	0	1,100,000	762,029	1.39	
	Cultural Affairs	8,900,000	0	1,493,200		16.78	0.00
	Mombasa Tourism Council	20,000,000	0	1,708,526		8.54	

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Sub-Total	**458,459,661**	**239,500,000**	**160,216,401**	**12,241,731**	**34.95**	**5.11**
LANDS, URBAN RENEWAL AND HOUSING							
Programme 11	Administration planning and support services	174,023,556	20,000,000	71,432,116	10,000,000	41.05	50.00
	Housing Development & Management	3,450,000	10,000,000			0.00	0.00
	Urban Renewal	6,450,000	49,000,000			0.00	0.00
	Land Administration and Valuation	9,800,000	905,000,000			0.00	0.00
	Physical Planning	1,350,000	86,000,000		0	0.00	0.00
	Sub-Total	**195,073,556**	**1,070,000,000**	**71,432,116**	**10,000,000**	**36.62**	**0.93**
TRANSPORT, INFRASTRUCTURE & PUBLIC WORKS							
Programme 12	General Administration and Support Services	488,485,525		226,384,661	1,049,855	46.34	0.00
	Roads Infrastructure Development	24,069,919	654,287,752		14,444,621	0.00	2.21
	Transportation Management	38,700,000	69,800,000			0.00	0.00
	County Public Works	1,810,000	60,000,000			0.00	0.00
	Mechanical and Electrical Services	167,255,000	4,800,000	48,291,479		28.87	0.00
	Safety, Risk and Disaster Management Services	16,250,000	74,655,000			0.00	0.00
	Sub-Total	**736,570,444**	**863,542,752**	**274,676,139**	**15,494,476**	**37.29**	**1.79**
BLUE ECONOMY, COOPERATIVES, AGRICULTURE & LIVESTOCK							
Programme 13	Administration Unit-Headquarters	130,097,194	0	61,186,372		47.03	
	Crops Development	21,968,919	18,000,000		2,984,655	0.00	16.58
	Livestock Production	10,721,200	6,300,000			0.00	0.00
	Fisheries Development	11,850,000	13,000,000	85,276	171,080	0.72	1.32
	Veterinary Services	13,204,160	36,000,000		4,559,445	0.00	12.67
	Cooperative Development	11,048,320	5,000,000			0.00	0.00
	Sub-Total	**198,889,793**	**78,300,000**	**61,271,648**	**7,715,180**	**30.81**	**9.85**
THE COUNTY ATTORNEY							
Programme 14	General Administration & Legal Services	103,014,783		26,341,959	0	25.57	0.00
	Sub-Total	**103,014,783**	**0**	**26,341,959**	**0**	25.57	0.00
Grand Total		**11,066,293,988**	**5,193,706,012**	**3,995,053,909**	**588,547,493**	**36.10**	**11.33**

Source: *Mombasa County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were General Administration and Human Resource Planning Services in the Department of Executive at 51 per cent, Administration Planning and Support Services in the Department of Lands, Urban Renewal and Housing at 50 per cent, Administration Unit in the Department of Health Services at 49 per cent, and Administration Unit-Headquarters in the department of blue economy, cooperatives, agriculture & livestock at 47 per cent of budget allocation.

3.28.15 Accounts Operated Commercial Banks

The County Government operated 94 accounts with commercial banks, including 62 accounts for Health Facilities, three for Vocational Training Centres, 4 for Established Funds, nine revenue accounts, nine special purpose accounts (additional allocations) and 8 for imprest accounts.

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.

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. 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 30 January,2024.
ii. Own-source revenue underperformed at Kshs.1.68 million against an annual target of Kshs.5.99 billion, representing 28 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. As of 15 January 2025, the Grants for Management of Natural Disasters Fund reports were not submitted to the Controller of Budget.
iv. High pending bills amounted to Kshs.3.72 billion as of 31 December 2024. 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.142.61 million 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. 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 used for health operations, imprest, and revenue collection.

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 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.*

3.29. County Government of Murang'a

3.29.1 Overview of FY 2024/25 Budget

The Murang'a County Gross Approved FY 2024/25 budget is Kshs.10.50 billion. It comprises Kshs.3.16 billion (30 per cent) and Kshs.7.34 billion (70 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.93.11 million (1 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.3.12 billion and a recurrent budget of Kshs.7.29 billion. The County Government's budget increase was attributed to a rise in the own-source revenue target.

The Murang'a County Government budget will be financed from different sources of revenue. These include Kshs.7.75 billion (74 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.863.10 million (8 per cent) as additional allocations/conditional grants, a cash balance of Kshs.614.90 million (6 per cent) brought forward from FY 2023/24, and Kshs.1.25 billion (12 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.500.00 million (5 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.750.00 million (7 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.244.

3.29.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.4.21 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.10 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.67.63 million, and its own source revenue (OSR) collection of Kshs.421.30 million. In addition, the County had a cash balance of Kshs.614.90 billion from FY 2023/24.

The total OSR collection of Kshs.421.30 million includes Facilities Improvement Financing (FIF) of Kshs.229.84 million, and Kshs.191.46 million as ordinary OSR. Table 3.244 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.244: Murang'a County, Revenue Performance in the First Half 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	7,753,474,531	3,104,858,319	40
Sub Total		**7,753,474,531**	**3,104,858,319**	**40**
B	**Additional Allocation**			
1	Road Maintenance Fuel Levy Fund	270,941,894		0.
2	Nutritional International Grant	20,000,000	15,000,000	75
3	IDA- (World Bank) Credit National Agricultural Value Chain Development Project (NAVCDP)	151,515,152		0
4	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	37,500,000		0
5	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UIG)	35,000,000		0
6	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	70,743,658		0
7	DANIDA Grant	9,701,250		0
8	World Bank (Finance Locally-Led Climate Program (FLLoCA) Level 2Grant	110,729,613		0
9	Kenya Agricultural Business Development Project	10,918,919		0
10	Community Health Promoters	46,050,000		0
11	Aggregated Industrial Park	100,000,000	52,631,579	53
Sub-Total		**863,100,486**	**67,631,579**	**8**
C	**Other Sources of Revenue**			

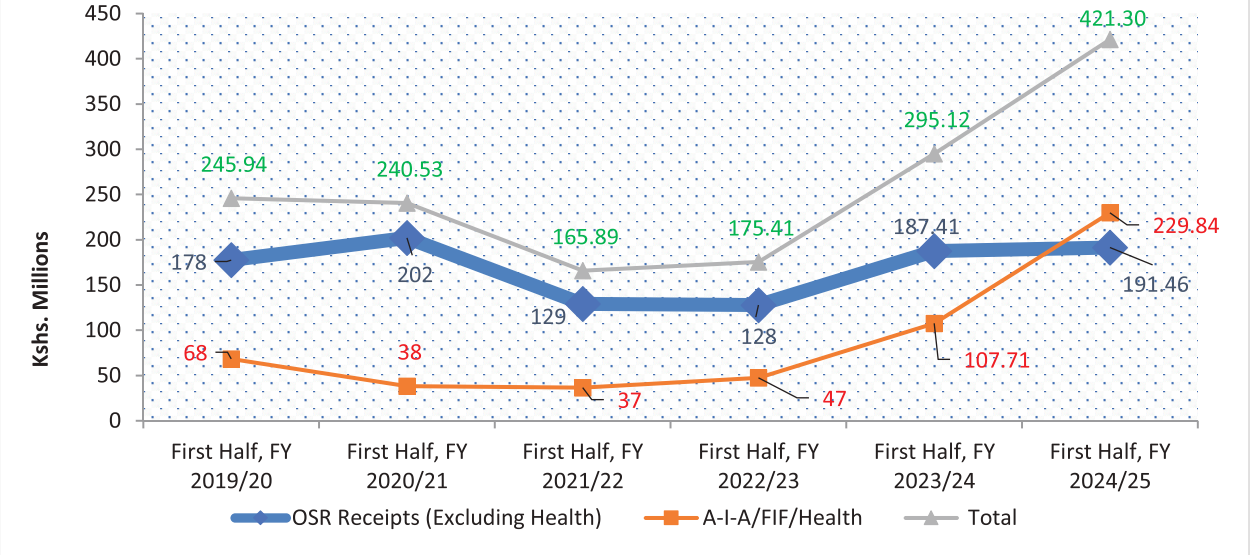
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
1	Ordinary Own Source Revenue	750,000,000	191,464,339	26
2	Balance B/F from FY2023/24	614,902,936	614,902,936	100
3	Facility Improvement Fund (FIF)	500,000,000	229,835,296	46
4	Other Revenues	20,000,000	0	0
5	Appropriation in Aid (AIA)	0	0	0
Sub Total		**1,884,902,936**	**1,036,202,571**	**55**
Grand Total		**10,501,477,953**	**4,208,692,469**	**40**

Source: *Murang'a County Treasury*

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

Figure 113 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 113: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25



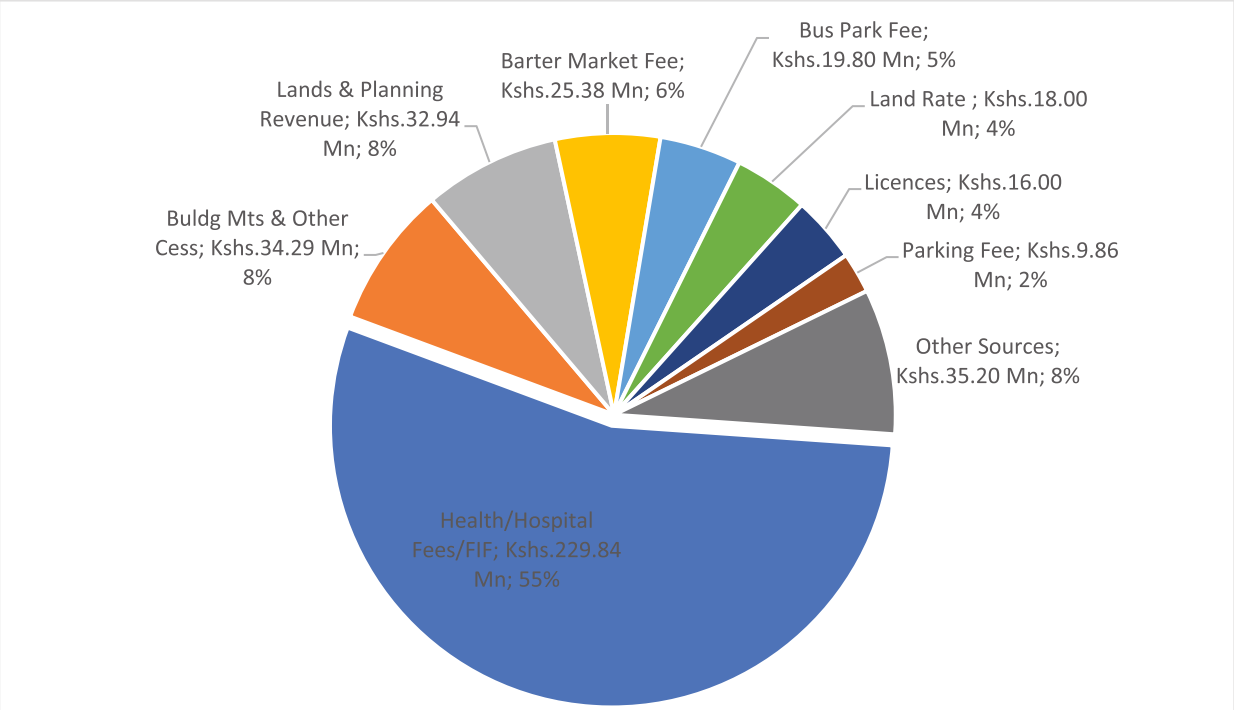
Source: *Murang'a County Treasury*

During the first half of FY 2024/25, the County generated Kshs.421.30 million from its revenue sources, including AIA and FIF. This amount was an increase of 42.8 per cent compared to Kshs.295.12 million realised in a similar period in FY 2023/24 and was 34 per cent of the annual target and 5 per cent of the equitable revenue share disbursed.

The increase in revenue can be attributed to the revenue enforcement measures done by the County Government of Murang'a.

The revenue streams which contributed the highest OSR receipts are shown in Figure 114.

Figure 114: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: *Murang'a County Treasury*

The highest revenue stream, Kshs.229.84 million, was from Health/Hospital Fees/FIF, contributing 54.6 per cent of the total OSR receipts during the reporting period.

3.29.3 Borrowing by the County

3.29.4 The County did not disclose any short-term borrowings as of 31 December 2024.

3.29.5 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.During the reporting period, 3.21 billion from the CRF account comprised Kshs.456.41 million (14 per cent) for development programmes and Kshs.2.75 billion (86 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.01 billion was released towards compensation of employees and Kshs.736.61 million for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and the County Assembly IPPD Salaries due to non-remittance of the December 2024 disbursement by the National Treasury.

Analysis of the operations and maintenance exchequer releases indicates that 19 per cent was for domestic travel and 2 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.136.52 million and included Kshs.50.64 million for the County Executive and Kshs.85.88 million for the County Assembly. The foreign exchequer totalled Kshs.11.68 million, comprising Kshs.7.96 million for the County Executive and Kshs.3.73 million for the County Assembly.

Table 3.245: 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
Agriculture, Livestock and Fisheries	287,014,150.00	515,434,071.00	126,975,629.00	98,692,320.00	44	19
Commerce, Trade, Industry and Tourism	64,930,706.00	297,300,000.00	4,599,317.00	52,631,578.90	7	18
County Public Service Board	35,115,881.00		2,437,910.00	-	7	-

Department	Revised Net Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Education & Technical Training	726,323,424.00	31,985,790.00	332,366,615.55	-	46	-
Energy Transport and Roads	40,729,487.00	1,184,941,894.00	4,133,165.00	175,130,541.40	10	15
Environment, Natural Resources, Water and irrigation	121,407,554.00	281,129,613.00	9,144,872.95	24,684,102.00	8	9
Finance and Economic Planning	361,008,543.00	46,000,000.00	121,311,762.60	3,000,000.00	34	7
Health and Sanitation	3,141,558,895.00	419,184,200.46	1,243,146,581.21	28,695,122.10	40	7
Lands, Housing & Physical Planning	29,779,031.00	20,300,000.00	8,346,412.00	-	28	-
Public Service Administration & Information Technology	997,082,478.00	40,000,000.00	431,146,177.56	30,000,000.00	43	75
Youth, Culture, Gender, Social Services & Special Programs	95,679,737.00	177,000,000.00	29,702,305.50	43,577,600.00	31	25
County Assembly	841,956,442.00	40,000,000.00	328,064,355.67	-	39	-
Devolution and External Linkages	46,000,000.00		-	-	-	-
Governorship, County Coordination and Administration	409,326,209.00	15,000,000.00	93,817,193.09	-	23	-
Kangari Municipality	33,500,000.00	10,000,000.00	-	-	-	-
Kenol Municipality	33,976,200.00	40,371,824.00	-	-	-	-
Murang'a Municipality	72,070,000.00	45,371,824.00	14,913,679.00	-	21	-
Total	**7,337,458,737.00**	**3,164,019,216.46**	**2,750,105,976.13**	**456,411,264.40**	38	14

***Source**: Murang'a County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.874.46 million.

3.29.6 County Expenditure Review

The County spent Kshs.3.16 billion on development and recurrent programmes in the reporting period. The expenditure represented 98.5 per cent of the total funds released by the CoB and comprised Kshs.456.41 million and Kshs.2.70 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 14 per cent, while recurrent expenditure represented 37 per cent of the annual recurrent expenditure budget.

3.29.7 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.68 billion as of 30 June 2024. This includes 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 first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.688.37 million, comprising Kshs.503.70 million for recurrent programmes and Kshs.184.67 million for development programmes. Meanwhile, the County Assembly settled recurrent pending bills worth Kshs.52.24 million.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.985.94 million and Kshs.91.60 million, respectively, in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.688.37 million for the Executive and Kshs.52.24 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.940.77 million, comprising Kshs.901.40 for the County Executive and Kshs.39.37 billion for the County Assembly.

3.29.8 Expenditure by Economic Classification

The County Executive spent Kshs.1.81 billion on employee compensation, Kshs.616.38 million on operations and maintenance, and Kshs.456.41 million on development activities. Similarly, the County Assembly spent Kshs.158.23 billion on employee compensation and Kshs.120.61 million on operations and maintenance, as shown in Table 3.246.

Table 3.246: 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	**6,495,502,295**	**841,956,442**	**2,422,041,620**	**278,850,744**	**37**	**33**
Compensation to Employees	4,265,839,677.00	426,113,536.00	1,805,661,693.36	158,233,922.55	42.	37
Operations and Maintenance	2,229,662,618.00	415,842,906.00	616,379,926.95	120,616,820.95	28	29
Development Expenditure	3,124,019,216.46	40,000,000.00	456,411,264.40	-	15	0
Total	**9,619,521,511**	**881,956,442**	**2,878,452,885**	**278,850,744**	**30**	**32**

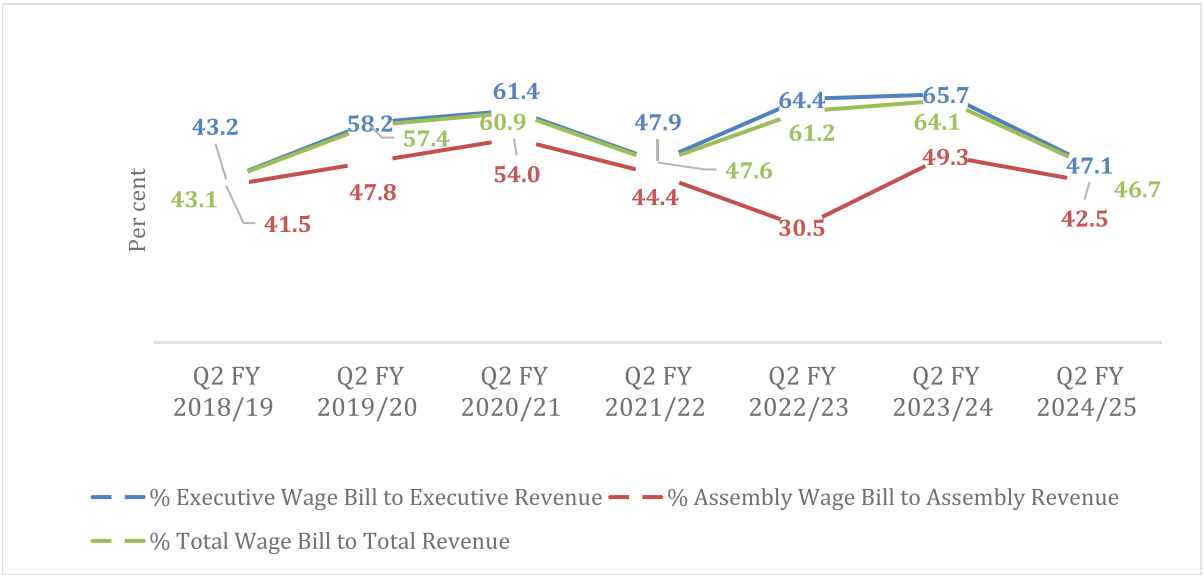
***Source**: Murang'a County Treasury*

3.29.9 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.96 billion, or 47 per cent of the available revenue of Kshs.4.21 billion. This expenditure represented a decrease from Kshs.2.13 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.03 billion paid to the Health Sector employees, translating to 52.7 per cent of the total wage bill.

Figure 115 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 115: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Murang'a County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.84 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.121.36 million was processed through manual payrolls, which accounted for 6.2 per cent of the total PE cost.

The County Assembly spent Kshs.11.12 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.77,203.33 per MCA. The County Assembly had 21 House Committees.

3.29.10 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.577.00 million to County-Established funds in FY 2024/25, or 56 per cent of the County's overall budget. Further, the County allocated Kshs.20.00 million to the Emergency Fund (0.2 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.247 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.247: Performance of County Established Funds in the First Half 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 Financial Statements (Yes/No.)
	County Executive Established Funds					
1.	Murang'a County Education Scholarship Fund	235,000,000.00	117,500,000	63,755,316.88	968,887,950.00	Yes
2.	Small Traders Empowerment Program	-	-	-	20,000,000.00	Yes
3.	Emergency Fund	20,000,000.00	3,000,000	19,293,192.50	26,000,000.00	Yes
4.	Youth Fund	127,000,000.00	38,660,000	74,754,969.00	173,660,000.00	Yes
5.	Agricultural Farm Inputs Subsidy and Incentives Fund	195,000,000.00	-	116,224,867.86	438,899,901.00	Yes
	County Assembly Established Funds					
6.	County Assembly Car Loan and Mortgage Fund	-	-	21,201,325.00	467,274,313.00	Yes
Total		**577,000,000.00**	**159,160,000.00**	**295,229,671.24**	**2,094,722,164.00**	

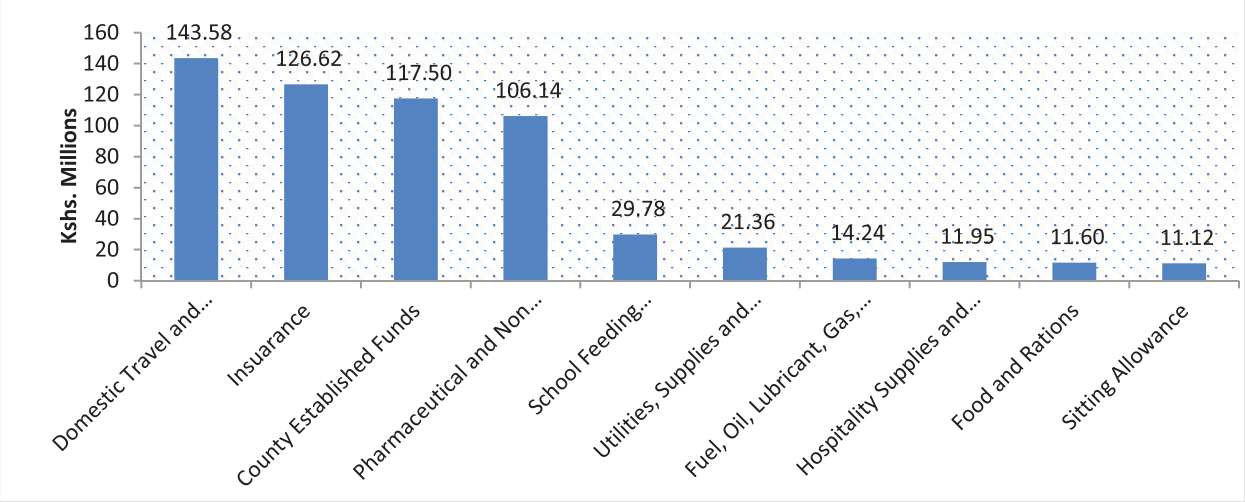
Source: *Murang'a County Treasury*

During the reporting period, the CoB received quarterly financial reports from all the fund administrators, as indicated in Table 3.247, as per Section 168 of the PFM Act, 2012.

3.29.11 Expenditure on Operations and Maintenance

Figure 116 summarises the Operations and Maintenance expenditure by major categories.

Figure 116: Murang'a County, Operations and Maintenance Expenditure by Major Categories



Source: *Murang'a County Treasury*

Expenditure on domestic travel amounted to Kshs.143.58 million and comprised Kshs.89.89 million spent by the County Assembly and Kshs.53.69 million by the County Executive. Foreign travel expenses amounted to Kshs.7.96 million, which the Executive incurred entirely. Expenditure on foreign travel is summarised in Table 3.248.

Table 3.248: Summary of Highest Expenditure on Foreign Travel in the First Half of FY 2024/25

No.	Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel
1	County Executive	19	24th-29th Nov 2024	Official duty while attending training and conferences 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

Source: Murang'a County Treasury and Murang'a County Assembly

Murang'a County only has a fleet of lorries for garbage collection services. The direct costs are the amounts spent on logistics, including Fuel and Wages for the loaders.

The County Assembly spent Kshs.8.59 million on Legal fees/Dues, arbitration, and compensation pending bill payment in the period under review.

3.29.12 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.229.83 million as FIF, which was 46 per cent of the annual target of Kshs.500 million. The collected amount was retained and utilised at the source per the Facility Improvement Financing Act, 2023. However, the County has not developed regulations 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 (contrary to) Section 18 (e) of the FIF Act, 2023.

The expenditure by the health facilities amounted to Kshs.157.21, as shown in Table 3.249.

Table 3.249: Breakdown of Expenditure by Health Facilities in the First Half 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	85,379,000	82,161,339	96
2	Muriranjas Sub County Hospital	4,241,250	3,134,145	74
3	Maragua Sub County Hospital	32,882,000	26,207,866	80
4	Kirwara Sub County Hospital	20,299,000	18,550,036	91
5	Kangema Sub County Hospital	11,042,496	8,743,713	79
6	Kandara Sub County Hospital	5,553,488	5,391,423	97
7	Kigumo Sub County Hospital	7,187,485	6,139,109	85
8	Kenneth Matiba Hospital	9,880,677	6,884,047	70
Total		**176,465,396.00**	**157,211,678**	**89**

Source: *Murang'a County Treasury*

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

3.29.13 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.456.41 million on development programmes, representing. an increase of 48.2 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.308.01 million. Table 3.250 summarises development projects with the highest expenditure in the reporting period.

Table 3.250: Murang'a County, List of Development Projects with the Highest Expenditure

S No.	Sector	Project Name	Project Location	Contract Sum (Kshs.)	Amount Paid to Date (Kshs.)	Implementation Status (%)
1	Agriculture, Livestock and Fisheries	County Aggregated Industrial Park	Maragwa Sub County	100,000,000	52,631,579	53
2	Agriculture, Livestock and Fisheries	Supply of Top Dressing and Planting Fertiliser to Farmers In Murang'a County Under The Food Security Programme	Countywide	50,000,000	50,000,000	100
3	Sports, Youth, Culture, Gender and Social Services	Muranga Youth Service-Youth Empowerment	County Wide	127,000,000	38,660,000	38
4	Public Service Administration and ICT	Acquisition of ICT Equipment	County Wide	25,000,000	25,000,000	100
5	Agriculture, Livestock and Fisheries	Supply of Maize Seeds to Farmers in Murang'a County Under the Food Security Programme	Countywide	21,502,320	21,502,320	100
6	Health and Sanitation	Nutritional International	County Wide	15,000,000	15,000,000	100
7	Water, Irrigation, Environment and Natural Resources	Fllocca	County Wide	11,000,000	11,000,000	100
8	Agriculture, Livestock and Fisheries	Supply Maize Seeds (Ukamezi Variety) To Farmers in Murang'a County Under The Food Security Programme	Countywide	9,000,000	9,000,000	100
9	Finance and Economic Planning	Emergency Fund	County Wide	20,000,000	6,000,000	30
10	Roads, Housing and Infrastructure	Renovation of Classes, Construction Of Ablution Block Kitchen, Dining Shed & Fencing Mabanda & Gathanji ECDE Centres	Gatanga	7,000,000	5,728,830	82

Source: *Murang'a County Treasury*

3.29.14 Budget Performance by Department

Table 3.251 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.251: Murang'a 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
Agriculture, Livestock and Fisheries	287.01	515.43	126.98	98.69	126.98	98.69	100	100	44	19

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
Commerce, Trade, Industry and Tourism	64.93	297.30	4.60	52.63	4.60	52.63	100	100	7	18
County Public Service Board	35.12	-	2.44	-	2.44	-	100	-	7	-
Education & Technical Training	726.32	31.99	332.37	-	332.37	-	100	-	46	-
Energy Transport and Roads	40.73	1,184.94	4.13	175.13	4.13	175.13	100	100	10	15
Environment, Natural Resources, Water and irrigation	121.41	281.13	9.14	24.68	9.14	24.68	100	100	8	9
Finance and Economic Planning	361.01	46.00	121.31	3.00	121.31	3.00	100	100	34	7
Health and Sanitation	3,141.56	419.18	1,243.15	28.70	1,243.15	28.70	100	100	40	7
Lands, Housing & Physical Planning	29.78	20.30	8.35	-	8.35	-	100	-	28	-
Public Service Administration & Information Technology	997.08	40.00	431.15	30.00	431.15	30.00	100	100	43	75
Youth, Culture, Gender, Social Services & Special Programs	95.68	177.00	29.70	43.58	29.70	43.58	100	100	31	25
County Assembly	841.96	40.00	328.06	-	278.85	-	85	-	33	-
Devolution and External Linkages	46.00	-	-	-	-	-	-	-	-	-
Governorship, County Coordination and Administration	409.33	15.00	93.82	-	93.82	-	100	-	23	-
Kangari Municipality	33.50	10.00	-	-	-	-	-	-	-	-
Kenol Municipality	33.98	40.37	-	-	-	-	-	-	-	-
Murang'a Municipality	72.07	45.37	14.91	-	14.91	-	100	-	21	-
Total	**7,337.46**	**3,164.02**	**2,750.11**	**456.41**	**2,700.89**	**456.41**	98	100	37	14

***Source**: Murang'a County Treasury*

Analysis of department expenditure shows that the Department of Public Service Administration & Information Technology recorded the highest absorption rate of development budget at 75 per cent, followed by the Department of Youth, Culture, Gender, Social Services & Special Programs at 25 per cent. The Department of Education & Technical Training had the highest percentage of recurrent expenditure to budget at 46 per cent. At the same time, the Department of Devolution and External Linkages, Kangari Municipality, and Kenol Municipality did not incur any development expenditure despite having an allocation.

3.29.15 Budget Execution by Programmes and Sub-Programmes

Table 3.252 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.252: Murang'a 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
Governorship, County Coordination and Administration							
Monitoring and Evaluation	101024010 Project Coordination and Monitoring	84,404,600	-	1,900,000		2.3	0.0
County Coordination	705024010 Office Administration and Support Services	97,530,000	15,000,000	12,814,534		13.1	0.0
Administration and Support	706014010 County Executive and Coordination	181,091,609	-	72,206,988		39.9	0.0
Disaster Program	902044010 Disaster Response and Mitigation	19,500,000	-	2,122,640		10.9	0.0
Communication and Information Services	203014010 Communication	26,800,000	-	4,773,031		17.8	0.0
Sub Total		**409,326,209**	**15,000,000**	**93,817,193**	-	**22.9**	**0.0**
Finance, Information Technology and Economic Planning							
Revenue Program	108014010 Local Revenue Mobilisation	35,000,000	-	6,223,162		17.8	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	-	1,500,000		21.9	0.0
	703034010 Economic Planning and CIDP Review	9,600,000	-	2,092,490		21.8	0.0
	101134010 Procurement	8,000,000	-			0.0	0.0
	705014010 Budget	6,270,000	-	330,000		5.3	0.0
	705034010 Public Participation	43,700,000	-	10,048,500		23.0	0.0
	730014010 Monitoring and Evaluation	3,320,000	-	700,000		21.1	0.0
Internal Audit Program	Internal Audit Program 718014010	6,000,000	-	1,662,566		27.7	0.0
Administration and Support	706014010 General Administration Planning and Support Services	242,268,543	46,000,000	98,755,045	3,000,000	40.8	6.5
Sub Total		**361,008,543**	**46,000,000**	**121,311,763**	**3,000,000**	**33.6**	**6.5**
Agriculture, Livestock and Fisheries							
Food Security	101014010 Land and Crops Development	1,970,000	-	450,400		22.9	0.0
	101024010 Promotion Food Security	2,700,000	100,000,000		86,942,320	0.0	86.9
	103084010 Veterinary Services	3,670,000	17,700,000			0.0	0.0
	107024010 Livestock and Fisheries Development	2,050,000	5,300,000			0.0	0.0
Administration and Support	706014010 General Administration Planning and Support Services	276,624,150	392,434,071	126,525,229	11,750,000	45.7	3.0
Sub Total		**287,014,150**	**515,434,071**	**126,975,629**	**98,692,320**	**44.2**	**19.1**
Energy Transport and Roads							

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Urban Development Program	102074010 Urban Development and Support	-	317,000,000		4,113,513	0.0	1.3
Energy Development Program	103094010 Promotion Of Energy & Renewable Energy Sources	6,155,000	30,000,000	590,303	8,964,306	9.6	29.9
Infrastructure Development Program	201014010 Construction Of Roads and Bridges	26,804,487	325,941,894	3,542,862	21,969,264	13.2	6.7
	202064010 Infrastructure Development	7,770,000	512,000,000		140,083,458	0.0	27.4
Sub Total		**40,729,487**	**1,184,941,894**	**4,133,165**	**175,130,541**	**10.1**	**14.8**
Commerce, Trade, Industry and Tourism							
Agro Marketing	102054010 Cooperatives	4,050,000	33,000,000	10,000		0.2	0.0
Tourism Program	110014010 Tourism Development	730,706	-			0.0	0.0
	301014010 Tourism Promotion and Marketing	-	-			0.0	0.0
Trade Development Program	111014010 Trade & Enterprise Development	28,150,000	31,300,000	255,200		0.9	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	-	-			0.0	0.0
Administration and Support	706014010 General Administration Planning and Support Services	28,320,000	-	4,334,117		15.3	0.0
Consumer Protection and Regulation	Consumer Protection and Regulation	1,900,000	-			0.0	0.0
Industrialisation	Industrialisation	1,780,000	233,000,000		52,631,579	0.0	22.6
Sub Total		**64,930,706**	**297,300,000**	**4,599,317**	**52,631,579**	**7.1**	**17.7**
Education & Technical Training							
Ecde Programme	501034010 Early Childhood Development Education	139,000,000	12,000,000	30,284,576		21.8	0.0
	Infrastructural Work	-	-			0.0	0.0
	ECDE Furniture	-	-			0.0	0.0
Polytechnics Program	507014010 Revitalisation Of Youth Polytechnics	16,500,000	19,985,790	500,000		3.0	0.0
Education Intervention Program	501054010 Motivation Of Primary and Secondary School	244,000,000	-	118,544,000		48.6	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	-	183,038,040		56.0	0.0
Sub Total		**726,323,424**	**31,985,790**	**332,366,616**	**-**	**45.8**	**0.0**

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
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	-	105,184,200		15,000,000	0.0	14.3
Curative Program	402054010 Free Primary Healthcare	254,800,000	80,000,000	125,429,100	10,580,000	49.2	13.2
Nutrition International	Nutrition International (Grant)	-	-			0.0	0.0
Administration and Support	706014010 General Administration Planning and Support Services	2,885,048,895	234,000,000	1,117,523,082	3,115,122	38.7	1.3
Sub Total		**3,141,558,895**	**419,184,200**	**1,243,146,582**	**28,695,122**	**39.6**	**6.8**
Lands, Housing & Physical Planning							
Urban Development	102074010 Urban Development	-	-			0.0	0.0
	103074010 Land Administration	1,000,000	-	150,000		15.0	0.0
Land Policy Succession and Surveying	103014010 Land Policy and Planning	4,050,000	20,300,000	895,961		22.1	0.0
	103044010 Land Survey	1,300,000	-	400,000		30.8	0.0
Estate Management	701034010 Public Trusts and Estates Management	-	-			0.0	0.0
Administration and Support	706014010 General Administration Planning and Support Services	23,429,031	-	6,900,451		29.5	0.0
Physical Planning	Physical Planning	-	-			0.0	0.0
Digitization Of Lands	Digitization Of Lands	-	-			0.0	0.0
Sub Total		**29,779,031**	**20,300,000**	**8,346,412**	-	**28.0**	**0.0**
County Public Service Board							
General Administration and Support	706014010 General Administration Planning and Support Services	33,045,881	-	2,437,910		7.4	0.0
National Value and Governance	National Value and Governance	2,070,000	-			0.0	0.0!
Sub Total		**35,115,881**	-	**2,437,910**	-	**6.9**	0.0
Youth, Culture, Gender, Social Services & Special Programs							
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			0.0	0.0
	711024010 Gender & Social-Economic Empowerment	-	-			0.0	0.0

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
General Administration and Support	706014010 General Administration Planning and Support Services	49,629,737	-	11,924,455		24.0	0.0
Library Services	Library Services	5,500,000	3,000,000	500,000		9.1	0.0
Youth Development Program	711014010 Youth Development Services	1,300,000	133,000,000	30,000	38,660,000	2.3	29.1
	Muranga Youth Service-Youth Empowerment	-	-			0.0	0.0
	Boda Boda Training	-	-			0.0	0.0
	903034010 Development and Management Of Sports Facilities	26,600,000	35,000,000	16,536,500	4,917,600	62.2	14.1
Cultural Development Program	904014010 Development and Promotion Of Culture	6,700,000	-			0.0	0.0
Social Development Programme	Social Development Programme	5,950,000	-	711,350		12.0	0.0
	Community Sports and Talents	-	-			0.0	0.0
Sport Development Programme	Sport Development Programme	-	-			0.0	0.0
Sub Total		**95,679,737**	**177,000,000**	**29,702,305**	**43,577,600**	**31.0**	**24.6**
Environment, Natural Resources, Water and Irrigation							
Waste Management Program	101094010 Solid Waste Management	12,194,400	20,000,000	3,358,564	3,320,720	27.5	16.6
	102064010 Environmental Management & Protection	8,370,000	-	342,200		4.1	0.0
FLLoCCA	Climate Change	-	261,129,613		21,363,382	0.0	8.2
Administration and Support	706014010 General Administration Planning and Support Services	91,193,128	-	5,024,509		5.5	0.0
Environmental Governance	1001054010 Environmental Leadership and Governance	4,220,000	-	100,000		2.4	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	-	319,600		9.3	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

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Last Mile Water Distribution Pipelines Programme	Last Mile Water Distribution Pipelines	-	-			0.0	0.0
Sub Total		**121,407,554**	**281,129,613**	**9,144,873**	**24,684,102**	**7.5**	**8.8**
Public Service Administration							
Human Resource Development Program	101064010 Human Resource Management and Development	-	-			0.0	0.0
Administration and Support	706001410 General Administration Planning and Support Services	972,982,478	-	427,252,077		43.9	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	40,000,000	3,894,100	30,000,000	16.2	75.0
Sub Total		**997,082,478**	**40,000,000**	**431,146,177**	**30,000,000**	**43.2**	**75.0**
Murang'a Municipality							
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	630,000		32.3	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	70,120,000	-	14,283,679		20.4	0.0
Public Works and Infrastructure Development	Infrastructure Improvement	-	-			0.0	0.0
Sub Total		**72,070,000**	**45,371,824**	**14,913,679**	-	**20.7**	**0.0**
Kenol Municipality							
General Administration and Planning	General Administration and Planning	33,976,200	-			0.0	0.0
	Infrastructure Improvement	-	5,000,000			0.0	0.0
	Urban Development Grant	-	35,371,824			0.0	0.0
Sub Total		**33,976,200**	**40,371,824**	-	-	**0.0**	**0.0**
Kangari Municipality							

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
General Administration and Planning	General Administration and Planning	33,500,000				0.0	0.0
	Infrastructure Improvement	-	10,000,000			0.0	0.0
	Urban Development Grant	-	-			0.0	0.0
Sub Total		**33,500,000**	**10,000,000**	-	-	**0.0**	**0.0**
Devolution and External Linkages							
General Administration and Planning	General Administration and Planning	46,000,000	-	-	-	0.0	0.0
	Infrastructure Improvement			-	-	0.0	0.0
Sub Total		**46,000,000**	-	-	-	**0.0**	0.0
County Assembly							
Legislation and Representation	Legislation and Representation	350,323,211	-	127,372,397.00		36.4	0.0
Oversight	Oversight	196,169,860	-	65,194,074.55		33.2	0.0
Administration Planning and Support	Administration Planning and Support	295,463,371	40,000,000	86,284,271.95		29.2	0.0
Sub Total		**841,956,442**	**40,000,000**	**278,850,744**	-	**33.1**	**0.0**
Grand Total		**7,337,458,737**	**3,164,019,216**	**2,700,892,364**	**456,411,264**	**36.8**	**14.4**

***Source**: Murang'a County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Promotion of Food Security in the Department of Agriculture, Livestock and Fisheries at 85 per cent, General Administration Planning and Support Services in the Department of Education & Technical Training at 56 per cent, Motivation of Primary and Secondary School in the Department of Education & Technical Training at 49 per cent, and Primary Health Care in the Department of Health and Sanitation at 41 per cent of budget allocation.

3.29.16 Accounts Operated Commercial Banks

The County Government operated 20 accounts with commercial banks, including eight accounts for Health, eight accounts for Established Funds, one revenue account, two special purpose accounts (additional allocations), and one imprest account.

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.

3.29.17 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.421.29 million against an annual target of Kshs.1.25 million, representing 34 per cent of the yearly target.
ii. The high pending bills amounted to Kshs.940.77 million as of 31 December 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Government.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.121.36 million 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. 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 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 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 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.*
iv. *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.*

3.30. County Government of Nairobi City

3.30.1 Overview of FY 2024/25 Budget

The Nairobi City County Gross approved FY 2024/25 budget is Kshs.43.56 billion. It comprises Kshs.14.26 billion (33 per cent) and Kshs.29.3 billion (67 per cent) allocation 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 comprised a development budget of Kshs.8.45 billion and a recurrent budget of Kshs.33.83 billion. The County's Net Approved Budget is Kshs.43.21 billion, comprising Kshs.28.95 billion for recurrent and Kshs.14.26 billion for development.

The budget will be financed from different sources of revenue. These include Kshs.20.06 billion (46 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.3 billion (3 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) was generated as gross own-source revenue. The own-source revenue includes Kshs.351 million (1.7 per cent) as Appropriations-in-Aid (A-I-A) and Kshs.20.06 billion (98 per cent) as ordinary own-source revenue. The County Government did not budget for Facility Improvement Fund (revenue from health facilities). A breakdown of the additional allocations is shown in Table 3.253.

3.30.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.14.67 billion to fund its development and recurrent activities. This amount consisted of Kshs.8.34 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.35.2 million, and its own source revenue (OSR) collection of Kshs.4.82 billion. In addition, the County had a cash balance of Kshs.1.48 billion from FY 2023/24.

The total OSR collection of Kshs.4.82 billion includes Appropriations in Aid (AIA) of Kshs.149.59 million, Facilities Improvement Financing (FIF) of Kshs.902.37 million, and Kshs.3.76 billion as ordinary OSR. Table 3.253 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.253: Nairobi City County, Revenue Performance in the First Half 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	8,338,970,089	40
Sub Total		**20,855,390,632**	**8,338,970,089**	**40**
B	Conditional Grants			

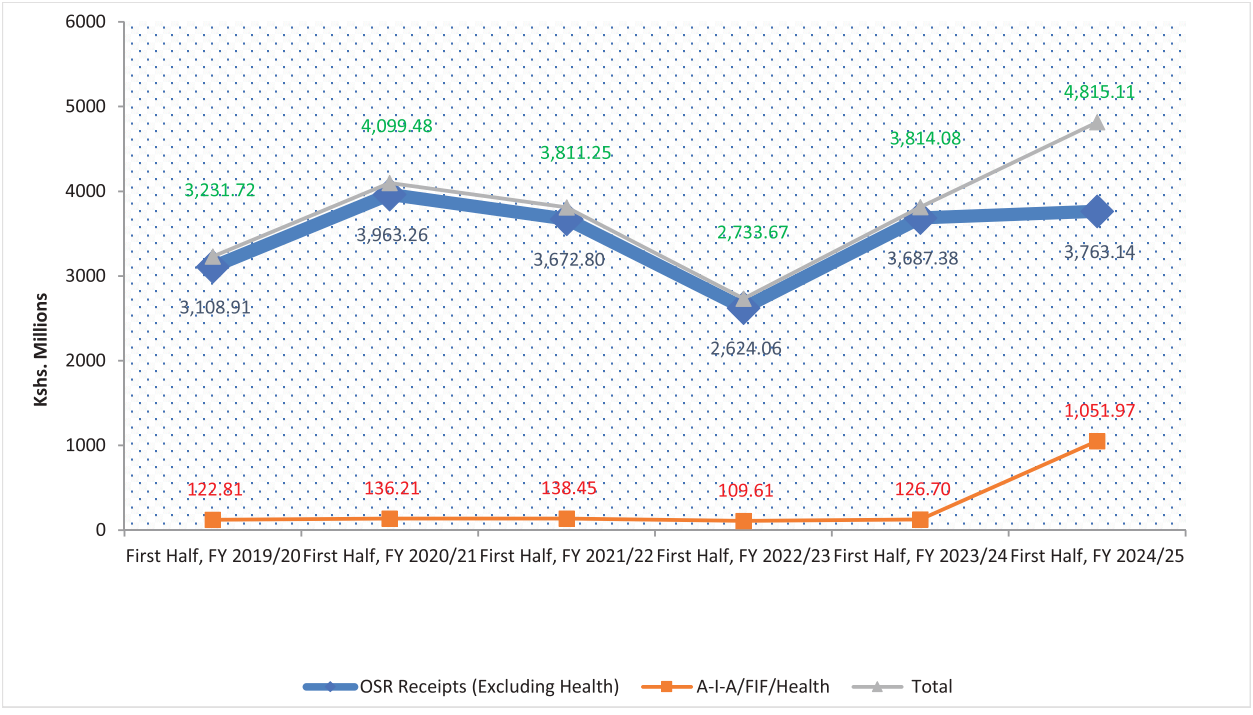
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
1	Community Health Promoters	224,010,000	-	-
2	CAIP-County Aggregated Industrial Projects	250,000,000	-	-
3	IDA Credit--Second Kenya Devolution Support Programme KDSP II	37,500,000	35,195,690	94
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	-	-
Sub-Total		**1,296,950,169**	**35,195,690**	**3**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	20,060,926,033	3,763,140,892	19
2	Facility Improvement Fund (FIF)	-	902,371,277	-
3	Appropriation in Aid (AIA)	351,000,000	149,594,676	43
Sub Total		**20,411,926,033**	**4,815,106,845**	**24**
D	**Other Sources of Revenue**			
1	Balance b/f from FY 2023/24	1,000,000,000	1,478,245,239	148
Sub Total		**1,000,000,000**	**1,478,245,239**	**148**
Grand Total		**43,564,266,834**	**14,667,517,863**	**34**

Source: *Nairobi City County Treasury*

The balance b/f from FY2023/24 has an actual receipt as a percentage of the annual allocation of 148 per cent, which is attributed to the county understating its opening cash balances. The County has governing legislation on the operation of ordinary A-I-A and FIF in the name of the Liquor Act and Health Act, respectively.

Figure 117 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 117: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

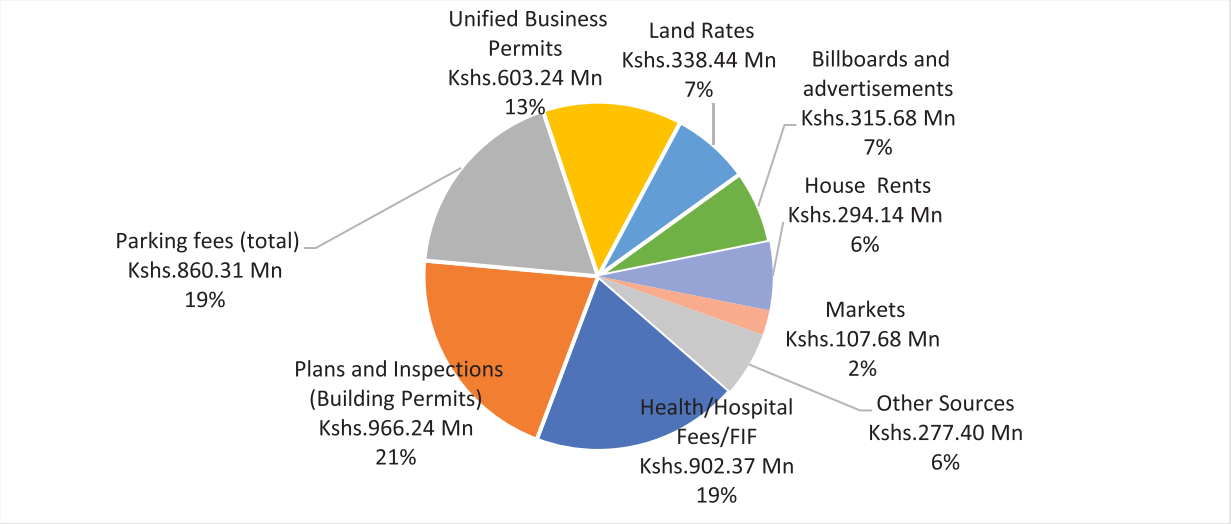


Source: *Nairobi City County Treasury*

During the first half of FY 2024/25, the County generated Kshs.4.82 billion from its revenue sources, including AIA and FIF. This amount was an increase of 26 per cent compared to Kshs.3.81 billion realised in a similar period in FY 2023/24 and was 24 per cent of the annual target and 58 per cent of the equitable revenue share disbursed. The County did not provide data on OSR on revenue arrears and penalties charged on fees and levies from previous financial years.

The increase in OSR can be attributed to the County Treasury undertaking revenue mobilisation strategies to improve revenue performance. Figure 118 shows the revenue streams that contributed the highest OSR receipts.

Figure 118: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: *Nairobi City County Treasury*

The highest revenue stream, Kshs.966.24 million, was from Plans and Inspections (Building Permits), contributing 21 per cent of the total OSR receipts during the reporting period.

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 a further Kshs.27.9 million from Family Bank to support its operations. The Assembly had not repaid the loan; therefore, by 31 December 2024, the total amount borrowed from Family Bank was Kshs.270.23 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, and by 31 December 2024, it had cleared the same.

3.30.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.13.71 billion from the CRF account comprised Kshs.674.42 million (5 per cent) for development programmes and Kshs.13.03 billion (95 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.9.03 billion was released towards compensation of employees and Kshs.4 billion for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 include the December 2024 net salary payment request for the County Executive and do not include the County Assembly payment request for December 2024 salaries.

Analysis of the operations and maintenance exchequer releases indicates that 2 per cent was for domestic travel and 0.8 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.260.14 million, including Kshs.135.14 million for the County Executive and Kshs.125.00 million for the County Assembly. The foreign exchequer totalled Kshs.108.89 million, comprising Kshs.40.78 million for the County Executive and Kshs.68.12 million for the County Assembly.

Table 3.254: Nairobi City 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 Public Service Board	76.40	-	29.76	-	39	-
Finance and Economic Planning	3,293.42	120.00	2,482.12	-	75	-
Public Service Management	2,065.86	-	727.32	-	35	-
Agriculture, Livestock Development, Fisheries & Forestry	188.82	70.75	77.87	-	41	-
Environment, Water, Energy & Natural Resources	3,411.99	541.46	1,789.85	216.60	53	40
Ward Development Programmes	80.00	2,155.00	6.34	-	8	-
Emergency Fund	100.00	-	-	-	-	-
Boroughs and Public Administration	3,974.26	772.00	1,813.62	92.80	46	12
County Attorney	253.75	15.00	191.08	-	75	-
Innovation and Digital Economy	191.37	263.97	52.41	-	27	-
Health Wellness & Nutrition	8,175.64	2,037.89	3,589.66	-	44	-
Built Environment & Urban Planning	512.08	1,082.00	185.59	-	36	-
Mobility and Works	1,577.17	2,181.03	497.85	119.07	32	6
Talent Skills Development & Care	2,111.37	1,574.43	657.99	122.67	31	8
Business & Hustler Opportunities	614.12	1,634.00	279.88	93.12	46	6
Inclusivity, Public Participation, & Citizen Engagement	232.39	120.00	74.08	12.78	32	11
Nairobi Revenue Authority	226.99	-	10.09	-	4	-
County Assembly	1,925.11	1,635.00	568.33	17.38	30	1
Total	**29,010.74**	**14,202.53**	**13,033.84**	**674.42**	45	5

Source: *Nairobi City County Treasury*

The Exchequer Issues to Revised Net Budget of the Department of Finance and Economic Planning is 75 per cent because payment of pending bills under Debt Management Services is domiciled here.

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.32.64 million.

3.30.5 County Expenditure Review

The County spent Kshs.13.68 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.861.57 million and Kshs.12.82 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 6 per cent, while recurrent expenditure represented 44 per cent of the annual recurrent expenditure budget.

3.30.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.121.78 billion as of 30 June 2024. This includes 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.5.31 billion for recurrent expenditures and Kshs.115.95 billion for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.3.42 billion, comprising of Kshs.2.77 billion for recurrent programmes and Kshs.657.04 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.93.1 million, which included Kshs.91.22 million for recurrent activities and Kshs.1.95 million for development activities.

The County Executive submitted a summarised pending bills payment plan, while the Assembly submitted a detailed pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.800 million and Kshs.513.92 million, respectively, in the first half of FY 2024/25. However, the County Assembly did not

adhere to this payment plan, as it cleared Kshs.93.1 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.118.26 billion, comprising Kshs.117.84 billion for the County Executive and Kshs.420.75 million for the County Assembly.

3.30.7 Expenditure by Economic Classification

The County Executive spent Kshs.8.66 billion on employee compensation, Kshs.3.58 billion on operations and maintenance, and Kshs.844.18 million on development activities. Similarly, the County Assembly spent Kshs.367.06 million on employee compensation, Kshs.201.27 million on operations and maintenance, and Kshs.17.38 million on development activities, as shown in Table 3.255.

Table 3.255: 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	**27,379,613,750**	**1,925,111,836**	**12,247,912,200**	**568,333,836**	**45**	**30**
Compensation to Employees	17,086,188,290	992,189,321	8,661,069,306	367,059,878	**51**	**37**
Operations and Maintenance	10,293,425,460	932,922,515	3,586,842,894	201,273,958	**35**	**22**
Development Expenditure	**12,624,541,248**	**1,635,000,000**	**844,184,930**	**17,381,566**	7	1
Total	**40,004,154,998**	**3,560,111,836**	**13,092,097,129**	**585,715,402**	**33**	**17**

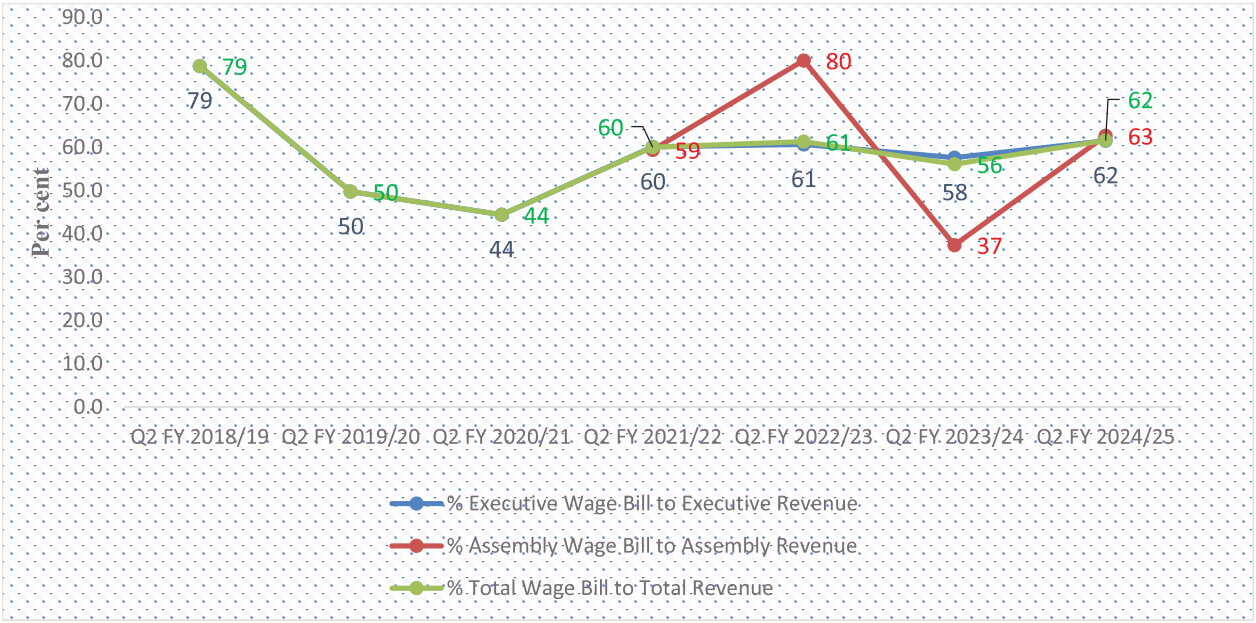
***Source**: Nairobi City County Treasury*

3.30.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.9.03 billion, or 62 per cent of the available revenue of Kshs.14.67 billion. This expenditure represented an increase from Kshs.7.49 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.3.67 billion paid to the Health Sector employees, translating to 40 per cent of the total wage bill. The increment is attributed to the payment of salary arrears for the newly employed staff in FY 2023/24. The arrears were deferred to the FY 2024/25.

Figure 119 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 119: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Nairobi City County Treasury

Further analysis indicates that PE costs amounting to Kshs.8.5 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.528.96 million was processed through manual payrolls, which accounted for 6 per cent of the total PE cost.

The County Assembly spent Kshs.2.75 million on committee sitting allowances for the 124 MCAs and the speaker against the annual budget allocation of Kshs.27.56 million. The average monthly sitting allowance was Kshs.3,697 per MCA. The County Assembly had 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. The County allocated Kshs.200 million to county-established funds in FY 2024/25, or 0.5 per cent of the County's overall budget. Further, 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 3.256 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.256: Performance of County Established Funds in the First Half of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Quarter of FY 2024/25 (Kshs.)	Actual Expenditure in First Quarter of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1.	Biashara Ward revolving fund	100,000,000	-	-	-	New Fund
	County Assembly Established Funds					
1.	Car Loan & Mortgage - County Assembly	100,000,000	-	-	1,016,000,000	Yes
	Total	**200,000,000**	-	-	-	

Source: *Nairobi City County Treasury and County Assembly*

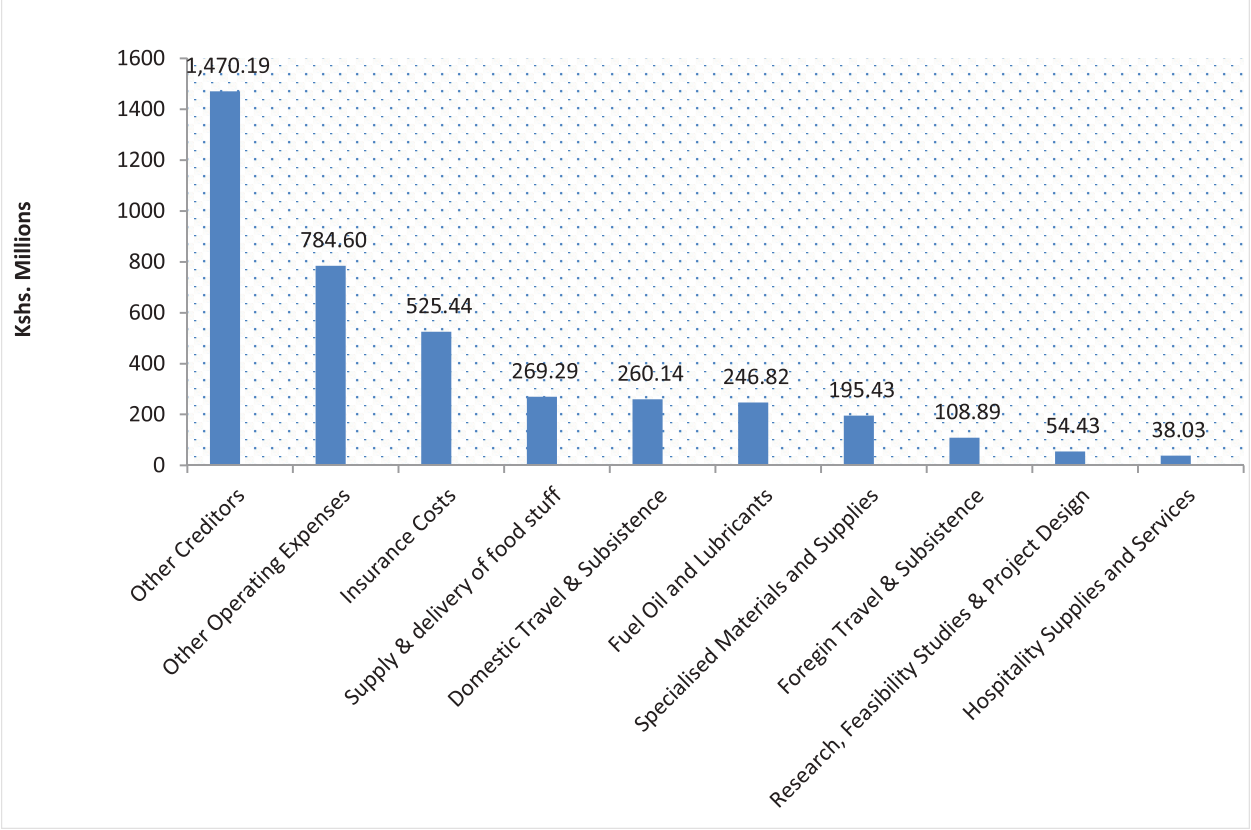
During the reporting period, the CoB received quarterly financial reports from the Car Loan & Mortgage - County Assembly Fund Administrators, as indicated in Table 3.256, as per the requirement of Section 168 of the PFM Act, 2012.

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 Expenditure on Operations and Maintenance

Figure 120 summarises the Operations and Maintenance expenditure by major categories.

Figure 120: Nairobi City County, Operations and Maintenance Expenditure by Major Categories



Source: *Nairobi City County Treasury*

Other creditor's costs are payments for pending bills and include an expenditure of Kshs.897.82 million on garbage collection. On the other hand, the operations and maintenance costs include an expenditure of Kshs.719.26 million on Legal fees/Dues, arbitration, and compensation payments expenditure of legal fees.

Expenditure on domestic travel amounted to Kshs.260.14 million and comprised Kshs.125 million spent by the County Assembly and Kshs.135.14 million by the County Executive. Expenditure on foreign travel amounted to Kshs.108.89 million and comprised Kshs.68.12 million by the County Assembly and Kshs.40.78 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.257.

Table 3.257: Summary of Highest Expenditure on Foreign Travel in the First Half 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	7	22-28/07/2024	Experimental learning on economic empowerment for devolved Government	Singapore-Singapore	15,107,995
County Executive	14		Being payment of return ticket visas, conference fee, and travel insurance to Turkey	Turkey	11,340,000
County Executive	13		Payment of return air ticket visa, conference fees, and travel insurance to Turkey	Turkey	9,590,000
County Executive	15	29/04-O3/05/2024	Training on understanding the county's own source of revenue collection	Tanzania - Arusha	4,893,508
County Executive	3	30/09-02/10/2024	Participating in the 4th Forum of Mayors Cities Summit of the Future to be held in Geneva	Switzerland	4,651,484
County Assembly	7	22-27/06/2024	Training on performance management	Singapore-Singapore	4,263,587
County Assembly	7	23-29/06/2024	Workshop on environmental, social and governance and sustainability program	Singapore-Singapore	4,237,924

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	7	13-18/06/2024	Training on enhancing governance through-effective monitoring and evaluation	Turkey	4,039,816
County Assembly	7	19-25/08/2024	Training in leadership management	Turkey	3,959,305
County Assembly	7	20-25/06/2024	Workshop on social and environmental sustainability	United Arab Emirates - Dubai	3,823,384
County Assembly	7	17-22/06/2024	Workshop on decision-making in uncertain times	United Arab Emirates - Dubai	3,780,325
County Assembly	7	06-12/09/2024	Training on devolution & governance	United Arab Emirates - Dubai	3,771,018
County Assembly	7	23-30/08/2024	Training on values and principles of leadership in public service	United Arab Emirates - Dubai	3,701,481
County Assembly	6	24-30/08/2024	Training in sustainable financing in the public sector	Singapore	3,623,139
County Assembly	6	17-22/06/2024	Workshop on decision-making in uncertain times	United Arab Emirates - Dubai	3,147,457
County Assembly	1	23-29/10/2024	NASPAA Annual Conference themed Shaping the Future of Public Policy, affairs, and Administration	Washington DC - USA	2,676,424
County Assembly	7	24-28/06/2024	Benchmarking visit to the Kampala Capital City	Uganda - Kampala	2,374,150
County Assembly	6	21-26/06/2024	Training on Strategic Leadership in public institutions	South Africa	1,801,620
County Assembly	2	09-13/09/2024	Attending the C-Suite ICPAK seminar	Singapore	1,289,085
County Assembly	2	03-09/07/2024	Attending training on Social & Environmental sustainability	United Arab Emirates - Dubai	1,098,744

Source: Nairobi City County Treasury and Nairobi City County Assembly

3.30.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.902.37 million 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. 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.

3.30.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.861.57 million on development programmes, representing an increase of 87 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.461.5 million. Table 3.258 summarises development projects with the highest expenditure in the reporting period.

Table 3.258: Nairobi City County, List of Development Projects with the Highest Expenditure

Sector	Project Name	Project Location - Ward	Contract sum (Kshs.)	Amount paid to date (Kshs)	Implementation status (%)
Environment, Water, Energy & Natural Resources	Purchase of Solid Waste Equipment	Across the county	432,000,000	216,600,000	50
Business & Hustler Opportunities	Construction of Mutuini market in Mutuini ward	Mutuini	242,000,000	66,960,221	60
Talent Skills Devt & Care	Construction and completion of Woodley stadium	Golf Course	123957878.4	45,799,246	15
Boroughs and Public Administration	Partitioning of offices at CBK towers	CBK Towers along Harambee Avenue	50,666,449	43,812,165	100
Talent Skills Devt & Care	Rehabilitation of Joe Kadenge artificial turf, drainage, and chain link	Kaloleni	95937684	42,002,620	40
Mobility and Works	Rehabilitation of roads in Eastleigh Area, Nairobi Waudo, Muinami Road, Timboroa Road, 2nd Avenue, and 9th Street	Eastleigh South	89,939,440	85,072,438	95
Mobility and Works	Rehabilitation of Lot 14 roads in Eastleigh Area, Nairobi Malewa Road, 6th Street, 14th Street, 15th Street, Kiambiu	Eastleigh South	84,947,960	35,660,220	60
Mobility and Works	Supply and delivery of 900 no. 300w floodlight	Highway Stores	33,300,000	33,300,000	100
Boroughs and Public Administration	Construction of Gikomba Fire Station - Phase I	Kinyanjui Road off Digo Road	59983162.68	30,024,578	77
Mobility and Works	Rehabilitation of Lot 7 roads in the Industrial area, Nairobi-Migwani Road, Isiolo Road, Bandari Road, Wajir Road, Chogoria Road, and Jirore Road	Viwandani	75,815,280	69,198,718	95

Source: *Nairobi City County Treasury and County Assembly*

3.30.13 Budget Performance by Department

Table 3.259 summarises departments' approved budget allocation, expenditure, and absorption rate in the first half of FY 2024/25.

Table 3.259: Nairobi City 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 Public Service Board	76.40	-	29.76	-	30.82	-	103.6	-	40.3	-
Finance & Economic Planning	3,293.42	120.00	2,482.12	-	2,155.83	-	86.9	-	65.5	-
Public Service Management	2,065.86	-	727.32	-	654.35	-	90.0	-	31.7	-
Agriculture, Livestock Development, Fisheries & Forestry	188.82	70.75	77.87	-	74.25	-	95.3	-	39.3	-
Environment, Water, Energy & Natural Resources	3,411.99	541.46	1,789.85	216.60	1,583.92	216.60	88.5	100.0	46.4	40.0

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
Ward Development Programmes	80.00	2,155.00	6.34	-	-	-	-	-	-	-
Emergency Fund	100.00	-	-	-	-	-	-	-	-	-
Boroughs and Public Administration	3,974.26	772.00	1,813.62	92.80	1,827.91	92.80	100.8	-	46.0	12.0
County Attorney	253.75	15.00	191.08	-	214.46	-	112.2	-	84.5	-
Innovation and Digital Economy	191.37	263.97	52.41	-	58.61	-	111.8	-	30.6	-
Health Wellness & Nutrition	8,175.64	2,037.89	3,589.66	-	3,847.41	-	107.2	-	47.1	-
Built Environment & Urban Planning	512.08	1,082.00	185.59	-	200.20	-	107.9	-	39.1	-
Mobility and Works	1,577.17	2,181.03	497.85	119.07	495.69	306.22	99.6	257.2	31.4	14.0
Talent Skills Devt & Care	2,111.37	1,574.43	657.99	122.67	559.50	122.67	85.0	100.0	26.5	7.8
Business & Hustler Opportunities	614.12	1,634.00	279.88	93.12	292.11	93.12	104.4	100.0	47.6	5.7
Inclusivity, Public Participation,& Citizen Engagement	232.39	120.00	74.08	12.78	79.42	12.78	107.2	100.0	34.2	10.7
Nairobi Revenue Authority	226.99	-	10.09	-	12.34	-	122.4	-	5.4	-
County Assembly	1,925.11	1,635.00	568.33	17.38	568.33	17.38	100.0	100.0	29.5	1.1
Liquor Licensing Board	294.00	57.00	-	-	161.10	-	-	-	54.8	-
Total	**29,304.73**	**14,259.54**	**13,033.84**	**674.42**	**12,816.25**	**861.57**	**98.3**	**127.7**	**43.7**	**6.0**

***Source**: Nairobi City County Treasury*

Analysis of expenditure by departments shows that the Department of Environment, Water, Energy & Natural Resources recorded the highest absorption rate of development budget at 40 per cent, followed by the Department of Mobility and Works at 14 per cent. The Department of County Attorney had the highest percentage of recurrent expenditure to budget at 85 per cent, while the Department of Nairobi Revenue Authority had the lowest at 5 per cent.

The county spending is above exchequer issues because of opening balances of Kshs.426.31 in the Special Purpose Accounts, which the county accessed directly before budgeting.

3.30.14 Budget Execution by Programmes and Sub-Programmes

Table 3.260 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.260: Nairobi City County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Budget FY 2024/25 (Kshs.Million)		Actual Payments First Half FY 2024/25 (Kshs. Million)		% Absorption	
		Recc.	Dev	Recc.	Dev	Recc.	Dev
County Public Service Board							
General Administrative Services	General Administration Planning and Support Services	76.40	-	30.82	-	40	-
Finance & Economic Planning							

Programme	Sub-Programme	Approved Budget FY 2024/25 (Kshs.Million)		Actual Payments First Half FY 2024/25 (Kshs. Million)		% Absorption	
		Recc.	Dev	Recc.	Dev	Recc.	Dev
Public Financial Management	Assets Management Services	213.00		5.33	-	3	-
	Accounting Services	97.11	20.00	2.55	-	3	-
	Debt Management Services	684.00	-	1,486.10	-	217	-
	Resource Mobilisation	225.00	100.00	3.57	-	2	-
	Supply Chain Management	153.03	-	61.27	-	40	-
General Administrative Services	General Administration & Support Services	1,652.27	-	563.92	-	34	-
Economic Policy, Formulation, and Budget Management	Economic Planning Formulation and Management	134.00	-	0.34	-	0	-
	Budget Formulation Coordination and mgt	135.00	-	32.74	-	24	-
Public Service Management							
General Administrative Services	General Administration & Support Services	413.21	-	118.31	-	29	-
Public Service Transformation	Human Resource Management	1,598.50	-	526.68	-	33	-
	Human Resource Development	54.15	-	9.36	-	17	-
Agriculture, Livestock Development, Fisheries & Forestry							
General Administration Planning and Support Services	Administration, Planning & Support Services	148.66	-	71.48	-	48	-
Urban Agriculture Promotion & Regulation	Crop Development and Management	26.73	20.00	0.24	-	1	-
	Fisheries Development and Management	1.50	-	0.14	-	9	-
	Livestock Resources Management and Development	1.54	20.00	0.08	-	5	-
Animal Health, Safety and Quality Assurance	Animal Research, Diseases, Pest Control & Quality Assurance	1.99	16.75	0.20	-	10	-
Afforestation	Forestry Services	6.93	-	1.96	-	28	-
Food Systems and Surveillance	Food Systems and Surveillance Services	1.46	14.00	0.15	-	10	-
County Assembly							
Legislation, Oversight and Representation	Legislation and Representation	6.27	-	0.42	-	7	-
	Oversight	829.18	-	486.62	-	59	-
	General Administration and Support Services	1,089.66	1,635.00	81.29	17.38	8	1
Environment, Water, Energy & Natural Resources							
General Administration & Support Services	General Administration & Support	1,789.93	-	838.47	-	47	-

Programme	Sub-Programme	Approved Budget FY 2024/25 (Kshs.Million)		Actual Payments First Half FY 2024/25 (Kshs. Million)		% Absorption	
		Recc.	Dev	Recc.	Dev	Recc.	Dev
Environment Management and Protection.	Beautification, Recreation, and Greening Services	15.23	-	1.80	-	12	-
	Solid waste management	1,580.43	400.00	742.91	216.60	47	54
	Environment Planning Management Services	2.03	-	-	-	-	-
	Energy & Natural resources	17.87	141.46	0.66	-	4	-
Water Resources Management	Environment planning Management	6.50	-	0.08	-	1	-
Ward Development Programmes							
Ward Development	Ward Development & Administration	80.00	2,155.00	-	-	-	-
Emergency Fund							
General Administrative Services	General Administration & Support Services	100.00	-	-	-	-	-
Liquor Licensing Board							
Licensing and Fair Trade Practices	Liquor Licensing & Regulation	294.00	57.00	161.10	-	55	-
Boroughs and Public Administration							
General Administrative Services	General Administration & Support Services	260.74	205.00	125.62	58.29	48	28
Performance Management and Public Service Delivery	Performance Contracting management	8.77	-	2.91	-	33	-
Coordination of executive services	Executive Office Management Services	242.75	-	82.15	-	34	-
	Intergovernmental Relation services	8.53	-	0.31	-	4	-
Coordination of boroughs and devolved units	Donor Coordination Services	31.68	-	-	-	-	-
	Boroughs, Sub County Administration & Coordination of Devolve	574.95	387.00	288.84	-	50	-
Security and Safety Management	Inspectorate	2,253.19	35.00	1,120.16	-	50	-
	Investigative Services	50.02	-	24.13	-	48	-
Disaster Management & Coordination	General Administrative Services	325.08	-	153.96	-	47	-
	Firefighting and rescue services	110.80	120.00	1.80	34.50	2	29
	Ambulance Services	9.92	-	-	-	-	-
	Disaster Risk Reduction	31.25	15.00	0.65	-	2	-
Internal Audit	Audit Services	66.57	10.00	27.39	-	41	-
County Attorney							
Management of legal affairs	Legal services	253.75	15.00	214.46	-	85	-
Innovation and Digital Economy							
General Administration Planning and Support Services	General Administration, Planning, And Support Services	99.54	-	53.74	-	54	-
Digital Economy and Startups	Digital Economy	3.22	-	0.78	-	24	-
	E-Learning	4.25	-	-	-	-	-
	Startups	6.34	-	-	-	-	-

Programme	Sub-Programme	Approved Budget FY 2024/25 (Kshs.Million)		Actual Payments First Half FY 2024/25 (Kshs. Million)		% Absorption	
		Recc.	Dev	Recc.	Dev	Recc.	Dev
Smart Nairobi	Smart Nairobi	13.81	263.97	0.44	-	3	-
ICT Infrastructure Connectivity	Infrastructure Connectivity	2.64	-	-	-	-	-
	Information Security	61.58	-	3.65	-	6	-
Health Wellness & Nutrition							
Public Health	HIV/AIDS Prevention & Control Unit	1.62	-	-	-	-	-
	TB Control	0.49	-	-	-	-	-
	Malaria Control & Other Communicable Diseases	2.80	-	0.12	-	4	-
	Environmental / Public Health	4.06	-	0.12	-	3	-
	Health Policy and Regulation	4.06	40.00	-	-	-	-
	Coroner Services Unit	6.09	65.00	3.62	-	60	-
	Nairobi County Public Health Emergency Response	2.40	-	-	-	-	-
Health Facilities	County Referral Hospitals	26.10	992.65	-	-	-	-
	Health planning and financing	12.62	187.98	-	-	-	-
	Health Centers & Dispensaries	60.03	699.77	-	-	-	-
	Pumwani School of Nursing	0.81	52.48	-	-	-	-
	Health Commodities	25.00	-	-	-	-	-
Medical services	Primary Health Care	34.68	-	-	-	-	-
	Reproductive Health & Maternal Health (RMNCAH)	28.65	-	6.33	-	22	-
	Clinical Services	138.54	-	5.31	-	4	-
	Research, Quality assurance & standards unit	1.62	-	-	-	-	-
Wellness and Nutrition	Nutrition	4.87	-	-	-	-	-
	Wellness	4.06	-	-	-	-	-
	Nutrition	808.08	-	161.93	-	20	-
General administration, planning, and support services	Administration/Human Resource for Health	7,009.05		3,669.99	-	52	-
Built Environment & Urban Planning							
General Administrative Services	Administration, Planning & Support Services	351.62	-	196.07	-	56	-
Urban Development & Planning	Urban Planning Compliance & Enforcement Services	10.15	-	-	-	-	-
Land management and Property Management	Land Survey, GIS, and Mapping Services	90.15	217.00	3.69	-	4	-
		50.00	-	-	-	-	-

Programme	Sub-Programme	Approved Budget FY 2024/25 (Kshs.Million)		Actual Payments First Half FY 2024/25 (Kshs. Million)		% Absorption	
		Recc.	Dev	Recc.	Dev	Recc.	Dev
Housing Development and Building Services	Urban Renewal; Housing and Urban Renewal Services	8.45	865.00	0.43	-	5	-
	Building services	1.71	-	-	-	-	-
Mobility and Works							
General Administration, Planning, And Support Services	General Administration, Planning, And Support Services	1,167.60	-	344.47	-	30	-
Works	Road and stormwater drainage	5.56	1,449.95	-	187.14	-	13
	Electrical engineering services	4.06	100.00	-	-	-	-
	Building works services	3.80	8.00	-	-	-	-
Mobility	Transportation AND Traffic Management Services	395.13	488.74	151.22	119.07	38	24
	Mechanical Engineering Services (Automotive section)	1.02	134.35	-	-	-	-
Talent Skills Devt & Care							
General administration, planning, and support services	General Administration & Support Services	1,781.86	-	453.51	-	26	-
Education services	Early Childhood Development Centers	100.00	510.00	-	-	-	-
	Technical and Vocational Training	1.51	58.93	-	-	-	-
Social Services	General Administration & Support Services	178.95	-	97.10	-	54	-
	Gender and Community Empowerment	0.81	-	-	-	-	-
	Social welfare and care for the Aged	2.32	-	-	-	-	-
	Rescue and Rehabilitation of Children Services	21.83	55.00	-	-	-	-
Youth, Talent & Sports	General Administration & Support Services	13.52	-	7.41	-	55	-
	Youth Empowerment and Promotion	2.12	-	0.21	-	10	-
	Recreational Services	1.43	120.00	-	-	-	-
	Development and promotion of sports	6.30	825.50	1.28	122.67	20	15
	Promotion of Library and Information Services	0.71	5.00	-	-	-	-
Business & Hustler Opportunities							
General Administration Planning and Support Services	Business & Hustler Opportunities Headquarters	522.94	-	288.23	-	55	-
Co-operative Development	Co-operative Development	6.50	-	-	-	-	-
Co-operative Audit Services	Co-operative Audit	4.06	-	-	-	-	-

Programme	Sub-Programme	Approved Budget FY 2024/25 (Kshs.Million)		Actual Payments First Half FY 2024/25 (Kshs. Million)		% Absorption	
		Recc.	Dev	Recc.	Dev	Recc.	Dev
Trade development and Market Services	Markets Department Headquarters	2.64	994.00	-	93.12	-	9
	Trade Development Department	42.64	540.00	3.60	-	8	-
Licensing and Fair Trade Practices	Weights & Measures Services	2.64	-	-	-	-	-
	Trade Licensing	2.64	-	0.09	-	3	-
	Betting & Gaming Services	17.06	100.00	-	-	-	-
Business & hustler opportunities	Micro, Small and Medium Enterprises development	13.00	-	0.19	-	2	-
Inclusivity, Public Participation,& Citizen Engagement							
Public Participation, Citizen Engagement & Customer Service	Public Participation, Citizen Engagement & Customer Service	131.08	-	57.31	-	44	-
City Culture Arts & Tourism	City Culture Arts & Tourism	35.07	100.00	1.75	12.78	5	13
Gender and Inclusivity	Gender and Inclusivity	66.25	20.00	20.36	-	31	-
Nairobi Revenue Authority							
Nairobi Revenue Authority	Nairobi Revenue Authority Services	226.99	-	12.34	-	5	-
	Total Voted Expenditure	**29,304.73**	**14,259.54**	**12,816.25**	**861.57**	**44**	**6**

***Source**: Nairobi City County Treasury*

The sub-programs with the highest levels of implementation based on absorption rates were Debt Management Services in the Department of Finance and Economic Planning at 217 per cent, Legal services in the Department of County Attorney at 84.5 per cent, Oversight in the County Assembly at 59 per cent, and Business & Hustler Opportunities Headquarters in the Department of Business & Hustler Opportunities at 55 per cent of budget allocation. The County Treasury is advised to regularise the expenditure above budget allocation through a supplementary budget.

3.30.15 Accounts Operated Commercial Banks

The County Government operated 174 accounts with commercial banks (County Assembly eight and County Executive 166), including one hundred and twenty-three accounts for Health Facilities, eleven accounts for Vocational Training Centres, five accounts for Established Funds, five revenue accounts, sixteen special purpose accounts (additional allocations), two Early Childhood Development Accounts (ECDs), two imprest accounts, and one recurrent operational account and one development operational accounts.

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.

3.30.16 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the COB identified the following challenges that hampered effective budget implementation;

i. The underperformance of own-source revenue at Kshs.4.82 billion against an annual target of Kshs.20.42 billion, representing 24 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 3.259.
iii. The high pending bills amounted to Kshs.118.26 billion as of 31 December 2024. 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.528.96 million 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.

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 Health Facilities, Vocational Training Centres, Established Funds, special purpose accounts (additional allocations), and Early Childhood Development Accounts (ECDs).

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. *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 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.*

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.*

3.31. County Government of Nakuru

3.31.1 Overview of FY 2024/25 Budget

The Nakuru County Gross Approved FY 2024/25 budget is Kshs.21.07 billion. It comprised Kshs.6.99 billion (33 per cent) and Kshs.14.08 billion (67 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs.2.24 billion (10 per cent) from the FY 2023/24 budget comprised of a development budget of Kshs.9.68 billion and a recurrent budget of Kshs13.63 billion. The decrease in the county government budget was attributed to the decline in balance brought forward in the last financial year, which was Kshs.3.6 billion. The County's Net Approved Budget is Kshs.19.19 billion, comprising Kshs.12.58 billion for recurrent and Kshs.6.61 billion for development.

The Nakuru County Government budget will be financed from different sources of revenue. These include; Kshs.14.13 billion (67 per cent) as the equitable share of revenue raised nationally, Kshs.1.83 billion as additional allocations/conditional grants (9 per cent), a cash balance of Kshs.1.01 billion (5 per cent) brought forward from FY 2023/24, and Kshs.4.11 billion (20 per cent) was generated as gross own source revenue. The own-source revenue includes Kshs.1.88 billion (46 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.2.23 billion (54 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.261.

3.31.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.9.11 billion to fund its development and recurrent activities. This amount consisted of Kshs.6.76 billion from the equitable share of revenue raised nationally and its own source revenue (OSR) collection of Kshs.1.35 billion. In addition, the County had a cash balance of Kshs.1.01 billion from FY 2023/24.

The total OSR collection of Kshs.1.35 billion includes Facilities Improvement Financing (FIF) of Kshs.840.60 million, and Kshs.509.89 million as ordinary OSR. Table 3.261 summarises the total revenue available to the County Government during the first half of FY 2024/25.

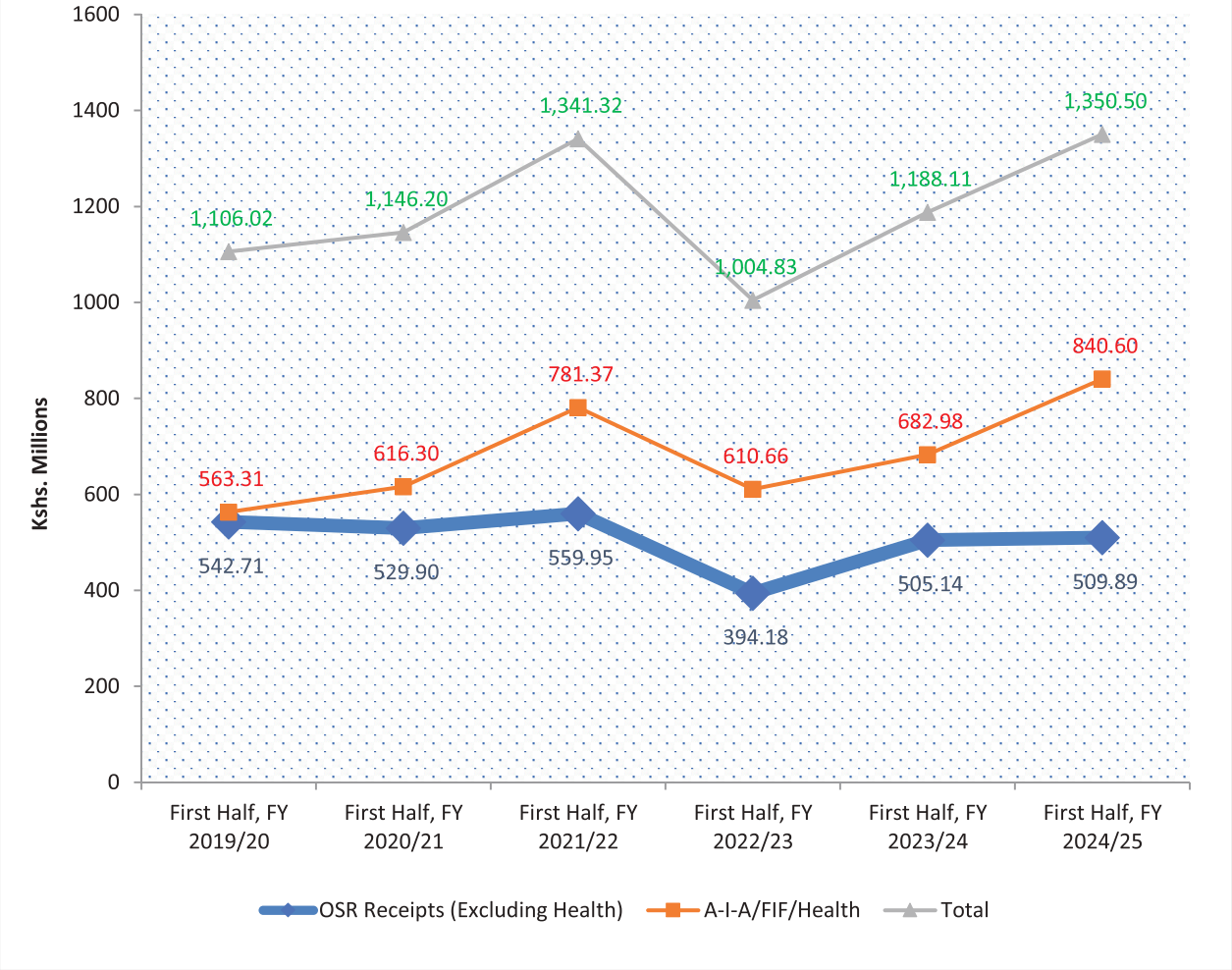
Table 3.261: Nakuru County, Revenue Performance in the First Half of FY 2024/25

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**	**14,133,795,185**	**6,759,278,355**	**48**
Subtotal		**14,133,795,185**	**6,759,278,355**	**48**
B	**Additional Allocations/Conditional Grants**			
	Donor Grants (DANIDA)	16,136,250	0	0
	Kenya Devolution Support Program (KDSP) II Level I	37,500,000	0	0
	World Bank National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	0	0
	Conditional Grant for the provision of fertiliser subsidy programme	234,883,209	0	0
	IFAD Conditional grant Kenya Livestock Commercialization Project (KELCOP)	38,280,000	0	0
	Conditional Fund -Kenya Urban Support Project (KUSP) - Urban Institutional Grant	35,000,000	0	0
	World Bank Grant Finance Locally-Led Climate Action Program (FLLoCA) - County Climate Institution Support (CCIS) Level I	11,000,000	0	0
	World Bank Grant Financing Locally-Led Climate Action (FLLoCA) Program – County Climate Resilience Investment Grant	125,000,000	0	0
	Conditional Fund - World Bank - Kenya Informal Settlement Improvement Project II (KISIP II)	550,000,000	0	0
	County Allocation for 20% share of mineral Royalties	1,562	0	0
	Conditional Allocation for Community Health Promoters (CHPs)	99,390,000	0	0
	Conditional Grant - Road Maintenance Levy Fund	527,595,811	0	0
Subtotal		**1,826,301,984**	**0**	**0**
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	2,226,948,048	509,894,818	23
	Appropriation in Aid (A-I-A)	-	-	-
	Facility Improvement Fund (FIF)	1,880,210,000	840,604,940	45
Subtotal		**4,107,158,048**	**1,350,499,759**	**33**
D	**Other Sources of Revenue**			
	Unspent balance from FY 2023/24	1,005,000,000	1,005,000,000	100
	Other Revenues (provide a list)	0	0	0
Sub Total		**1,005,000,000**	**1,005,000,000**	**100**
Grand Total		**21,072,255,217**	**9,114,778,114**	**43**

Source: ***Nakuru*** *County Treasury*

Figure 121 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 121: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

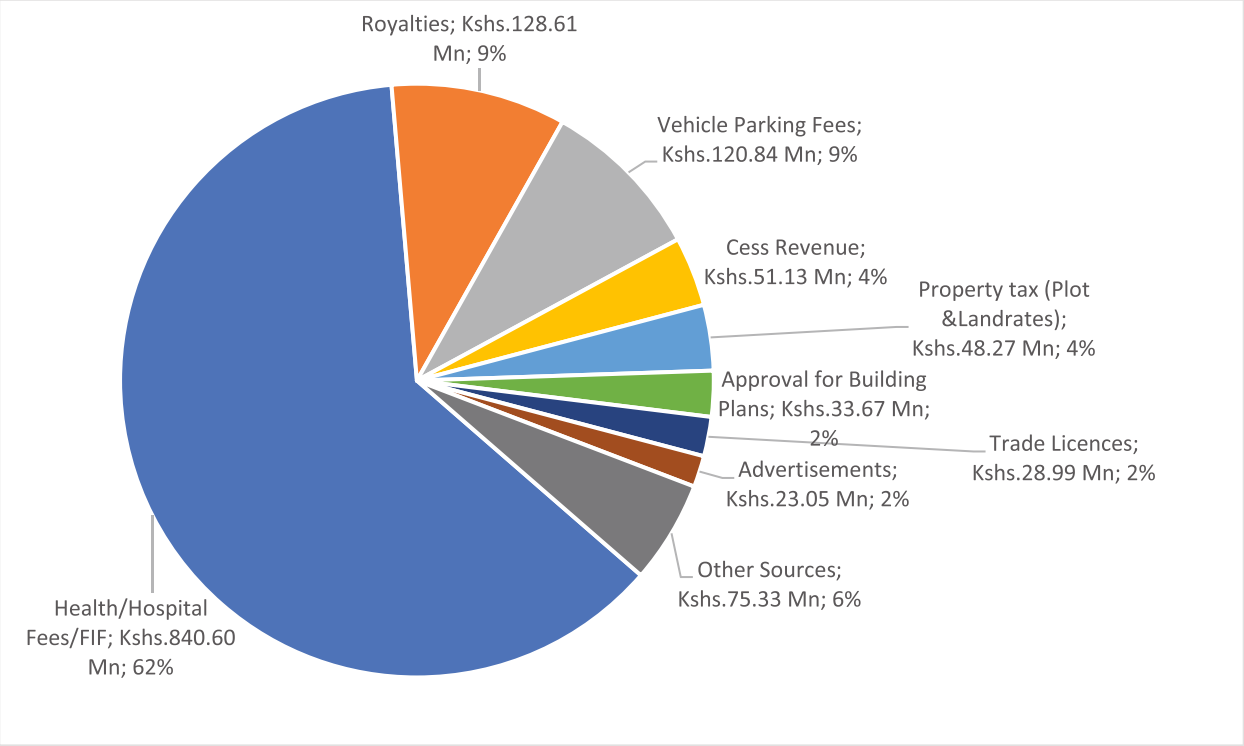


Source: *Nakuru County Treasury*

During the first half of FY 2024/25, the County generated Kshs.1.35 billion from its revenue sources, including FIF. This amount was an increase of 14 per cent compared to Kshs.1.19 billion realised in a similar period in FY 2023/24 and was 33 per cent of the annual target and 20 per cent of the equitable revenue share disbursed. The increase is attributed to the implementation of new strategies for revenue enhancement in the current financial year.

The revenue streams which contributed the highest OSR receipts are shown in Figure 122.

Figure 122: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Nakuru County Treasury

The highest revenue stream, Kshs.840.60 million, was from Health/Hospital fees/FIF, which contributed 62 percent of the total OSR receipts during the reporting period.

3.31.3 Borrowing by the County

The County Government did not have any borrowings during the review period.

3.31.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.84 billion from the CRF account comprised Kshs.483.89 million (8 per cent) for development programmes and Kshs.5.35 billion (92 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.3.42 billion was released towards compensation of employees and Kshs.1.93 billion for operations and maintenance expenditure.

Analysis of the operations and maintenance exchequer releases indicate that 6 per cent was for domestic travel and 2 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.119.70 million and included Kshs.57.97 million for the County Executive and Kshs.61.72 million for the County Assembly. The foreign exchequer totalled Kshs.33.40 million, comprising Kshs.0.51 million for the County Executive and Kshs.32.89 million for the County Assembly.

Table 3.262: Nakuru County, Budget Allocation and Exchequer Issued by Department

Department	Net Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	1235.22	185.00	528.06	4.19	43	2
Office of the Governor and Deputy Governor	379.92	48.97	104.25	5.46	27	11
County Treasury	1555.67	788.15	720.86	147.19	46	19
County Public Service Board	85.39	5.00	41.57	0	49	0
Health Services	5,409.09	519.92	2,356.50	5.00	44	1

Department	Net Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Infrastructure	285.18	1529.26	178.10	61.96	63	4
Naivasha Municipality	45.23	63.00	6.31	5.81	14	9
Office of the County Attorney	62.51	3.00	12.80	0	21	0
Nakuru City	84.88	59.50	13.80	0	16.3	0.0
Trade, Industry, Marketing and Tourism	240.74	198.11	56.17	0	23	0
Agriculture, Livestock and Fisheries	484.59	698.12	202.98	4.0	42	1
Lands, Physical Planning and Housing	187.81	736.28	65.9	77.44	35	11
Water, Environment, Energy and Natural Resources	311.59	834.03	121.76	105.11	39	13
Public Service, Training and Devolution	800.66	84.58	358.27	0	45	0
Education, Vocational training, ICT and E-Government	1116.54	569.55	497.81	67.73	45	12
Youth, Culture, Gender, Sports and Social Services.	242.04	218.48	87.32	0	36	0
Gilgil Municipality	25.26	40.00	0.4	0	36	0
Molo Municipality	23.77	35.00	0	0	0	0
TOTAL	**12,576.11**	**6,615.93**	**5,352.95**	**483.89**	**43**	**7**

***Source**: Nakuru County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.3.64 billion.

3.31.5 County Expenditure Review

The County spent Kshs.5.53 billion on development and recurrent programmes in the reporting period. This expenditure represented 95 per cent of the total funds released by the CoB and comprised of Kshs.368.76 million and Kshs.5.16 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 5 per cent, while recurrent expenditure represented 93 per cent of the annual recurrent expenditure budget.

3.31.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.54 billion as of 30 June 2024. This includes Kshs.1.45 billion from the County Executive and Kshs.88.97 million from the County Assembly. The pending bills from the County Executive consist of Kshs.1.26 billion for recurrent expenditures and Kshs.197.66 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.114.53 million, comprising Kshs.83.66 million for recurrent programmes and Kshs.30.87 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.12.53 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.117.84 million and Kshs.51.67 million, respectively, in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.114.53 million for the Executive and Kshs.12.53 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.1.46 billion, comprising Kshs.1.33 billion for the County Executive and Kshs.129.83 million for the County Assembly. This includes pending bills incurred during the review period, which amounted to Kshs.71.73 million.

3.31.7 Expenditure by Economic Classification

The County Executive spent Kshs.3.17 billion on employee compensation, Kshs.1.66 billion on operations and maintenance, and Kshs.479.69 million on development activities. Similarly, the County Assembly spent Kshs.255.20 million on employee compensation, Kshs.272.86 million on operations and maintenance, and Kshs.4.19 million on development activities, as shown in Table 3.263.

Table 3.263: 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	**12,845,057,576**	**1,235,221,758**	**4,681,430,355**	**479,055,649**	**36**	**39**
Compensation to Employees	7,648,144,063	490,222,063	2,976,364,588	255,198,290	39	52
Operations and Maintenance	5,196,913,513	744,999,695	1,705,065,767	223,857,359	33	30
Development Expenditure	**6,806,975,883**	**185,000,000**	**364,563,685**	**8,031,800**	**5**	**4**
Total	**19,652,033,459**	**1,420,221,758**	**5,045,994,040**	**487,087,449**	**26**	**34**

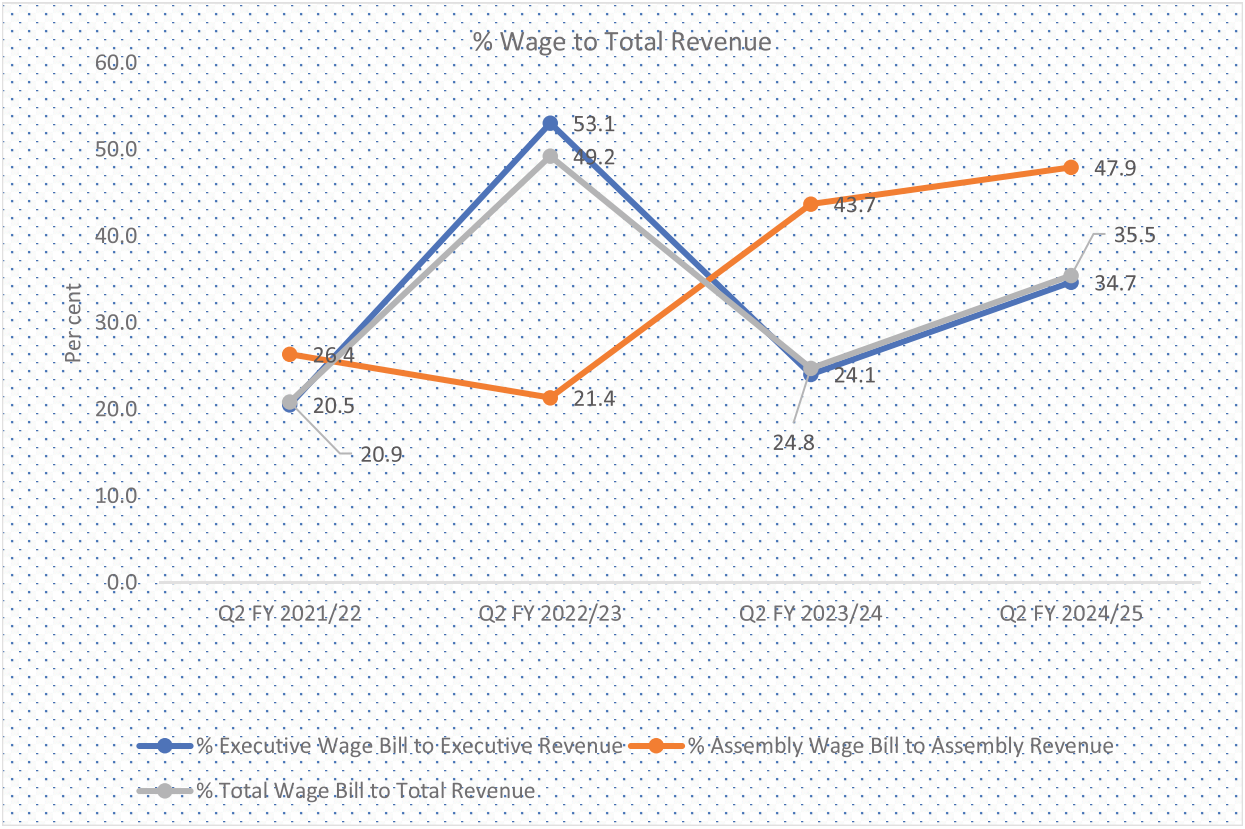
***Source**: Nakuru County Treasury*

3.31.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.3.23 billion, or 36 per cent of the available revenue of Kshs.9.11 billion. This expenditure represented a decrease from Kshs.3.63 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.2.01 billion paid to the Health Sector employees, translating to 62 per cent of the total wage bill.

Figure 123 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 123: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2021/22 to the First Half of FY 2024/25



Source: Nakuru County Treasury

Further analysis indicates that PE costs amounting to Kshs.3.11 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.314.88 million was processed through manual payrolls, which accounted for 10 per cent of the total PE cost.

The County Assembly spent Kshs.24.63 million on committee sitting allowances for the 74 MCAs against the annual budget allocation of Kshs.53 million. The average monthly sitting allowance was Kshs.55,482.70 per MCA. The County Assembly had 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.483.71 million to county-established funds in FY 2024/25, or 2 per cent of the County's overall budget. Further, the County allocated Kshs.70 million to the Emergency Fund (0.3 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.264 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.264: Performance of County Established Funds in the First Half 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					
	Emergency Fund	70,000,000	-	-	-	Yes
	Nakuru County Persons Living with Disability Fund	27,500,000	-	-	-	Yes
	Bursary Fund	183,000,000	165,034,700	8,545,182	-	Yes
	Nakuru County Executive Car and Mortgage Loan	52,500,000	-	1,680,733	-	Yes
	Nakuru County Enterprise Fund	50,000,000	25,000,200	-	-	Yes
	Nakuru County Climate Change Fund	100,707,177	-			Yes
	County Assembly Established Funds					
	Nakuru County Assembly MCA Car and Mortgage Loan	-	-	13,499,178	-	Yes
	Total	**483,707,177**	**190,034,900**	**24,125,093**	-	

Source: Nakuru *County Treasury*

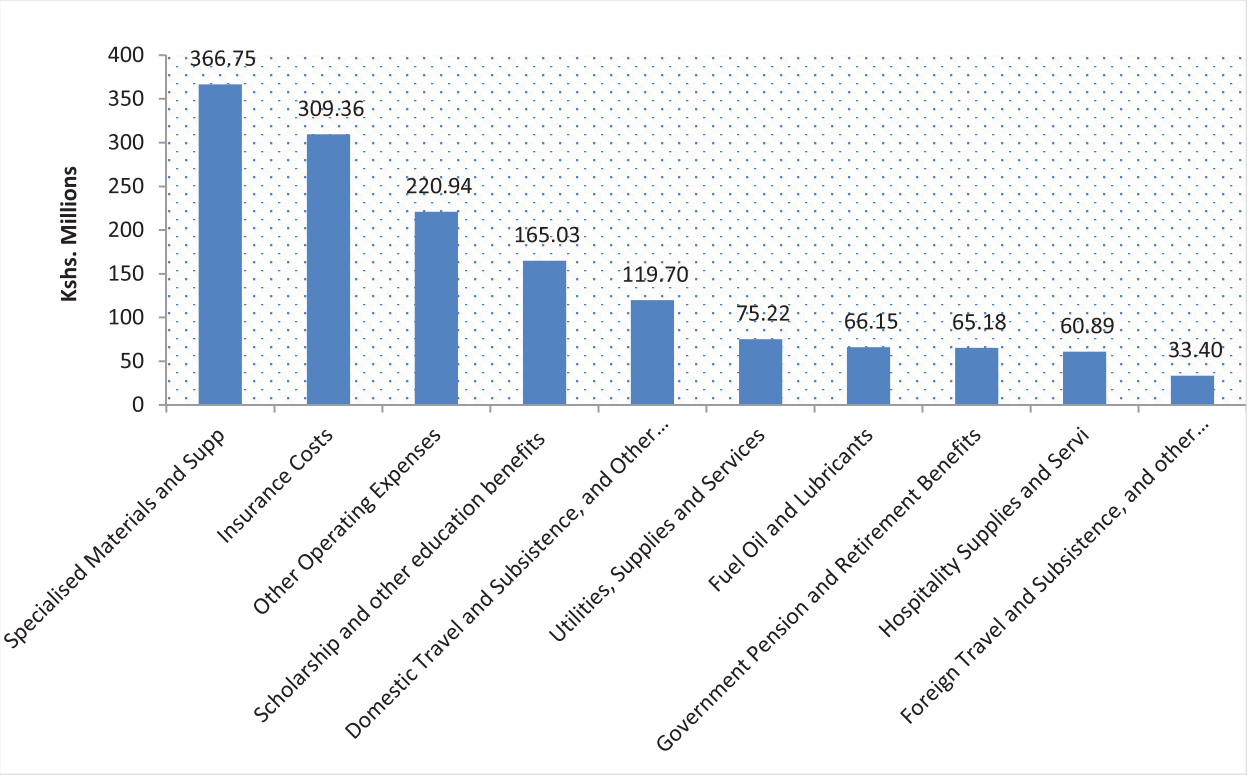
During the reporting period, the CoB received quarterly financial reports from all Fund Administrators, as indicated in Table 3.264, as stipulated in Section 168 of the PFM Act, 2012.

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.

3.31.10 Expenditure on Operations and Maintenance

Figure 124 summarises the Operations and Maintenance expenditure by major categories.

Figure 124: Nakuru County, Operations and Maintenance Expenditure by Major Categories



Source: Nakuru *County Treasury*

Expenditure on domestic travel amounted to Kshs.119.70 million and comprised Kshs.61.72 million spent by the County Assembly and Kshs.57.97 million by the County Executive. Expenditure on foreign travel amounted to Kshs.33.40 million and comprised Kshs.32.89 million by the County Assembly and Kshs.0.51 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.265.

Table 3.265: Summary of Highest Expenditure on Foreign Travel in the First Half 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 of Nakuru	7	9th-13th September 2024	Training on Corporate Governance and Board effectiveness	London	10,732,637
County Assembly of Nakuru	5	21-28th July 2024	Safari allowance while attending public policy, governance and administration program	Singapore	4,446,866
County Assembly of Nakuru	7	25th aug to 1st sep 2024	Safari allowance while attending management of committees in a county legislature training	Tanzania	2,616,255
County Assembly of Nakuru	7	25th aug to 1st sep 2024	Safari allowance for group 2 while attending management of committees in a county legislature training		2,616,255
County Assembly of Nakuru	7	15th to 22nd sep 2024	Safari allowance while attending management of committees in a county legislature training	Tanzania	2,616,255
County Assembly of Nakuru	7	15th to 22nd sep 2024	Safari allowance for group 2 while attending a management of committees in a county legislature training	Tanzania	2,616,255
County Assembly of Nakuru	7	4-9th Nov 2024	Safari allowance while attending the corporate leadership and governance in the 21st century	Dubai	3,751,180
County Assembly of Nakuru	1	2-7th Dec 2024	Safari allowance while attending public sector governance and budgetary reforms programme	Turkey	698,329

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly of Nakuru	6	17th to 24th nov 2024	Safari allowance while attending a management of committees in a county legislature training	Tanzania	2,089,799

Source: *Nakuru County Treasury and Nakuru County Assembly*

3.31.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.840.60 million as FIF, which was 45 per cent of the annual target of Kshs.1.88 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 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.

The expenditure by the health facilities amounted to Kshs.870.46 million, as shown in Table 3.266.

Table 3.266: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	P.G.H. Nakuru	990,593,242	512,455,356	52
	Naivasha District	454,039,755	158,119,864	35
	P.G.H. annexe	95,945,806	47,984,504	50
	Njoro s.c.h	28,318,304	11,785,597	42
	Molo District	70,319,020	35,482,297	50
	Olenguruone s.c.h	17,727,718	10,902,457	61
	Mirugi Kariuki	5,579,278	2,862,922	51
	Soin s.c.h	4,338,249	2,353,583	54
	Subukia s.c.h	20,521,350	6,925,694	34
	Gilgil hospital	77,879,013	34,697,306	45
	Kabazi s.c.h	4,301,670	1,832,473	43
	Keringet s.c.h	7,523,750	3,079,447	41
	Elburgon district	19,847,540	10,553,377	53
	Bondeni maternity	12,241,904	6,376,076	52
	Langa Langa	10,911,498	4,745,000	43
	Bahati hospital	60,121,903	20,308,311	34
	TOTAL	**1,880,210,000**	**870,464,264**	**46**

Source: ***Nakuru*** *County Treasury*

The Health Facility with the highest absorption rate was Olenguruone at 61 per cent.

3.31.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.368.76 million on development programmes, a 75 per cent decrease compared to a similar period in FY 2023/24, when the County spent Kshs.1.46 billion. Table 3.267 summarises the development projects with the highest expenditure in the reporting period.

Table 3.267: Nakuru 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	Education, Vocational training, ICT and E-Government	Conditional Allocation for Rehabilitation of Youth Polytechnics	Countywide	66,289,894	66,285,000	100
2	County Treasury	Construction of County Treasury Building	Headquarters	1,107,500,000	51,187,757	68
3	County Treasury	Kenya Devolution Support Programme Level II	Headquarters	120,374,189	33,263,916	98
4	Health Services	Purchase of medical and dental equipment (FIF)	Headquarters	190,000,000	29,986,388	16
5	Infrastructure	Grading and 'murraming' of Kongoi-Kio, Chemare-Bartakatiet, Ogilgei-Bochege and Chumbek-Mororbei road through Imarisha programme	Kiptororo	8,800,000	7,684,500	87
6	Infrastructure	Grading and 'murraming' of roads across the Ward (Imarisha Barabara)	Menengai	7,000,000	7,000,000	100
7	Health Services	Rehabilitation of Buildings - (FIF)	Headquarters	45,000,000	5,893,442	13
8	Water, Environment, Energy and Natural Resources	Rehabilitation of the Sewerage system	Naivasha Town	14,957,578	5,810,716	80
9	Trade, Industry, Marketing and Tourism	Rehabilitation of coffee factory at Mutungati Farmers Cooperative in Bahati	Bahati	5,799,010	5,197,275	90
10	Infrastructure	Roads rehabilitation through the Imarisha Barabara programme	Kihingo	5,000,000	5,000,000	100

Source: ***Nakuru*** *County Treasury*

3.31.13 Budget Performance by Department

Table 3.268 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.268: Nakuru 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	1235.22	185.00	528.06	4.19	479.06	4.19	91	100	39	2
Office of the Governor and Deputy Governor	379.92	48.97	104.25	5.46	78.38	5.46	75	100	21	11
County Treasury	1555.67	788.15	720.86	147.19	632.51	164.45	88	112	41	21
County Public Service Board	85.39	5.00	41.57	0	25.22	0	61	-	30	-
Health Services	6913.25	895.96	2,356.50	5.00	2,691.52	37.13	114	743	39	4
Infrastructure	285.18	1529.26	178.10	61.96	90.44	79.99	51	129	32	5
Naivasha Municipality	45.23	63.00	6.31	5.81	3.12	5.81	50	100	7	9

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
Office of the County Attorney	62.51	3.00	12.80	0	10.20	-	80	-	16	-
Nakuru City	84.88	59.50	13.80	0	14.89	-	108	-	18	-
Trade, Industry, Marketing and Tourism	240.74	198.11	56.17	0	45.92	-	82	-	19	-
Agriculture, Livestock and Fisheries	484.59	698.12	202.98	4.0	155.46	4.00	77	100	32	1
Lands, Physical Planning and Housing	187.81	736.28	65.9	77.44	47.24	-	72	-	25	-
Water, Environment, Energy and Natural Resources	311.59	834.03	121.76	105.11	101.29	-	83	-	33	-
Public Service, Training and Devolution	800.66	84.58	358.27	0	289.20	-	81	-	36	-
Education, Vocational training, ICT and E-Government	1116.54	569.55	497.81	67.73	435.46	67.73	88	100	39	12
Youth, Culture, Gender, Sports and Social Services.	242.04	218.48	87.32	0	60.18	-	69	-	25	-
Gilgil Municipality	25.26	40.00	0.4	0	0.40	-	100	-	2	-
Molo Municipality	23.77	35.00	0	0	-.00	-	-	-	-	-
TOTAL	**14080.28**	**6991.98**	**5,352.95**	**483.89**	**5,160.49**	**368.76**	96	76	37	5

***Source**: Nakuru County Treasury*

The Departments of Nakuru City, Infrastructure Health Services and County Treasury had absorption rates of over 100 per cent of exchequer issues due to conditional grants balances at the beginning of the financial year and the FIF.

Analysis of department expenditure shows that the Department of County Treasury recorded the highest absorption rate of development budget at 21 per cent, followed by the Department of Education, Vocational Training, ICT and E-Government at 12 per cent. The Department of Education, Vocational Training, ICT and E-Government had the highest percentage of recurrent expenditure to budget at 39 per cent, while the Department of Molo Municipality had no expenditure on recurrent expenditure at 0 per cent.

3.31.14 Budget Execution by Programmes and Sub-Programmes

Table 3.269 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.269: Nakuru County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate(%)	
		Rec	Dev	Rec	Dev	Rec	Dev
DEPARTMENT OF AGRICULTURE, LIVESTOCK AND FISHERIES							
Programme 1: Administration, planning and support services	SP 1.1: Administration planning and support services	29,883,621	152,835,721	3,933,395	2,995,900	13.2	2.0
	SP 1.2: Human Resource	391,341,414	0	150,346,122	0	38.4	0.0

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate(%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Programme 2: Livestock resource management and development	SP 2.1: Livestock production and management	40,714,667	900,037	495,500	0	1.2	0.0
	SP 2.2: Promotion of value addition of livestock and livestock products	0	0	-	-	-	-
	SP 2.3: Livestock extension service delivery	0	24,002,611	-	-	-	-
	SP 2.4: Food safety and livestock products development	0	8,110,067	-	-	-	-
	SP 2.5: livestock diseases management and control	0	13,377,352	-	-	-	-
Programme 3; Fisheries development	SP 3.1: Aquaculture development	0	0	-	-	-	-
	SP 3.2: development of capture fisheries resources	0	0	-	-	-	-
	SP 3.3 Fish quality assurance value addition and marketing	5,081,390	0	197,990	0	3.9	0.0
Programme 4: Crop development and management	SP 4.1 Agriculture extension research and training		2,437,402	-	-	-	-
	SP 4.2 crop production and food security	17,572,537	493,567,379	490,400	1,000,000	2.8	0.2
	SP 4.3 Farmland utilisation, conservation and Mechanization	0	0				
	SP 4.4 Agribusiness development and marketing	0	1,462,441				
	SP 4.5 Agri-Nutrition	0	1,431,138				
	Sub Total	**484,593,629**	**698124148**	**155,463,407**	**3,995,900**	**32.1**	**0.6**
NAIVASHA MUNICIPALITY							
Programme 1: Administration and planning and support services	SP 1.1 Administration and Planning	16,099,243	0	275,920	0	1.7	0.0
	SP 1.2; personnel services	14,072,662	0	2,847,910	0	20.2	0.0
	SP 1.3 financial services	0	0	0	0	0	0
Programme 2; Naivasha municipal services	SP 2.1 planning and infrastructure	0	36,000,000	0	0	0	0.0
	SP 2.2 environmental management and sanitation	0	27,000,000	0	5,810,716	0	21.5
	SP 2.3 Naivasha Social Services	8,055,408	0	0	0	0.0	0.0
	SP 2.4 tourism investment and trade	7,000,000	0	0	0	0.0	0.0
	Sub-Total	**45,227,313**	**63,000,000**	**3,123,830**	**5,810,716**	**6.9**	**9.2**

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate(%)	
		Rec	Dev	Rec	Dev	Rec	Dev
PUBLIC SERVICE, DEVOLUTION, CITIZEN ENGAGEMENT, DISASTER MANAGEMENT &HUMANITARIAN ASSISTANCE							
Programme 1: Administration, planning and support service	Sub-programme 1.1(Administration service)	61,947,354	0	4,629,348.80	0	7.5	0.0
	Sub-programme 1.2(Personal Service)	690,684,065.62	0	284,177,974	0	41.4	0.0
	Sub-programme 1.3(Financial Service)	0	0	0	0	0.0	0.0
	Sub-programme 1.4(Mainstream Workplace HIV/AIDS, Alcohol & Drug Abuse Control)	1,190,011	0	0		0.0	0.0
	Sub-programme 1.5(Rehabilitation/ Construction of Sub County Offices)	0	84,577,486	0		0.0	0.0
Programme 2: human resource management and development	SP 2.1; performance contracting	11,846,067.97	0	272,700	0	2.3	0.0
	SP 2.2 PERFORMANCE Appraisal system	11,846,067	0	0	0	0.0	0.0
	SP 2.3 Staff development through capacity building and training	4,026,805.34	0	0	0	0.0	0.0
Programme 3; civil education & public participation	SP 3.1 co-ordination of public and special community programme	637,076.67	0	123,500	0	19.4	0.0
Programme 4: Disaster management and humanitarian assistance	SP 4.1disaster management and humanitarian assistance	18,480174.24	0				
	Subtotals	**18,480,174.24**	**84,577,486**	**289,203,522**	**0**	**36.1**	**0.0**
DEPARTMENT OF EDUCATION, VOCATIONAL TRAINING, ICT AND E-GOVERNMENT							
Programme 1: Administration, planning and support service	SP 1.1 administration and support service	48,357,875	418,812,658	3,345,836	1,441,597	6.9	0.3
	SP 1.2 Personnel service	643,746,121	0	247,981,093	0	38.5	0.0
	SP 1.3 financial services	0	0	0	0	0	0
Programme 2: Promotion of early childhood education and development	SP 2.1 Promotion of Early Childhood	134,712,335	0	897,080	0	0.7	0.0
	SP 2.2 Bursaries	183,000,000	0	165,034,700	0	90.2	0.0
	SP 2.3Education development	0	66,450,251	0	0	0.0	0.0
Programme 3: Vocational training	SP 3.1 Vocational training	83,922,834	0	17,152,396	0	20.4	0.0
	SP 3.2 Vocational Training Infrastructure Development	0	81,289,894		66,285,000	0.0	81.5
Programme 4 Information and communication	SP 4.1 Public communication and media services	9,631,665	3,000,000	735,600	0	7.6	0.0

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate(%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Programme 5 ICT Infrastructure Development and e-government Services	SP 5.1 Network Infrastructure	13,169,794	0	311,800	0	2.4	0.0
	5.2 Hardware and software platforms	0	0	0	0	0.0	0.0
	5.3 E-government services	0	0	0	0	0.0	0.0
	Sub-Total	**1,116,540,624**	**569,552,803**	**435,458,505**	**67,726,597**	**39.0**	**11.9**
COUNTY TREASURY							
Programme 1: Administration, planning and support services	SP 1.1 Administration services	750,697,888	458,529,634	347,015,187	51,187,757	46.2	11.2
	SP 1.2 Personnel services	552,193,677	0	249,092,968	0	45.1	0.0
	SP 1.3 financial services	0	0	0	0	0.0	0.0
Programme 2: Public Finance Management	SP 2.1 Budget formulation coordination and management	105,918,535	0	20,855,225	0	19.7	0.0
	SP 2.2Resources mobilization	53,599,403.77	15,600,000	5,913,500	0	11.0	0.0
	SP 2.3 internal audit	15,432,885	0	782,145	0	5.1	0.0
	SP 2.4 procurement	12,790,171.97	0	1,090,700	0	8.5	0.0
	SP 2.5 public finance and accounting	14,991,459	0	1,666,914	0	11.1	0.0
	SP 2.6 Debt management	4,243,493.76	280,000,000	616,100	0	14.5	28.6
	SP 2.7 External Resources Mobilization	10,235,000	0	55,400	0	0.5	0.0
Programme 3: Economic and financial policy formulation and management	SP 3.1 Fiscal planning	30,383,188.42	0	5,041,200	0	16.6	0.0
	SP 3.2 monitoring and evaluation /statistical data management	5187,600	0	379,175	0	7.3	0.0
	SP 3.3 KDSP programme	0	34,017,547	0	33,263,916	0.0	97.8
	Sub-Total	**1,555,672,303.06**	**788,147,181.12**	**632,507,814**	**164,451,672**	**40.7**	**20.9**
NAKURU CITY							
Programme 1	SP 1.1 Administration and Support Services	33,832,848	0	2,605,000	0	7.7	0.0
	SP 1.2 Personnel services	33,209,943	0	11,989,658	0	36.1	0.0
	SP 1.3 financial services	600,000	0	25,000	0	4.2	0.0
Programme 2	SP 2.1 Infrastructure development and urban	0	59,500,000	0	0	0.0	0.0
	SP 2.2 Nakuru City Environments Management	824,495	0	50,000	0	6.1	0.0
	SP 2.3 Trade markets and investments	7,000,000	0	0	0	0.0	0.0
	SP 2.4 Nakuru City Social Services	9,416,848	0	219,950	0	2.3	0.0
	Sub-Total	**84,884,134**	**59,500,000**	**14,889,608**	**0**	**17.5**	**0.0**

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate(%)	
		Rec	Dev	Rec	Dev	Rec	Dev
DEPARTMENT OF YOUTH, CULTURE, GENDER, SPORTS AND SOCIAL SERVICES							
Programme 1: Administration, planning and support services	SP 1.1 Administration and Support Services	20,022,713	153,653,524	2,025,596	0	10.1	0.0
	SP 1.2 Personnel services	120,930,458	0	47,239,041	0	39.1	0.0
	SP 1.3 Financial services	0	0	0	0	0.0	0.0
Programme 2 Development of social-cultural Diversity, Economic Empowerment and Responsible Gaming	SP 2.1; Gender Equality and Empowerment	5,320,000	0	235,500	0	4.4	0.0
	SP 2.2 Social Inclusion and Empowerment	38,902,800	0	45,000	0	0.1	0.0
Programme 3 Management and development of sports, recreation and sports facilities	SP 3.1 Development and Management of Sports Infrastructure	0	58,823,107	0	0	0.0	0.0
	SP 3.2 Promotion of Sports Development and Recreation	49,880,000	0	10,384,8500	0	20.8	0.0
Programme 4: Youth empowerment and participation	SP 4.1 youth empowerment and participation	6,988,194	6,000,000	250,200	0	3.6	0.0
	Sub-Total	**242,044,164.81**	**218,476,631**	**60,180,187**	**0**	**24.9**	**0.0**
DEPARTMENT OF WATER, ENVIRONMENT, CLIMATE, ENERGY &NATURAL RESOURCES							
Programme 1 Administration	SP 1.1 Administration services	25,307,898	0	1,422,626	0	5.6	0.0
	SP 1.2 Human resources	247,900,174	0	99,739,458	0	40.2	0.0
	SP 1.3 Finance services	500,000	0	0	0	0.0	0.0
Programme 2 water and sewage management	SP 2.1 Provision of water	3,455,000	603,320,148	94,800	0	2.7	0.0
	SP 2.2 sewerage	625,000	0	0	0	0.0	0.0
Programme 3:Environment management	SP 3.1 Pollution control	0	0	0	0	0.0	0.0
	SP 3.2 Solid Waste Management	4,177,500	0	0	0	0.0	0.0
	SP 3.3 regulation	1,000,000	0	0	0	0.0	0.0
	SP 3.4:Natural	1,000,000	0	0	0	0.0	0.0
Programme 4 County energy, planning, regulation, operation and development	SP 4.1 County Energy Development	5,000,000	0	33,000	0	0.1	0.0
	SP 4.2 Climate change resilience/forestry	22,627,615	230,707,177	0	0	0.0	0.0
	Sub-Total	**311,593,187**	**834,027,325**	**101,289,884**	**0**	**39.8**	**0.0**
OFFICE OF THE GOVERNOR AND DEPUTY GOVERNOR							
Programme 1 Administration, planning and support	SP 1.1 Administration and Planning	108,072,339.40	48,965,736	28,752,327	5,460,350	26.6	11.2
	SP 1.2 Personnel services	136,718,549	0	49,628,118	0	36.3	0.0
Programme 2 management of county affairs	SP 2.1 County Executive services	13,477,683.52	0	0	0	0.0	0.0

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate(%)	
		Rec	Dev	Rec	Dev	Rec	Dev
0.0	SP 2.2 policy direction and coordination	84,609,245	0	0	0	0.0	0.0
	SP 2.3 county policing services	4,685,548	0	0	0	0.0	0.0
	SP 2.4 leadership and governance	3,123,698	0	0	0	0.0	0.0
Programme 3 coordination and supervisory services	SP 3.1 organisation of county businesses	21,427,738	0	0	0	0.0	0.0
	SP 3.2 Special programmes	7,809,246	0	0	0	0.0	0.0
	Sub-Total	**379,924,046.92**	**48,965,736**	**78,380,445**	**0**	**20.6**	**11.2**
OFFICE OF THE COUNTY ATTORNEY							
Programme 1 Administration, Planning and Support services	SP 1.1 Administration	15,395,000	3,000,000	778,945	0	5.1	0.0
	SP 1.2 Personnel services	28,471,782	0	9,373,064	0	32.9	0.0
	SP 1.3 financial services	600,000	0	0	0	0.0	0.0
Programme 2Advisory services	SP 2.1 Advisory legal services	18,043,931	0	50,000	0	27.7	0.0
	SP 2.2 Legal matters	0	0	0	0	0.0	0.0
	Sub-Total	**62,510,713**	**3,000,000**	**10,202,009**	**0**	**16.3**	**0.0**
DEPARTMENT OF INFRASTRUCTURE							
Programme 1 administration, planning and support services	SP 1.1 Administration services	25,350,000	0	1,507,500	0	5.9	0.0
	SP 1.2 Personnel services	121,124,969	0	57,080,746	0	47.1	0.0
	SP 1.3 financial services	0	0	0	0	0.0	0.0
Programme 2 infrastructure, development and maintenance	SP 2.1 Construction, rehabilitation and maintenance of road drainage and bridges	10,382,785	1,484,705,308	0	79,987,056	0.0	5.4
	SP 2.2 Rehabilitation and maintenance of transport terminus	500,000	0	0	0	0.0	0.0
	SP 2.3 Maintenance & rehabilitation of county buildings	2,120,000	1,550,000	0	0	0.0	0.0
	SP 2.4 Street lighting	125,700,000	43,000,000	31,850,000	0	25.3	0.0
	Sub-Total	**285,177,754**	**1,529,255,308**	**90,438,246**	**79,987,056**	**31.7**	**5.2**
DEPARTMENT OF HEALTH SERVICES							
Programme 1 administration and planning	SP 1.1 Health information systems	21,800,000	0	0	0	0.0	0.0
	SP 1.2 governance and leadership	897,735,699	0	60,122,865	0	6.7	0.0
	SP 1.3 Human resource management	4,033,026,658	0	1,765,721,318	0	43.8	0.0
	SP 1.4 Research and development	3,500,000	0	0	0	0.0	0.0
	SP 1.5 Health infrastructure and development	9,800,000	0	0	0	0.0	0.0

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate(%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Programme 2 health preventive and promotive services	SP 2.1 Primary Healthcare	823,325	270,824,391	0	0	0.0	0.0
	SP 2.2 environmental health and sanitation	2,100,000	0	0	0	0.0	0.0
	SP 2.3 Human resource	225,039,940	0	0	0	0.0	0.0
	SP 2.4 Disease surveillance and emergency response	1,000,000	0	0	0	0.0	0.0
	SP 2.5 Health promotive	1,000,000	0	0	0	0.0	0.0
	SP 2.6 HIV programme	2,000,000	0	0	0	0.0	0.0
	SP 2.7 Nutrition	11,500,000	12,500,000	0	1,220,724	0.0	9.8
	SP 2.8 Reproductive health	1,250,000	0	0	0	0.0	0.0
	SP 2.9 immunisation	2,000,000	0	0	0	0.0	0.0
Programme 3 Health curative and rehabilitative services	SP 3.1 Provision of essential health services in all	1,296,505,448	612,636,956	594,415,753	35,910,670	45.8	5.9
	SP 3.2 Elimination of communicable and non-communicable diseases	2,300,000	0	0	0	0.0	0.0
	SP 3.3 Human resource	401,873,533	0	271,257,614	0	67.5	0.0
	Sub-Total	**6,913,254,603**	**895,961,347**	**2,692,517,550**	**37,131,394**	**38.9**	**4.1**
DEPARTMENT OF LANDS, PHYSICAL PLANNING AND HOUSING							
Programme 1: Administration, Planning, Management and Support Services	SP 1.1: Administration and Financial Services	33394099	0	6,509,081	-	19.5	-
	Sp.1.2: Personnel Services	111457581	0	40,730,067	-	36.5	-
Programme 2 Urban Development	SP 2.1: Maintenance of County Estates	7360000	550,000,000	-	-	-	-
	Sp 2.2: Urban Institution Framework	15020000	6,565,986	-	-	-	-
Programme 3: Land Use	SP 3.1: Land use	20580000	169,116,821	-	-	-	-
	SP 3.2: Survey		10,600,000	-	-	-	-
	Sub Total	**187,811,680**	**736,282,807**	**47,239,148**	**-**	**32.6**	**-**
DEPARTMENT OF TRADE, INDUSTRY, MARKETING AND TOURISM							
Programme 1 Administration planning	SP 1.1 Administration Services	20,987,370	0	3,251,800	0	15.5	0.0
	SP 1.2 Personnel services	113,006,792	0	37,896,755	0	33.5	0.0

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate(%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Programme 2 cooperatives	SP 2.1: Management of Marketing Cooperatives	0	0	0	0	0.0	0.0
	SP 2.2 Sacco Empowerment	25,000,000	0	0	0	0.0	0.0
	SP 2.3 Cooperatives Leadership and Governance	12,270,000	0	869,430	0	7.1	0.0
	SP 2.4 management of housing and investment cooperatives	500,000	0	0	0	0.0	0.0
Programme 3: Commerce and Enterprise	SP 3.1 Business development services for SMEs	34,120,000	0	1,074,300	0	3.1	0.0
	SP 3.3 Consumer protection	3,600,000	0	400,000	0	11.1	0.0
	SP 3.4 Promotion Of Responsible Gaming	5,300,000	0	128,400	0	2.4	0.0
Programme 4 market	SP 4.1 Market rehabilitation & development	0	198,105,111	0	0	0.0	0.0
	SP 4.3 Market users' delivery services	4,830,000	0	675,000		14.0	0.0
Programme 5 Tourism	SP 5.1 Promotion of Local Tourism	6,940,000	0	697,100	0	10.0	0.0
	SP 5.2 Management of county tourism information centre	0	0	0	0	0.0	0.0
Programme 6 alcoholic drinks and Control	SP 6.1 inspection, approval and liquor licencing	4,650,000	0	300,700	0	6.5	0.0
	SP 6.4 Treatment and rehabilitation of persons dependent on alcoholic drinks	300,000	0	0	0	0.0	0.0
	SP 6. Management of county	2,200,000	0	0	0	0.0	0.0
	SP 7.1 Cultural Development Activities	7,040,000	0	622,000	0	8.8	0.0
Programme7: Development of socio-cultural diversity and promotion	SP 7.2 promotion of responsible gaming	5,300,000	0	0	0	0.0	0.0
	Sub-Total	**240,744,162**	**198,105,111**	**45,915,485**	**0**	**19.1**	**0.0**
COUNTY PUBLIC SERVICE BOARD							
Programme1: Administration and Human Resource Planning	SP 1.1 Administrative Services.	70,492,825	5,000,000	4,566,803	0	16.0	0.0
	SP 1.2 Financial Services	2,300,000	0	20,451,486	0	43.8	0.0
Programme2: Human Resource Planning and Advisory Services	SP 2.1 Human Resource Planning	10,000,000	0	1,000	0	0.0	0.0
	SP 2.2 Provision of Human Resource Advisory Services	2,600,000	0	199,232	0	7.9	0.0
	Sub-Total	**85,392,825**	**5,000,000**	**25,218,520**	**0**	**29.5**	**0.0**

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate(%)	
		Rec	Dev	Rec	Dev	Rec	Dev
MOLO MUNICIPALITY							
Programme 1: Administration Planning and Support Services	SP 1.1: Administration and Planning	8,258,198	-	0	0	0.0	0.0
Programme 2: Molo Municipal Services	S.P 2.1: Personnel Services	3,949,400	-	0	0	0.0	0.0
	S.P 2.2: Environmental Management			0	0	0.0	0.0
	S.P 2.3: Trade and Tourism	7,000,000	-	0	0	0.0	0.0
	S.P 2.4: Social Services	4,566,000	-	0	0	0.0	0.0
	Sub-Total	**23,773,598**	**-**	**0**	**0**	**0.0**	**0.0**
GILGIL MUNICIPALITY							
Programme 1: Administration Planning and Support Services	SP 1.1: Administration and Planning	11,845,214	0	402,200	0	3.4	0.0
	Sp;1.2 personnel services ;	3,260,000	0	0	0	0.0	0.0
Programme 2: Gilgil Municipal Services	S.P 2.1: Planning and Infrastructure Development	0	40,000,000	0	0	0.0	0.0
	S.P 2.2: Environmental Management	1,000,000	0	0	0	0.0	0.0
	S.P 2.3: Trade and Tourism	7,000,000	0	0	0	0.0	0.0
	S.P 2.4: Social Services	2,150,000	0	0	0	0.0	0.0
	Sub-Total	25,255,214	40,000,000	402,000	0	1.6	0.0
COUNTY ASSEMBLY							
Programme 1: Administration	Compensation of Employees	193,542,726	0	87,049,492	0	45.0	0.0
	Use of Goods and services	374,250,000	0	127,452,164	0	34.1	0.0
	Transfer to Other Government entities	0	0	0	0	0.0	0.0
	Acquisition of Assets	185,000,000	0	0	4,192,200	0.0	2.3
Programme 2: Legislative Services	Compensation of Employees	327,028,996	0	143,514,498	0	43.9	0.0
	Use of goods and services	340,400,000	0	121,039,495	0	35.6	0.0
	Acquisition of Assets	0	0	0	0	0.0	0.0
	Sub-Total	1,420,221,758	0	479,055,649	4,192,200	38.8	2.3
Grand Total		**14,080,279,334**	**6,991,975,883**	**5,160.49**	**368.76**	**36.7**	**5.3**

***Source**: Nakuru County Treasury*

Based on absorption rates, the sub-programmes with the highest implementation levels were Bursaries in the Department of Education, Vocational training, ICT and E-Government at 90 per cent, Human Resources in the Department of Health Services at 68 per cent, Personnel services in the Department of Infrastructure at 47 per cent, and Administration services at 46 per cent of budget allocation in the County Treasury.

3.31.15 Accounts Operated Commercial Banks

The County Government operated 297 bank accounts with commercial banks, including 195 accounts for Health Facilities, 70 accounts for Vocational Training Centers, 15 accounts for Established Funds, seven revenue accounts, eight special purpose accounts (additional allocations), two imprest accounts, and three recurrent operational accounts and xx development operational accounts.

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.

3.31.16 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 underperformance of own-source revenue at Kshs.1.35 billion against an annual target of Kshs.4.11 billion, representing 33 per cent of the yearly target.

ii. The high pending bills amounted to Kshs.1.46 billion as of 31 December 2024.

iii. Use of manual payroll. Personnel emoluments amounting to Kshs.314.88 million were processed through the manual payroll, accounting for 9 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.

iv. 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 revenue collection, imprests and operations.

v. Low absorption of development funds as indicated by the expenditure of Kshs.368.76 million from the annual development budget allocation of Kshs.6.99 billion. The development expenditure represented 5 per cent of the annual development budget.

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 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 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.*

iv. *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.*

v. *The county should identify and address issues causing delays in implementing development projects.*

3.32. County Government of Nandi

3.32.1 Overview of FY 2024/25 Budget

The Nandi County Gross Approved FY 2024/25 budget is Kshs.9.20 billion. It comprises Kshs.2.99 billion (32.5 per cent) and Kshs.6.21 billion (67.5 per cent) allocations for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs.160.91 million (1.7 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.3.20 billion and a recurrent budget of Kshs.6.16 billion.

The budget will be financed from different sources of revenue. These include Kshs.7.60 billion (82 per cent) expected as the equitable share of revenue raised nationally, Kshs.972.38 million as additional allocations, and Kshs.607.33 million (7 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.301.23 million (3 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.306.10 million (3 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.270.

3.32.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.4.78 billion to fund its development and recurrent activities. This amount consisted of Kshs.4.57 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) collection of Kshs.159.78 million.

The total OSR collection includes Facilities Improvement Financing (FIF) of Kshs.77.93 million and Kshs.81.85 million as ordinary OSR. Table 3.270 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.270: Nandi County, Revenue Performance in the First Half of FY 2024/25

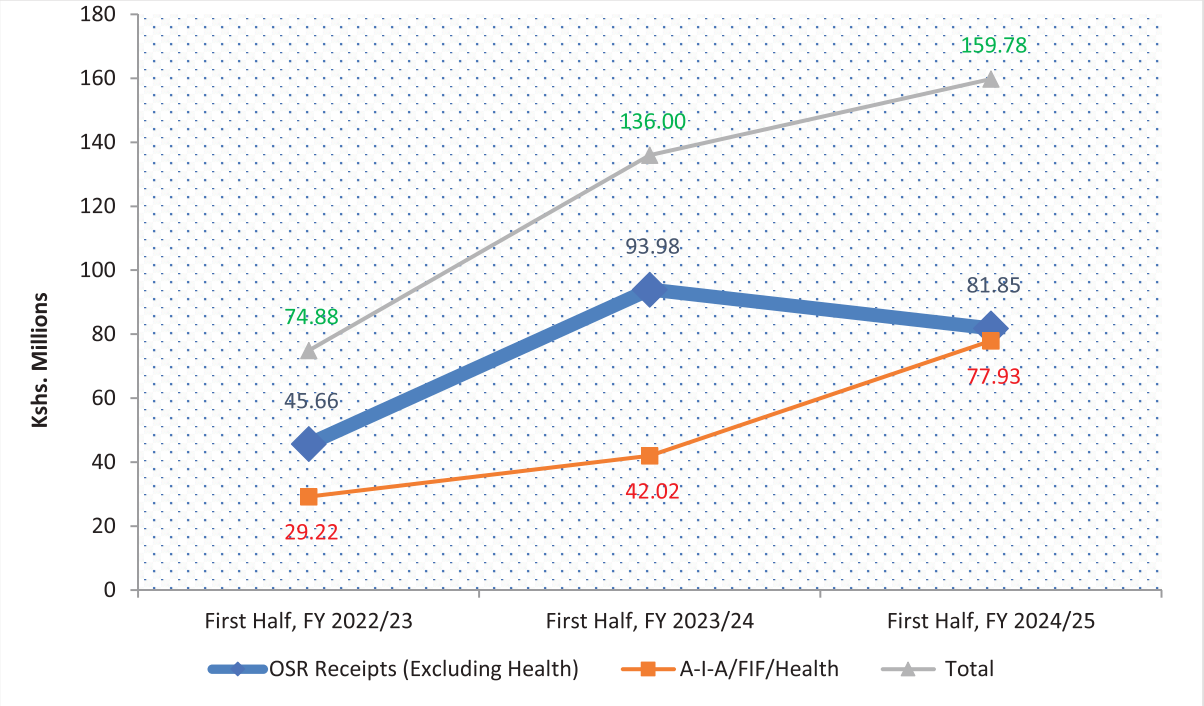
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	7,604,787,567	4,571,074,683	60
Sub Total		**7,604,787,567**	**4,571,074,683**	**60**
B	**Conditional Grants**			
1	KDSP II - World Bank	37,500,000	-	-
2	IDA (WORLD BANK). -National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	-	-
3	Kenya Urban Support Project (KUSP)- UIG	35,000,000	-	-
4	KISIP-Kenya Informal Settlements Improvement Project	208,354,058	-	-
5	DANIDA- Primary Healthcare in a Devolved Context	8,238,750	-	-
6	Kenya Urban Support Project (KUSP)- UDG	33,993,380	-	-
7	Sweden- Kenya Agriculture Business Development Project	10,918,919	-	-
8	Nandi County HIV/AIDS Programme	15,419,690		-
9	County Aggregation and Industrial Parks	187,500,000	52,631,579	-
10	Road Maintenance Fuel Levy Fund	187,283,794	-	-
11	Community Health Promoters	96,660,000	-	-
Sub-Total		972,383,743	52,631,579	**5**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	306,096,685	81,850,399	27
2	Balance b/f from FY2023/24	-	-	0
3	Facility Improvement Fund (FIF)	301,231,711	77,927,121	26
4	Other Revenues	17,907,661	-	-
Sub Total		625,236,057	159,777,520	26
Grand Total		**9,202,407,366**	**4,783,483,782**	**52**

Source: *Nandi County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF.

Figure 125 shows the trend in own-source revenue collection from the first half of FY 2022/23 to the first half of FY 2024/25.

Figure 125: Trend in Own-Source Revenue Collection from the First Half of FY 2022/23 to the First Half of FY 2024/25



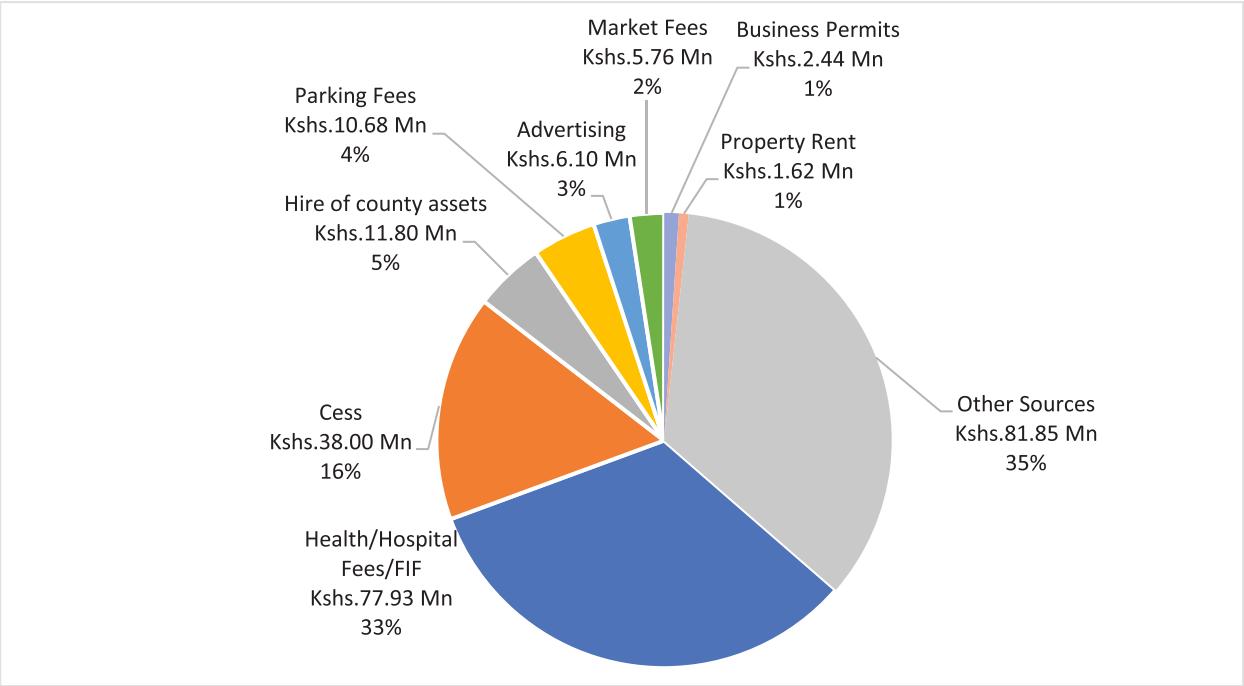
Source: *Nandi County Treasury*

During the first half of FY 2024/25, the County generated Kshs.159.78 million from its revenue sources, including AIA and FIF. This amount was an increase of 18 per cent compared to Kshs.136 million realised in the same period in FY 2023/24, which was 26 per cent of the annual target and 4 per cent of the equitable revenue share disbursed.

The increase in OSR can be attributed to increased land rate collection and collections for health services.

The revenue streams which contributed the highest OSR receipts are shown in Figure 126.

Figure 126: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: *Nandi County Treasury*

The highest revenue stream, Kshs.77.93 million, was from Hospital Fees, which contributed 33 per cent of the total OSR receipts during the reporting period.

3.32.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.09 billion from the CRF account during the reporting period, which comprised Kshs.555.73 million (18 per cent) for development programmes and Kshs.2.54 billion (82 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.87 billion was released towards compensation of employees and Kshs.661.92 million for operations and maintenance expenditures.

Analysis of the operations and maintenance exchequer releases indicates that 20.5 per cent was for domestic travel and 1.66 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.135.40 million and included Kshs.55.47 million for the County Executive and Kshs.79.94 million for the County Assembly. The foreign exchequer totalled Kshs.10.95 million, comprising Kshs.1.02 million for the County Executive and Kshs.9.93 million for the County Assembly.

Table 3.271: Nandi County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	503.69	118.00	332.87	10.16	66.1	8.6
Health and Sanitation	2,651.69	334.10	1,194.90	54.18	45.1	16.2
Public Service and Labour	62.66	-	-	-	-	-
County Assembly	881.81	120.00	369.33	-	41.9	-
Kapsabet Municipality	65.88	48.99	-	8.36	-	17.1
Office of the County Attorney	89.43	-	20.00	-	22.4	-
Finance and Economic Planning	452.90	48.00	218.39	-	48.2	-
Administration, Public Service and E-Government	363.41	30.50	114.19	11.69	31.4	38.3
Agriculture and Co-operatives Development	233.65	300.47	133.00	100.35	56.9	33.4
Sports, Youth Affairs, Culture and Heritage	126.64	42.86	32.68	16.00	25.8	37.3
Education and Vocational Training	439.72	379.81	132.62	58.73	30.2	15.5
Lands, Environment, Natural Resources and Climate Change	112.48	484.36	24.00	136.80	21.3	28.2
Transport, Public Works and Infrastructure Development	153.41	821.38	44.44	162.75	29.0	19.8
Trade, Tourism, Industrialization and Enterprise Development	73.53	263.05	-	63.57	-	24.2
Total	**6,211**	**2,992**	**2,616**	**623**	**42.1**	**20.8**

***Source**: Nandi County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.547.65 million.

3.32.4 County Expenditure Review

The County spent Kshs.3.72 billion on development and recurrent programmes in the reporting period. The expenditure represented 120 per cent of the total funds released by the CoB and comprised Kshs.741.57 million and Kshs.2.98 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 24.8 per cent, while recurrent expenditure represented 47.9 per cent of the annual recurrent expenditure budget.

3.32.5 Settlement of Pending Bills

As of September 30, 2024, the Nandi County Executive had outstanding bills totalling Kshs. 569.33 million. This amount included Kshs. 322.10 million for recurrent expenses and Kshs. 290.52 million for development activities. During the second quarter of the FY 2024/25, the Controller of Budget approved requisitions amounting to Kshs. 211.47 million for pending bills in Nandi County. A reconciliation of Nandi County's pending bills is currently ongoing.

3.32.6 Expenditure by Economic Classification

The County Executive spent Kshs.1.35 billion on employee compensation, Kshs.1.21 million on operations and maintenance, and Kshs.741.57 million on development activities. Similarly, the County Assembly spent

Kshs.179.30 million on employee compensation and Kshs.239.42 million on operations and maintenance. as shown in Table 3.272.

Table 3.272: 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	**5,329,072,079**	**881,813,047**	2,558,088,057	418,721,758	**48.0**	**47.5**
Compensation to Employees	3,664,792,587	434,385,867	1,347,890,527	179,300,245	36.8	41.3
Operations and Maintenance	1,664,279,492	447,427,180	1,210,197,530	239,421,513	72.7	53.5
Development Expenditure	2,871,522,240	120,000,000	741,573,183	-	25.8	-
Total	**8,200,594,319**	**1,001,813,047**	**3,299,661,240**	**418,721,758**	40.2	41.8

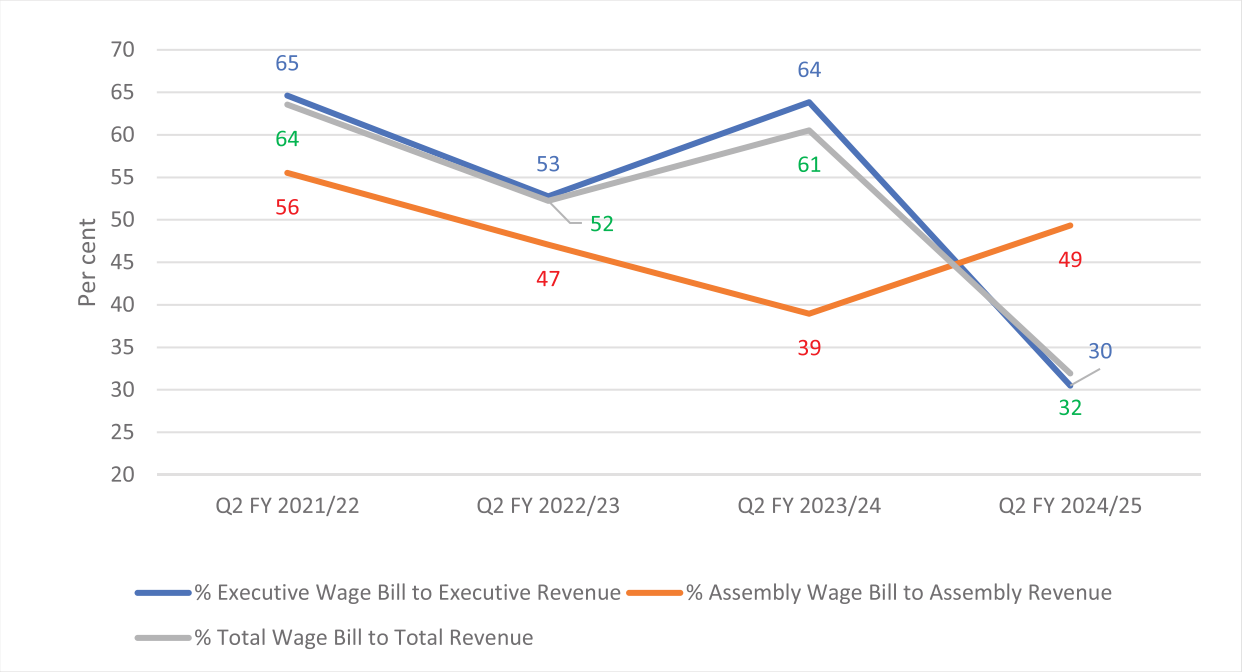
***Source**: Nandi County Treasury*

3.32.7 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.53 billion, or 32 per cent of the available revenue of Kshs.4.78 billion. This expenditure represented a decrease from Kshs.1.92 billion reported in the same period in FY 2023/24. The wage bill included Kshs.1.22 billion paid to the Health Sector employees, translating to 80 per cent of the total wage bill.

Figure 127 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2021/22 to the first half of FY 2024/25.

Figure 127: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2021/22 to the First Half of FY 2024/25



Source: Nandi County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.45 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.75.20 million was processed through manual payrolls, which accounted for 5 per cent of the total PE cost.

The County Assembly spent Kshs.13.69 million on committee sitting allowances for the 45 MCAs against the annual budget allocation of Kshs.27.46 million. The average monthly sitting allowance was Kshs.50,693 per MCA. The County Assembly had 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. The County allocated Kshs.227 million to County-Established funds in FY 2024/25, or 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 3.273 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.273: Performance of County Established Funds in the First Half 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**	

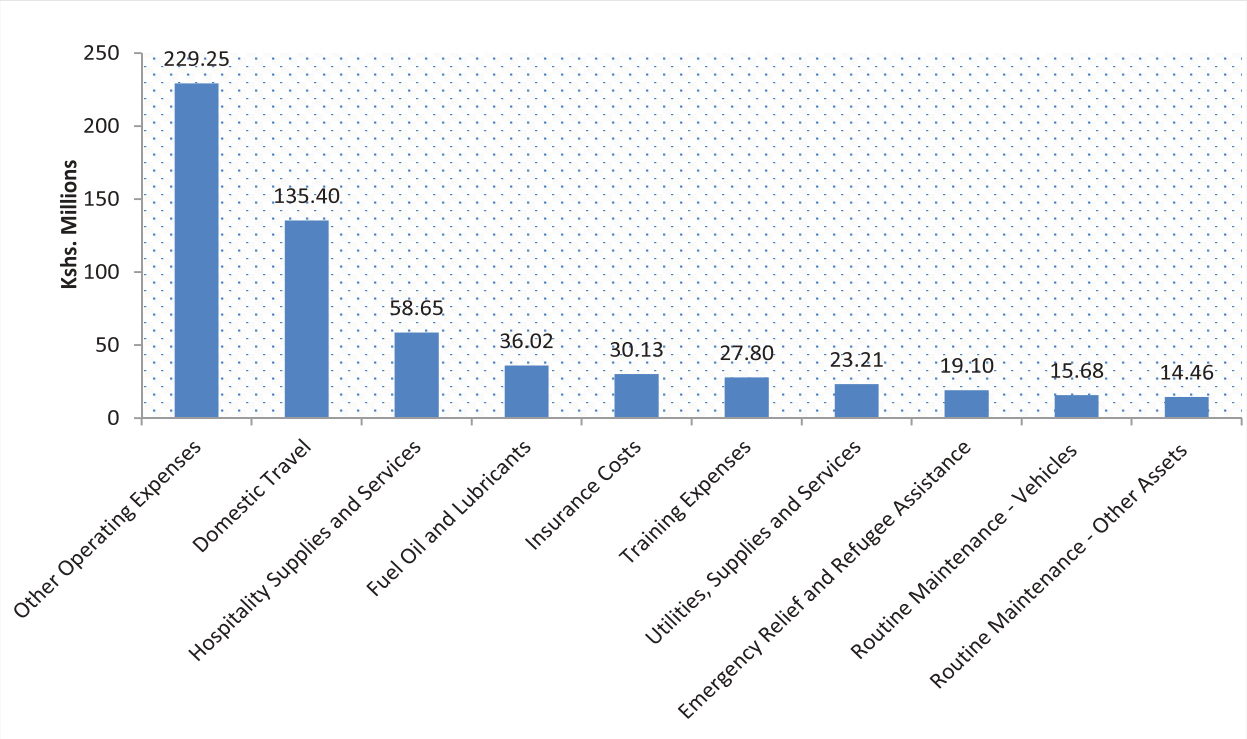
Source: *Nandi County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from two Fund Administrators, as indicated in Table 3.273, contrary to the requirement of Section 168 of the PFM Act, 2012.

3.32.9 Expenditure on Operations and Maintenance

Figure 128 summarises the Operations and Maintenance expenditure by major categories.

Figure 128: Nandi County, Operations and Maintenance Expenditure by Major Categories



Source: *Nandi County Treasury*

Expenditure on domestic travel amounted to Kshs.135.40 million and comprised Kshs.79.94 million spent by the County Assembly and Kshs.55.47 million by the County Executive. Expenditure on foreign travel amounted to Kshs.10.95 million and comprised Kshs.9.93 million by the County Assembly and Kshs.1.02 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.274.

Table 3.274: Summary of Highest Expenditure on Foreign Travel in the First Half of FY 2024/25

S/No.	Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of The Travel	Destination	Total Costs 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 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

Source: Nandi County Treasury and Nandi County Assembly

The operations and maintenance costs include an expenditure of Kshs.13.27 million on legal fees/ dues and arbitration.

3.32.10 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.77.93 million as FIF, which was 25.9 per cent of the annual target of Kshs.301.23 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 expenditure by the health facilities amounted to Kshs.73.52 million, as shown in Table 3.275.

Table 3.275: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Kapsabet County Referral Hospital	100,000,000	40,049,953	40
	Nandi Hills Sub-County Hospital	20,000,000	18,840,002	94
	Meteitei Sub-County Hospital	7,250,000	4,423,739	61
	Kaptumo Sub-County Hospital	6,250,000	4,524,507	72
	Mosoriot Sub-County Hospital	4,000,000	2,802,246	70
	Kabiyet Sub-County Hospital	4,500,000	2,061,080	46
	Chepterwai Sub-County Hospital	3,000,000	817,270	27
	Total	**145,000,000**	**73,518,797**	**51**

Source: *Nandi County Treasury*

The Health Facility with the highest absorption rate was Nandi Hills Sub-County Hospital.

3.32.11 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.741.57 million on development programmes, representing an increase of 108.58 per cent compared to the same period in FY 2023/24, when the County spent Kshs.355.53 million. Table 3.276 summarises the development projects with the highest expenditure in the reporting period.

Table 3.276: Nandi County, List of Development Projects with the Highest Expenditure

S.No.	Sector	Project Name	Project Location	Contract Sum (Kshs)	Amount Paid to Date	Implementation Status (% of Completion)
1	Health and Sanitation	Retention Fees for Construction of Mother and Baby	Kapsabet	24,030,233	23,330,323	100
2	Water and Natural Resources	Partial Payment for County Physical and Land Use	County Wide	11,742,000	11,400,000	100
3	Water and Natural Resources	Electricity Bill Subsidy	County Wide	10,300,000	10,000,000	100
4	Agriculture	Electrical Works at Kabiyet Processing Plant	Kabiyet	9,131,491	8,865,526	100
5	Trade and Investment	Partial Construction of Fresh Produce Market	Kapsabet	8,200,226	7,961,385	100
6	Transport and Infrastructure	Supply and Delivery of Fuel	County Wide	7,085,690	6,879,310	100
7	Transport and Infrastructure	Supply of Murram	County Wide	6,180,000	6,000,000	100
8	Trade and Investment	Purchase of Land for Kiptuiya VCT	Kiptuya	6,098,754	5,921,121	100
9	Trade and Investment	Construction of Fresh Product Market at Kapsabet	Kapsabet	4,906,707	4,763,793	100
10	Transport and Infrastructure	Spot Improvement and Maintenance of Kebulonik-Kapchumo Road	Sangalo	4,857,281	4,715,807	100

Source: *Nandi County Treasury*

3.32.12 Budget Performance by Department

Table 3.277 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.277: Nandi County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.Millions)		Exchequer Issues (Kshs.Millions)		Expenditure (Kshs.Millions)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	503.69	118.00	332.87	10.16	265.06	18.44	79.6	181.4	52.6	15.6
Health and Sanitation	2,651.69	334.10	1,194.90	54.18	1,444.81	59.98	120.9	110.7	54.5	18.0
Public Service and Labour	62.66	-	-	-	14.53	-	-	-	23.2	-
County Assembly	881.81	120.00	369.33	-	418.72	-	113.4	-	47.5	-
Kapsabet Municipality	65.88	48.99	-	8.36	14.85	7.85	-	93.9	22.5	16.0
Office of the County Attorney	89.43	-	20.00	-	35.90	-	179.5	-	40.1	-
Finance and Economic Planning	452.90	48.00	218.39	-	256.41	11.41	117.4	-	56.6	23.8

Department	Budget Allocation (Kshs.Millions)		Exchequer Issues (Kshs.Millions)		Expenditure (Kshs.Millions)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Administration, Public Service and E-Government	363.41	30.50	114.19	11.69	85.21	9.12	74.6	78.1	23.4	29.9
Agriculture and Co-operatives Development	233.65	300.47	133.00	100.35	109.50	129.13	82.3	128.7	46.9	43.0
Sports, Youth Affairs, Culture and Heritage	126.64	42.86	32.68	16.00	41.91	10.77	128.2	67.3	33.1	25.1
Education and Vocational Training	439.72	379.81	132.62	58.73	203.49	81.82	153.4	139.3	46.3	21.5
Lands, Environment, Natural Resources and Climate Change	112.48	484.36	24.00	136.80	43.18	154.99	179.9	113.3	38.4	32.0
Transport, Public Works and Infrastructure Development	153.41	821.38	44.44	162.75	37.54	215.66	84.5	132.5	24.5	26.3
Trade, Tourism, Industrialization and Enterprise Development	73.53	263.05	-	63.57	5.70	42.42	-	66.7	7.8	16.1
Total	**6,211**	**2,992**	**2,616**	**623**	**2,977**	**742**	**113.8**	**119.1**	**47.9**	**24.8**

***Source**: Nandi County Treasury*

Analysis of department expenditure shows that the Department of Agriculture and Co-operatives Development recorded the highest absorption rate of development budget at 43 per cent, followed by the Department of Lands, Environment, Natural Resources and Climate Change at 32 per cent. The Department of Finance and Economic Planning had the highest percentage of recurrent expenditure to budget at 57 per cent. In contrast, the Department of Trade, Tourism, Industrialization and Enterprise Development had the lowest at 8 per cent.

Some departments reported expenditure to exchequer issues exceeded 100 per cent due to the reported expenditures, including both payments and commitments as per IFMIS reports.

3.32.13 Budget Execution by Programmes and Sub-Programmes

Table 3.278 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.278: Nandi County, Budget Execution by Programmes and Sub-Programmes

Program	Sub Program	Description	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
			Rec	Dev	Rec	Dev	Rec	Dev
101004410		**Administration and general support services**	**704,515,899**	**255,202,329**	**440,035,036**		**62**	-
	101014410	Administration and support services	704,515,899	255,202,329	440,035,036		62	-
201004410		**General Administration and Support Services**	**76,703,697**	**366,806,040**	**37,539,038**		**49**	-
	201014410	General Administration and support services	76,703,697	366,806,040	37,539,038		**49**	-
202004410		**Road Transport**		**534,829,857**		**215,657,020**	-	**40**
	202024410	Road-works		534,829,857		215,657,020	-	**40**
301004410		**General Administration and Support Services**	**36,763,240**			**5,702,220**	-	-

Program	Sub Program	Description	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
			Rec	Dev	Rec	Dev	Rec	Dev
	301014410	General Administration & Support Services	36,763,240			5,702,220	-	-
302004410		**Trade development**		**131,527,166**		**42,417,487**	-	**32**
	302014410	Trade Development &Promotion		131,527,166		42,417,487	-	**32**
401004410		**Health Service Delivery Administration Services**	**2,611,141,351**	**167,050,000**	**1,444,809,985**	**59,977,928**	**55**	**36**
	401014410	Health Service Delivery Administration Services	2,611,141,351	167,050,000	1,444,809,985	59,977,928	**55**	**36**
701004410		**General Administration and Support Services**	**861,175,016**	**68,000,000**	**560,883,059**	**18,438,074**	**65**	**27**
	701024410	General Administration and Support Services	861,175,016	68,000,000	560,883,059	18,438,074	**65**	**27**
717004410		**Revenue Enhancement and Infrastructure**		**24,000,000**		**11,412,015**	-	**48**
	717024410	Revenue Collection and Management Phase 1		24,000,000		11,412,015	-	**48**
721004410		**Administration & Support of Human Resources**	**78,870,281**		**51,774,550**		**66**	-
	721014410	Administrative Support Services	78,870,281		51,774,550		**66**	-
726004410				**24,496,690**		**7,850,000**	-	**32**
	726024410	Infrastructure and Development		24,496,690		7,850,000	-	**32**
902004410		**Sports Development**	**27,476,091**		**17,344,169**		**63**	-
	902024410	Sports Activities and Programs	27,476,091		17,344,169		**63**	-
		Grand Total	**4,396,645,572**	**1,783,247,082**	**2,558,088,057**	**741,573,183**	**58**	-

***Source**: Nandi County Treasury*

Notably, the financial performance by programme and sub-programme did not align with the line-item budget performance. We recommend that the County reconcile these two sets of performance reports.

The sub-programmes with the highest implementation levels based on absorption rates were Administrative Support Services in the Administration & Support of Human Resources programme, at 66 per cent; General Administration and Support Services in the General Administration and Support Services programme, at 65 per cent; and Sports Activities and Programs in the Sports Development programme, at 63 per cent of budget allocation.

3.32.14 Accounts Operated Commercial Banks

The County government operated ten accounts with commercial banks, as shown in Table 3.279.

Table 3.279: Bank Accounts Operated at Commercial Banks

No.	Name of Bank Account	Purpose of the Bank Account
	Kaimosi ATC Revenue Account	Revenue from Kaimosi ATC operations
	Nandi County Imprest	Imprest Account
	NARIGP	Account for the National Agricultural and Rural Inclusive Growth Project

No.	Name of Bank Account	Purpose of the Bank Account
	Nandi County KDSP	Account for the County Development Support Programme
	Kapsabet Municipality-UDG	Account for the Urban Development Grant
	Nandi County UIG	Account for the Urban Infrastructure Grant
	Nandi County Youth Service	Account for youth service programs and initiatives
	Nandi County Imprest	Imprest Account
	Nandi County Health Operations	Account for health operations and services
	Nandi County Deposit and Retention	Account for deposits and retentions

Source: *Nandi County Treasury*

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.

3.32.15 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 22 January 2025.
ii. Own-source revenue underperformed at Kshs.159.78 million against an annual target of Kshs.607.33 million, representing 26.3 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. As of 15 January 2025, the reports for the Nandi County Executive Car Loan and Mortgage Scheme Fund and the Nandi County Assembly Car Loan and Mortgage Scheme Fund were not submitted to the Controller of Budget.

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.*

3.33. County Government of Narok

3.33.1 Overview of FY 2024/25 Budget

The Narok County Gross Approved FY 2024/25 budget is Kshs.15.68 billion. It comprises Kshs.5.16 billion (33 per cent) and Kshs.10.53 billion (67 per cent) allocated for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.687.47 million (5 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.582.23 million and a recurrent budget of Kshs.105.24 million.

The budget will be financed from different sources of revenue. These include; Kshs.9.53 billion (61 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.12 billion as additional allocations and Kshs.5.02 billion (32 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.164.95 million (3 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.4.86 billion (97 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.280.

3.33.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.8.95 billion to fund its development and recurrent activities. This amount consisted of Kshs.4.57 billion from the equitable share of revenue raised nationally and its own source revenue (OSR) collection of Kshs.4.38 billion.

The total OSR collection of Kshs.4.38 billion includes Appropriations in Aid (AIA)/Facilities Improvement Financing (FIF) of Kshs.54.00 million, and Kshs.4.33 million as ordinary OSR. Table 3.280 Summarises the total revenue available to the County Government during the first half of FY 2024/25.

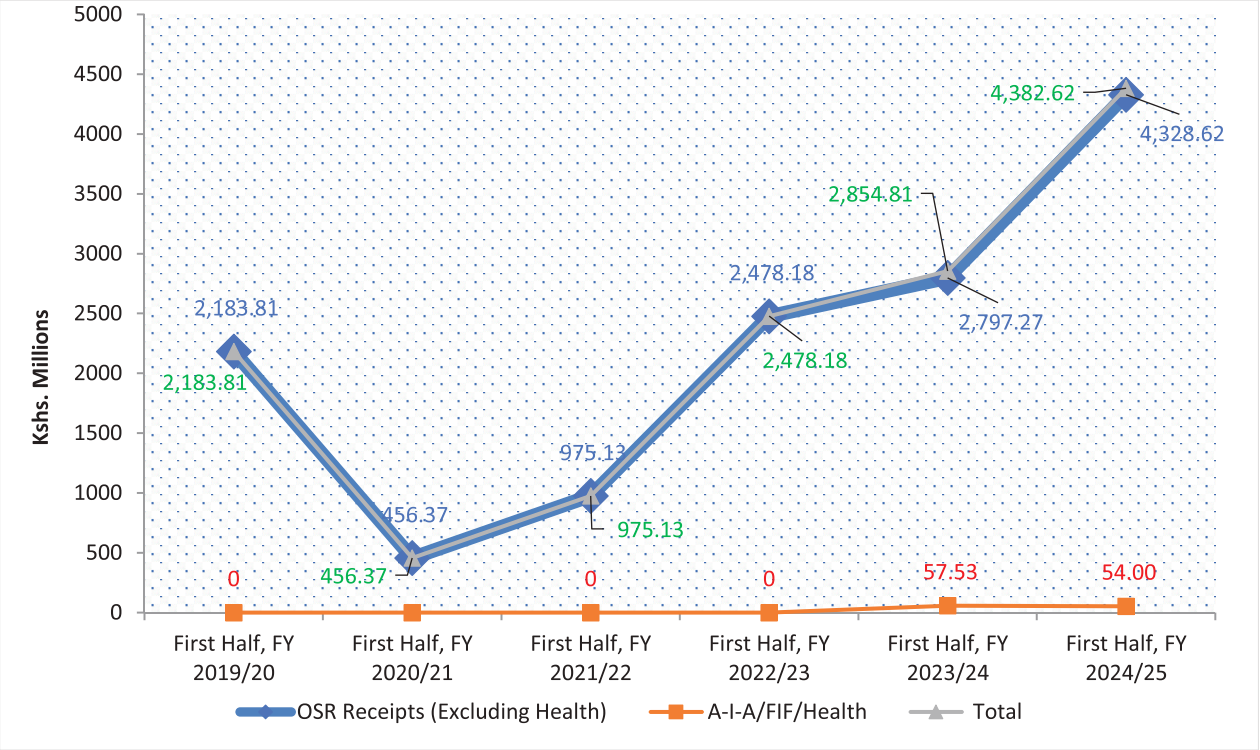
Table 3.280: Narok County, Revenue Performance in the First Half of FY 2024/25

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**	9,533,887,039	4,571,074,683	48
	County Library Services / Museum Services	2,812,116	-	-
Sub Total		**9,536,699,155**	**4,571,074,683**	**48**
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	-	-
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	4,328,623,352	89
2	Balance b/f from FY2023/24	-	-	-
3	Facility Improvement Fund (FIF)	164,951,908	53,997,708	33
Sub Total		5,024,000,000	4,382,621,060	87
Grand Total		**15,685,350,197**	8,953,695,743	**57**

Source: *Narok County Treasury*

Figure 129 shows the trend in own-source revenue collection from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 129: Trend in Own-Source Revenue Collection from the First Half of FY 2019/20 to the First Half of FY 2024/25

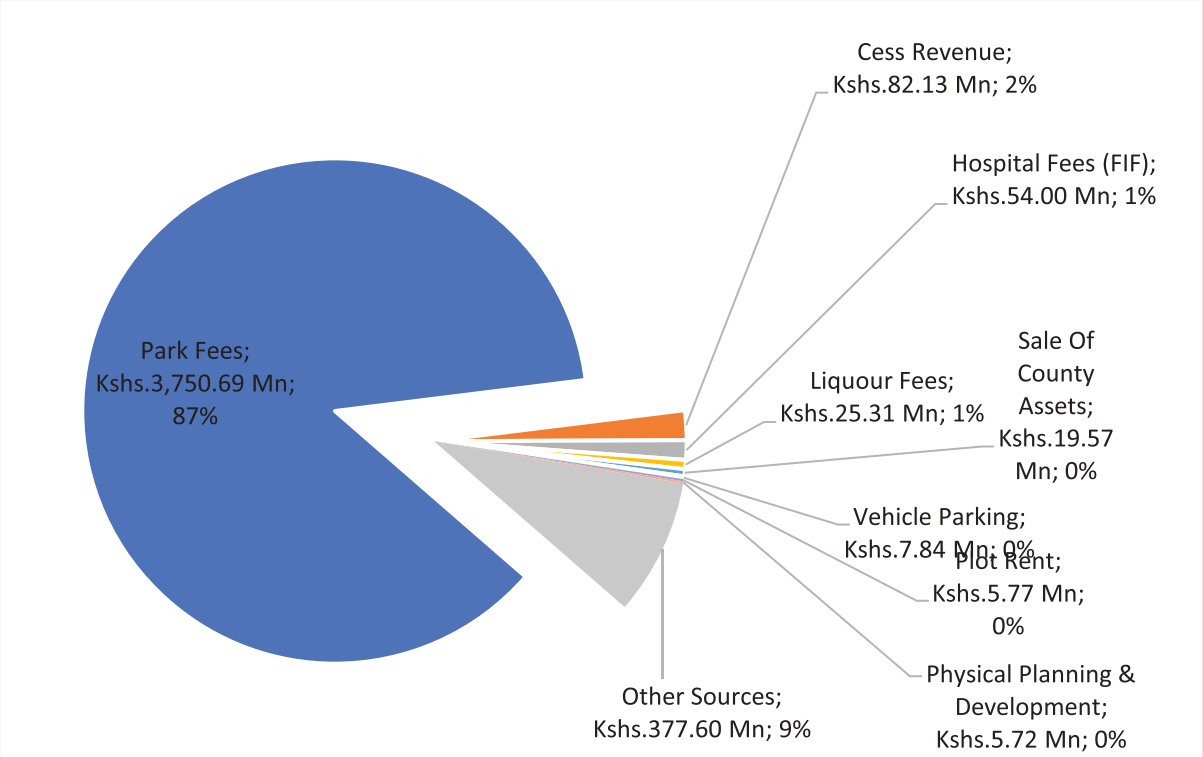


Source: *Narok County Treasury*

During the first half of FY 2024/25, the County generated Kshs.4.38 billion from its revenue sources, including AIA and FIF. This amount was an increase of 0.5 per cent compared to Kshs.2.85 billion realised in a similar period in FY 2023/24 and was 89 per cent of the annual target and 95 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 130.

Figure 130: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Narok County Treasury

The highest revenue stream of Kshs.3.75 billion was from park fees, contributing to 87 per cent of the total OSR receipts during the reporting period.

3.33.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.7.96 billion from the CRF account comprised Kshs.1.6 billion (20 per cent) for development programmes and Kshs.6.37 billion (80 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.88 billion was released towards compensation of employees and Kshs.3.98 billion for operations and maintenance expenditure.

Table 3.281: Narok County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	911.00	150.00	405.70	-	-	-
Office of The Governor and Deputy Governor	321.74	-	227.93	10.00	3	-
Finance & Economic Planning	1,651.60	125.11	1,171.65	817.00	50	653
Public Works, Roads & Transport	311.17	1,303.19	202.01	115.52	37	9
Education, Youth Affairs & Sports, Gender, Culture & Social Services	1,611.51	436.00	1,142.45	145.55	9	33
Water, Energy, Forestry, Environment & Natural Resources and Climate Change	388.39	599.50	206.04	-	-	-
County Public Service Board	102.34	-	57.53	72.88	71	-
Agriculture, Livestock & Fisheries	447.04	615.42	174.83	393.68	88	64
Public Health & Sanitation	2,841.27	481.09	1,607.05	24.38	1	5
Lands, Housing, Physical Planning & Urban Development	227.78	307.00	133.09	-	-	-
Information Communication Technology & E-Government	123.33	318.00	83.54	20.00	16	6
Public Service Management & Labour	916.65	150.00	452.54	-	-	-
Trade, Cooperative Development, Tourism& Wildlife	580.11	670.25	427.74	-	-	-
Office of the County Attorney	93.04	-	72.93	-	-	-
Total	**10,526.98**	**5,155.56**	**6,365.03**	**1,599.00**	15	31

Source: *Narok County Treasury*

As of 31 December 2024, the County Government's cash balance in the CRF account was Kshs.18.52 million.

3.33.4 County Expenditure Review

The County spent Kshs.8.37 billion on development and recurrent programmes in the reporting period. The expenditure represented 105 per cent of the total funds released by the CoB and comprised of Kshs.1.56 billion and Kshs.6.81 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 30 per cent, while recurrent expenditure represented 65 per cent of the annual recurrent expenditure budget.

3.33.5 Settlement of Pending Bills

As of September 30, 2024, the County reported pending bills totalling Kshs 1.50 billion. This amount includes Kshs 1.49 billion for the Executive and Kshs 8.38 million for the County Assembly. During the second quarter of the FY 2024/25, the Controller of Budget approved pending bill requisitions totalling Kshs 197.01 million. A reconciliation of the pending bill status for Narok County is currently ongoing.

3.33.6 Expenditure by Economic Classification

The County Executive spent Kshs.2.63 billion on employee compensation, Kshs.3.76 billion on operations and maintenance, and Kshs.1.56 billion on development activities. Similarly, the County Assembly spent Kshs.258.27 million on employee compensation and Kshs.127.36 million on operations and maintenance, as shown in Table 3.282.

Table 3.282: 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
Recurrent Expenditure	**9,615,979,104**	**911,000,000**	**6,381,234,538**	**385,624,547**	**66**	**42**
Compensation to Employees	4,790,979,729	545,073,962	2,625,049,878	258,267,482	55	47
Operations and Maintenance	4,824,999,375	365,926,038	3,756,184,660	127,357,065	78	35
Development Expenditure	5,005,558,977	150,000,000	1,556,112,158	-	31	-
Total	**14,621,538,081**	**1,061,000,000**	**7,937,346,696**	**385,624,547**	54	36

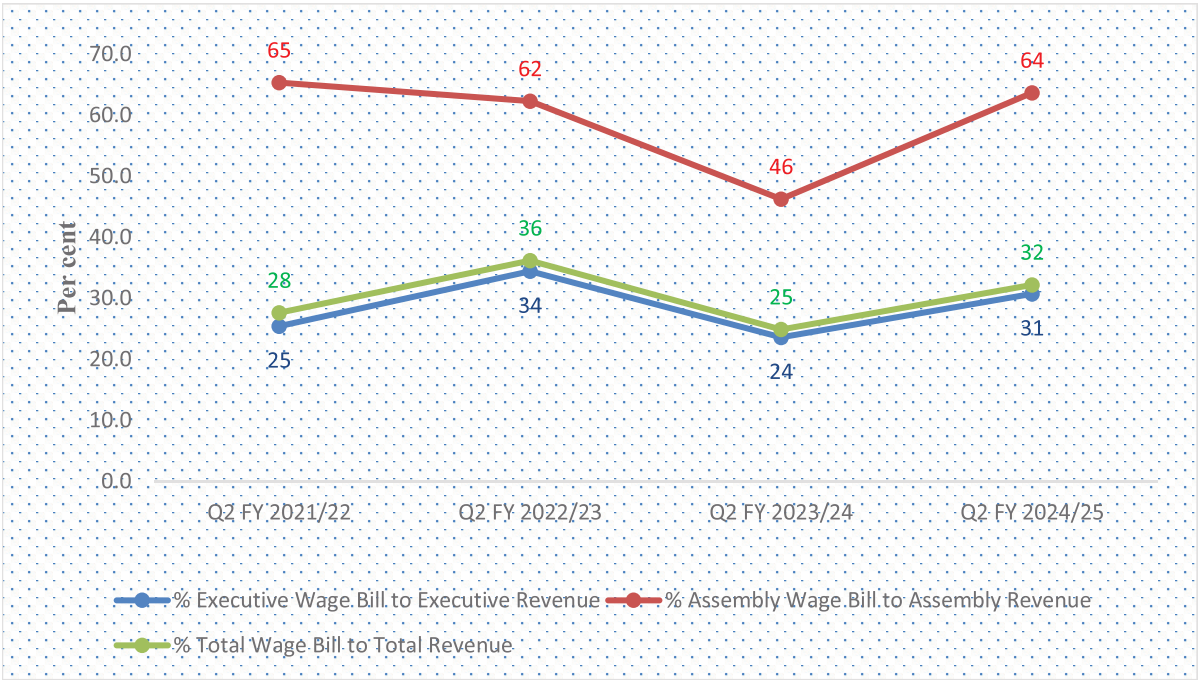
***Source**: Narok County Treasury*

3.33.7 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.88 billion, or 32 per cent of the available revenue of Kshs.8.95 billion. This expenditure represented an increase from Kshs.1.77 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.78 billion paid to the Health Sector employees, translating to 37 per cent of the total wage bill.

Figure 131 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2021/22 to the first half of FY 2024/25.

Figure 131: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2021/22 to the First Half of FY 2024/25



Source: Narok County Treasury

Further analysis indicates that, as per government policy, all staff salaries were processed through the Integrated Personnel and Payroll Database (IPPD) system.

The County Assembly spent Kshs.19.03 million on committee sitting allowances for the 50 MCAs against the annual budget allocation of Kshs.35.11 million. The average monthly sitting allowance was Kshs.63,438 per MCA. The County Assembly had 21 House Committees.

3.33.8 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.520.00 million to County-Established funds in FY 2024/25, or 3 per cent of the County's overall budget. Further, the County allocated Kshs.50.00 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 3.283 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.283: Performance of County Established Funds in the First Half of FY 2024/25

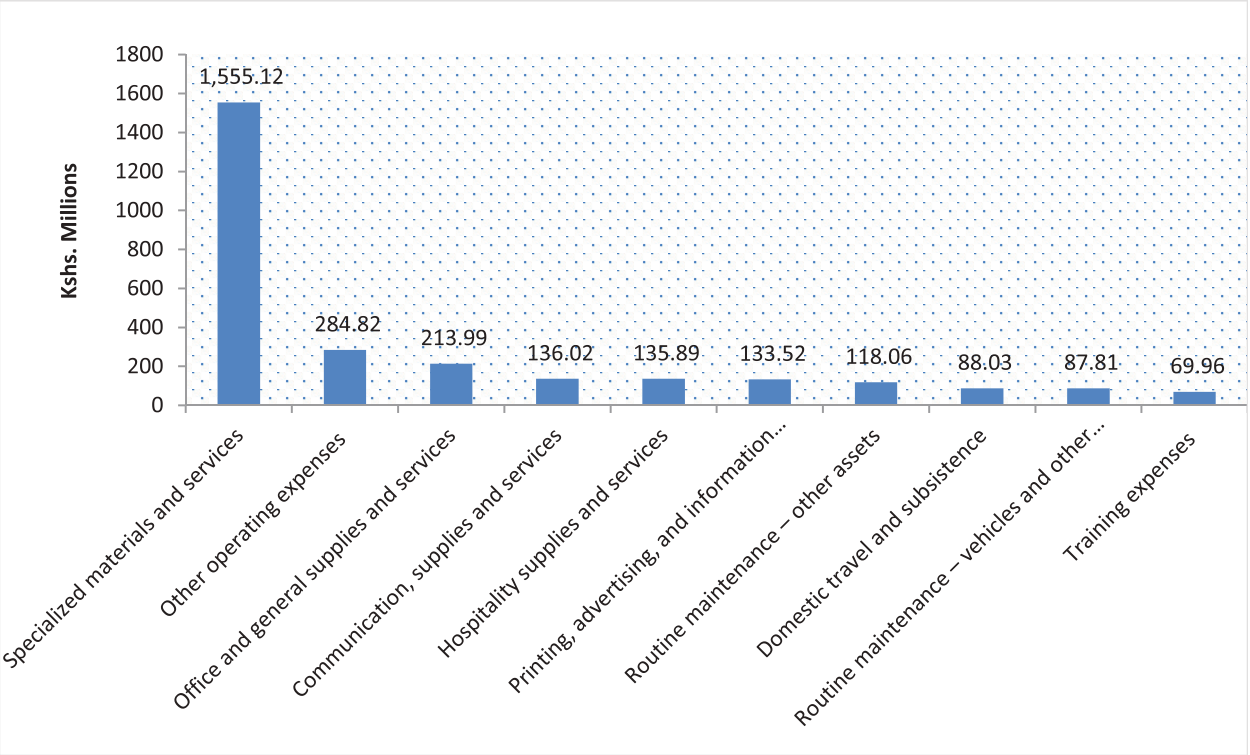
S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Half of FY 2024/25 (Kshs.)	Actual Expenditure in First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Half Financial Statements (Yes/No.)
	County Executive Established Funds					
	Bursary Fund	400,000,000	395,000,000	377,000,000	395,000,000	yes
	Emergency Fund	50,000,000	0	0	0	No
	Car loan and Mortgage fund	120,000,000	45,000,000		45,000,000	No
	County Assembly Established Funds					
	Car loan and Mortgage					No
	Total					

Source: *Narok County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from Car Loan and Mortgage Fund Administrators, as indicated in Table 3.283, contrary to the requirement of Section 168 of the PFM Act, 2012. Expenditure on Operations and Maintenance

Figure 132 summarises the Operations and Maintenance expenditure by major categories.

Figure 132: Narok County, Operations and Maintenance Expenditure by Major Categories



Source: *Narok County Treasury*

Expenditure on domestic travel amounted to Kshs.88.03 million and comprised Kshs.116.29 million spent by the County Assembly and Kshs.88.03 million by the County Executive. Also the County Executive spent Kshs.5.49 million on foreign travel. Expenditure on foreign travel is summarised in Table 3.284.

Table 3.284: Summary of Highest Expenditure on Foreign Travel in the First Half 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	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
	Total				**5,494,040**

Source: Narok County Treasury and Narok County Assembly

3.33.9 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.28.66 million as FIF, which was 22 per cent of the annual target of Kshs.129.44 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 expenditure by the health facilities amounted to Kshs.28.66 million as shown in Table 3.285.

Table 3.285: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Narok Referral Hospital	125,951,908	21,549,123	17
	Kilgoris Hospital	2,223,270	5,190,910	233

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Lolgorian Hospital	861,850	1,353,140	156
	Ololulunga Hospital	398,433	565,726	141
	Total	129,435,461	28,658,899	

Source: *Narok County Treasury*

The Health Facility with the highest absorption rate was 233 per cent. There is no legislation on FIF. The county Assembly is yet to finalise the Fund and Access the funds at Source, incurring expenditure without appropriation in AIA finalise. The County Treasury did not give reason(s) for the over-absorption of funds by health facilities.

3.33.10 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.1.56 billion on development programmes, representing a decrease of 35 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.2.40 billion. Table 3.286 summarises development projects with the highest expenditure in the reporting period.

Table 3.286: Narok 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	Education, Youth Affairs & Sports, Gender, Culture & Social Services	Multi-purpose Hall	Mara	20,329,590	14,658,300	72
2	Public Works, Roads and Transport	Sikirar-Olopirik Road	Ilmotiok	16,779,400	13,925,800	83
3	Public Works, Roads and Transport	Ngosuani-Naishi-Olemoncho Road	Mara	15,577,560	13,891,000	89
4	Public Works, Roads and Transport	Olkeri-oekinyei-entolntol road	Melili	24,268,163	12,000,000	49
5	Public Works, Roads and Transport	Oloonkabobok-Sankale Road	Ildamat	17,850,856	8,908,800	49
6	Education, Youth Affairs & Sports, Gender, Culture & Social Services	Olkiriaine Secondary School Bus	Naroosura/Maji Moto	8,900,000	8,900,000	100
7	Education, Youth Affairs & Sports, Gender, Culture & Social Services	Olderkesi Secondary School Bus	Naikarra	8,900,000	8,900,000	100
8	Water, Energy, Forestry, Environment and Natural Resources	Enaibor Ajijik Borehole	Melili	4,888,688	4,888,688	100
9	Trade, Cooperative Development, Tourism and Wildlife	Town Boda Boda shades	Narok Town	7,778,480	2,840,320	36.5

Source: *Narok County Treasury*

3.33.11 Budget Performance by Department

Table 3.287 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.287: Narok 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	911.00	150.00	405.70	-	385.62	-	95	-	42	-
Office of The Governor and Deputy Governor	321.74	-	227.93	10.00	225.01	-	99	-	70	-
Finance & Economic Planning	1,651.60	125.11	1,171.65	817.00	1,231.72	10.00	105	1	75	8
Public Works, Roads & Transport	311.17	1,303.19	202.01	115.52	211.45	807.00	105	699	68	62
Education, Youth Affairs & Sports, Gender, Culture & Social Services	1,611.51	436.00	1,142.45	145.55	1,206.45	114.99	106	79	75	26
Water, Energy, Forestry, Environment & Natural Resources and Climate Change	388.39	599.50	206.04	-	254.96	136.02	124	-	66	23
County Public Service Board	102.34	-	57.53	72.88	65.53	-	114	-	64	-
Agriculture, Livestock & Fisheries	447.04	615.42	174.83	393.68	193.63	70.35	111	18	43	11
Public Health & Sanitation	2,841.27	481.09	1,607.05	24.38	1,852.73	373.68	115	1,533	65	78
Lands, Housing, Physical Planning & Urban Development	227.78	307.00	133.09	-	144.35	24.08	109	-	63	8
Information Communication Technology & E-Government	123.33	318.00	83.54	20.00	90.54	-	108	-	73	-
Public Service Management & Labour	916.65	150.00	452.54	-	450.09	20.00	100	-	49	13
Trade, Cooperative Development, Tourism& Wildlife	580.11	670.25	427.74	-	430.44	-	101	-	74	-
Office of the County Attorney	93.04	-	72.93	-	70.52	-	97	-	76	-
Total	**10,526.98**	**5,155.56**	**6,365.03**	**1,599.00**	**6,813.05**	**1,556.11**	**107**	**97**	**65**	**30**

Source: *Narok County Treasury*

The County Treasury did not explain why certain departments' expenditures exceeded their respective exchequer receipts.

Analysis of expenditure by departments shows that the Department of Public Health & Sanitation recorded the highest absorption rate of development budget at 77 per cent, followed by the Department of Public Works, Roads & Transport at 62 per cent. The Department of Office of the County Attorney had the highest percentage of recurrent expenditure to budget at 76 per cent, while the Department of County Assembly had the lowest at 42 per cent weak budgetary control.

3.33.12 Budget Execution by Programmes and Sub-Programmes

Table 3.288 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.288: Narok County, Budget Execution by Programmes and Sub-Programmes

Program	Sub Program	Description	Final Budget (Kshs.)	Actual (Kshs.)	Absorption Rate (%)
102004610		**Crop Development and management**	**800,070,821**	**292,536,158**	37
	102024610	Crop Productivity Improvement	800,070,821	292,536,158	37
103004610		**Livestock Resources management and development**	**214,059,898**	**64,868,360**	30
	103014610	Livestock Pests & Disease Management & Control	113,236,103	6,868,360	6
	103074610	Livestock Information Management	100,823,795	58,000,000	58
104004610		**Fisheries development and management**	**48,328,512**	**18,718,000**	39
	104014610	Fish Products Production	48,328,512	18,718,000	39
105004610		**Land Policy and Planning**	**44,403,099**	**2,324,125**	5
	105014610	Development Planning and Land Reforms	44,403,099	2,324,125	5
106004610		**Housing Development and Human Settlement**	**196,692,757**	**51,873,720**	26
	106014610	Housing Development	196,692,757	51,873,720	26
107004610		**Urban Mobility and Transport**	**293,680,395**	**0**	-
	107014610	Metropolitan Planning & Infrastructure Development	293,680,395		-
201004610		**Roads Transport and Public Works**	**1,614,361,428**	**329,428,564**	20
	201014610	General Administration, Planning and Support Services	67,185,299	10,636,220	16
	201024610	Construction of Roads and Bridges	1,479,389,344	313,932,613	21
	201034610	Maintenance of Roads	67,786,785	4,859,731	7
202004610		**ICT Services**	**441,325,223**	**42,000,000**	10
	202014610	ICT Infrastructure Development	441,325,223	42,000,000	10
301004610		**General Administration and Support Services**	**699,196,845**	**5,377,088**	1
	301014610	Administrative Services	9,435,168	0	-
	301024610	Cooperative Development & Management	34,656,100	2,543,336	7
	301034610	Trade Development and Promotion	655,105,577	2,833,752	0
303004610		**Tourism Development and Promotion**	**450,913,688**	**226,142,960**	50
	303014610	Tourism Promotion and Marketing	450,913,688	226,142,960	50
306000000		**Tourism Development and Promotion**	**100,249,999**	**0**	-
	306039999	Tourism Infrastructure Development	100,249,999	0	-
401004610		**Preventive &Promotive Health Services**	**481,094,035**	**0**	-
	401014610	Health Promotion	481,094,035	0	-
402004610		**Curative Health Services**	**488,124,894**	**352,235,895**	72
	402014610	Referral Services	488,124,894	352,235,895	72
403004610		**General Administration, Planning & Support Services**	**2,353,149,416**	**2,343,814,559**	100
	403014610	Health Policy, Planning and Financing	2,353,149,416	2,343,814,559	100
502004610		**Manpower Development, Employment and Productivity Management**	**1,730,459,500**	**1,443,558,985**	83
	502014610	Early Child Development and Education	1,730,459,500	**1,443,558,985**	83

Program	Sub Program	Description	Final Budget (Kshs.)	Actual (Kshs.)	Absorption Rate (%)
701004610		**General Administration, Planning and Support Services**	**2,494,774,787**	**1,000,511,272**	40
	701014610	Administrative Services	772,161,124	363,626,731	47
	701044610	Coordination and Administrative Services	762,391,556	277,509,986	36
	701054610	Public Service and Field Administrative Services	857,878,831	337,271,602	39
	701084610	Board Management Services	102,343,276	22,102,953	22
702004610		**Public Finance Management**	**904,925,076**	**471,726,093**	52
	702014610	Accounting services	84,691,636	30,504,228	36
	702024610	Resource Mobilization	466,041,607	289,393,989	62
	702034610	Budget Formulation, Coordination and Management	51,518,543	20,170,790	39
	702044610	Supply Chain Management Services	231,623,633	115,928,609	50
	702054610	Internal Audit Services	71,049,657	15,728,477	22
703004610		**Economic Policy and County Planning**	**871,784,883**	**543,173,407**	62
	703014610	Economic Planning Coordination	719,451,966	433,366,153	60
	703024610	Monitoring and Evaluation Services	152,332,917	109,807,254	72
704004610		**Legislation and Representation**	**150,000,000**	**71,031,562**	47
	704024610	County Co-ordination Services	150,000,000	71,031,562	47
901004610		**Social Development and Children Services**	**317,053,985**	**107,821,490**	34
	901014610	Gender and Youth Development	50,776,983	20,992,508	41
	901024610	Social Assistance to Vulnerable Groups	21,212,256	3,696,500	17
	901034610	Development and Promotion of Culture	36,332,668	7,855,100	22
	901044610	Development and Management of sports facilities	31,000,000	0	-
	901054610	Sports Services	89,764,363	45,709,746	51
	901064610	Voluntary Training Services	87,967,715	29,567,636	34
1002004610		**Environment Management and Protection**	**987,888,840**	**616,397,871**	62
	1002014610	Forests Conservation and Management	987,888,840	616,397,871	62
		Grand Total	**15,682,538,081**	**7,983,540,109**	**51**

Source: *Narok County Treasury*

The total does not add up for the actual expenditures by departments because of diversion of funds.

Sub-programmes with the highest levels of implementation based on absorption rates were: Health Policy, Planning and Financing in the Department of Health at 100 per cent, Early Childhood Development in the Department of Education at 83 per per cent, and Referral Services in the Department of Health at 72 per cent of budget allocation.

3.33.13 Accounts Operated Commercial Banks

The County Government operated 15 accounts with commercial banks, including four accounts for Health Facilities, one for Vocational Training Centers, one for revenue, seven special purpose accounts (additional allocations), one for recurrent operational accounts and one for development operational accounts.

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.

3.33.14 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 January 23 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 Car Loan and Mortgage Fund of both Assembly and Executive were not submitted to the Controller of Budget as of 15 January 2025.
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.
iv. The programmes and sub-programmes in Table 3.288 were not aligned with the approved budget for each department;
v. Diversion of funds by the County Treasury and weak budgeting practice, as shown in Table 3.287, where the County incurred expenditure over approved exchequer issues in several departments

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 CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
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.*
iv. *The County Treasury must ensure compliance with the approved programme and sub-programmes in the approved budget.*
v. *The County Treasury should improve the Vote book and budgetary control to ensure expenditure is within the approved budget*

3.34. County Government of Nyamira

3.34.1 Overview of FY 2024/25 Budget

The Nyamira County Gross Approved Supplementary I FY 2024/25 budget 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 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.2.15 billion and a recurrent budget of Kshs.5.13 billion. The increase in the budget was attributed to the rise in Equitable Share for June 2024, which the National Treasury did not release for FY 2023/24, and the increase in expected own source revenue. The County's Net Approved Supplementary I Budget (gross budget less AIA estimates) is Kshs.8.10 billion, comprising Kshs.5.23 billion for recurrent and Kshs.2.87 billion for development.

The budget will be financed from different sources of revenue. These include; Kshs.5.52 billion (68 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.26 billion (16 per cent) as additional allocations, a cash balance of Kshs.469.07 million (6 per cent) brought forward from FY 2023/24, and Kshs.850 million (11 per 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 3.289.

3.34.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.2.91 billion to fund its development and recurrent activities. This amount consisted of Kshs.2.65 billion from the equitable share of revenue raised nationally, additional

allocations from government and development partners of Kshs.65.13 million, and its own-source revenue (OSR) collection of Kshs.192.43 million. In addition, the County had a cash balance of Kshs.2.35 million from FY 2023/24.

The total OSR collection of Kshs.192.43 million includes Facilities Improvement Financing (FIF) of Kshs.162.84 million, and Kshs.29.60 million as ordinary OSR. Table 3.289 summarises the total revenue available to the County Government during the first half of FY 2024/25.

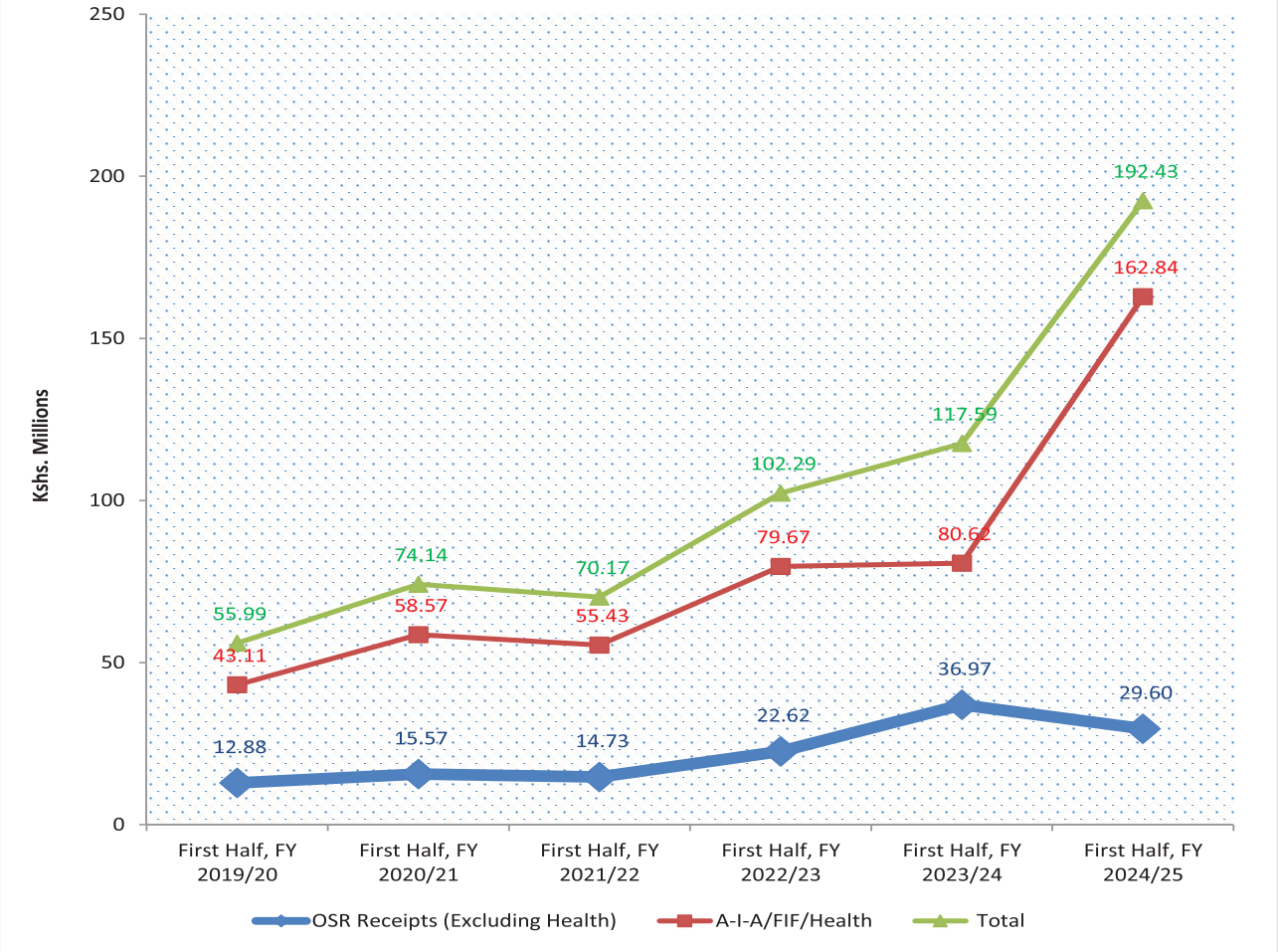
Table 3.289: Nyamira County, Revenue Performance in the First Half of FY 2024/25

S/No	Revenue Category	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	5,523,614,355	2,651,130,996	48
Sub Total		**5,523,614,355**	**2,651,130,996**	**48**
B	**Conditional Grants**			
1	Kenya Urban Support Programme (KUSP UDG)	19,817,128		
2	Kenya Urban Support Programme (KUSP UIG)	45,208,640		
3	DANIDA unspent 23/24	8,963,464		
4	DANIDA 24/25 allocation	7,410,000		
5	Kenya Agricultural business Development project(Sweden)	10,918,919		
6	Kenya Devolution Support Program Level II	48,820,388		
7	Kenya Second Informal Settlement Improvement (KISIP 2)	230,205,536		
8	County Climate Resilience Support (CCRS)-World Bank	162,210,133		
9	National Agricultural Value Chain Development Project (NAVCDP)	151,515,152		
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	22
12	Road Maintenance Levy Fund	114,508,950		
13	Community Health Promoters	44,370,000		
14	Climate change resilience (FLOCCA)	155,247,624		
15	Road Maintenance Levy Fund			
16	Village polytechnic grants	19,041		
Sub-Total		1,260,214,975	65.131,579	**6**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	400,000,000	29,599,271	7
2	Balance b/f from FY2023/24	469,068,212	2,350,420	1
3	Facility Improvement Fund (FIF)	450,000,000	162,835,232	36
4	Other Revenues			
5	Appropriation in Aid (AIA)			
Sub Total		1,319,068,212	194,784,923	15
Grand Total		**8,102,897,542**	2,911,047,498	**36**

Source: *Nyamira County Treasury*

Figure 133 shows the trend in own-source revenue collection from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 133: Trend in Own-Source Revenue Collection from the First Half of FY 2019/20 to the First Half of FY 2024/25



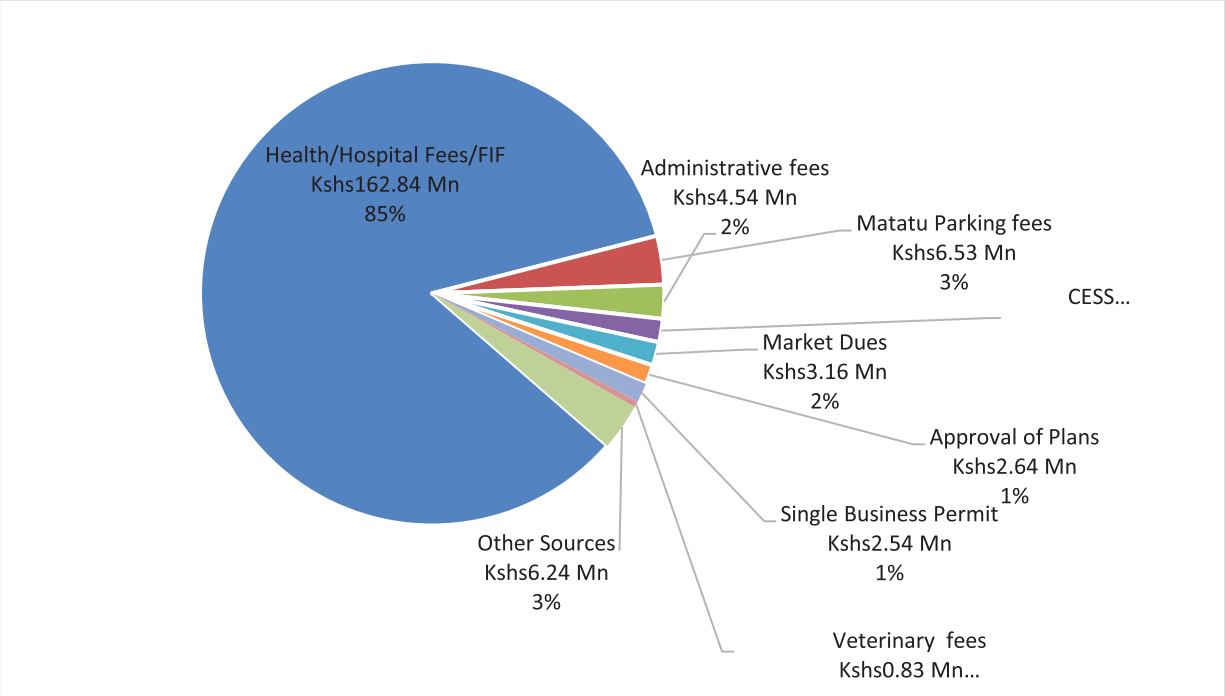
Source: *Nyamira County Treasury*

During the first half of FY 2024/25, the County generated Kshs.192.43 million from its revenue sources, including FIF. This amount was an increase of 63 per cent compared to Kshs.117.59 million realised in a similar period in FY 2023/24 and was 2 per cent of the annual target and 7 per cent of the equitable revenue share disbursed.

The increase in OSR can be attributed to stringent revenue collection measures and surveillance and improved supply of drugs in the health facilities.

The revenue streams which contributed the highest OSR receipts are shown in Figure 134.

Figure 134: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: *Nyamira County Treasury*

The highest revenue stream, Kshs.162.84 million, was from the Health Facility Improvement Fund, which contributed 85 percent of the total OSR receipts during the reporting period.

3.34.3 Borrowing by the County

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

3.34.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.2.15 billion from the CRF account comprised Kshs.319.01 million (15 per cent) for development programmes and Kshs.1.83 billion (85 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.40 billion was released towards compensation of employees and Kshs.426.36 million for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to a delay in uploading staff data in the new HRM – Kenya payroll management system.

Analysis of the operations and maintenance exchequer releases indicates that 18 per cent was for domestic travel, and there was no exchequer release for foreign travel. The domestic travel exchequer amounted to Kshs.75.40 million and included Kshs.49.40 million for the County Executive and Kshs.26.00 million for the County Assembly.

Table 3.290: 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
Nyamira County Assembly	699.76	98.00	182.18	30.62	26	31
County Executive	497.83		110.37	0	22	0
Finance, ICT &Economic Planning	116.79	425.55	83.25	119.35	71	28
Agriculture, Livestock and Fisheries	66.61	195.43	53.81	25.00	81	13
Environment, Energy, Natural Resources and Mining	60.78	389.46	53.65	22.50	88	6

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Education & Vocational Training	438.97	24.20	165.11	0	38	0
Health Services	687.43	447.50	415.40	0	60	0
Lands, Housing, Physical Planning and Urban Development	80.75	346.21	46.81	0	58	0
Water, Irrigation and Sanitation	48.30	31.20	21.56	0	45	0
Roads, Transport & Public Works	118.62	472.03	40.68	121.54	34	25
Trade, Tourism, Industrialisation & Cooperatives Development	65.91	200.47	23.53	0	36	0
Sports, Gender, Cultures & Social Services	67.68	12.50	24.67	0	36	0
County Public Service Board	61.12	0	20.41	0	33	0
Public Service Management	473.31	42.50	151.13	0	32	0
Nyamira Municipality Board	91.88	90.03	24.12	0	26	0
County Attorney	25.15	4.99	5.00	0	20	0
Economic Planning, Resource Mobilization & ICT	230.39	31.55	41.51	0	18	0
Livestock & Fisheries Services	100.64	11.00	16.06	0	16	0
Primary Healthcare	1,226.10	35.00	341.70	0	28	0
Keroka Municipality Board	17.11	13.00	0	0	0	0
Nyamira Revenue Board	7.72	0	1.00	0	13	0
Nyamira Disability Board	6.22	0	0	0	0	0
Nyamira Investment Cooperation	8.22	0	2.90	0	35	0
Nyamira Water & Sanitation Company	35.00	0	2.99	0	9	0
Total	**5,232.29**	**2,870.60**	**1,827.83**	**319.01**	35	11

***Source**: Nyamira County Treasury*

As of 31 December 2024, the County Government's cash balance in the CRF account was Kshs.838.56 million.

3.34.5 County Expenditure Review

The County spent Kshs.1.90 billion on development and recurrent programmes in the reporting period. The expenditure represented 89 per cent of the total funds released by the CoB and comprised Kshs.224.77 million and Kshs.1.68 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 8 per cent, while recurrent expenditure represented 32 per cent of the annual recurrent expenditure budget.

3.34.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.812.86 million as of 30 June 2024. This amount includes 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 first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.102.65 million, comprising Kshs.42.56 million for recurrent programmes and Kshs.60.09 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.28 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.776.24 million and Kshs.36.18 million, respectively, in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.102.65 million for the Executive and Kshs.28 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.682.21 million, comprising Kshs.674.03 million for the County Executive and Kshs.8.18 million for the County Assembly.

3.34.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.27 billion on employee compensation, Kshs.224.96 million on operations and maintenance, and Kshs.194.16 million on development activities. Similarly, the County Assembly spent Kshs.132.74 million on employee compensation, Kshs.48.70 million on operations and maintenance, and Kshs.30.62 million on development activities, as shown in Table 3.291.

Table 3.291: 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	**4,532,527,717**	**699,762,663**	**1,493,687,258**	**181,442,370**	**33.0**	**26**
Compensation to Employees	3,087,205,135	347,941,534	1,268,728,288	132,742,088	41	38
Operations and Maintenance	1,445,322,582	351,821,129	224,958,970	48,700,282	16	14
Development Expenditure	2,772,607,162	98,000,000	194,159,552	30,615,445	7.0	31
Total	**7,305,134,879**	**797,762,663**	**1,687,846,810**	**212,057,815**	**23**	**27**

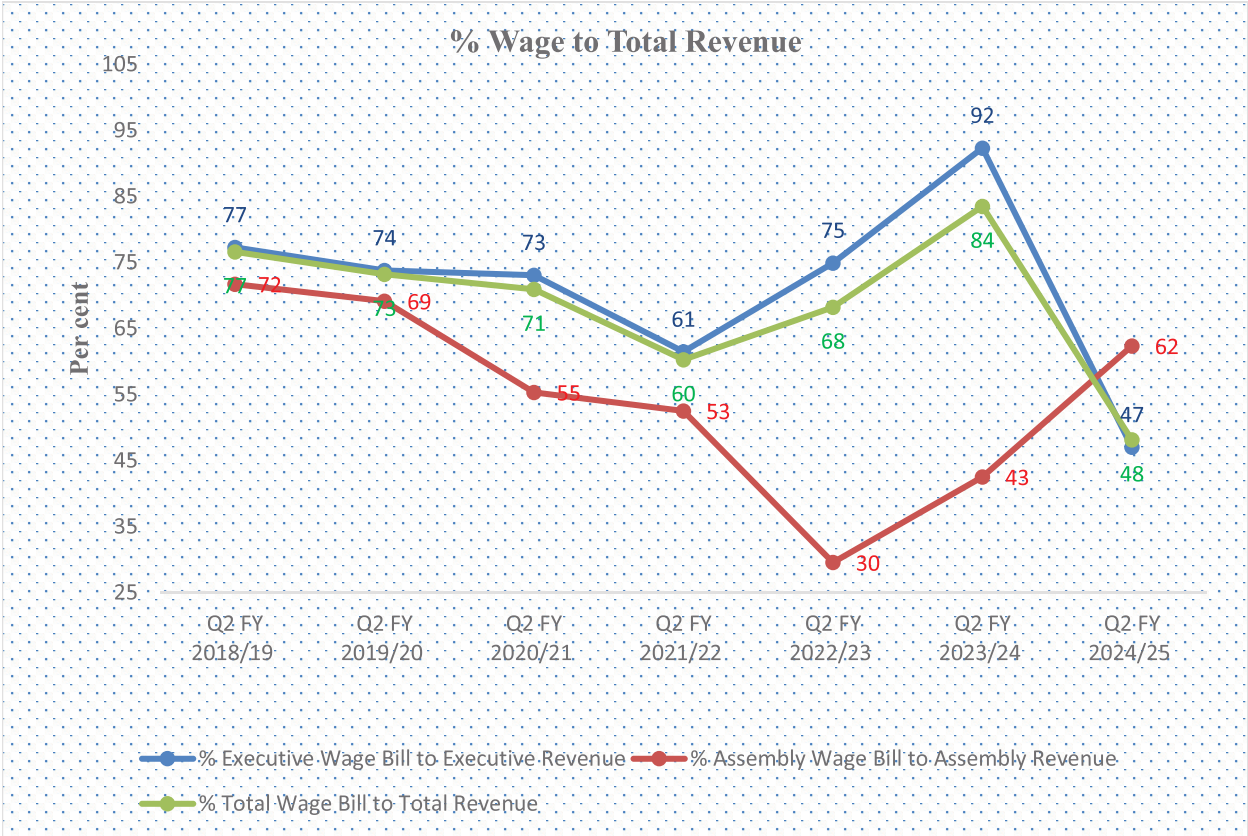
***Source**: Nyamira County Treasury*

3.34.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.40 billion, or 48 per cent of the available revenue of Kshs.2.92 billion. This expenditure represented a decrease from Kshs.1.67 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.640.94 million paid to the Health Sector employees, translating to 46 per cent of the total wage bill.

Figure 135 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 135: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: *Nyamira County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.40 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. Therefore, all PE costs were processed through the IPPD system.

The County Assembly spent Kshs.10.18 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.94,250 per MCA. The County Assembly had 20 House Committees.

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.5.00 million to the Emergency Fund (less than 1 per cent of the total budget) is not in line with Section 110 of the PFM Act, 2012.

Table 3.292 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.292: Performance of County Established Funds in the First Half 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

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.)
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**	

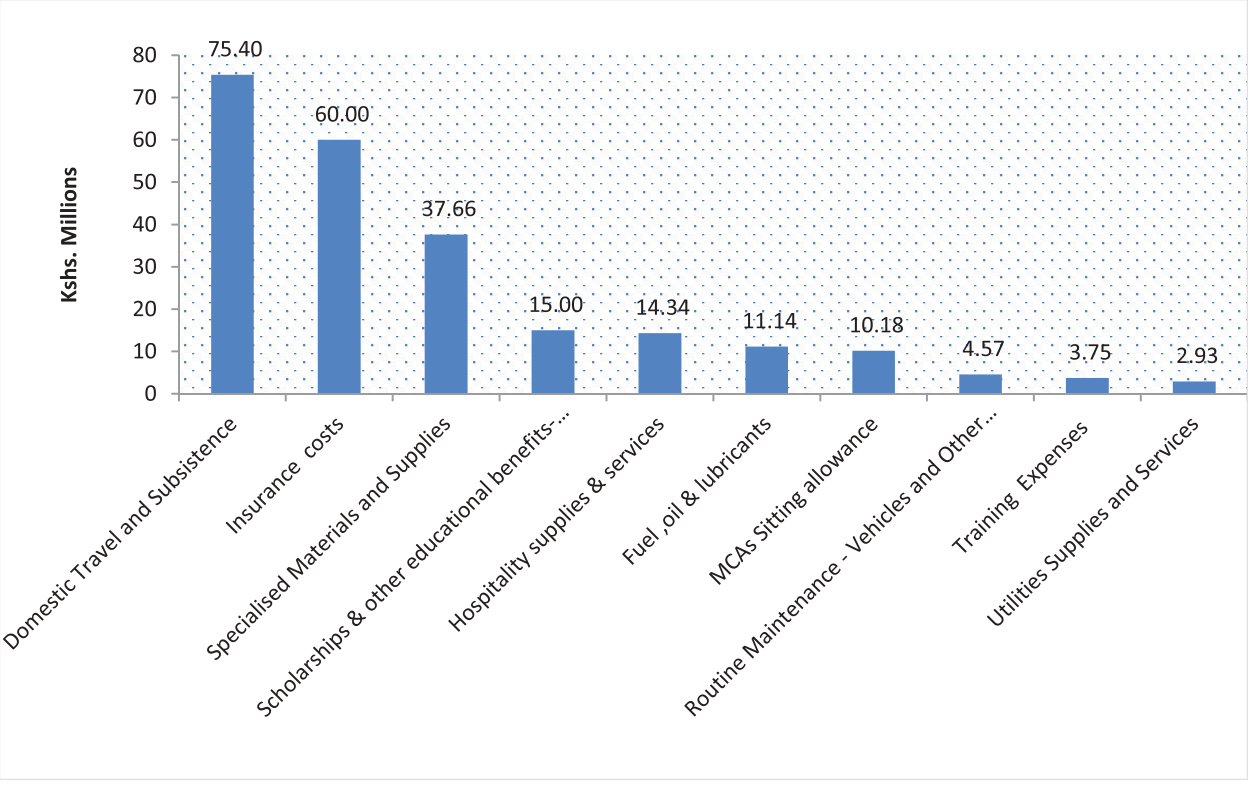
Source: *Nyamira County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from Six Fund Administrators, as indicated in Table 3.292, contrary to the requirement of Section 168 of the PFM Act, 2012. The administration costs of all 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.

3.34.10 Expenditure on Operations and Maintenance

Figure 136 summarises the Operations and Maintenance expenditure by major categories.

Figure 136: Nyamira County, Operations and Maintenance Expenditure by Major Categories



Source: *Nyamira County Treasury*

Expenditure on domestic travel amounted to Kshs.75.40 million and comprised Kshs.26.00 million spent by the County Assembly and Kshs.49.40 million by the County Executive. The County did not report expenditure on foreign travel.

3.34.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.162.83 million as FIF, which was 36 per cent of the annual target of Kshs.450 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 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.

3.34.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.224.77 million on development programmes, a 36 percent decrease compared to a similar period in FY 2023/24, when the County spent Kshs.351.36 million. Table 3.293 summarises the development projects with the highest expenditure in the reporting period.

Table 3.293: 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	166,386,692	82,663,152	50
2	County Assembly	Construction of office block	Headquarter	367,000,000	255,903,302	70
3	Health Services	Renovation works, construction of 2 door pit latrine, chain link fencing and external works for the Nyabonge OPD block in the Itibo ward	Itibo Ward	4,999,999	4,999,999	100
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-Egetare-Kiamogake	Bogichora Ward	4,111,478	4,111,478	100
6	Roads, Transport & Public Works	Routine maintenance of 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 sec. road	Mekenene Ward	3,770,664	3,770,664	100
8	Roads, Transport & Public Works	Routine maintenance of Enkinda catholic-Riamurubi-Getengereri road	Itibo Ward	3,531,156	3,531,156	100
9	Environment, Energy, Natural Resources and Mining	Rehabilitation and distribution of Entanda water project in Kemera ward	Kemera Ward	3,000,050	3,000,050	100
10	Roads, Transport & Public Works	Routine maintenance of Nyangoso-Kioge road	Bosamaro Ward	2,964,252	2,964,252	100

Source: *Nyamira County Treasury*

3.34.13 Budget Performance by Department

Table 3.294 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.294: 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
Nyamira County Assembly	699.76	98.00	182.18	30.62	181.44	30.62	100	100	26	31
County Executive	497.83	-	110.37		117.25		106	-	24	-
Finance, ICT &Economic Planning	116.79	425.55	83.25	119.35	40.23	63.99	48	54	34	15
Agriculture, Livestock and Fisheries	66.61	195.43	53.81	25.00	38.40	25.00	71	100	58	13
Environment, Energy, Natural Resources and Mining	60.78	389.46	53.65	22.50	43.26	22.50	81	100	71	6
Education & Vocational Training	438.97	24.20	165.11	-	156.17	-	95	-	36	-
Health Services	687.43	447.50	415.40	-	301.29	-	73	-	44	-
Lands, Housing, Physical Planning and Urban Development	80.75	346.21	46.81	-	39.84	-	85	-	49	-
Water, Irrigation and Sanitation	48.29	31.20	21.56	-	-	-	-	-	-	-
Roads, Transport & Public Works	118.62	472.03	40.68	121.54	31.32	82.66	77	68	26	-
Trade, Tourism, Industrialisation & Cooperatives Development	65.91	200.47	23.53	-	20.38	-	87	-	31	-
Sports, Gender, Cultures & Social Services	67.66	12.50	24.67	-	24.97	-	101	-	37	-
County Public Service Board	61.12		20.41	-	20.86	-	102	-	34	-
Public Service Management	473.31	42.50	151.13	-	150.23	-	99	-	32	-
Nyamira Municipality Board	91.88	90.03	24.12	-	16.40	-	68	-	18	-
County Attorney	25.15	4.99	5.00	-		-	-	-	-	-
Economic Planning, Resource Mobilization & ICT	230.39	31.55	41.51	-	66.55	-	160	-	29	-
Livestock & Fisheries Services	100.64	11.00	16.06	-	24.95	-	155	-	25	-
Primary Healthcare	1,226.10	35.00	341.70	-	401.57	-	118	-	33	-
Keroka Municipality Board	17.11	13.00	-	-	-	-	-	-	-	-
Nyamira Revenue Board	7.72		1.00	-	-	-	-	-	-	-
Nyamira Disability Board	6.22		-	-	-	-	-	-	-	-
Nyamira Investment Cooperation	8.22		2.90	-	-	-	-	-	-	-
Nyamira Water & Sanitation Company	35.00		2.99	-	-	-	-	-	-	-
Total	**5,232.29**	**2,870.60**	**1,827.83**	**319.01**	**1,675.13**	**224.77**	**92**	**70**	**32**	**8**

Source: *Nyamira County Treasury*

Analysis of expenditure by departments shows that the County Assembly recorded the highest absorption rate of development budget at 31 per cent, followed by the Department of Roads, Transport and Public Works at 18 per cent. The Department of Environment, Energy, Natural Resources and Mining had the highest percentage of recurrent expenditure to budget at 71 per cent, while the Department of Water, Irrigation and Sanitation had the lowest at less than one per cent.

The following six departments spent more funds than what was released by the Controller of Budget during the reporting period: County Executive 106 per cent of exchequer releases, Department of Sports, Gender, Cultures & Social Services 101 per cent of exchequer releases, County Public Services Board 102 per cent of exchequer releases, Department of Economic Planning, Resource Mobilization & ICT 160 per cent of exchequer releases, Department of Livestock & Fisheries Services 155 per cent of exchequer releases and Department of Primary Healthcare 118 per cent of exchequer releases. The six departments spent more than the exchequer released as a result of the diversion of funds released to other departments.

3.34.14 Budget Execution by Programmes and Sub-Programmes

Table 3.295 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.295: 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	91,261,250	0	32	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	0	0	0	0
Legislation and Representation	Legislation and Representation	282,882,597	0	90,181,120	0	32	0
	Sub-Total	**699,762,663**	**98,000,000**	**181,442,370**	**30,615,445**	**26**	**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	0	0	0	0
	Intergovernmental & Public Relations	24,640,000	0	0	0	0	0
	Executive management and liaison services	41,316,354	0	0	0	0	0
	Sub Total	**497,833,891**	**0**	**117,250,664**	**0**	**24**	**0**
Department of Finance and Economic Planning							
Policy and planning	Policy and planning	6,098,000	**0**	0	0	**0**	
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	40,234,025	0	59	0
Financial Management & Control	Accounting and financial services	0	425,551,340	0	63,996,400	0	15
Accounting and financial services	Audit services	7,000,000	0	0	0	0	0
	Accounting and financial services	27,150,000	0	0	0	0	0
	Sub Total	**116,792,265**	**425,551,340**	**40,234,025**	**63,996,400**	**34**	**15**
Department of Agriculture, Livestock and Fisheries							
General administration and support services	General administration and support services	64,088,643	0	38,402,019	0	60	0
	Policy and planning	517,690	0	0	0	0	0
Crop, Agribusiness	Crop Development Services	2,000,000	195,434,071	0	25,000,000	0	13

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Sub Total	**66,606,333**	**195,434,071**	**38,402,019**	**25,000,000**	58	**13**
Department of Environment, Energy, Natural Resources and Mining							
General administration and support services	General administration and support services	39,779,448	0	27,705,118	0	70	0
Environmental Protection	Other energy sources promotion	6,500,000	8,500,000	4,552,640	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**	**43,257,758**	**22,500,000**	71	**6**
Department of Education and ICT							
General Administration & Support Services	General administration	354,371,665	0	139,661,086	0	39	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**	**156,172,852**	**0**	**36**	**0**
Department of Health							
Policy Planning and support services	Administration support services	522,776,355	0	301,291,462	0	**58**	0
Medical support services	Medical support services	158,650,000	447,500,000	0	0	0	0
	Facility infrastructural services	6,000,000	0	0	0	0	0
	Sub Total	**687,426,355**	**447,500,000**	**301,291,462**	**0**	**58**	**0**
Department of Lands, Housing and Urban Development							
General administration and support services	General administration and support services	75,345,805	0	39,525,640	0	52	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	329205536	0	0	0	0
	Land management and administration services	1,000,000	10,000,000	0	0	0	0
	Sub Total	**80,745,805**	**346,205,536**	**39,843,640**	**0**	**49**	**0**
Department of Water, Sanitation and Irrigation							
General Administration Planning and Support Services	General administration and support services	39,297,623	0	0	0	0	0
	Major town's water services	9,000,000	31,200,000	0	0	0	0
	Sub Total	**48,297,623**	**31,200,000**	**0**	**0**	**0**	**0**
Department of Roads, Transport and Public Works							
General Administration Planning and Support Services	Administration and support services	95,821,356	0	31,323,522	0	33	0
Roads Development & management	Construction of roads and bridges	20,800,000	472,026,602	0	82,663,152	0	18

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Infrastructural development and fire safety	2,000,000		0	0	0	0
	Sub Total	**118,621,356**	**472,026,602**	**31,323,522**	**82,663,152**	**33**	**18**
Department of Trade, Tourism, Industrialization and Cooperatives Development							
General administration and support services	General administration and support services	40,158,147	0	15,961,829	0	40	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	0	0	0	0
Tourism promotion and management	Weights and Measures	1,500,000	0	0	0	0	0
	Sub Total	**65,908,147**	**200,472,054**	**20,378,754**	**0**	**31**	**0**
Department of Youths, Sports, Gender, Culture and Social Services							
General Administration, Planning, and	General administration support services	49,675,667	0	21,912,206	0	44	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**	**24,965,406**	**0**	**37**	**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	18,082,911	0	32	0
	Sub Total	**61,123,925**	**0**	**20,862,888**	**0**	**34**	**0**
Department of Public Administration and Coordination of Decentralized 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	98,173,696	0	36	0
Communication services	Communication services	1,000,000	0	0	0	0	0
community development and special funding	community development and special funding	22,000,000	37,500,000	2,060,641	0	9	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	0	0	0	0
	Field coordination and administration	1,000,000	0	0	0	0	0
	Strategy & advisory services	1,000,000	0	0	0	0	0
	Human resource development	170,500,000	5,000,000	50,000,000	0	29	0
	Sub Total	**473,310,145**	**42,500,000**	**150,234,337**	**0**	**32**	**0**

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Nyamira - Municipality							
General administration and support services	General administration and support services	51,434,230	0	16,398,507	0	32	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**	**16,398,507**	**0**	**18**	**0**
Office of County Attorney							
	General administration support services	22,436,539	0	0	0	0	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**	**0**	**0**	**0**	**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	66,551,371	0	40	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	0	0	0	0
	Sub Total	**230,389,016**	**31,546,994**	**66,551,371**	**0**	**29**	**0**
Department of Livestock and Fisheries Services							
General administration and support services	General administration and support services	97,126,827	0	24,954,237	0	26	0
	Policy and planning	517,690	0	0	0	0	0
Fisheries Development & promotion	Aquaculture Promotion Services	1,000,000	0	0	0	0	0
Livestock Development & promotion	Animal Health Disease and Management	1,000,000	8,000,000	0	0	0	0
	Livestock Products Value Addition and Marketing	1,000,000	3,000,000	0	0	0	0
	Sub Total	**100,644,517**	**11,000,000**	**24,954,237**	**0**	**25**	**0**
Department of Primary Healthcare							
General administration and support services	General administration and support services	1,107,780,663	0	381,463,523	0	34	0
Health Policy Planning and Financing	Health Policy Planning and Financing	1,500,000	0	0	0	0	0
	Promotive and preventive health services	116,821,464		0	0	0	0
Curative Health Services	Facility infrastructural services		35,000,000	**20,102,293**	0	0	0
	Sub Total	**1,226,102,127**	**35,000,000**	**401,565,816**	**0**	**33**	**0**
Keroka Municipality Board							
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

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	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	0	0	0	0
internal Resource mobilisation	internal Resource mobilisation	4,100,000	0	0	0	0	0
	Sub Total	**7,722,500**	**0**	**0**	**0**	**0**	**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	0	0	0	0
	Policy and planning services	5,500,000	0	0	0	0	0
	Sub Total	**8,222,500**	**0**	**0**	**0**	**0**	**0**
Nyamira Water & Sanitation Company							
General administration and support services	General administration and support services	2,722,500	0	0	0	0	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**	**0**	**0**	**0**	**0**
	Grand Total	**5,232,290,380**	**2,870,607,162**	**1,675,129,628**	**224,774,997**	**32**	**8**

***Source**: Nyamira County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Infrastructure development in the County Assembly at 31 per cent, Construction of roads and bridges in the Department of Roads, Transport and Public Works at 18 per cent, Accounting and Financial Services at the Department of Finance and Economic Planning at 15 per cent, and Crop Development Services in the Department of Agriculture, Livestock and Fisheries at 13 per cent of budget allocation.

3.34.15 Accounts Operated Commercial Banks

The County Government operated 157 accounts with commercial banks, including 103 accounts for Health Facilities, 33 accounts for Vocational Training Centers, four accounts for Established Funds, three revenue accounts, 11 special purpose accounts (additional allocations), one imprest accounts, and two recurrent operational accounts.

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.

3.34.16 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 20 January 2025
ii. The underperformance of own-source revenue at Kshs.192.43 million against an annual target of Kshs.850 million, representing 23 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 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 January 2025.
iv. The high pending bills amounted to Kshs.682.21 million as of 31 December 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
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 operational purposes.

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 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.*

3.35. 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 comprised of a development budget of Kshs.2.81 billion and a recurrent budget of Kshs.5.4 billion.

The budget increase was attributed to the rise in equitable share from Kshs.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 3.296.

3.35.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.3.32 billion to fund its development and recurrent activities. This amount consisted of Kshs.2.45 billion from the equitable share of revenue raised nationally and its own-source revenue (OSR) collection of Kshs.242.49 million. In addition, the County had a cash balance of Kshs.626.44 million from FY 2023/24.

The total OSR collection of Kshs.242.49 million, including Facilities Improvement Financing (FIF) of Kshs.111.99 million, and Kshs.130.51 million as ordinary OSR. Table 3.296 summarises the total revenue available to the County government during the first half of FY 2024/25.

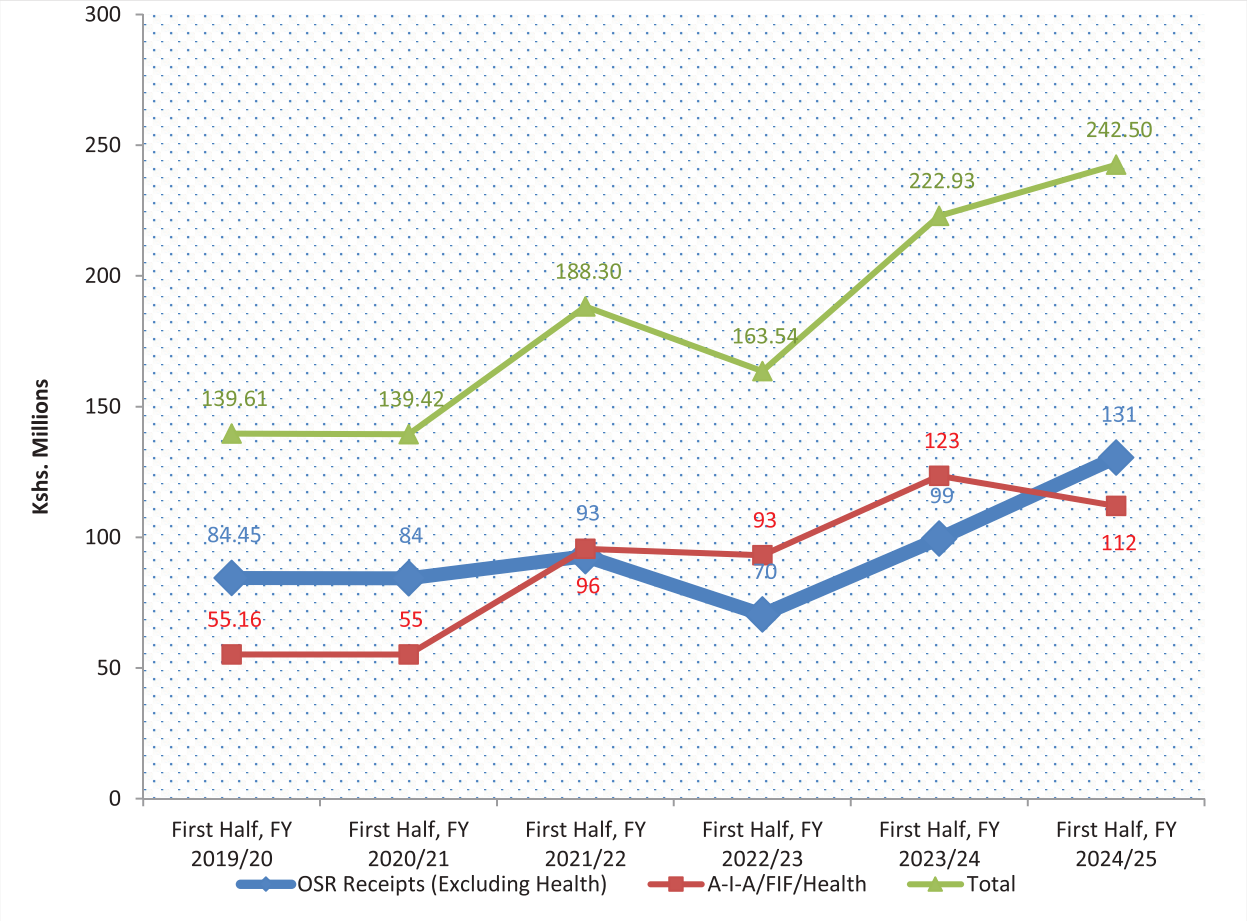
Table 3.296: Nyandarua County, Revenue Performance in the First Half of FY 2024/25

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	2,453,576,504	40
Sub Total		**6,137,355,000**	**2,453,576,504**	**40**
B	**Conditional Grants**			
1	Supplement for Construction of County Headquarters	119,000,000		
2	Aggregated Industrial Parks Programme	250,000,000		
3	Fertiliser Subsidy Programme	121,624,039		
4	Livestock Value Chains Support Project	135,210,000		
5	Transfer of Library Services	2,865,209		
6	Roads Maintenance Fuel Levy	222,822,888		
7	Community Health Promoters	41,610,000		
8	IDA (World Bank) - National Agriculture Value Chain Development Project (NAVCDP)	151,515,152		
9	DANIDA - Primary Health Care in a Devolved Context	7,507,500		
10	World Bank -Kenya Informal Settlement Improvement Project- KISIP II	238,462,533		
11	World Bank- Financing Locally Led Climate Action Program (FLLoCA)- County Climate Resilience Investment Grant	136,000,000		
12	Kenya Development Support Program Level 2	37,500,000		
13	Kenya Urban Support Project-Urban Institutional Grant	35,000,000		
Sub-Total		1,499,117,321	0	
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	600,000,000	130,507,878	22
2	Balance b/f from FY2023/24	626,438,759	626,438,759	100
3	Facility Improvement Fund (FIF)	250,000,000	111,987,361	45
4	Other Revenues	0	0	
5	Appropriation in Aid (AIA)	0	0	
Sub Total		1,476,438,759	868,933,998	59
Grand Total		**9,112,911,080**	3,322,510,502	**37**

Source: *Nyandarua County Treasury*

Figure 137 shows the trend in own-source revenue collection from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 137: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

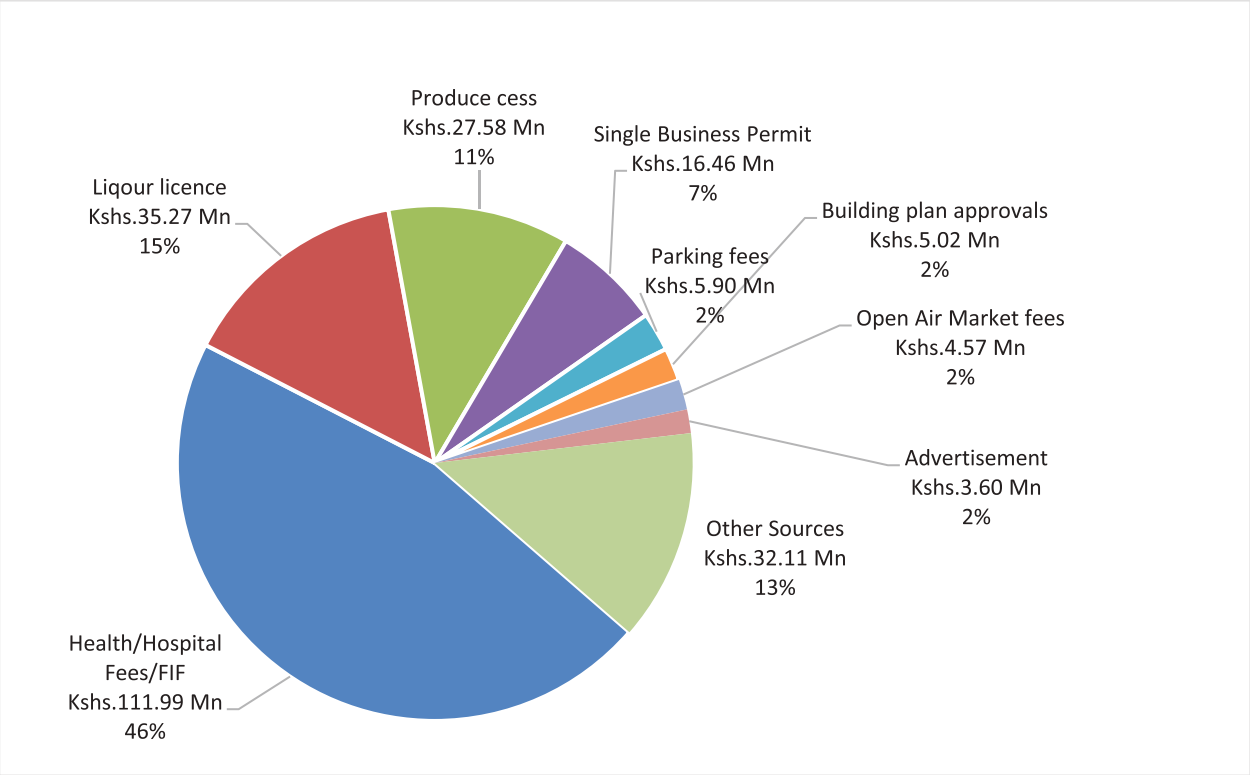


Source: *Nyandarua County Treasury*

During the first half of FY 2024/25, the County generated Kshs.242.49 million from its revenue sources, including FIF. This amount was an increase of 9 per cent compared to Kshs.222.93 million realised in a similar period in FY 2023/24 and was 29 per cent of the annual target and 10 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 138.

Figure 138: Top Streams of Own Source Revenue in the First Half FY 2024/25



The highest revenue stream, Kshs.111.99 million, was from hospital fees/FIF, which contributed 46 per cent of the total OSR receipts during the reporting period.

3.35.3 Borrowing by the County

The County Treasury has an MoU with Tower Sacco to pay salaries whenever there is a delay in the disbursement of equitable shares.

3.35.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.2.23 billion from the CRF account comprised Kshs.282.5 million (13 per cent) for development programmes and Kshs.1.95 billion (87 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.22 billion was released towards compensation of employees and Kshs.729.97 million for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly, as the exchequer requests were submitted in January 2025.

Analysis of the operations and maintenance exchequer releases indicates that 30 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.215.8 million, including Kshs.161.32 million for the County Executive and Kshs.54.49 million for the County Assembly. The foreign exchequer totalled Kshs.7.33 million for the County Assembly.

Table 3.297: Nyandarua County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.million)		Exchequer Issues (Kshs. million)		Exchequer Issues To Approved Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor	120,000,000	-	33,215,221	-	28	-
County Secretary & Head of Public Service	60,930,139	-	10,118,957	-	17	-
Office of The County Attorney	26,850,000	-	4,693,177	-	18	-

Department	Budget Allocation (Kshs.million)		Exchequer Issues (Kshs. million)		Exchequer Issues To Approved Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Public Service Administration & Devolution	2,649,329,921	2,000,000	1,061,931,287	-	40	-
County Public Service Board	25,925,600	-	11,208,788	-	43	-
Finance, Economic Planning and ICT	544,289,735	118,700,000	242,474,212	31,823,779	45	27
Health Services	484,784,500	239,501,090	53,481,931	65,643,003	11	27
Education, Children, Gender Affairs, Culture and Social Services	169,664,186	65,617,372	25,083,021	-	15	-
Tourism, Cooperative Development, Trade & Industrialization	55,484,800	426,200,000	18,596,806	42,873,508	34	10
Youth Empowerment, Sports and Arts	55,631,824	15,103,933	14,729,309	-	27	-
Water, Environment, Climate Change& Natural Resources	35,338,400	378,829,064	14,087,635	61,045,382	40	16
Public Works, Roads, Transport, Housing & Energy	71,775,000	961,950,811	35,705,485	78,649,723	50	8
Lands, Physical Planning and Urban Development	33,930,834	329,633,274	9,582,492	2,474,686	28	1
Ol-Kalou Municipality	31,350,000	9,368,200	4,967,210	-	16	-
Mairo-Inya Municipality	19,038,000	6,000,000	3,525,849	-	19	-
Engineer Municipality	20,748,000	6,800,000	3,986,160	-	19	-
Agriculture, Livestock & Fisheries	144,283,599	422,654,039	24,355,287	-	17	-
County assembly	889,760,000	65,000,000	375,521,251	-	42	-
	5,439,114,538	**3,047,357,783**	**1,947,264,077**	**282,510,081**	36	9

***Source**: Nyandarua County Treasury*

As of 31 December 2024, the County Government's cash balance in the CRF account was Kshs.895.12 million.

3.35.5 County Expenditure Review

The County spent Kshs.2.72 billion on development and recurrent programmes in the reporting period. The expenditure represented 122 per cent of the total funds released by the CoB and comprised Kshs.306.99 million and Kshs.2.42 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 10 per cent, while recurrent expenditure represented 44 per cent of the annual recurrent expenditure budget.

3.35.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.24 billion as of 30 June 2024. This amount includes Kshs.1.13 billion from the County Executive and Kshs.102.66 million from the County Assembly. The pending bills from the County Executive consist of Kshs.353.35 million for recurrent expenditures and Kshs.781.61 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.18.01 million, comprising Kshs.14.52 million for recurrent programmes and Kshs.3.49 million for development programmes. Meanwhile, 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.99.7 million and Kshs.41.48 million, respectively, in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.18.01 million for the Executive and Kshs.7.75 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.1.21 billion, comprising Kshs.1.12 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.1.23 billion on employee compensation, Kshs.818.09 million on operations and maintenance, and Kshs.306.99 million on development activities. Similarly, the County Assembly spent Kshs.187.74 million on employee compensation and Kshs.181.03 million on operations and maintenance, as shown in Table 3.298.

Table 3.298: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.Million)		Expenditure (Kshs.Million)		Absorption	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**4,549.35**	**889.76**	2,048.64	368.77	**45**	**41**
Compensation to Employees	2,296.80	436.91	1,230.54	187.75	54	43
Operations and Maintenance	2,252.55	452.85	818.10	181.03	36	40
Development Expenditure	2,982.36	65.00	307.00	-	10	
Total	**7,531.71**	**954.76**	**2,355.64**	**368.77**	**31**	**39**

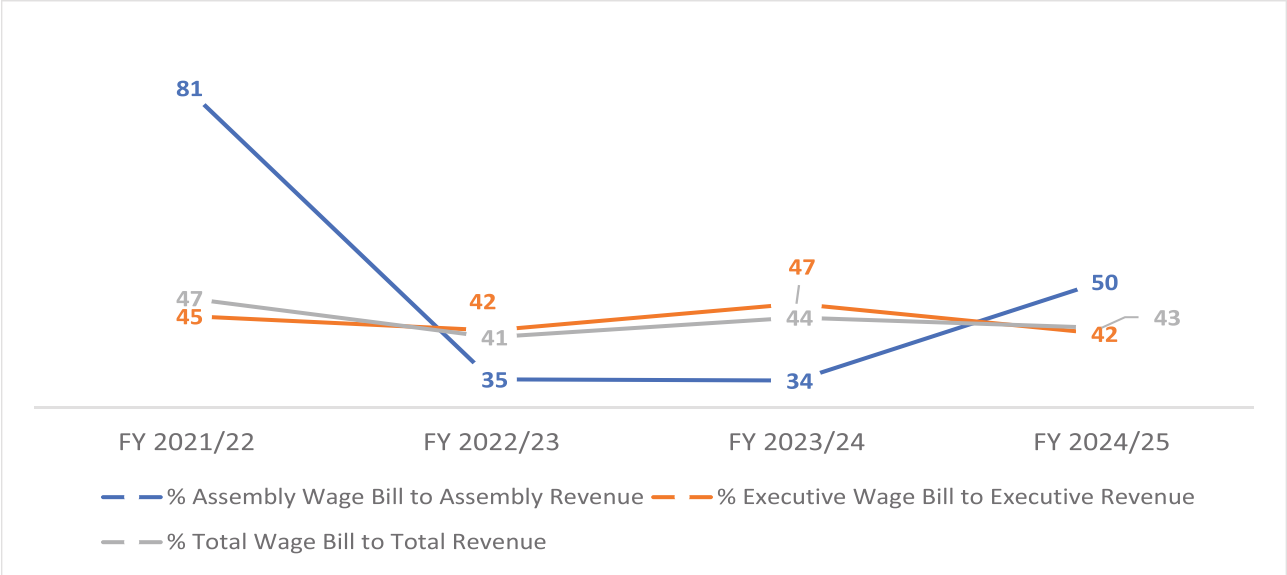
***Source**: Nyandarua County Treasury*

3.35.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.42 billion, or 43 per cent of the available revenue of Kshs.3.32 billion. This expenditure represented an increase from Kshs.1.38 million reported in a similar period in FY 2023/24. The wage bill included Kshs.565.32 million paid to the Health Sector employees, translating to 41 per cent of the total wage bill.

Figure 139 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2021/22 to the first half of FY 2024/25.

Figure 139: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2021/22 to the First Half of FY 2024/25



Source: Nyandarua County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.36 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.58.02 million was processed through manual payrolls, which accounted for 4 per cent of the total PE cost.

The County Assembly spent Kshs.13.5 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.53,571 per MCA. The County Assembly had 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 (0.6 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.299 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.299: Performance of County Established Funds in the First Half 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	20,000,000	20,000,000	20,000,000	Yes
2	Executive Car & Mortgage	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	-	-	-	Yes
5	Bursary	194,900,000	97,450,000	97,450,000	97,450,000	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**	

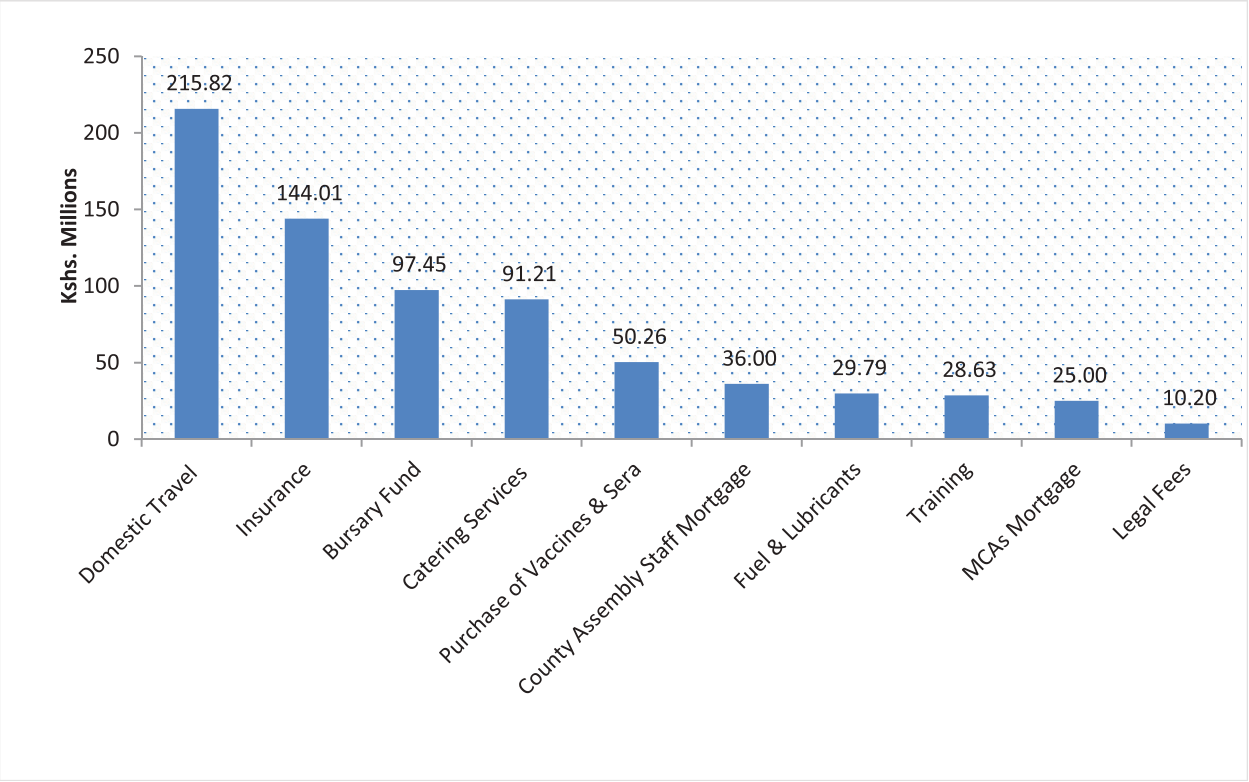
Source: *Nyandarua County Treasury*

During the reporting period, the CoB received quarterly financial reports from the Fund Administrators of all the funds, as indicated in Table 3.299

3.35.10 Expenditure on Operations and Maintenance

Figure 140 summarises the Operations and Maintenance expenditure by major categories.

Figure 140: Nyandarua County, Operations and Maintenance Expenditure by Major Categories



Source: *Nyandarua County Treasury*

Expenditure on domestic travel amounted to 215.82 million and comprised Kshs.54.49 million spent by the County Assembly and Kshs.161.32 million by the County Executive. Expenditure on foreign travel amounted to Kshs.7.33 million, which the County Assembly incurred. Expenditure on foreign travel is summarised in Table 3.300.

Table 3.300: Summary of Highest Expenditure on Foreign Travel in the First Half 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.)
	1	19th to 26th May 2024	Part-payment of foreign allowances during the 2024 Climate Leadership Conference	USA	207,111
County Assembly	9	1st July to 15th August 2023		EALA Arusha	3,021,696
County Assembly	6		A workshop on Legislation and governance	ESAMI-Arusha	4,106,844

Source: *Nyandarua County Treasury and Nyandarua County Assembly*

The operations and maintenance costs include an expenditure of Kshs.10.2 million on legal fees/dues, arbitration and compensation payments, and legal fees.

3.35.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.111.98 million as FIF, which was 44.8 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 County has, however, not developed regulations to operationalise the FIF Act of 2023.

The expenditure by the health facilities amounted to Kshs.166.26 million, as shown in **Table 3.301**.

Table 3.301: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Engineer Level IV Hospital	-	102,301,619	-
	JM Kariuki	264,703,299	63,960,676	24
	Total	**264,703,299**	**166,262,295**	

Source: *Nyandarua County Treasury*

The Health Facility with the highest absorption rate was JM Kariuki Hospital at 24 per cent of its budget

3.35.12 Development Expenditure

In the first half of FY 2024/25, the County reported spending Kshs.306.9 million on development programmes. an increase of 55 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.197.06 million. Table 3.302 summarises development projects with the highest expenditure in the reporting period.

Table 3.302: Nyandarua 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	Health	JM Mashujaa Complex	Rurii		70,244,866	
2	Trade	Development of County Aggregation and Industrial Park (CAIP) -County contribution			25,000,000	
3	Works	County Headquarters			15,877,738	
4	Health	Upgrade of chamuka/Ol Jororok health center	Weru Ward	10,000,000	10,000,000	100
5	Water	Supply and delivery of pipes at Umoja Mbuyu- Jamuh Limited	Leshau	2,998,300	2,998,300	100
6	Water	Supply and laying of assorted pipes in Kimbo and Muhonia	Githioro	2,488,600	2,488,600	100
7	Roads	Construction of Mwakama Bridge	Geta Ward	2,355,763	2,355,763	100

Source: *Nyandarua County Treasury*

3.35.13 Budget Performance by Department

Table 3.303 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.303: Nyandarua 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
Office of the Governor	120	-	33.22	-	37.85	-	114	-	32	-
County Secretary & Head of Public Service	60.93	-	10.12	-	12.48	-	123	-	21	-
Office of The County Attorney	26.85	-	4.69	-	10.57	-	225	-	39	-
Public Service Administration & Devolution	2,649.33	2	1,061.93	-	1,217.04	-	115	-	46	-
County Public Service Board	25.93	-	11.21	-	11.88	-	106	-	46	-
Finance, Economic Planning and ICT	544.29	118.7	242.47	31.82	474.68	77.25	196	243	87	65

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
Health Services	484.78	239.5	53.48	65.64	67.44	80.24	126	122	14	34
Education, Children, Gender Affairs, Culture and Social Services	169.66	65.62	25.08	-	30.18	0.82	120	-	18	1
Tourism, Cooperative Development, Trade & Industrialization	55.48	426.2	18.6	42.87	27.8	25	150	58	50	6
Youth Empowerment, Sports and Arts	55.63	15.1	14.73	-	18.77	-	127	-	34	-
Water, Environment, Climate Change& Natural Resources	35.34	378.83	14.09	61.05	14.74	8.78	105	14	42	2
Public Works, Roads, Transport, Housing & Energy	71.78	961.95	35.71	78.65	42.24	112.43	118	143	59	12
Lands, Physical Planning and Urban Development	33.93	329.63	9.58	2.47	14.41	2.47	150	100	43	1
Ol-Kalou Municipality	31.35	9.37	4.97	-	5.45	-	110	-	17	-
Mairo-Inya Municipality	19.04	6	3.53	-	4.64	-	132	-	24	-
Engineer Municipality	20.75	6.8	3.99	-	3.99	-	100	-	19	-
Agriculture, Livestock & Fisheries	144.28	422.65	24.36	-	54.47	-	224	-	38	-
County assembly	889.76	65	375.52	-	368.77	-	**98**	-	**41**	-
	5,439.11	**3,047.36**	**1,947.26**	**282.51**	**2,417.41**	**307**	**124**	**109**	**44**	**10**

***Source**: Nyandarua County Treasury*

The County Treasury did not provide an explanation for why certain departments' expenditures exceeded their respective exchequer receipts.

Analysis of department expenditure shows that the Department of Finance, Economic Planning & ICT recorded the highest absorption rate of development budget at 65 per cent, followed by the Department of Health Services at 33 per cent. The Department of Finance, Economic Planning & ICT had the highest percentage of recurrent expenditure to budget at 87 per cent. In comparison, the Department of Health had the lowest at 14 per cent.

3.35.14 Budget Execution by Programmes and Sub-Programmes

Table 3.304 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.304: Nyandarua County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 30 June 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor							
General administration, planning and support services	Service Delivery Coordination	72.10	-	32.75	-	45	-
	Governor's press services and administrative support	7.26	-	2.15	-	30	-
	Liaison and Intergovernmental Relations	16.74	-	2.39	-	14	-
	Special Programs and Diaspora Affairs	18.50	-	0.25	-	1	-
	Public Participation and Civic Education	5.40	-	0.30	-	6	-
Sub Total		**120.00**	**-**	**37.85**	**-**	32	-
Office of the County Secretary & Head of Public Service							
County Secretary	County Administration	47.45	-	8.06	-	17	-
	Cabinet Affairs	2.50	-	1.62	-	65	-
	Communication and Public Relations	5.35	-	1.76	-	33	-
	County Records Management	5.63	-	1.04	-	19	-
Sub Total		**60.93**	**-**	**12.48**	**-**	21	-
Office of the County Attorney							
County Attorney Services	legal and public affairs	26.85	-	10.57	-	39	-
Sub Total		**26.85**	**-**	**10.57**	**-**	39	-
Public Service & Devolution (Admin)							
Human Resource Management	Payroll (Including Compensation to employees)	2,300.46	-	1,063.40	-	46	-
	Human Resource Management (Including employee gratuity, pension and medical insurance)	268.61	-	132.98	-	50	-
Public administration	Public Administration	43.79	-	4.00		9	-
	sub-county and ward administration	20.35	-	13.09	-	64	-
	Enforcement and Compliance	16.12	2.00	3.58	-	22	-
Sub Total		**2,649.33**	**2.00**	**1,217.04**	**-**	46	-
County Public Service Board							
County Public Service Board	County Public Service Board	25.93	-	11.88	-	46	-
Sub Total		**25.93**	**-**	**11.88**	**-**	46	-
Finance, Economic Planning & ICT							
Public Finance Management	County Funds	314.90	10.00	314.90	-	100	-
	Treasury services	68.96	-	65.35	-	95	-
	Financial reporting	8.94	-	7.00	-	78	-
	Revenue Collection and Administration (Including automation)	30.09	-	13.10	-	44	-
	Revenue Enhancement and Monitoring	27.40	-	24.90	-	91	-
	Supply Chain Management	10.98	-	3.19	-	29	-
	Internal Audit and Risk Management	8.05	-	5.41	-	67	-
	Internal Audit Committee	3.80	-	2.35	-	62	-

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 30 June 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Economic planning and development	Economic Development Planning, including KDSP	16.35	100.00	8.28	77.25	51	77
	County Statistics and Data Bank	4.85	-	4.31	-	89	-
	Monitoring and Evaluation	14.00	-	5.74	-	41	-
	Economic Modelling and Research	2.50	-	1.85	-	74	-
	County Budgeting	18.57	-	9.36	-	50	-
	Resource Mobilisation and Debt Management	3.00	-	2.30	-	77	-
ICT and E-government Services	ICT and E-government Services	11.90	8.70	6.63	-	56	-
Sub Total		**544.29**	**118.70**	**474.68**	**77.25**	87	65
Health Services							
Preventive and Promotive Services	Preventive and Promotive Services	90.42	-	23.24	-	26	-
Curative Services	Curative Services	84.65	-	31.71	-	38	-
	Health Improvement Financing (FIF)	250.00	-	-	-	-	-
	Universal health care and grants	34.40	-	9.23	-	27	-
General administration, planning and support services	Solid Waste and Cemeteries	25.10	-	3.27	-	13	-
	Infrastructure and Equipment	0.22	239.50		80.24	-	34
Subtotal		**484.78**	**239.50**	**67.44**	**80.24**	14	34
Education, Children, Gender Affairs, Culture & Social Services							
Primary education	ECDE	27.39	42.67	4.55	0.82	17	2
Youth training and development	revitalisation of youth polytechnics	63.30	14.15	2.85	-	5	-
Culture and library services	development and promotion of culture	5.73	4.30	4.35	-	76	-
	Library Services	2.92	4.50	2.14	-	73	-
Children, Gender and Social Services	Social Services	54.03	-	10.31	-	19	-
	children and Gender Affairs	10.30	-	1.68	-	16	-
General administration, planning and support services	Alcohol Drinks Control and Civic Education	6.00	-	4.31	-	72	-
Sub Total		**169.66**	**65.62**	**30.18**	**0.82**	18	1
Tourism, Cooperative Development, Trade & Industrialization							
Trade development and promotion	Financial and Trade Services	7.70	11.40	5.02	-	65	-
	Nyandarua County Trade Development and Investment Authority (NCTDIA)	5.80	-	2.55	-	44	-
Industrial development and investment	Industrial and Enterprise Development	5.60	403.00	4.32	25.00	77	6
	Weights & Measures	4.30	-	3.06		71	-
Cooperative development and management	Cooperative Audit Extension Services	2.37	-	1.14	-	48	-
	Co-operative Development	10.32	-	3.33	-	32	-
Tourism development and promotion	tourism infrastructure development	19.40	11.80	8.38	-	43	-
Sub Total		**55.48**	**426.20**	**27.80**	**25.00**	50	6
Youth, Sports & Arts							
Sports	Sports Development	31.86	13.60	12.49	-	39	-
Youth Affairs	Youth Affairs	15.98	-	3.48	-	22	-

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 30 June 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Arts & Theater	Arts & Theater	7.80	1.50	2.79	-	36	-
Sub Total		**55.63**	**15.10**	**18.77**	**-**	34	-
Water, Environment, Climate Change & Natural Resources							
Water Resource Development.	Water resource conservation and protection, infrastructure and flood control	19.85	146.44	8.62	8.78	43	6
Environment	Environmental support and management	4.88	0.70	3.13	-	64	-
	Climate change resilience	5.24	227.69	1.92	-	37	-
	natural resource	4.87	-	0.88	-	18	-
Irrigation and Drainage infrastructure	promotion of irrigation and drainage development and management	0.50	4.00	0.19	-	37	-
Sub Total		**35.34**	**378.83**	**14.74**	**8.78**	42	2
Transport, Energy & Public Works							
Road transport	Transport (Including fuel level, General Administration & Support Services)	28.41	735.41	7.13	80.56	25	11
	Public Works	6.39	200.30	3.26	30.78	51	15
Alternative energy technologies	alternative energy technologies	29.95	23.24	28.52	1.09	95	5
General administration, planning and support services	Emergency Response & Preparedness	4.00	-	1.46	-	36	-
Housing	Housing	3.03	3.00	1.87	-	62	-
Sub Total		**71.78**	**961.95**	**42.24**	**112.43**	59	12
Lands, Physical Planning & Urban Development							
Land policy and planning	Physical Planning	7.98	-	2.63	-	33	-
	Survey and Mapping	13.38	-	5.04	-	38	-
	Land Administration and Management	10.15	85.17	6.33	-	62	-
Urban development	Urban development	2.43	244.46	0.40	2.47	17	1
Sub Total		**33.93**	**329.63**	**14.41**	**2.47**	43	1
Municipalities					**-**		-
Municipalities	Ol'kalou municipality	31.35	9.37	**5.45**	**-**	17	-
	Engineer Municipality	20.75	6.00	3.99	-	19	-
	Mairo-Inya Municipality	19.04	6.80	4.64	-	24	-
Sub Total		**71.14**	**22.17**	**14.08**	**-**	20	-
Agriculture, Livestock & Fisheries							
Crop development and management	land and crop development	48.39	283.14	25.73	-	53	-
Livestock resources management and development	livestock production and management	23.18	137.21	2.32	-	10	-
	Veterinary Services	20.60	0.80	4.57	-	22	-
Fisheries Development and management	fisheries policy, strategy and capacity building	2.29	1.50	0.58	-	25	-
General administration, planning and support services	Agricultural Support Institutions	10.00	-	10.00	-	100	-
	General Administration and Extension Services	8.28	-	3.62	-	44	-
	Subsidised Artificial Insemination	31.55	-	7.65		24	-
Sub Total		**144.28**	**422.65**	**54.47**	**-**	38	-

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 30 June 2024 (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Assembly							
County Assembly	Legislative, oversight and representation	889.76	65.00	368.77		41	-
Sub Total		**889.76**	**65.00**	**368.77**	-	41	-
Grand Total County		**5,439.11**	**3,047.36**	**2,417.41**	**307.00**	**44**	**10**

***Source**: Nyandarua County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were Agricultural institutions support in the Department of Agriculture, Livestock & Fisheries at 100 per cent, alternative energy in the Department of Public Works at 95 per cent and revenue enhancement in the Department of Finance, Economic Planning & ICT at 95 per cent of budget allocation.

3.35.15 Accounts Operated Commercial Banks

The County Government operated 91 accounts with commercial banks, including 84 for Health Facilities, five for Established Funds, and one for revenue and one for imprest.

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.

3.35.16 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 underperformance of own-source revenue at Kshs.242.49 million against an annual target of Kshs.850 million, representing 28 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 3.303.
iii. A high level of pending bills amounting to Kshs.1.21 billion as of 31 December 2024. 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.58.02 million were processed through manual payroll, accounting for 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 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. *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 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.*

3.36. County Government of Nyeri

3.36.1 Overview of FY 2024/25 Budget

The Nyeri County Gross Approved FY 2024/25 budget 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 Kshs313.08 million (4 per cent) from the FY 2023/24 budget comprised of a development budget of Kshs.2.88 billion and a recurrent budget of Kshs.6.19 billion. The County's Net Approved Budget is Kshs.8.75 billion, comprising Kshs.5.86 billion for recurrent and Kshs.2.89 billion for development.

The budget will be financed from different sources of revenue. These include Kshs.6.58 billion (67 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.37 billion as additional allocations, 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), Facility Improvement Fund (revenue from health facilities), and Kshs800 million (8 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.305.

3.36.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.3.76 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.21 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.531.88 million. The County did not report any cash balances from FY 2023/24.

The total OSR collection of Kshs.531.88 million includes Facilities Improvement Financing (FIF) of Kshs.299.22 million and Kshs.232.66 million as ordinary OSR. Table 3.305 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.305: Nyeri County, Revenue Performance in the First Half 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	3,213,067,549	49
Sub Total		**6,580,025,891**	**3,213,067,549**	**49**
B	**Conditional Grants**			
1	The Danish International Development Agency (DANIDA)	365,603,076		-
2	IDA (World Bank) Credit - National Agricultural Value Chain Development Programme (NAVCDP)	8,336,250		-
3	Aquaculture Business Development Programme (ABDP)	151,515,152		-
4	Kenya Agricultural Agribusiness Development Project (KABDP)	19,315,146		-
5	Aggregated Industrial Parks Programme (CAIP)	11,918,919		-
6	IDA (World Bank) Credit - Financing Locally - Led Climate Action (FLLoCA) program - County Climate Institutional Support (CCIS) Grants	250,000,000		-
7	Road Maintenance Levy Fund (RMLF)	136,000,000	11,000,000	8
8	Kenya Development Support Program KDSP II (Level I)	281,534,361		-
9	Community Health Promoters	37,500,000		-
10	Kenya Urban Support Program, The Urban Institute Grant (KUSP UIG)	74,250,000		-
11	KUSP UIG	35,000,000		-
Sub-Total		1,370,972,904	11,000,000	**0.8**

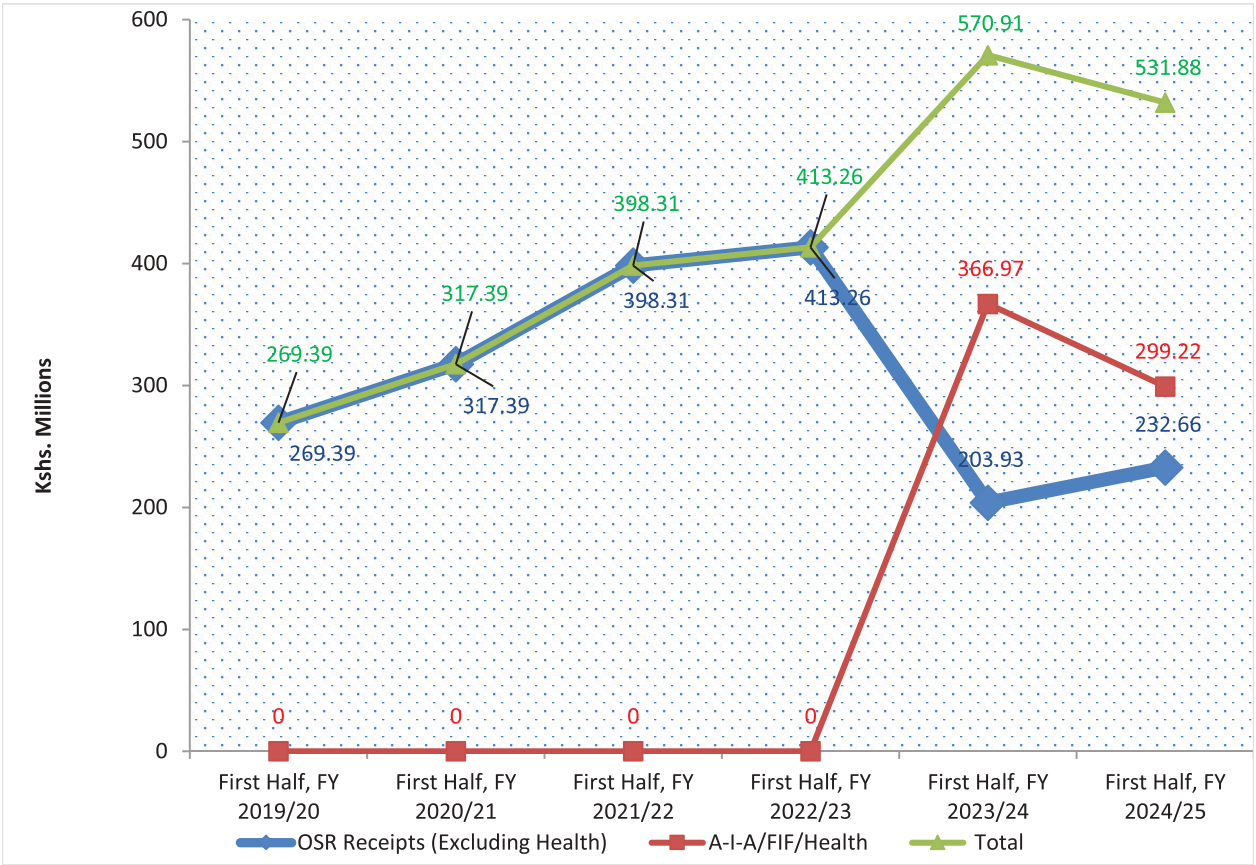
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	800,000,000	232,658,755	29
2	Balance b/f from FY2023/24	0	0	-
3	Facility Improvement Fund (FIF)	836,295,127	299,221,029	36
4	Other Revenues	0	0	-
5	Appropriation in Aid (AIA)	0	0	-
Sub Total		1,636,295,127	531,879,784	33
Grand Total		**9,587,293,922**	**3,755,947,333**	**39**

Source: *Nyeri County Treasury*

The County's governing legislation for operating ordinary FIF is the Nyeri County Health Services Fund Act, 2021.

Figure 141 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 141: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

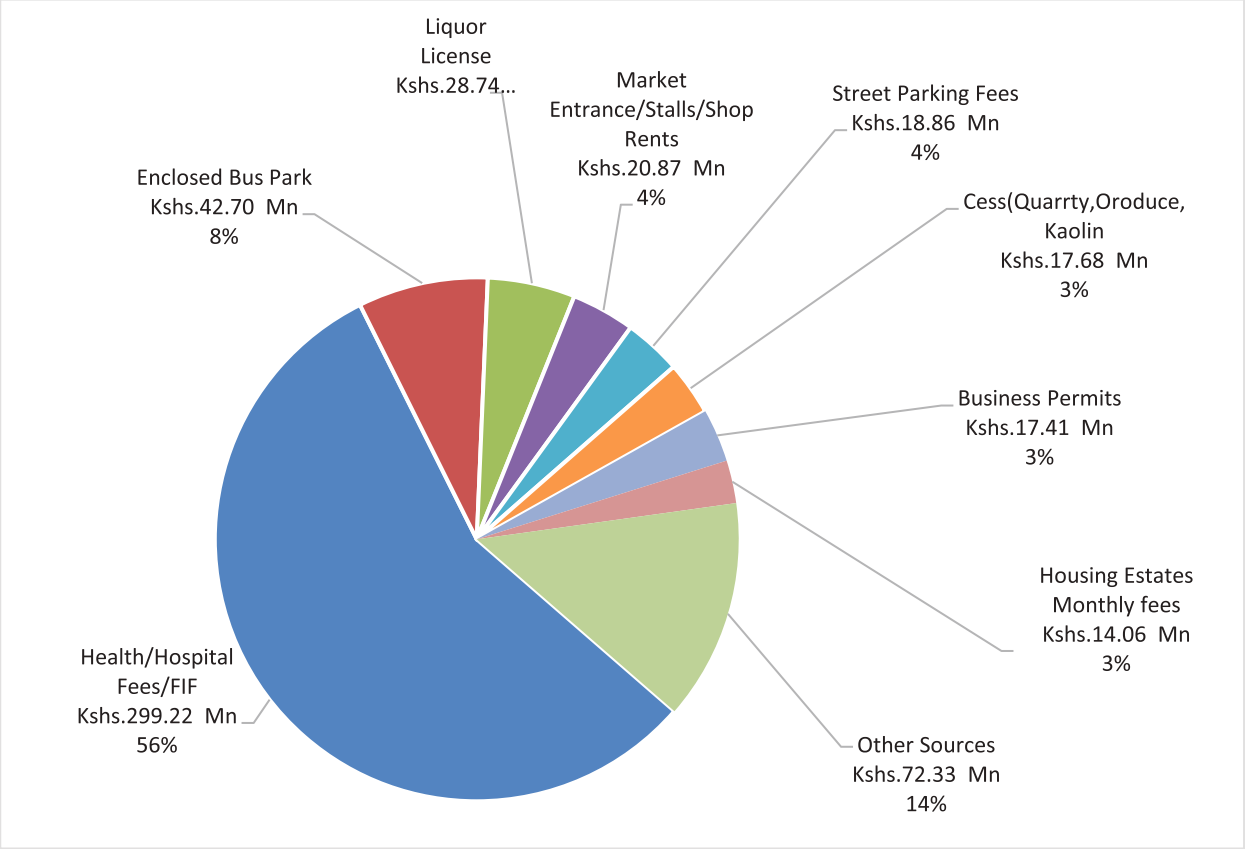


Source: *Nyeri County Treasury*

During the first half of FY 2024/25, the County generated Kshs.531.88 million from its revenue sources, including FIF. This amount was a decrease of 7 per cent, compared to Kshs.570.91 million, which was realised in a similar period in FY 2023/24, and less than one per cent of the annual target and equitable revenue share was disbursed, respectively.

The revenue streams which contributed the highest OSR receipts are shown in Figure 142.

Figure 142: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: *Nyeri County Treasury*

The highest revenue stream, Kshs.299.22 million, was from Health /hospital fees /FIF, which contributed 56 per cent of the total OSR receipts during the reporting period.

3.36.3 Borrowing by the County

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

3.36.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.2.38 billion from the CRF account comprised Kshs.175.59 million (7 per cent) for development programs and Kshs.2.21 billion (93 per cent) for recurrent programs. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.87 billion was released towards compensation of employees and Kshs.613.70 million for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive.

Analysis of the operations and maintenance exchequer releases indicates that 19 per cent was for domestic travel and 3 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.117.85 million, including Kshs.32.25 million for the County Executive and Kshs.85.59 million for the County Assembly. The foreign exchequer totalled Kshs.17.71 million, comprising Kshs.596,985 for the County Executive and Kshs.17.11 million for the County Assembly.

Table 3.306: Nyeri 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
Executive Office of the Governor and the Deputy Governor	124.3	45.0	47.0	0.0	37.8	0.0
Office of the County Secretary	324.3	6.5	56.0	0.8	17.3	11.8

Finance, Economic Planning, and ICT	535.7	10.0	193.1	1.3	36.1	13.0
Lands, Physical Planning, and Urban Development	81.5	368.4	35.9	0.0	44.0	0.0
Health Services and Public Health	2,627.2	416.3	1,095.3	42.9	41.7	10.3
Gender, Youth, Social Services and Sports	94.1	101.3	35.3	11.7	37.5	11.5
County Public Service and Solid Waste Management	147.2	53.0	52.5	9.2	35.7	17.4
Agriculture, Livestock and Aquaculture Development	238.2	270.1	99.9	8.7	41.9	3.2
Trade, Cooperatives, Culture and Tourism	56.6	379.9	19.0	0.0	33.6	0.0
Education, Training, and Devolution	553.5	85.1	209.2	0.0	37.8	0.0
Water, Environment, and Climate Change	76.4	264.7	25.0	13.1	32.7	4.9
County Assembly	805.8	150.0	276.2	3.4	34.3	2.3
County Public Service Board	42.5	6.0	17.4	0.0	41.0	0.0
Roads, Transport, Public Works, Infrastructure and Energy	92.9	651.3	27.0	77.2	29.0	11.9
County Attorney	46.3	0.0	16.5	0.0	35.6	0.0
Nyeri Municipality	12.1	84.7	0.7	7.4	6.1	8.7
	0.0	0.0	0.0	0.0	0.0	0.0
Total	**5,858.6**	**2,892.4**	**2,206.0**	**175.6**	37.7	6.1

***Source**: Nyeri County Treasury*

As of 31 December 2024, the County Government's cash balance in the CRF account was Kshs.1.25 billion.

3.36.5 County Expenditure Review

The County spent Kshs.2.56 billion on development and recurrent programmes in the reporting period. The expenditure represented 107 per cent of the total funds released by the CoB and comprised Kshs.174.94 million and Kshs.2.39 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 6 per cent, while recurrent expenditures represented 41 per cent of the annual recurrent expenditure budget.

3.36.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.260.33 million as of 30 June 2024. This amount includes Kshs.192.65 million from the County Executive and Kshs.65.69 million from the County Assembly. The pending bills from the County Executive consist of Kshs.88.99 million for recurrent expenditures and Kshs.103.66 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.89.59 million, comprising Kshs.75.01 million for recurrent programmes and Kshs.14.59 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.63.36 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.23.1 million and Kshs.63.36 million in the first half of FY 2024/25. However, the County adhered to this payment plan, clearing Kshs.26.23 million for the Executive and Kshs.63.36 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.170.74 million, comprising Kshs.166.42 million for the County Executive and Kshs.4.32 million for the County Assembly.

3.36.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.9 billion on employee compensation, Kshs.186.34 million on operations and maintenance, and Kshs.171.55 million on development activities. Similarly, the County Assembly spent Kshs.101.37 million on employee compensation, Kshs.201.5 million on operations and maintenance, and Kshs.3.38 million on development activities, as shown in Table 3.307.

Table 3.307: 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	2,086,865,229	302,871,031	41	38
Compensation to Employees	4,127,316,632	259,167,090	1,900,521,536	101,366,423	46	39
Operations and Maintenance	925,482,858	546,595,971	186,343,693	201,504,608	20	37
Development Expenditure	2,742,436,244	150,000,000	171,554,344	3,381,574	6	2
Total	**7,795,235,734**	**955,763,061**	**2,258,419,573**	**306,252,605**	**29**	**32**

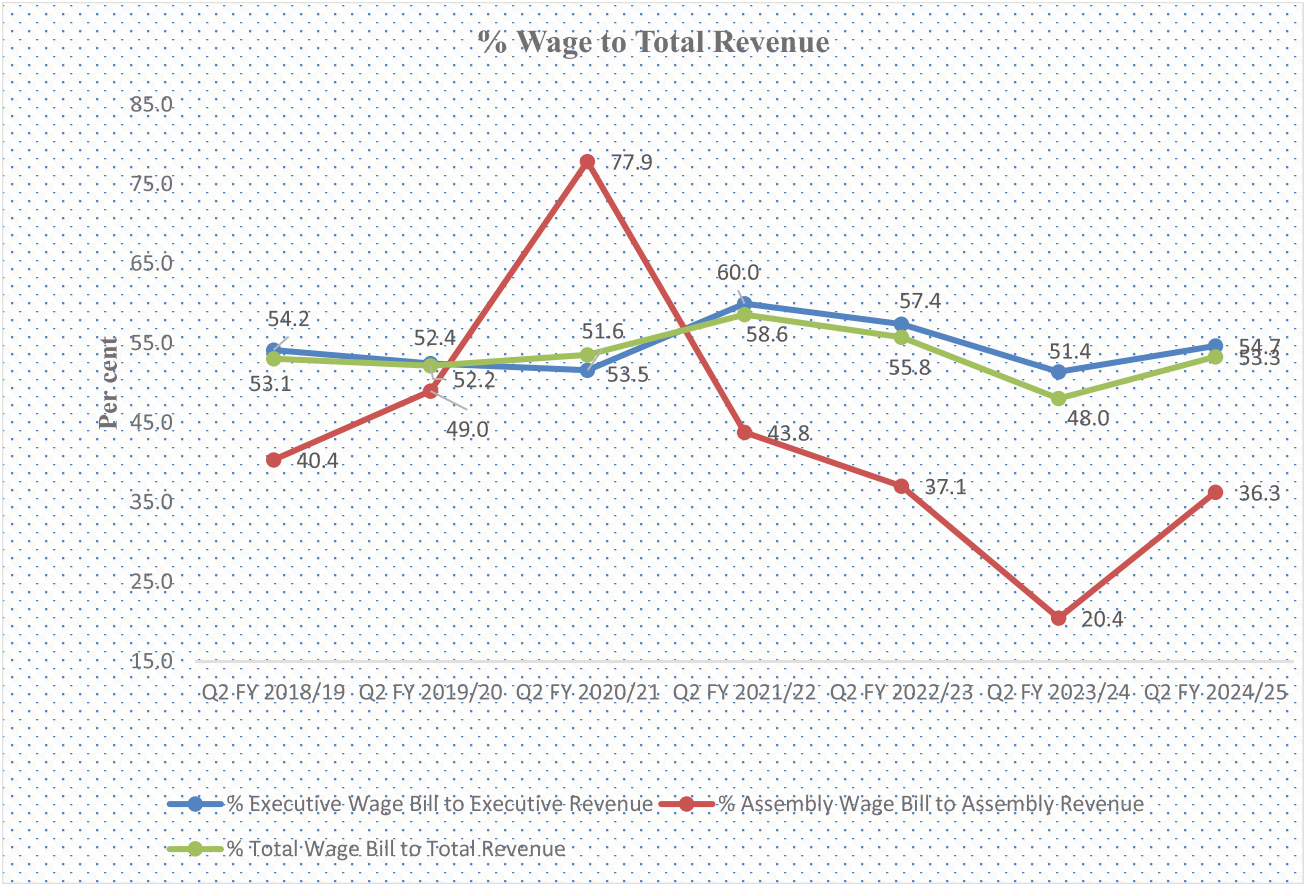
***Source**: Nyeri County Treasury*

3.36.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.0 billion, or 53 per cent of the available revenue of Kshs.3.56 billion. This expenditure represented an increase from Kshs.1.79 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.08 billion paid to the Health Sector employees, translating to 54 per cent of the total wage bill.

Figure 143 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 143: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



***Source:** Nyeri County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.77 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.235.64 million was processed through manual payrolls, which accounted for 12 per cent of the total PE cost.

The County Assembly spent Kshs.10.99 million on committee sitting allowances for the 43 MCAs against the annual budget allocation of Kshs.20.00 million. The average monthly sitting allowance was Kshs.42,598 per MCA. The County Assembly had 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 1 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 3.308 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.308: Performance of County Established Funds in the First Half 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	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1	Elimu Fund				342,000,000	No
2	Emergency Fund				20,000,000	No
3	Health Fund				141,701,379	No
4	Enterprise Development Fund				40,000,000	No
5	Car Mortgage Fund (Executive)				100,000,000	No
	County Assembly Established Funds					
	Car Mortgage Fund (Assembly Members)					
8	Car Mortgage Fund (Assembly Staff)				122,393,125	No
	Total				**950,094,504**	

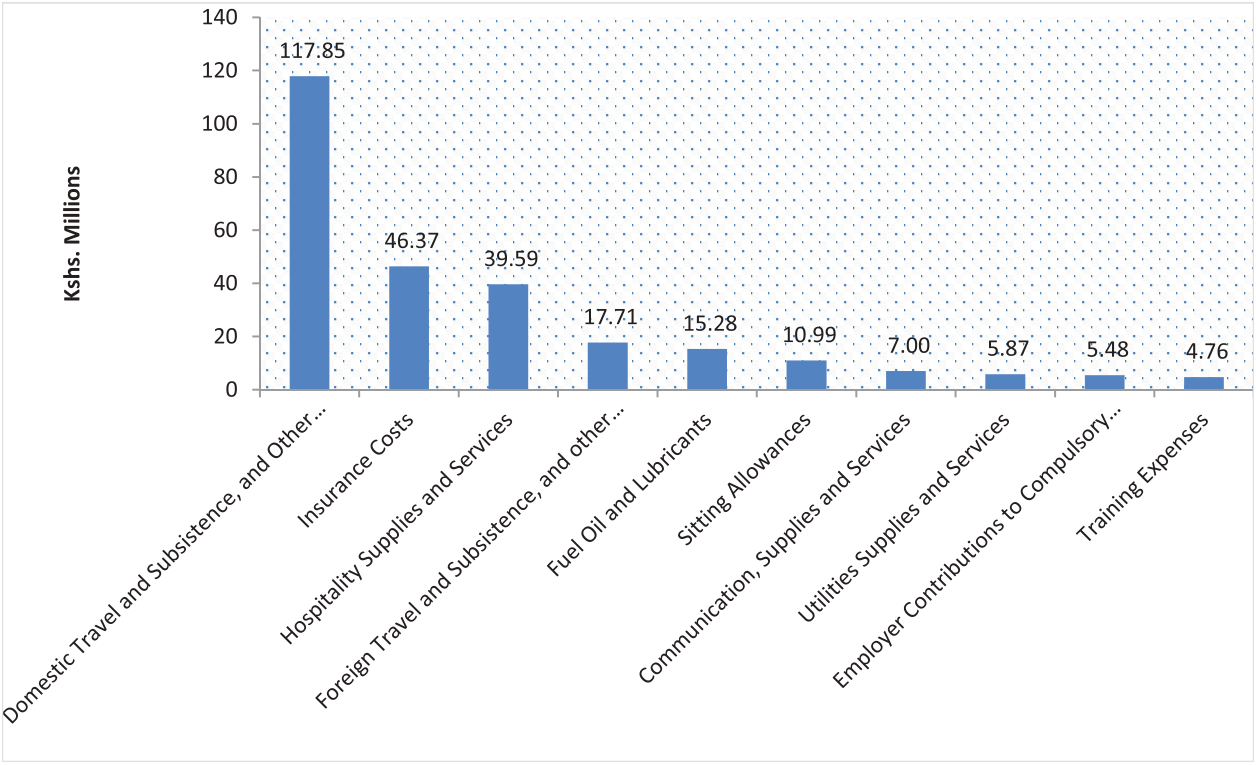
Source: *Nyeri County Treasury*

During the reporting period, the CoB did not receive all quarterly financial reports from the Fund Administrators, as indicated in Table 3.308, contrary to the requirement of Section 168 of the PFM Act, 2012.

3.36.10 Expenditure on Operations and Maintenance

Figure 144 summarises the Operations and Maintenance expenditure by major categories.

Figure 144: Nyeri County, Operations and Maintenance Expenditure by Major Categories



Source: *Nyeri County Treasury*

Expenditure on domestic travel amounted to Kshs.117.85 million and comprised Kshs.85.59 million spent by the County Assembly and Kshs.32.25 million by the County Executive. Expenditure on foreign travel amounted to Kshs.17.71 million and comprised Kshs.17.12 million by the County Assembly and Kshs.596,985 by the County Executive. Expenditure on foreign travel is summarised in Table 3.309.

Table 3.309: Summary of Highest Expenditure on Foreign Travel in the First Half 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	1	25th Aug to 30th Aug 2024	Allowance for his excellency the Governor for attending the Overseas Kenya Fire Project	United Kingdom	596,895
County Assembly	18	19th-28th May 2024	while on a study visit to the East Africa Legislative Assembly to learn some of their practices, e.g., the East African Community structure and its Organs.	Arusha	6,547,392
County Assembly	2	22nd-1st June 2024	while on official duties to attend leadership through the vision of developing and implementing Organizational Excellence.	Dubai	1,718,720
County Assembly	1	payment for air ticket 9th and 8th dec 2023	while on official duties to attend a skills facilitation training course	Singapore	495,000
County Assembly	5	payment for air ticket 19th to 27th may 2024	while on official duties to attend leadership through the vision of developing and implementing Organizational Excellence.	Dubai	1,475,000

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	8	payment for air ticket 12th to 20th may 2024	while on official duties to attend leadership through the vision of developing and implementing Organizational Excellence.	Dubai	2,320,000
County Assembly	7	payment for air ticket 19th to 25th dec 2023	while on official duties to attend a skills facilitation training course	Singapore	3,486,000
County Assembly	2	payment for air ticket 22nd may to 1st June 2024	while on official duties to attend leadership through the vision of developing and implementing Organizational Excellence.	Dubai	905,000
County Assembly	1	Payment for travel ticket 18th to 24th oct 2024	while on official duties to attend a legal symposium on legislative matters	Zimbabwe	170,000

***Source**: Nyeri County Treasury and Nyeri County Assembly*

The operations and maintenance costs include an expenditure of Kshs.8.50 million on garbage collection and Kshs.7.95 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.36.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.299.22 million as FIF, which was 34 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, 2021. The County has developed regulations to operationalise the FIF Act of 2021.

Contrary to Section 18 (e) of the FIF Act, the health sector did not provide a report on the use of the FIF during the reporting period.

The expenditure by the health facilities amounted to Kshs.299.22, as shown in Table 3.310.

Table 3.310: Breakdown of Expenditure by Health Facilities in the First Half 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	115,586,658	30
2	Karatina Sub County Hospital	181,696,812	73,818,024	41
3	Mukurwe-ini Sub- County Hospital	106,785,950	41,767,867	39
4	Othaya Sub-County Hospital	53,692,986	25,160,934	47
5	Mt. Kenya Sub Hospital	32,504,491	12,732,987	39
6	Narumoru Level 4 Hospital	53,692,986	14,288,464	27
7	Ihururu Rehabilitation Center	9,692,959	6,528,208	67
8	Rural Facilities Levels 2 &3	12,000,000	9,337,887	78
	Total	836,295,127	299,221,029	36

***Source:** Nyeri County Treasury*

The Health Facility with the highest absorption rate was the Ihururu Rehabilitation Centre.

3.36.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.175.59 million on development programmes, representing a decrease of 6 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.185.34 million. Table 3.311 summarises development projects with the highest expenditure in the reporting period.

Table 3.311: Nyeri 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, Infrastructure and Energy	Streetlight bills	Countywide	120,000,000	39,853,271	33
2	Health Services and Public Health	To support medical drugs, non-pharms, and other medical supplies for specialised programmes.	Countywide	200,000,000	26,571,063	13
3	Roads, Transport, Public Works, Infrastructure and Energy	Fuel and Machinery Maintenance	Countywide	21,000,000	9,000,000	43
4	County Public Service and Solid Waste Management	Garbage Collection and Dumpsite Management	Headquarters	17,000,000	8,500,000	50
5	Agriculture, Livestock and Aquaculture Development	Conditional grant for climate change programme	countywide	125,000,000	7,948,878	6
6	County Public Service and Solid Waste Management	Fuel for refuse trucks	Nyeri municipality	14,900,000	7,400,000	50
7	Health Services and Public Health	Phase 1 - HMIS for Health Facilities to enhance Revenue Collection and data management.	Countywide	30,000,000	4,885,000	16
8	Roads, Transport, Public Works, Infrastructure and Energy	Upgrading of roads	Kamakwa/Mukaro/ Karatina Town	4,880,186	4,880,186	100
9	Roads, Transport, Public Works, Infrastructure and Energy	Installation of Standalone Streetlight at bagdad/Kariumba	Thegu River	4,484,467	4,484,467	100
10	Agriculture, Livestock and Aquaculture Development	Animal Breeding, Vector Control, and Disease control	Countywide	8,712,000	3,688,000	42

Source: *Nyeri County Treasury*

3.36.13 Budget Performance by Department

Table 3.312 summarises departments' approved budget allocations, expenditures, and absorption rates in the first half of FY 2024/25.

Table 3.312: Nyeri County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.Million)		Exchequer Issues by Q2 of FY 2024/25(Kshs. Million)		Expenditure by Q2 of FY 2024/25 (Kshs.Million)		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	124.3	45.0	47.0	0.0	50.2	0.0	107	-	40	-
Office of the County Secretary	324.3	6.5	56.0	0.8	55.5	0.8	99	100	17	12
Finance, Economic Planning, and ICT	535.7	10.0	193.1	1.3	193.8	1.3	100	100	36	13
Lands, Physical Planning, and Urban Development	81.5	368.4	35.9	0.0	36.3	0.0	101	-	45	-

Department	Budget Allocation (Kshs.Million)		Exchequer Issues by Q2 of FY 2024/25(Kshs. Million)		Expenditure by Q2 of FY 2024/25 (Kshs.Million)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Health Services and Public Health	2,627.2	416.3	1,095.3	42.9	1,231.1	42.9	112	100	47	10
Gender, Youth, Social Services and Sports	94.1	101.3	35.3	11.7	35.1	11.7	99	100	37	12
County Public Service and Solid Waste Management	147.2	53.0	52.5	9.2	66.3	9.2	126	100	45	17
Agriculture, Livestock and Aquaculture Development	238.2	270.1	99.9	8.7	99.4	8.7	100	100	42	3
Trade, Cooperatives, Culture and Tourism	56.6	379.9	19.0	0.0	18.7	0.0	98	-	33	-
Education, Training, and Devolution	553.5	85.1	209.2	0.0	214.5	0.3	103	-	39	0
Water, Environment, and Climate Change	76.4	264.7	25.0	13.1	24.9	12.1	100	93	33	5
County Assembly	805.8	150.0	276.2	3.4	302.9	3.4	110	100	38	2
County Public Service Board	42.5	6.0	17.4	0.0	17.3	0.0	99	-	41	-
Roads, Transport, Public Works, Infrastructure and Energy	92.9	651.3	27.0	77.2	27.0	77.2	100	100	29	12
County Attorney	46.3	0.0	16.5	0.0	16.2	0.0	99	-	35	-
Nyeri Municipality	12.1	84.7	0.7	7.4	0.6	7.4	80	100	5	9
TOTAL	**5,858.6**	**2,892.4**	**2,206.0**	**175.6**	**2,389.7**	**174.9**	108	100	41	6

Source: *Nyeri County Treasury*

As of December 31, 2024, the County Treasury's expenditures have exceeded the exchequer issues due to several items being processed in the vote book that have not yet been requisitioned or approved by the Controller of Budget. The County utilises the vote book to track its expenditure amounts.

Analysis of department expenditure shows that the Department of County Public and Solid Waste Management recorded the highest absorption rate of development budget at 17 per cent, followed by the Department of Finance Economic Planning & ICT at 13 per cent. The Department of Health Service and Public Health had the highest percentage of recurrent expenditure to budget at 47 per cent. In comparison, the Department of Nyeri Municipality had the lowest at 5 per cent.

3.36.14 Budget Execution by Programmes and Sub-Programmes

Table 3.313 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.313: Nyeri County, Budget Execution by Programmes and Sub-Programmes

Department	Program	Sub-Program	Approved Estimate (Kshs.Million)		Cumulative Expenditure (Kshs.Million)		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	119.63	45.00	48.51	0.00	40	-
		Management of county affairs	4.65		1.67		40	-

Department	Program	Sub-Program	Approved Estimate (Kshs.Million)		Cumulative Expenditure (Kshs.Million)		Absorption Rate (%)	
			Rec	Dev	Rec	Dev	Rec	Dev
Executive Office of the Governor and the Deputy Governor Total			124.29	45.00	50.18	0.00	40	-
Office of the County Secretary	Coordination of County Functions and Public Service Management	Administration, planning, and support services	322.22	6.50	55.01	0.77	20	10
		County publicity campaign	2.12		0.50		20	-
Office of the County Secretary Total			324.35	6.50	55.51	0.77	20	10
Finance, Economic Planning, and ICT	Economic Planning and Policy Formulation	Economic Planning and Policy Formulation	10.19		2.89		30	-
		Monitoring and Evaluation	3.70		1.30		40	-
	Executive Services	Administration and personnel services	451.41	10.05	165.38	1.30	40	10
	ICT Development	ICT Infrastructure Development	4.97		0.87		20	-
	Public Finance Management	Financial Accounting	8.90		3.05		30	-
		Internal Audit	5.86		2.35		40	-
		Procurement Compliance and Reporting	8.10		2.67		30	-
	Revenue Mobilisation	Revenue Mobilisation	42.58		15.25		40	-
Finance, Economic Planning, and ICT Total			535.71	10.05	193.76	1.30	40	10
Lands, Physical Planning, and Urban Development	Housing Development and Human Settlement	Government Building	2.70		0.36		10	-
	Land Policy and Planning	Land Policy Formulation	5.12		1.27		20	-
	Physical planning services	Administration and personnel services	73.66	368.40	34.71	0.00	50	-
Lands, Physical Planning, and Urban Development Total			81.47	368.40	36.34	0.00	40	-
Health Services and Public Health	Administration, Planning, and General Support Services	Administration, Planning, and General Support Services	2,609.09	416.30	1,231.05	42.91	50	10
	Health Services	Community Health	0.55		0.06		10	-
		Health Services	17.57		0.00		-	-
Health Services and Public Health Total			2,627.21	416.30	1,231.10	42.91	50	10

Department	Program	Sub-Program	Approved Estimate (Kshs.Million)		Cumulative Expenditure (Kshs.Million)		Absorption Rate (%)	
			Rec	Dev	Rec	Dev	Rec	Dev
Gender, Youth, Social Services and Sports	General Administration and Planning services	Administration and personnel services	71.69		29.67		40	-
	Library Services and Disaster Management	Administration and planning services	14.25	76.10	3.66	11.67	30	20
	Social Development and Protection	County children's home management	3.62		0.93		30	-
	Sports and Talents Development	Recreation and Sporting Services	4.56	25.20	0.86	0.00	20	-
Gender, Youth, Social Services, and Sports Total			94.12	101.30	35.12	11.67	40	10
County Public Service and Solid Waste Management	Human resources Management	Administration Planning and Support Services	139.07	9.75	65.01	0.00	50	-
	Sanitation Management	Administrative Support Services	8.09	43.25	1.29	9.20	20	20
County Public Service and Solid Waste Management Total			147.16	53.00	66.30	9.20	50	20
Agriculture, Livestock and Aquaculture Development	Agricultural Management	Administration and planning services	224.99	202.75	94.67	0.50	40	-
	AMS Naromoru	Development Of Agricultural Land For Crop Production	1.23	6.50	0.61	1.00	50	20
	County Extension Services and Aquaculture Development	Administrative Support Services	2.54	23.90	0.26	7.19	10	30
	Crop Management	County Agriculture Extension Program	1.60	23.00	0.35	0.00	20	-
	Livestock Production Management	Provision of Extension Services to Livestock farmers	1.22	14.00	0.16	0.00	10	-
	Wambugu ATC	Farm Development	6.63		3.32		50	-
Agriculture, Livestock and Aquaculture Development Total			238.20	270.15	99.36	8.69	40	-
Trade, Cooperatives, Culture and Tourism	Cooperatives Management	Cooperative Development And Management	3.44	2.50	0.06	0.00	-	-
	Tourism Development	Cultural Management		1.00		0.00	-	-
		Promotion of Tourism	3.85	5.00	0.00	0.00	-	-
	Trade Development	Trade Promotion	49.31	371.40	18.64	0.00	40	-

Department	Program	Sub-Program	Approved Estimate (Kshs.Million)		Cumulative Expenditure (Kshs.Million)		Absorption Rate (%)	
			Rec	Dev	Rec	Dev	Rec	Dev
Trade, Cooperatives, Culture and Tourism Total			56.60	379.90	18.70	0.00	30	-
Education, Training, and Devolution	ECDE Management	ECDE Management	5.49		1.13		20	#DIV/0!
	General administration and policy Development and implementation	Administrative Support Services	501.99	46.10	211.10	0.28	40	-
	Kenya Devolution Support Program	Promote Effective Result Based Management & Administration	42.50		1.85		-	-
	Youth Training and Development	Youth Training and Development	3.56	39.00	0.37	0.00	10	-
Education, Training, and Devolution Total			553.54	85.10	214.45	0.28	40	-
Water, Environment, and Climate Change	Environment and Climate Change	Environment Conservation, Protection, and Management	12.85	251.35	0.88	10.06	10	-
	Water Management	Administrative Support Services	63.51		24.04		40	-
		Water Services		13.35		2.06	-	20
Water, Environment, and Climate Change Total			76.36	264.70	24.93	12.13	30	-
County Assembly	General administration, Policy Development and implementation	Administration and planning services	805.76	150.00	302.87	3.38	40	-
County Assembly Total			805.76	150.00	302.87	3.38	40	-
County Public Service Board	General administration, Policy Development and implementation	Administration and personnel services	42.46	6.00	17.31	0.00	40	-
County Public Service Board Total			42.46	6.00	17.31	0.00	40	-
Roads, Transport, Public Works, Infrastructure and Energy	Energy Sector Development	Street Lighting		220.00		55.27	-	30
		Street lighting programme	18.81		0.62		-	-
	General Administration and Planning services	Administration, planning, and support services	74.13		26.36		40	-
	Roads development, maintenance, and management	County access and feeder road improvement		431.33		21.95	-	10

Department	Program	Sub-Program	Approved Estimate (Kshs.Million)		Cumulative Expenditure (Kshs.Million)		Absorption Rate (%)	
			Rec	Dev	Rec	Dev	Rec	Dev
Roads, Transport, Public Works, Infrastructure and Energy Total			92.94	651.33	26.99	77.22	30	10
County Attorney	General Administration and Planning services	Management of county affairs	46.29		16.21		40	-
County Attorney Total			46.29		16.21		40	-
Nyeri Municipality	Municipal Administration	Municipal Administration	12.09	84.70	0.58	7.40	-	10
Nyeri Municipality Total			12.09	84.70	0.58	7.40	-	10
Total			**5,858.56**	**2,892.44**	**2,389.74**	**174.94**	**40**	**10**

***Source**: Nyeri County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Development Of Agricultural Land For Crop Production and Farm Development in the Department of Agriculture, Livestock and Aquaculture Development at 50 per cent, Administration, Planning, and General Support Services in the Department of Health Services and Public Health at 47 per cent, Administration and personnel services in the Department of Lands, Physical Planning and Urban Development at 47 per cent, and Administration Planning and Support Services in the Department of County Public Service and Solid Waste Management at 46 per cent of budget allocation.

3.36.15 Accounts Operated Commercial Banks

The County Government operated thirty-two accounts with commercial banks, including two Health Facilities accounts, eleven Established Funds accounts, three revenue accounts, eleven special purpose accounts (additional allocations), one imprest account, two recurrent operational accounts, and two development operational accounts.

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.

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 28 January 2025
ii. The underperformance of own-source revenue at Kshs.232.22 million against an annual target of Kshs.800 million, representing 29 per cent of the yearly target.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.235.64 million were processed through manual payroll, accounting for 11.8 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. 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 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 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.*

iv. *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.*

3.37. 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 3.314.

3.37.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.3.57 billion to fund its development and recurrent activities. This amount consisted of Kshs.2.82 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.116.63 million, and its own-source revenue (OSR) collection of Kshs.165.59 billion. In addition, the County had a cash balance of Kshs.461.10 million from FY 2023/24.

The total OSR collection of Kshs.165.59 billion includes Facilities Improvement Financing (FIF) of Kshs.5.37 million and Kshs.160.22 million as ordinary OSR. Table 3.314 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.314: Samburu County, Revenue Performance in the First Half of FY 2024/25

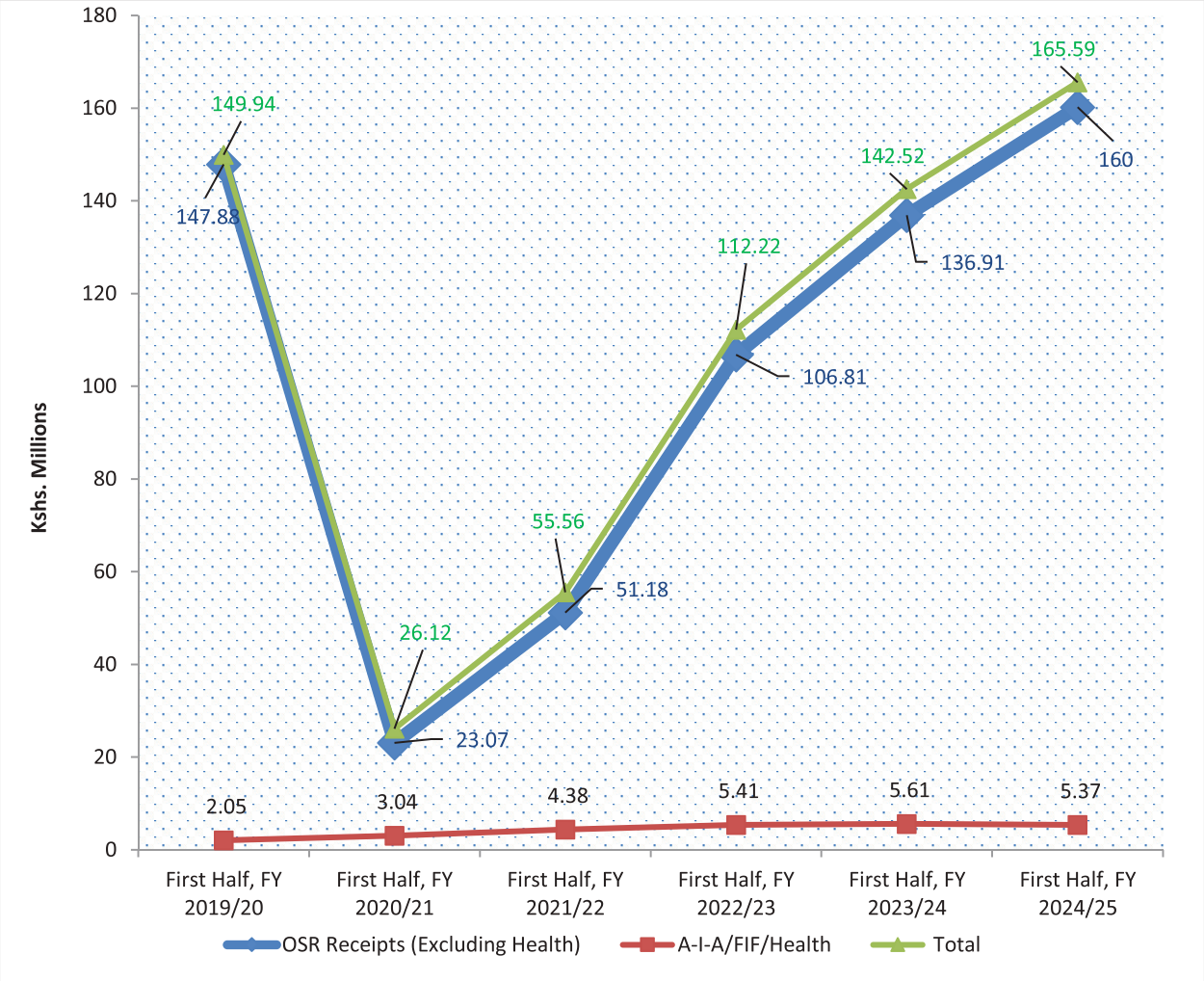
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	Equitable Share of Revenue Raised Nationally	5,806,692,471	2,828,416,632	49
Subtotal				
B	Additional Allocations			
	DANIDA (Health support funds)	7,117,500		
	Mineral Royalties	17,501		
	Kenya Livestock Commercialization Project (KELCLOP)	41,250,000		

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
	Kenya Urban Support Program (Grant)-UIG	35,000,000		
	IDA (World Bank Credit: Kenya Urban Support Project(KUSP)- Urban Development Grant (UDG)	25,375,442		
	IDA (World Bank) - Credit - Food Systems Resilience Project(FSRP)	173,076,923		
	Road Maintenance Levy Fund	168,450,780		
	Community Health Promotors	46,140,000		
	IDA (World Bank0 Credit- Second Kenya Devolution Support Program (KDSP II)	37,500,000		
	ELRP(Locust)	142,500,000		
	SWEDEN-Kenya Agricultural Bussines Development Project (KABDP)	10,918,919		
	Finance Locally led Climate Action Program(FLLoCA)	150,000,000	116,632,523.00	78
Subtotal		837,347,065	116,632,523	14
C	Own Source Revenue			
	Ordinary Own Source Revenue	262,930,140	160,220,292	61
	Facility Improvement Fund (FIF)	18,700,000	5,370,224	29
	Other Revenues	0	0	
	Appropriation in Aid (AIA)	0	0	
Subtotal		281,630,140	165,590,516	59
D	Other Sources of Revenue			
	Unspent balance from FY 2023/24	400,000,000	461,098,111	115
	Other Revenues (provide a list)			
Sub Total		681,630,140	626,688,626	92
Grand Total		7,325,669,676	3,571,737,781	49

Source: *Samburu County Treasury*

Figure 145 shows the trend in own-source revenue collection from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 145: Trend in Own-Source Revenue Collection from the First Half of FY 2019/20 to the First Half of FY 2024/25



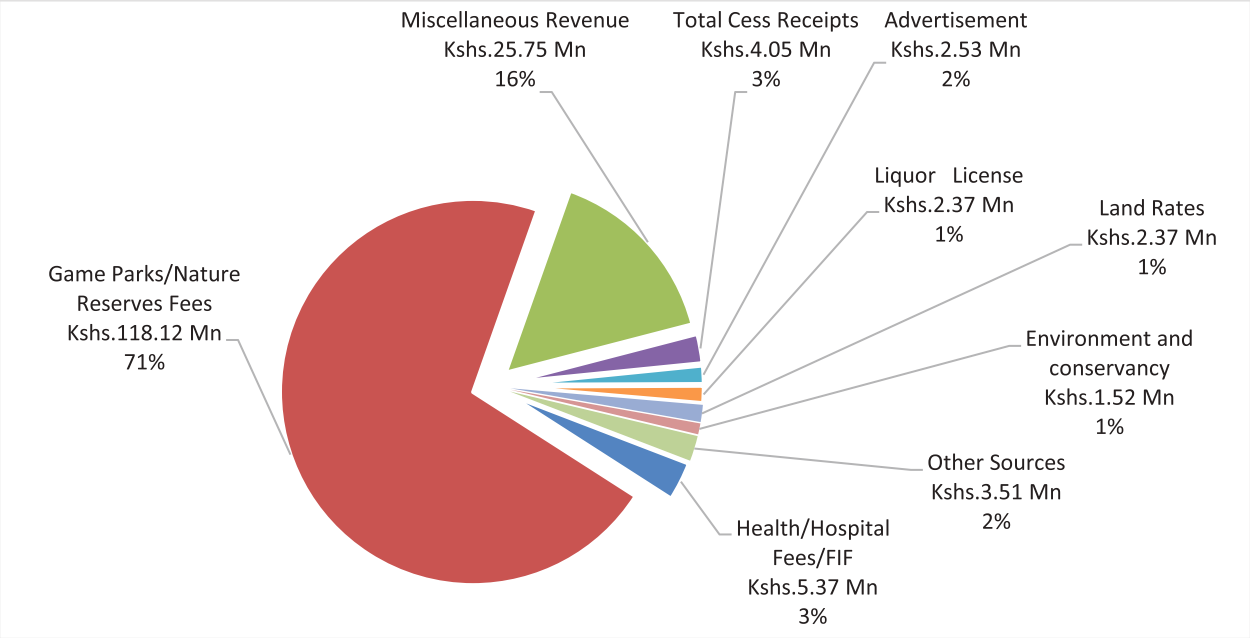
Source: *Samburu County Treasury*

During the first half of FY 2024/25, the County generated Kshs.165.59 million from its revenue sources, including AIA and FIF. This amount was an increase of 16 per cent compared to Kshs.142.52 million realised in a similar period in FY 2023/24. It was 59 per cent of the annual target and 6 per cent of the equitable revenue share disbursed.

The increase in OSR can be attributed to the adoption of technology in revenue collection.

The revenue streams which contributed the highest OSR receipts are shown in Figure 146.

Figure 146: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Samburu County Treasury

The highest revenue stream of Kshs.118.12 million was from Game park fees contributing to 71 per cent of the total OSR receipts during the reporting period.

3.37.3 Borrowing by the County

During the period under review, the County did not report any borrowings

3.37.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.2.34 billion from the CRF account comprised Kshs.433.86 million (19 per cent) for development programmes and Kshs.1.91 billion (81 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.13 billion was released towards compensation of employees and Kshs.774.87 million for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to technicalities in migrating the payroll system.

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.76.27 million, including Kshs.43.16 million for the County Executive and Kshs.33.11 million for the County Assembly. The foreign travel exchequer totalled Kshs.9.57 million, comprising Kshs.0.62 million for the County Executive and Kshs.8.95 million for the County Assembly.

Table 3.315: Samburu 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	529.63	57.50	254.70	3.30	48	6
Finance, Economic Planning & ICT	774.83	55.50	239.17	16.87	31	30
Agriculture, Livestock Development, Veterinary Services & Fisheries	213.89	659.25	159.51	67.40	75	10
Water, Environment, Natural Resources & Energy	179.56	332.50	81.52	169.35	45	51
Education and Vocational Training	603.81	159.80	156.90	12.69	26	8
Medical Services, Public Health & Sanitation	1,351.32	153.70	502.15	15.58	37	10

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Lands, Housing, Physical Planning & Urban Development	204.25	172.38	60.24	21.12	30	12
Roads, Transport & Public Works	120.02	349.90	60.41	54.38	50	16
Tourism, Trade, Enterprise Development & Cooperatives	234.24	220.00	96.30	70.18	41	32
Culture, Social Services, Gender, Sports & Youth Affairs	244.97	47.20	63.36	3.00	26	6
County Assembly	611.95	49.48	234.70	-	38	-
Total	529.63	57.50	254.70	3.30	38	19

***Source**: Samburu County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.555.49 million.

3.37.5 County Expenditure Review

The County spent Kshs.2.33 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.420.84 million and Kshs.1.99 million on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 19 per cent, while recurrent expenditure represented 38 per cent of the annual recurrent expenditure budget.

3.37.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.686.07 million as of 30 June 2024. This 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 first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.312.52 million, comprising Kshs.164.95 million for recurrent programmes and Kshs.147.56 million for development programmes.

The County Executive submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.284.69 million in the first half of FY 2024/25. The County did adhere to this payment plan, as it cleared Kshs.312.52 million for the Executive

As of 31 December 2024, the outstanding bills amounted to Kshs.354.95 million.

3.37.7 Expenditure by Economic Classification.

The County Executive spent Kshs.998.32 million on employee compensation, Kshs.675.94 million on operations and maintenance, and Kshs.420.84 million on development activities. Similarly, the County Assembly spent Kshs.135.76 billion on employee compensation and Kshs.98.93 million on operations and maintenance, as shown in Table 3.316.

Table 3.316: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs. Million)		Expenditure (Kshs.Million)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**4,456.52**	**611.95**	**1,674.26**	**234.70**	**38**	**38**
Compensation to Employees	2,635.91	325.49	998.32	135.76	**38**	42
Operations and Maintenance	1,820.60	286.46	675.94	98.93	**37**	35

Expenditure Classification	Revised Gross Budget (Kshs. Million)		Expenditure (Kshs.Million)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Development Expenditure	2,207.72	49.48	420.84		**19**	-
Total	**6,664.24**	**661.43**	**2,095.10**	**234.70**	**31**	36

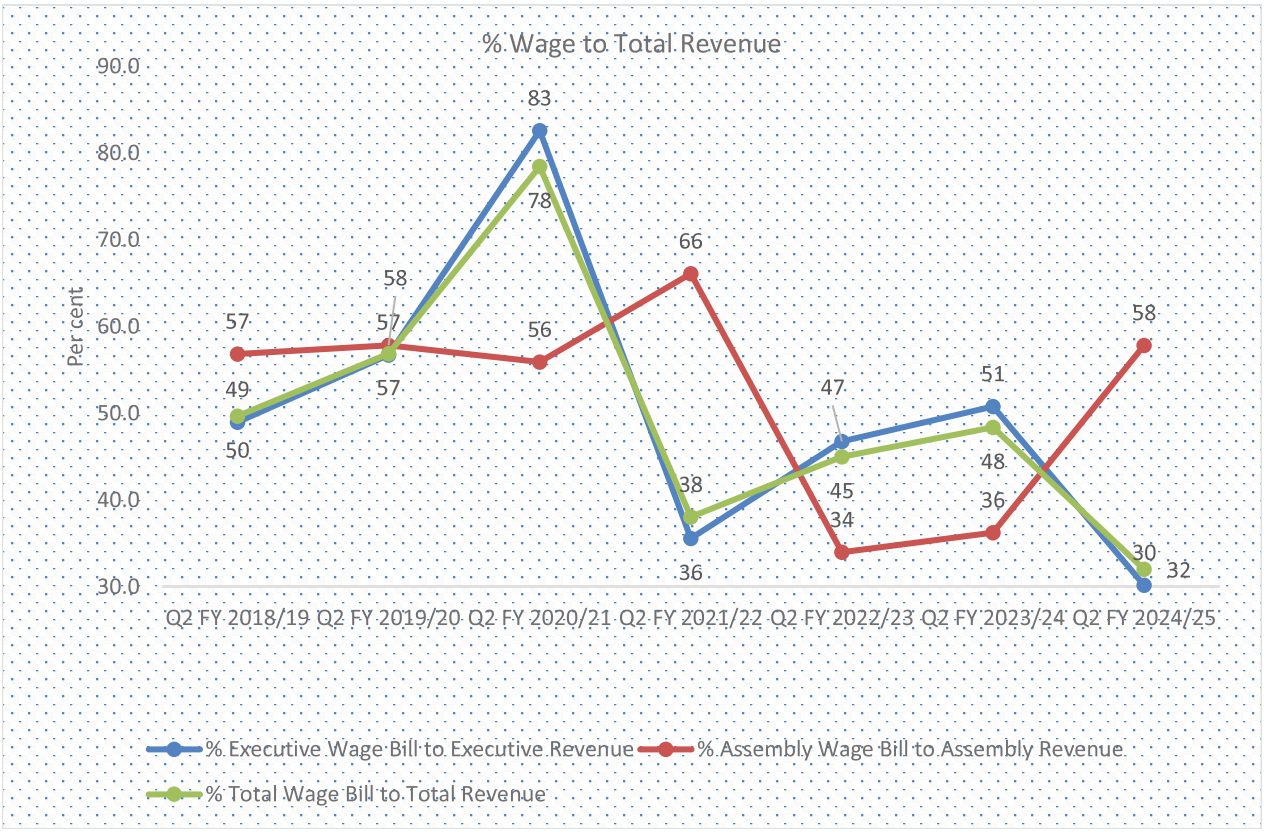
***Source**: Samburu County Treasury*

3.37.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.13 billion, or 32 per cent of the available revenue of Kshs.3.57 billion. This expenditure represented an increase from Kshs.930.59 million reported in a similar period in FY 2023/24. The wage bill included Kshs.680.45 million paid to the Health Sector employees, translating to 60 per cent of the total wage bill.

Figure 147 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 147: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Samburu County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.02 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.114.88 million was processed through manual payrolls, which accounted for 10 per cent of the total PE cost.

The County Assembly spent Kshs.7.74 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.51,592 per MCA. The County Assembly had 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. The County allocated Kshs.411.40 million to County-Established funds in FY 2024/25, or 6 per cent of the County's overall budget. Further, the County allocated Kshs.20.00 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 3.317 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.317: Performance of County Established Funds in the First Half 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.)
	County Executive Established Funds					
	Conservancies Fund	135,000,000	55,250,000	55,250,000	-	No
	Executive Car Loan and Mortgage	72,000,000	-	-	-	No
	Bursaries and Support Services	123,400,000	13,096,800	13,096,800	-	No
	PLWD Fund	5,000,000	-	-	-	No
	Emergency Fund	20,000,000		-	-	No
	County Assembly Established Funds					
	Assembly Car Loan and Mortgage	56,000,000	-	-	-	No
	Total	**411,400,000**				

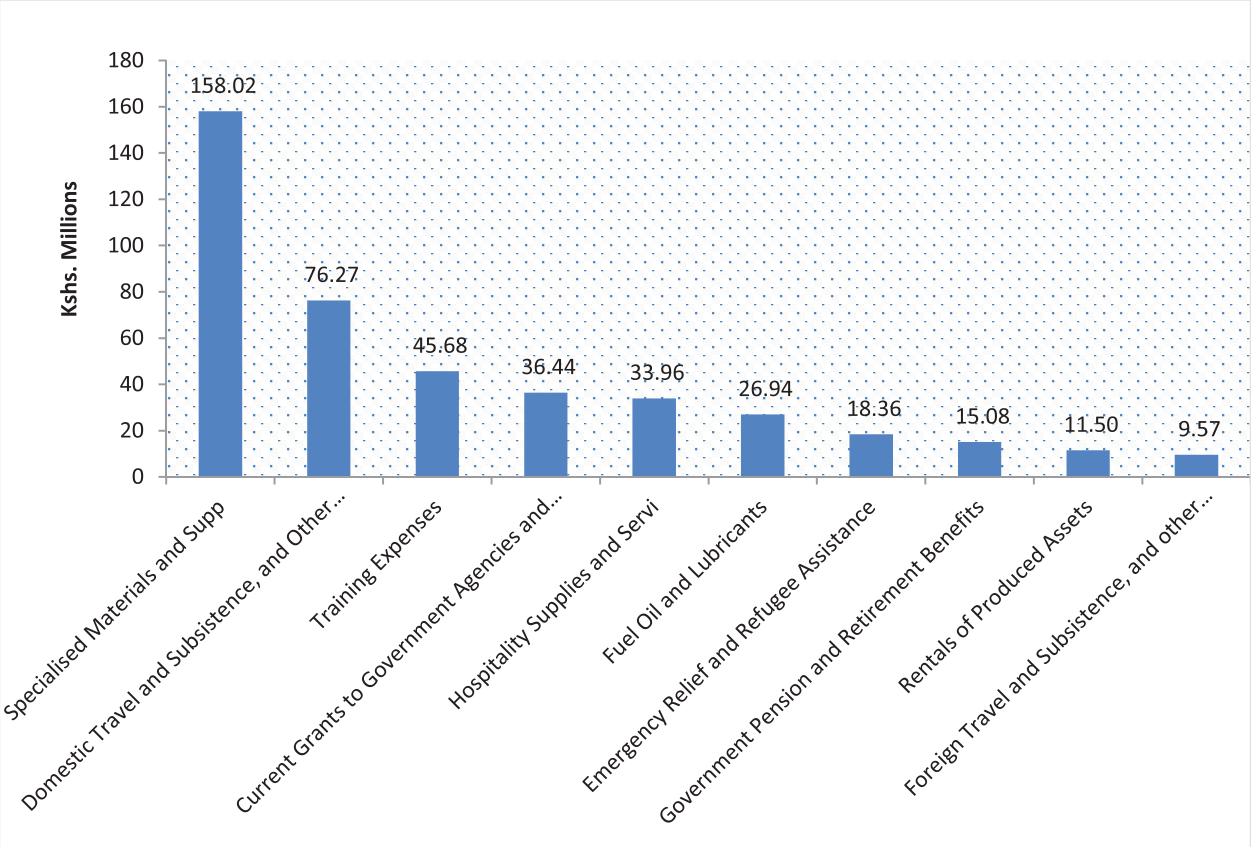
Source: *Samburu County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from six Fund Administrators, as indicated in Table 3.317 contrary to the requirement of Section 168 of the PFM Act, 2012. The administration costs of the funds could not be ascertained in the absence of the financial reports as to 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.

3.37.10 Expenditure on Operations and Maintenance

Figure 148 summarises the Operations and Maintenance expenditure by major categories.

Figure 148: Samburu County, Operations and Maintenance Expenditure by Major Categories



Source: *Samburu County Treasury*

Expenditure on domestic travel amounted to Kshs.76.27 million and comprised Kshs.33.11 million spent by the County Assembly and Kshs.43.16 million by the County Executive. Expenditure on foreign travel amounted to Kshs.9.57 million and comprised Kshs.9.0 million by the County Assembly and Kshs.0.67 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.318.

Table 3.318: Summary of Highest Expenditure on Foreign Travel in the First Half 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.)
Samburu County Assembly	9	20 November 2024	Training on leadership & public Health management	Ethiopia	7,776,163.00
Samburu County Assembly	1	5 December 2024	Effective Leadership and Management of Committees	Singapore	1,178,398

Source: *Samburu County Treasury and XX County Assembly*

The operations and maintenance costs include an expenditure of Kshs.14.26 million on legal fees/dues, arbitration and compensation payments, and legal fees.

3.37.11 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.5.37 million as FIF, which was 29 per cent of the annual target of Kshs.18.7 million. The collected amount was remitted to the county revenue fund contrary to the requirements of the Facility Improvement Financing Act of 2023. The County has, however, not developed regulations to operationalise the FIF Act of 2023.

3.37.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.420.84 million on development programmes, representing an increase of 201 per cent compared to a similar period in FY 2023/24, when the

County spent Kshs.139.97 million. Table 3.319 summarises development projects with the highest expenditure in the reporting period.

Table 3.319: Samburu 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	ENVIRONMENT	FLLoCA		116,632,523	116,632,523	100
2	TOURISM	Transfer of funds to Community Conservancies	Samburu County	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	100
4	LIVESTOCK	Payment for supply and delivery of Sahiwal heifers to the Department of Livestock	Samburu County	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	100
6	TOURISM	TRANSFER OF GRANTS TO CONSERVANCY FUND ACCOUNT PENDING BILL FY 2023/2024	SAMBURU COUNTY	19,000,000	19,000,000	100
7	PUBLIC WORKS	INSTALLATION OF FLOODLIGHTS IN MARALAL TOWN	MARALAL	13,002,000	13,002,000	100
8	TOURISM	PAYMENT FOR CONSTRUCTION WORK FOR MLIMA BLUE RANGERS CAMP	ANGATA NANYIKIE	11,934,975	11,934,975	100
9	WATER	Drilling & equipping of 3NO B/holes (Leere , Naimaral & Mekewa) at Samburu North	BAAWA	9,059,948	9,059,948	100
10	FINANCE AND ICT	PAYMENT FOR SUPPLY, INSTALLATION AND COMMISSIONING OF REVENUE COLLECTION SOFTWARE	ARCHERS POST-SAMBURU EAST	8,995,800	8,995,800	100

Source: *Samburu County Treasury*

3.37.13 Budget Performance by Department

Table 3.320 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.320: Samburu 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	529.630	57.500	254.700	3.300	254.700	3.300	100	100	48	6
Finance, Economic Planning & ICT	774.830	55.500	239.170	16.870	239.170	16.870	100	100	31	30

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 Development, Veterinary Services & Fisheries	213.890	659.250	159.510	67.400	159.510	67.400	100	100	75	10
Water, Environment, Natural Resources & Energy	179.560	332.500	81.520	169.350	81.520	169.350	100	100	45	51
Education and Vocational Training	603.810	159.800	156.900	12.690	156.900	12.690	100	100	26	8
Medical Services, Public Health & Sanitation	1,351.320	153.700	502.150	15.580	502.150	15.580	100	100	37	10
Lands, Housing, Physical Planning & Urban Development	204.250	172.380	60.240	21.120	60.240	8.090	100	38	30	5
Roads, Transport & Public Works	120.020	349.900	60.410	54.380	60.410	54.380	100	100	50	16
Tourism, Trade, Enterprise Development & Cooperatives	234.240	220.000	96.300	70.180	96.300	70.180	100	100	41	32
Culture, Social Services, Gender, Sports & Youth Affairs	244.970	47.200	63.360	3.000	63.360	3.000	100	100	26	6
County Assembly	611.950	49.480	234.700	-	234.700	-	100	-	38	-
Total	5,068.470	2,257.200	1,908.950	433.870	1,908.950	420.840	**100**	**97**	**38**	**19**

***Source**: Samburu County Treasury*

Analysis of expenditure by departments shows that the Department of Water, Environment and Natural Resource recorded the highest absorption rate of development budget at 50.9 per cent, followed by the Department of Tourism, Trade, Enterprise Development at 31.9 per cent. The Department of Agriculture, Livestock Development, Veterinary Services & Fisheries had the highest percentage of recurrent expenditure to budget at 74.6 per cent. In contrast, the Department of Culture, Social Services, Gender, Sports & Youth Affairs had the lowest at 25.9 per cent.

3.37.14 Budget Execution by Programmes and Sub-Programmes

Table 3.321 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.321: Samburu County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Millions)		Actual Expenditure (Kshs.Millions)		Absorption Rate (%)	
County Executive	County Executive	**0.00**	**0.00**	**-**	**-**	0	
	General Administration Planning and Support Services	0.00	0.00	-	-	0	
Administration, Planning and Support Services		**0.00**	**0.00**	**-**	**-**	0	

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Millions)		Actual Expenditure (Kshs.Millions)		Absorption Rate (%)	
	Management of County Affairs	0.00	0.00	-	-	0	
County Executive Services		**443.83**	**57.50**	**209.86**	**3.30**	47	6
	Administration and Coordination of County Affairs	0.00	0.00	-	-	0	0
	Sub County Administration	233.93	57.50	77.81	3.30	33	6
	Coordination, Supervision and Human Resource Services	153.20	0.00	110.29	-	72	0
	Management of County Affairs	56.71	0.00	21.76	-	38	0
Organisation of County Business		**0.00**	**0.00**	**-**	**-**	0	0
	Public Sector Advisory Services	0.00	0.00	-	-	0	0
Economic, Social & Political Advisory Service		**23.91**	**0.00**	**7.89**	**-**	33	0
	County Policing	0.00	0.00	-	-	0	0
	General Administration Planning and Support Services	23.91	0.00	7.89	-	33	0
Administration of Human Resources in County Public Service		**61.89**	**0.00**	**36.94**	**-**	60	0
	General Administration Planning and Support Services	61.89	0.00	36.94	-	60	0
Administration Services		**0.00**	**0.00**	**-**	**-**	0	0
	Special Programs	0.00	0.00	-	-	0	0
Special Programs		**0.00**	**0.00**	**-**	**-**	0	0
	Special Programs	0.00	0.00	-	-	0	0
	Grand Total	**529.63**	**57.50**	**254.70**	**3.30**	48	6
Finance, Economic Planning & ICT	Finance, Economic Planning & ICT	**0.00**	**0.00**	**-**	**-**	0	0
	General Administration Planning and Support Services	0.00	0.00	-	-	0	0
Administration Services		**402.37**	**54.50**	**115.65**	**16.87**	29	31
	System Security	374.97	0.00	109.93		29	0
	Public Finance Management	27.40	54.50	5.72	16.87	21	31
Fiscal Planning		**332.36**	**1.00**	**114.63**	**-**	34	0
	Resource Mobilisation	42.02	0.00	0.54	-	1	0
	Budget Formulation Coordination and management	101.07	1.00	44.80	-	44	0
	Public finance and Accounting	14.27	0.00	4.60	-	32	0
	Internal Audit	46.86	0.00	17.97	-	38	0
	Data Management	20.83	0.00	7.41	-	36	0
	Procurement	35.23	0.00	13.37	-	38	0
	Monitoring & Evaluation / Statistical	29.70	0.00	10.57	-	36	0
	Special Programs	42.38	0.00	15.37	-	36	0
Special Programs		**30.24**	**0.00**	**8.37**	**-**	28	0

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Millions)		Actual Expenditure (Kshs.Millions)		Absorption Rate (%)	
	General Administration(Economic Planning and ICT)	30.24	0.00	8.37	-	28	0
General Administration (Economic Planning and ICT)		**9.87**	**0.00**	**0.52**	**-**	5	0
	Grand Total	9.87	0.00	0.52	-	5	0
	Grand Total	**774.83**	**55.50**	**239.17**	**16.87**	31	30
Agriculture, Livestock Development, Veterinary Services & Fisheries	Agriculture, Livestock Development, Veterinary Services & Fisheries	**0.00**	**0.00**	**-**	**-**	0	0
	General Administration Planning and Support Services	0.00	0.00	-	-	0	0
Administration, Planning and Support Services		**62.17**	**0.00**	**56.61**	**-**	91	0
	Livestock Resource Management and Development	62.17	0.00	56.61	-	91	0
Promotion of Value Addition of Livestock and Livestock Products		**78.10**	**414.95**	**47.90**	**67.40**	61	16
	Promotion of Dairy Production, Breeding and Disease Control	21.36	414.95	17.40	67.40	81	16
	Livestock marketing and rangeland management	25.98	0.00	8.85	-	34	0
	Livestock Diseases Management and Control	14.24	0.00	11.27	-	79	0
		16.53	0.00	10.38	-	63	0
Development of capture fisheries resources		**13.28**	**14.50**	**3.77**	**-**	28	0
	Crop Production and Management	13.28	14.50	3.77	-	28	0
Crop Production and Food Security		**60.33**	**229.80**	**51.23**	**-**	85	0
	Agricultural Extension Research and Training	16.73	0.00	15.54	-	93	0
		43.60	229.80	35.69	-	82	0
	Grand Total	**213.89**	**659.25**	**159.51**	**67.40**	75	10
Water, Environment, Natural Resources & Energy	Water, Environment, Natural Resources & Energy	**0.00**	**0.00**	**-**	**-**	0	0
	General Administration Planning and Support Services	0.00	0.00	-	-	0	0
Administration, Planning and Support Services		**0.00**	**0.00**	**-**	**-**	0	0
	Pollution control& monitoring	0.00	0.00	-	-	0	0
Administration		**37.24**	**0.00**	**12.43**	**-**	33	0

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Millions)		Actual Expenditure (Kshs.Millions)		Absorption Rate (%)	
	Forests Conservation and Management	37.24	0.00	12.43	-	33	0
Forests Conservation and Management		**27.75**	**220.00**	**2.72**	**109.24**	10	50
	Pollution control& monitoring	3.99	0.00	0.79	-	20	0
	Forests Conservation and Management	23.76	220.00	1.93	109.24	8	50
Control of soil erosion		**12.11**	**0.00**	**2.55**	**-**	21	0
	Mining Services	5.34	0.00	1.51	-	28	0
	Water Catchment and Protection Services	3.28	0.00	0.52	-	16	0
	Environmental Management and Protection	3.48	0.00	0.52	-	15	0
Water and sanitation services		**102.47**	**112.50**	**63.83**	**60.11**	62	53
	Stormwater management	90.20	0.00	60.74		67	0
	Grand Total	12.26	112.50	3.09	60.11	25	53
	Grand Total	**179.56**	**332.50**	**81.52**	**169.35**	45	51
Education and Vocational Training	Education and Vocational Training	**0.00**	**0.00**	**-**	**-**	0	0
	General Administration Planning and Support Services	0.00	0.00	-	-	0	0
Administration, Planning and Support Services		**0.00**	**0.00**	**-**	**-**	0	0
	General Administration Planning and Support Services	0.00	0.00	-	-	0	0
Bursary Management Services		**214.62**	**0.00**	**32.38**	**-**	15	0
	General Administration Planning and Support Services	0.00	0.00	-	-	0	0
	Education & Training Services	214.62	0.00	32.38	-	15	0
Promotion of Early Childhood Education		**377.62**	**149.20**	**121.29**	**12.69**	32	9
	Promotion of youth empowerment	377.62	149.20	121.29	12.69	32	9
	Management and development of Sports & Sports facilities	0.00	0.00	-	-	0	0
Sports Development, Training & Competition		**0.00**	**0.00**	**-**	**-**	0	0
	Youth Training and Development	0.00	0.00	-	-	0	0
SP1 Revitalization of Youth Polytechnics		**11.56**	**10.60**	**3.23**	**-**	28	0
	SP1 Revitalization of Youth Polytechnics	11.56	10.60	3.23	-	28	0
	Grand Total	**603.81**	**159.80**	**156.90**	**12.69**	26	8

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Millions)		Actual Expenditure (Kshs.Millions)		Absorption Rate (%)	
Medical Services, Public Health & Sanitation	Medical Services, Public Health & Sanitation	**0.00**	**0.00**	**-**	**-**	0	0
	General Administration Planning and Support Services	0.00	0.00	-	-	0	0
Administration, Planning and Support Services		**0.00**	**0.00**	**-**	**-**	0	0
	Preventive and Promotive Health Services	0.00	0.00	-	-	0	0
Non-communicable disease & prevention control		**310.86**	**148.70**	**133.91**	**15.58**	43	10
	Maternal Health Services	30.48	0.00	11.83	-	39	0
	Communicable Disease Control	60.98	0.00	26.78	-	44	0
	Health Promotive Services	83.06	0.00	37.01	-	45	0
	Health curative Services	136.34	148.70	58.30	15.58	43	10
County Referral Services		**768.67**	**5.00**	**276.25**	**-**	36	0
	Free Primary Healthcare	565.79	5.00	200.50	-	35	0
	Provision of essential health services in all levels	179.19	0.00	69.18	-	39	0
	General Administration Planning and Support Services	23.68	0.00	6.57	-	28	0
Health Standards and Quality Assurance Services		**271.79**	**0.00**	**91.99**	**-**	34	0
	Research And Development	94.44	0.00	39.10	-	41	0
	Health Infrastructure development	5.43	0.00	-	-	0	0
	Human Resources for health	11.46	0.00	2.85	-	25	0
	Health Policy, Planning & Financing	137.19	0.00	42.79	-	31	0
		24.48	0.00	7.26	-	30	0
Water Catchment and Protection Services		**0.00**	**0.00**	**-**	**-**	0	0
		0.00	0.00	-	-	0	0
	Grand Total	**1,351.32**	**153.70**	**502.15**	**15.58**	37	10
Lands, Housing, Physical Planning & Urban Development	Lands, Housing, Physical Planning & Urban Development	**0.00**	**0.00**	**-**	**-**	0	0
	General Administration Planning and Support Services	0.00	0.00	-	-	0	0
Administration, Planning and Support Services		**92.71**	**0.00**	**34.54**	**-**	37	0
	Land Use Policy and Planning	92.71	0.00	**34.54**	-	37	0
Housing management services		**24.22**	**36.00**	**6.27**	**11.12**	26	31

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Millions)		Actual Expenditure (Kshs.Millions)		Absorption Rate (%)	
	GIS Data Base creation	4.46	0.00	0.49	-	11	0
	Spatial planning	0.00	0.00	-	-	0	0
	Survey And Mapping	5.40	0.00	1.59	-	30	0
	Urban Centers Administration	14.36	36.00	4.19	11.12	29	31
Urban center management		**87.32**	**136.38**	**19.43**	**10.00**	22	7
	Urban Centers Administration	87.32	136.38	19.43	10.00	22	7
	Grand Total	**204.25**	**172.38**	**60.24**	**21.12**	29	12
Roads, Transport & Public Works	Roads, Transport & Public Works	**0.00**	**0.00**	**-**	**-**	0	0
	General Administration Planning and Support Services	0.00	0.00	-	-	0	0
Administration, Planning and Support Services		**0.00**	**0.00**	**-**	**-**	0	0
	General Administration Planning and Support Services	0.00	0.00	-	-	0	0
Administrative services		**73.86**	**0.00**	**42.92**	**-**	58	0
	Design, implementation and supervision of public buildings	58.77	0.00	36.81	-	63	0
	Firefighting services	10.46	0.00	3.86	-	37	0
	Infrastructure, Roads & Transport Services	4.63	0.00	1.45	-	31	0
Street lights management		**41.69**	**349.90**	**15.93**	**54.38**	38	16
	Rehabilitation of Roads, Drainage and Bridges	17.65	7.50	10.09	-	57	0
	Public Road transport and parking	11.36	0.00	2.02	-	18	0
	Design, supervision and rehabilitation of County Buildings	4.91	342.40	1.55	54.38	32	16
	General Administration Planning and Support Services	7.77	0.00	2.27	-	29	0
Administration		**0.00**	**0.00**	**-**	**-**	0	0
	Land Use Policy and Planning	0.00	0.00	-	-	0	0
Pollution control& monitoring		**0.00**	**0.00**	**-**	**-**	0	0
	Conservation and Management of Natural Ecosystems	0.00	0.00	-	-	0	0
Stormwater management		**4.46**	**0.00**	**1.57**	**-**	35	0
	Water and sanitation services	4.46	0.00	1.57	-	35	0
		0.00	0.00	-	-	0	0
	Grand Total	**120.02**	**349.90**	**60.41**	**54.38**	50	16
Tourism, Trade, Enterprise Development & Cooperatives	Tourism, Trade, Enterprise Development & Cooperatives	**0.00**	**0.00**	**-**	**-**	0	0
	General Administration Planning and Support Services	0.00	0.00	-	-	0	0

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Millions)		Actual Expenditure (Kshs.Millions)		Absorption Rate (%)	
General administration		**54.39**	**0.00**	**40.78**	**-**	75	0
	Cooperatives Development and Management	54.39	0.00	40.78	-	75	0
SACCO members' empowerment		**27.52**	**0.00**	**5.29**	**-**	19	0
	Enhance Marketing Cooperatives	0.00	0.00	-	-	0	0
	Promote Commerce and Enterprises	27.52	0.00	5.29	-	19	0
Business Development Services for MSE's		**48.01**	**0.00**	**18.63**	**-**	39	0
	Promotion of Tourism and Marketing	45.61	0.00	18.25	-	40	0
	Tourism and Infrastructure Development	2.40	0.00	0.38	-	16	0
Establish & Management of County Tourism Information Centre		**67.82**	**191.00**	**21.54**	**70.18**	32	37
	Tourism Traning & Capacity Building	5.45	0.00	1.47	-	27	0
	Trade Development and Promotion	0.00	0.00	20.28	70.18	0	0
	Domestic trade development	62.37	191.00	-0.22	-	0	0
Market development and promotion of fair trade services		**19.06**	**0.00**	**4.54**	**-**	24	0
	General Administration Planning and Support Services	17.74	0.00	4.48	-	25	0
	General Administration Planning and Support Services	1.32	0.00	0.06	-	5	0
General Administration Planning and Support Services		**17.45**	**29.00**	**5.52**	**-**	32	0
	General Administration Planning and Support Services	17.45	29.00	5.52	-	32	0
	Grand Total	**234.24**	**220.00**	**96.30**	**70.18**	41	32
Culture, Social Services, Gender, Sports & Youth Affairs	Culture, Social Services, Gender, Sports & Youth Affairs	**0.00**	**0.00**	**-**	**-**	0	0
	Education & Training Services	0.00	0.00	-	-	0	0
Promotion of youth empowerment		**0.00**	**0.00**	**-**	**-**	0	0
	Management and development of Sports & Sports facilities	0.00	0.00	-	-	0	0

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.Millions)		Actual Expenditure (Kshs.Millions)		Absorption Rate (%)	
Sports Development, Training & Competition		**83.90**	**25.70**	**37.95**	**-**	45	0
	Public Sector Advisory Services	83.90	25.70	37.95	-	45	0
Economic, Social & Political Advisory Service		**4.89**	**0.00**	**1.42**	**-**	29	0
	General Administration Planning and Support Services	4.89	0.00	1.42	-	29	0
General Administration Planning and Support Services		**69.89**	**21.50**	**14.57**	**-**	21	0
	Community Mobilization and Development	69.89	21.50	14.57	-	21	0
Community Mobilization and Development		**25.95**	**0.00**	**4.66**	**3.00**	18	0
	Development and Promotion of Culture	7.43	0.00	1.83	3.00	25	0
	Social Welfare and Gender	3.97	0.00	0.28	-	7	0
	Conservation of Heritage	13.50	0.00	2.52	-	19	0
	Development and management of sports facilities	1.05	0.00	0.03	-	3	0
Development and management of sports facilities		**4.53**	**0.00**	**0.10**	**-**	2	0
	General Administration Planning and Support Services	4.53	0.00	0.10	-	2	0
General Administration Planning and Support Services (Sports)		**55.80**	**0.00**	**4.65**	**-**	8	0
	General Administration Planning and Support Services	55.80	0.00	4.65	-	8	0
	Grand Total	**244.97**	**47.20**	**63.36**	**3.00**	26	6
Legislative and Oversight	Representation	263.44	-	64.52	**-**	24	
	Legislative and Oversight	90.48	49.48	10.45	-	12	
	County Assembly Administration	258.03	-	35.03	-	14	
	Total	611.95	49.48	110.01	0.00	18	
Grand Total		**5,068.47**	**2,207.72**	**1,674.26**	**420.84**	**33**	**19**

***Source**: Samburu County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Water and sanitation services in the Department of Water, Environment, Natural Resources & Energy at 53 per cent, Forests Conservation and Management in the Department of Water, Environment, Natural Resources & Energy at 50 per cent, Public Finance Management in the Department of Finance, Economic Planning & ICT at 31 per cent, and Design, supervision and rehabilitation of County Buildings In the department of Roads, Transport & Public Works department at 16 per cent of budget allocation.

3.37.15 Accounts Operated Commercial Banks

The County Government operated twenty-four accounts with commercial banks, including three accounts for Health Facilities, one account for Vocational Training Centers, six accounts for Established Funds, two revenue accounts, ten special purpose accounts (additional allocations) and two imprest accounts.

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.

3.37.16 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 24 January 2024.
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 Conservancies Fund, Executive Car Loan and Mortgage, Bursaries and Support Services, People Living with Disability Fund, Emergency Fund, and County Assembly Established Funds were not submitted to the Controller of Budget.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.114.88 million were processed through manual payroll, accounting for 10 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. 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 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 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.*
iv. *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.*

3.38. 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 of Kshs.9.76 billion (12 per cent) from the FY 2023/24 budget 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 balance brought forward from 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 different 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) was brought forward

from FY 2023/24, and Kshs.1.04 billion (10 per cent) was 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 3.322.

3.38.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.5.04 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.03 billion from the equitable share of revenue raised nationally and Kshs.259.19 million from its own source revenue (OSR) collection. In addition, the County had a cash balance of Kshs.1.71 billion from FY 2023/24.

The total OSR collection of Kshs.295.19 million includes Facilities Improvement Financing (FIF) of Kshs.236.95 million, and Kshs.58.25 million as ordinary OSR. Table 3.322 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.322: Siaya County, Revenue Performance in the First Half 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	3, 030, 111, 054	40
	Subtotal	**7, 545, 450, 410**	**3, 030, 111, 054**	**40**
B	**Additional Allocations/Conditional Grants**			
	Road maintenance levy fund	160, 843, 154		
	National Agricultural Value Chain Project	151, 515, 152		
	FLLoCA -Development grant	137, 000, 000		
	Community health promoters - CHPs	63, 810, 000		
	Kenya Urban Support Project – UDG II	45, 218, 472		
	Kenya Devolution Support Program I	37, 500, 000		
	Kenya Urban Support Project – UIG II	35, 000, 000		
	Kenya livestock commercialisation project	33, 500, 000		
	Aquaculture business development project	13, 838, 473		
	Kenya agriculture business development P.	10, 918, 919		
	DANIDA	8, 921, 250		
	Subtotal	**698, 115, 420**		
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	849, 363, 883	58, 245, 660	6.9
	Facility Improvement Fund (FIF)	194, 697, 423	236, 947, 693	122
	Subtotal	**1, 044, 061, 306**	**295, 193, 353**	**28**
D	**Other Sources of Revenue**			
	Unspent balance from FY 2022/23	1, 660, 506, 342	1, 660, 506, 342	100
	Other revenues (CAIP Grant)	0	52, 631, 579	
	Sub Total	**1, 660, 506, 342**	**1, 713, 137, 921**	**103**
Grand Total		**10, 948, 133, 478**	**5, 038, 442, 338**	**46**

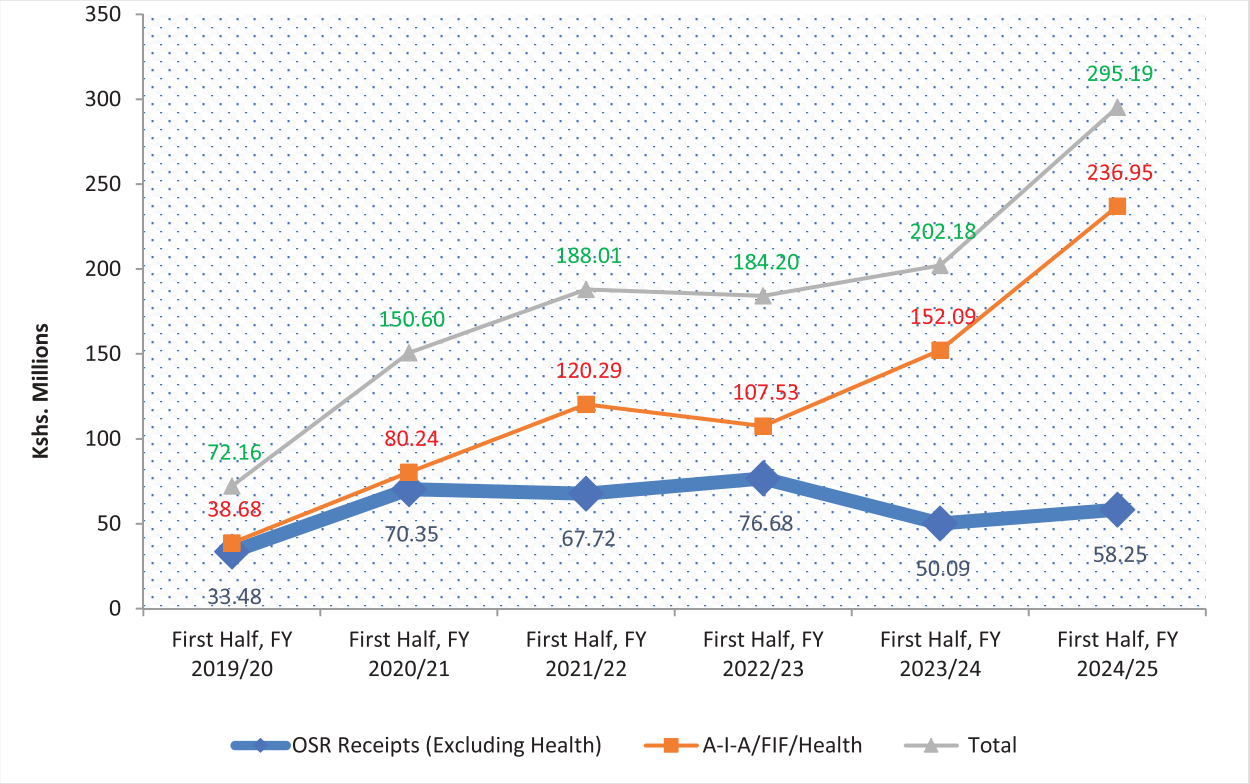
Source: *Siaya County Treasury*

The County aggregation industrial park grant is not captured in the budget, so the performance for other sources of revenue is above 100 percent.

The County has legislation governing the operation of FIF.

Figure 149 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 149: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

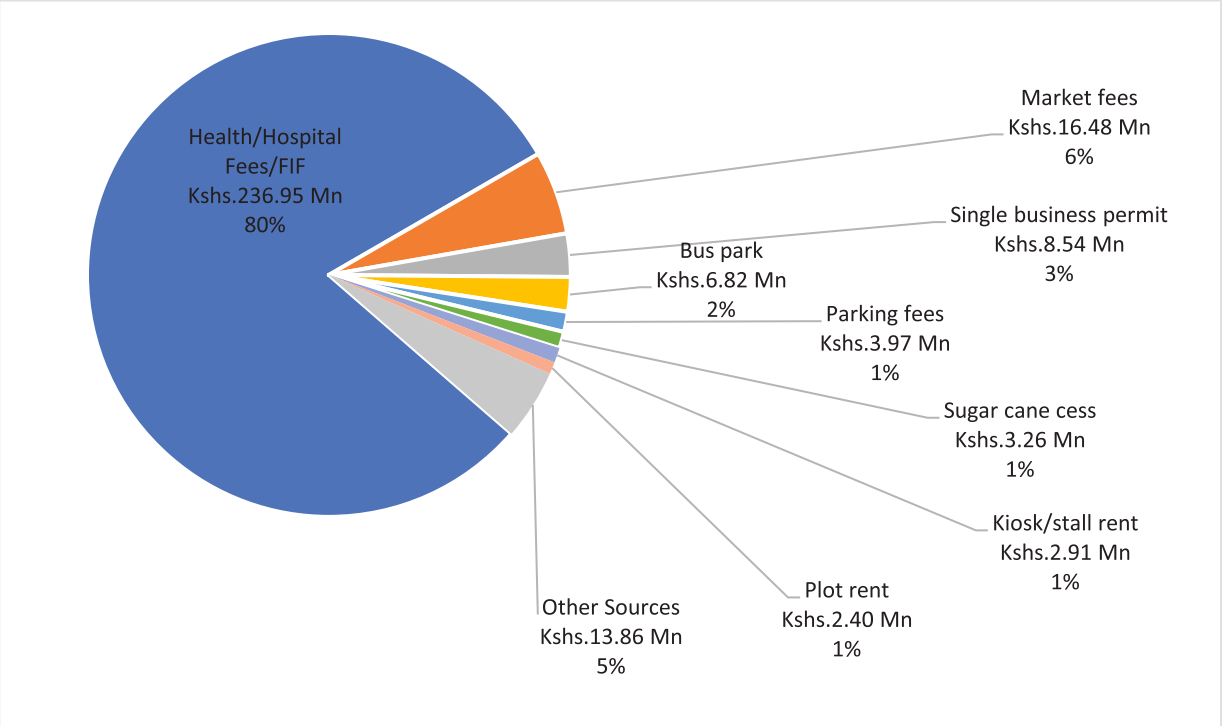


Source: *Siaya County Treasury*

During the first half of FY 2024/25, the County generated Kshs.295.19 million from its revenue sources, including AIA and FIF. This amount was an increase of 28 per cent compared to Kshs.202.18 million realised in a similar period in FY 2023/24 and was 28 per cent of the annual target and 10 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 150

Figure 150: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Siaya County Treasury

The highest revenue stream of Kshs.236.95 million was from health FIF, which contributed to 80 per cent of the total OSR receipts during the reporting period.

3.38.3 Borrowing by the County

The county government did not borrow any money during the period under review that we know of.

3.38.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.3.23 billion from the CRF account comprised Kshs.967.42 million (30 per cent) for development programmes and Kshs.2.26 billion (70 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1,278.76 million was released towards compensation of employees and Kshs.984.47 million for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive due to a delay in processing salary through the new HRM system.

Analysis of the operations and maintenance exchequer releases indicates that 14 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.134.95 million, including Kshs.75.46 million for the County Executive and Kshs.59.50 million for the County Assembly. The foreign exchequer totalled Kshs.7.05 million, comprising Kshs.7.05 million for the County Executive.

Table 3.323: Siaya 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	801.35	544.76	360.36	42.93	45	8
Finance & economic planning	864.76	58.97	527.92	20.54	61	35
Health services	2,058.64	499.21	519.02	81.30	23	16
Governorship, admin & ICT	739.42	62.78	378.81		51	

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Smart Agriculture, irrigation, food security, livestock & fisheries	336.71	411.41	145.12	60.86	43	15
Water, sanitation, environment	88.21	710.78	31.96	201.97	36	28
Education, youth affairs, gender & Social services	376.60	469.16	122.76	50.55	33	11
Lands, physical planning, housing	123.09	119.53	19.97	46.32	16	39
Public works, energy, roads & trans	123.55	1,194.25	43.36	217.04	35	18
Trade, enterprise & industrialisation	140.99	572.29	52.79	128.13	37	22
Tourism, culture, sports and arts	128.95	153.89	27.66	117.79	21	77
Siaya municipality	47.43	48.14	14.44		30	
Bondo municipality	28.84	14.61	10.09		35	
Ugunja municipality	23.06	15.04	8.97		39	
	5,878.61	**4,874.83**	**2,263.23**	**967.42**	**37**	**20**

***Source**: Siaya County Treasury*

Please note that net estimates are gross estimates, less AIA estimates.

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.952.37 million.

3.38.5 County Expenditure Review

The County spent Kshs.3.14 billion on development and recurrent programmes in the reporting period. The expenditure represented 97 per cent of the total funds released by the CoB and comprised Kshs.977.04 million and Kshs.2.17 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 20 per cent, while recurrent expenditure represented 36 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 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 expenditures and Kshs.2.05 million for development expenditures.

During the first half 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 a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.93.64 million and Kshs.3.00 million, respectively, in the first half 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 December 2024, 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.1.10 billion on employee compensation, Kshs.737.64 million on operations and maintenance, and Kshs.934.11 million on development activities. Similarly, the County Assembly spent Kshs.132.99 billion on employee compensation, Kshs.200.59 million on operations and maintenance, and Kshs.42.93 million on development activities, as shown in Table 3.324.

Table 3.324: 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	**71, 958, 955**	**801, 348, 339**	**1, 833, 844, 437**	**333, 573, 390**	**35**	**42**
Compensation to Employees	3, 511, 941, 695	357, 797, 508	1, 096, 203, 700	132, 987, 495	31	37
Operations and Maintenance	1, 760, 017, 260	443, 550, 831	737, 640, 737	200, 585, 895	42	45
Development Expenditure	**4, 267, 286, 006**	**544, 762, 151**	**934, 107, 956**	**42, 933, 925**	**22**	**8**
Total	**9, 539, 244, 961**	**1, 346, 110, 490**	**2, 767, 952, 393**	**376, 507, 315**	**29**	**28**

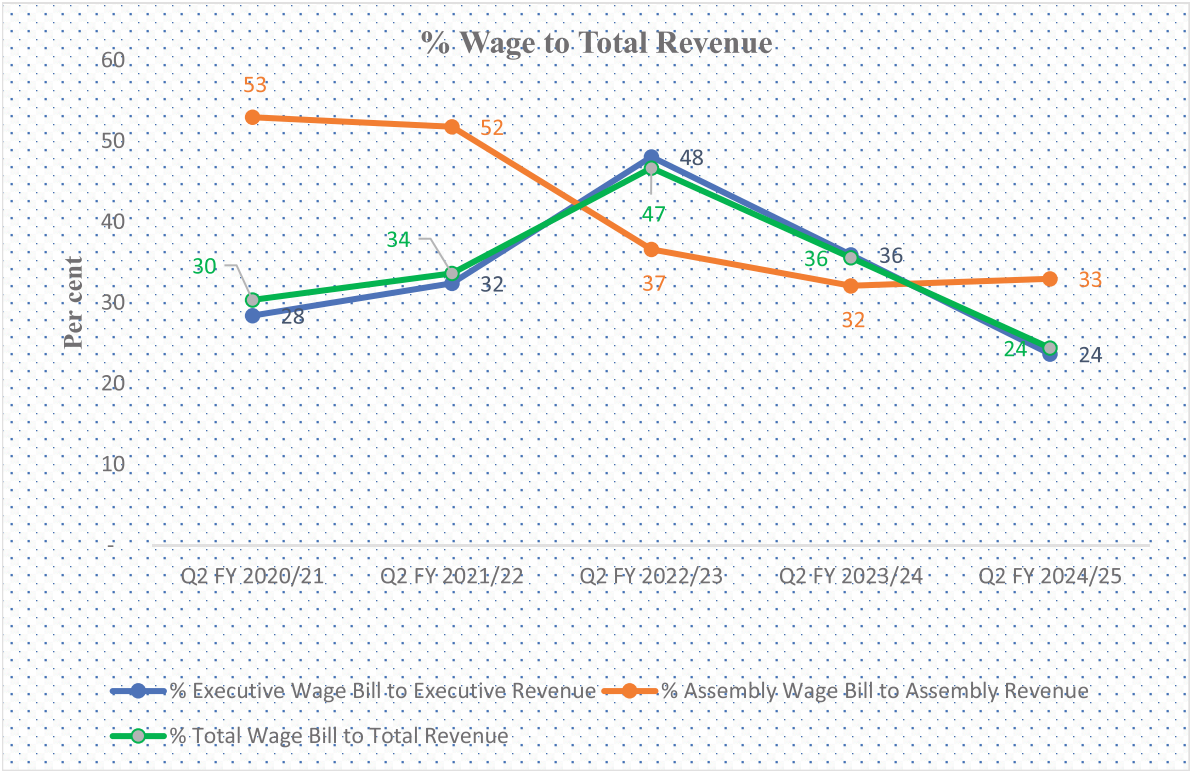
***Source**: Siaya County Treasury*

3.38.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.23 billion, or 24 per cent of the available revenue of Kshs.5.04 billion. This expenditure represented an increase from Kshs.1.51 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.484.84 million paid to the Health Sector employees, translating to 39 per cent of the total wage bill.

Figure 151 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2020/21 to the first half of FY 2024/25.

Figure 151: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2020/21 to the First Half of FY 2024/25



Source: Siaya County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.08 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.200 million was processed through manual payrolls, which accounted for 19 per cent of the total PE cost.

The County Assembly spent Kshs.13.13 million on committee sitting allowances for the 42 MCAs and the speaker against the annual budget allocation of Kshs.31.64 million. The average monthly sitting allowance was Kshs.52,096.80 per MCA. The County Assembly had 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 3.325 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.325: Performance of County Established Funds in the first half 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.)
	County Executive Established Funds					
	County Bursary fund	90, 000, 000	0	0	751, 200, 000	No
	Cooperative Development Fund	20, 000, 000	0	0	0	No
	County Assembly Established Funds					
	County Assembly Car Loan & Mortgage Fund	16, 926, 237	0	0	419, 212, 000	Yes
	Total	**126, 926, 237**	**0**	**0**	**1,460,412,000**	

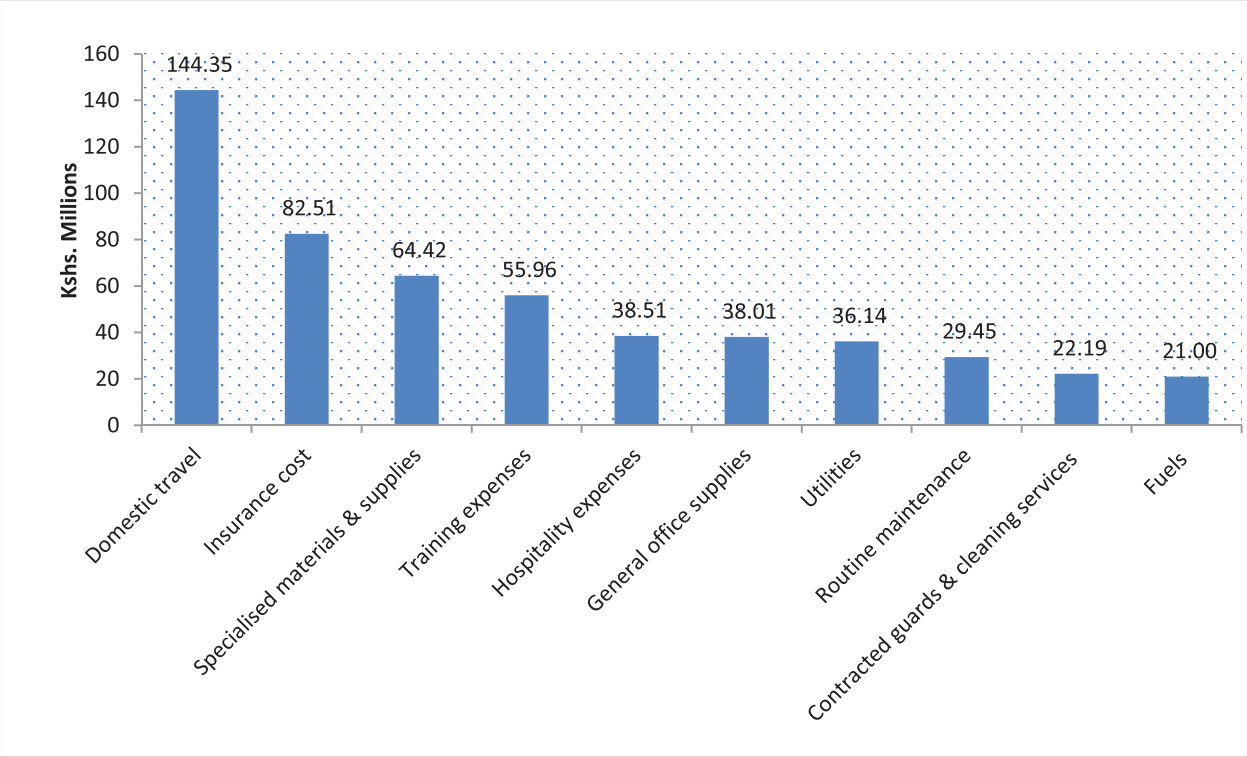
Source: *Siaya County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from 3 Fund Administrators, as indicated in Table 3.325, contrary to the requirement of Section 168 of the PFM Act, 2012.

Expenditure on Operations and Maintenance

Figure 152 summarises the Operations and Maintenance expenditure by major categories.

Figure 152: Siaya County, Operations and Maintenance Expenditure by Major Categories



Source: *Siaya County Treasury*

Expenditure on domestic travel amounted to Kshs.144.36 million and comprised Kshs.72.92 million spent by the County Assembly and Kshs.71.44 million by the County Executive. Expenditure on foreign travel amounted to Kshs.6.05 million by the County Executive.

The operations and maintenance costs include Kshs.10.15 million in legal fees/dues, arbitration and compensation payments, and legal fees.

3.38.10 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.236.95 million as FIF, which was 122 per cent of the annual target of Kshs.194.70 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, in line with (contrary to) Section 18 (e) of the FIF Act, 2023.

3.38.11 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.977.04 million on development programmes, representing an increase of 60.4 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.609.08 million. Table 3.326 summarises development projects with the highest expenditure in the reporting period.

Table 3.326: Siaya 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	Health and Sanitation	Civil works at the Surgical Complex	Siaya County Referral Hospital	22, 250, 000	12, 250, 000	80
2	Finance	Purchase of PO machines	County HQ	12, 000, 000	11, 117, 250	100

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
3	Roads, transport	Opening of Kalenjuok Mahira road & drift culvert	Central Alego	4, 933, 480	4, 933, 480	100
4	Roads, transport	Upgrading to Bitumen standards stadium ring road	Siaya town	35,000,000	23, 671, 111	80
5	Sports, culture	Installation of tartan track	Siaya stadium	20, 000, 000	16, 000, 000	100
6	Sports, culture	Supply & installation of VIP Seats	Siaya stadium	22, 900, 000	20, 594, 167	100
7	Education	Construction of ECDE Block	Manera pry school	3, 000, 000	3, 000, 000	100
8	Lands, physical planning	Preparation of valuation roll	HQ	19, 000, 000	17, 400, 000	80
9	Agriculture	Construction of perimeter wall	Siriwo ricing mill	10, 000, 000	9, 532, 274	100
10	Trade, Industry	Completion of Siaya bus park	Siaya Township	15, 000, 000	13, 594, 910	90

Source: *Siaya County Treasury*

3.38.12 Budget Performance by Department

Table 3.327 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.327: 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	360.36	42.93	333.57	42.93	93	100	42	8
Finance & economic planning	864.76	58.97	527.92	20.54	349.55	20.54	66	0.0	40	35
Health services	2,253.34	499.21	519.02	81.30	622.50	104.35	120	128	28	21
Governorship, admin & ICT	739.42	62.78	378.81	0.00	274.52	-	73	-	37	-
Smart Agriculture, irrigation, food security, livestock & fisheries	336.71	411.41	145.12	60.86	136.26	59.57	94	98	41	15
Water, sanitation, environment	88.21	710.78	31.96	201.97	30.35	96.71	95	48	34	14
Education, youth affairs, gender & Social services	376.60	469.16	122.76	50.55	306.89	74.53	250	147	82	16
Lands, physical planning, housing	123.09	119.53	19.97	46.32	12.51	24.81	63	54	10	21
Public works, energy, roads & trans	123.55	1,194.25	43.36	217.04	34.02	299.65	78	138	28	25
Trade, enterprise & industrialisation	140.99	572.29	52.79	128.13	15.79	153.40	30	120	11	27
Tourism, culture, sports and arts	128.95	153.89	27.66	117.79	43.28	100.55	157	85	34	65
Siaya municipality	47.43	48.14	14.44	0.00	4.18	0.00	29	0.0	9	0.0
Bondo municipality	28.84	14.61	10.09	0.00	2.72	0.00	27	0.0	9	0.0
Ugunja municipality	23.06	15.04	8.97	0.00	1.29	0.00	14	0.0	6	0.0
	6,073.31	**4,874.83**	**2,263.23**	**967.42**	**2,167.42**	**977.04**	**96**	**101**	**36**	**20**

Source: *Siaya County Treasury*

The County Treasury did not provide an explanation for why certain departments' expenditures exceeded their respective exchequer receipts.

Analysis of expenditure by departments shows that the Department of Tourism, Culture, Sports & Arts recorded the highest absorption rate of development budget at 65 per cent, followed by the Department of Finance & Economic Planning at 35 per cent. The Department of Education, Youth Affairs, Gender & Social Services had the highest percentage of recurrent expenditure to budget at 82 per cent. The Department of Ugunja municipality had the lowest at 6 per cent.

Budget Execution by Programmes and Sub-Programmes

Table 3.328 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.328: 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 County Assembly							
Programme 1.		**801, 348, 339**	**544, 762, 151**	**122, 733, 559**	**42, 933, 925**		
	S.P. 2. Legislation	324, 904, 421	0	128, 874, 892	0	40	-
	S.P. 3. Oversight	43, 100, 000	0	15, 515, 287	0	36	-
	S.P 4. Staff management and development	444, 412, 838	544, 762, 151	189, 183, 211	42, 933, 925	43	8
	Sub Total	**801, 348, 339**	**544, 762, 151**	**333, 573, 390**	**42, 933, 925**	**42**	**8**
Department of Finance and Economic Planning							
Programme 3.		**864, 756, 557**	**58, 973, 185**	**293, 277, 865**	**0**		
	S.P. 1. Financial services	16, 327, 000	0	2, 198, 435	0	13	-
	S.P. 2. Administration planning, revenue & account	659, 918, 159	58, 973, 185	283, 422, 342	20, 536, 440	43	34
	S.P. 3. Procurement	10, 754, 630	0	1, 437, 074		13	-
	S.P. 4. Budget services	102, 239, 223	0	33, 432, 729	0	33	-
	S.P. 5. Internal Audit services	8, 139, 329	0	1, 835, 800	0	23	-
	S.P. 6. Economic planning services	28, 772, 329	0	3, 800, 338	0	13	-
	S.P. 7. Economic Planning services	27, 881, 426	0	3, 426, 900	0	12	-
	S.P. 9. Public participation	8, 324, 461	0	25, 000	0	0	-
	Sub-Total	**864, 756, 557**	**58, 973, 185**	**349, 548, 229**	**20, 536, 440**	**40**	**34**
Department of Health Services.							
Programme 1.		**2,253,339,757**	**0**	**622, 498, 155**	**0**		
	S.P. 1. General administration & planning	1,725,523,280	0	388, 092, 037	0	23	-
	S.P. 2. Curative healthcare services	191, 190, 963	0	82, 047, 336	0	43	-
	S.P. 3. Preventive, promotive & rehabilitative	114, 889, 848	0	42, 631, 635	0	37	-
	S.P. 5. Facility improvement fund	98, 360, 771	0	49, 933, 447	0	50	-
	S.P. 6. HIV services	27, 038, 243	0	9, 881, 998	0	37	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
	S.P. 9. Nutrition services	50, 928, 536	0	20, 135, 229	0	40	-
	S.P. 10. Environmental health services	45, 408, 116	0	18, 785, 980	0	41	
Programme 3.		**0**	**499, 212, 470**	**0**	**104, 345, 948**		
	SP 2. Administration, planning & revenue	0	499, 212, 470	0	104, 345, 948	-	21
	Sub-Total	**2,253,339,757**	**499, 212, 470**	**622, 498, 155**	**104, 345, 948**	**28**	**21**
Governorship, administration and ICT							
Programme 2.		**739, 424, 604**	**0**	**223, 971, 747**	**0**		
	S.P. 1. General admin, planning & support services	286, 178, 811	0	107, 604, 850	0	38	-
	S.P. 2. Office of the Governor	155, 613, 129	0	58, 373, 341	0	38	-
	S.P. 4. County Public Service board	61, 651, 031	0	1, 585, 750	0	26	-
	S.P. 5. Firefighting & disaster management	25, 825, 200	0	16, 592, 970	0	64	-
	S.P. 6. Sub-county administration	118, 027, 908	0	65, 305, 201	0	55	-
	S.P. 7. Human resource management	32, 913, 010	0	11, 202, 800	0	34	-
	S.P. 8. Communication & public relations	36, 171, 012	0	3, 273, 600	0	9	-
	S.P. 9. Information technology	23, 044, 503	0	2, 033, 235	0	9	-
	Subtotal	**739, 424, 604**	**0**	**274, 522, 485**	**0**	**37**	**-**
Department of Smart agriculture, irrigation, food security, livestock and fisheries							
Programme 1.		**336, 714, 775**	**411, 410, 417**	**15, 468, 680**	**59, 574, 163**		
	S.P. 1. General admin-istration	118, 050, 499	81, 541, 822	52, 344, 128	18, 562, 245	44	16
	S.P. 3. Veterinary services	28, 943, 305	11, 000, 000	3, 360, 000	907, 456	12	8
	S.P. 4. Crop manage-ment	159, 025, 221	284, 700, 271	78, 394, 698	33, 604, 462	49	12
	S.P. 5. Fisheries develop-ment & management	30, 695, 750	34, 168, 324	2, 678, 034	6, 500, 000	9	19
	Subtotal	**336, 714, 775**	**411, 410, 417**	**136, 245, 311**	**59, 574, 163**	**41**	**15**
Department of Water, sanitation, environment, climate change and natural resources.							
Programme 1.		**88, 208, 148**	**710, 782, 180**	**30, 355, 365**	**96, 709, 978**		
	S.P. 1. General admin-istration	44, 960, 227	0	20, 741, 198	0	46	-
	S.P. 2. Water services	38, 454, 007	710, 782, 180	7, 844, 797	96, 709, 978	20	14
	S.P. 3. Forestry	4, 793, 914	0	1, 769, 369	0	37	-
	Subtotal	**88, 208, 148**	**710, 782, 180**	**30, 355, 364**	**96, 709, 978**	**34**	**14**
Department of Education, youth affairs, gender and social services.							
Programme 1.		**373, 600, 166**	**267, 410, 049**	**110, 560, 012**	**53, 136, 944**		

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	0	294, 662, 958	0	84	-
	S.P. 2. ECDE programmes	7, 662, 700	173, 575, 075	2, 678, 980	34, 194, 631	35	20
	S.P. 3. Youth polytechnics & youth training	5, 246, 269	40, 783, 581	1, 567, 230	2, 000, 000	30	5
	S.P. 6. Culture	0	13, 852, 050	0	0	-	0
	S.P. 7. Social services	9, 640, 600	39, 199, 343	3, 160, 800	16, 942, 313	33	43
Programme 3.		**0**	**201, 750, 778**	**0**	**21, 396, 999**		
	SP. 2. Administration planning, revenue & accounts	0	201, 750, 778	0	21, 396, 999	-	10
	Subtotal	**373, 600, 166**	**469, 160, 827**	**306, 892, 202**	**74, 533, 943**	**82**	**16**
Department of Lands, physical planning, housing and urban development.							
Programme 2.		**123, 087, 776**	**119, 533, 752**	**12, 506, 569**	**24, 810, 976**		
	S.P. 1. Physical planning	38, 062, 776	0	3, 017, 901	0	8	-
	S.P. 3. Land surveying and mapping	8, 685, 000	119, 533, 752	2, 054, 300	24, 810, 976	24	20
	S.P. 5. Housing	58, 495, 000	0	1, 527, 430	0	0	-
	S.P. 6. General administration, planning & support	17, 845, 000	0	5, 138, 577	0	29	-
	Subtotal	**123, 087, 776**	**119, 533, 752**	**12, 506, 569**	**24, 810, 976**	**10**	**21**
Department of Public works, energy, roads and transport.							
Programme 1.		**123, 087, 776**	**1,194,250,065**	**34, 017, 895**	**299, 653, 090**		
	S.P. 1. General administration services	26, 498, 680	0	12, 231, 500	0	46	-
	S.P. 2. Road development, maintenance & manage	92, 155, 499	1,194,250,065	19, 680, 395	299, 653, 090	21	25
	S.P. 3. County government building services	4, 900, 258	0	2,106, 000	0	43	-
	Subtotal	**123, 087, 776**	**1,194,250,065**	**34, 017, 895**	**299, 653, 090**	**28**	**25**
Department of Trade, enterprise and industrialisation.							
Programme 1		**140, 989, 793**	**572, 287, 035**	**15, 790, 394**	**153, 396, 717**		
	S.P. 1. General administration & planning S	79, 702, 930	0	10, 802, 631	0	14	-
	S.P. 2. Trade development & investment	8, 925, 000	298, 472, 565	378, 563	50, 967, 069	4	17
	S.P. 3. Promotion of fair trade practises	9, 634, 000	0	573, 400	0	6	-
	S.P. 5. Cooperative extension services	5, 780, 532	10, 000, 000	199, 400	0	3	-
	S.P. 6. Market services	4, 426, 000	263, 814, 470	416, 000	102, 429, 648	9	39
	S.P. 7. Alcoholic drinks control	5, 214, 000	0	230, 480	0	4	-
	S.P. 8. Industrial development	3, 730, 538	0	428, 600	0.0	11	-
	S.P. 9. Waste management	23, 576, 793	0	112, 600	0	0	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
	Subtotal	**140, 989, 793**	**572, 287, 035**	**15, 790, 394**	**153, 396, 717**	**11**	**27**
Department of Tourism, culture, sports and arts.							
Programme 1.		**0**	**153, 889, 004**	**0**	**100, 546, 701**		
	S.P. 5. Sports	0	153, 889, 004	0	100, 546, 701	-	65
Programme 2.		**128, 946, 347**	**0**	**43, 278, 825**	**0**		
	S.P. 3. General administration, planning	78, 691, 818	0	26, 231, 920	0	33	-
	S.P. 4. Communication services	21, 854, 529	0	6, 210, 820	0	28	-
	S.P. 5. Wildlife services	28, 400, 000	0	10, 836, 085	0	38	-
	Subtotal	**128, 946, 347**	**153, 889, 004**	**43, 278, 825**	**100, 546, 701**	**34**	**65**
Siaya municipality							
Programme 6.		**47, 434, 778**	**48, 140, 671**	**4, 182, 175**	**0**		
	S.P. 6. General administration, planning	47, 434, 778	48, 140, 671	4, 182, 175	0	9	0
	Subtotal	**47, 434, 778**	**48, 140, 671**	**4, 182, 175**	**0**	**9**	**0**
Bondo municipality							
Programme 6.		**28, 841, 170**	**14, 607, 520**	**2, 715, 795**	**0**		
	S.P. 6. General administration, planning	28, 841, 170	14, 607, 520	2, 715, 795	0	9	0
	Subtotal	**28, 841, 170**	**14, 607, 520**	**2, 715, 795**	**0**	**9**	**0**
Ugunja municipality							
Programme 6.		**23, 060, 647**	**15, 038, 880**	**1, 291, 038**	**0**		
	S.P. 6. General administration, planning	23, 060, 647	15, 038, 880	1, 291, 038	0	6	0
	Subtotal	**23, 060, 647**	**15, 038, 880**	**1, 291, 038**	**0**	**6**	**0**
Grand Total		**6,073,307,294**	**4,874,826,184**	**2,167,417,827**	**977, 041, 881**	**36**	**20**

***Source**: Siaya County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were General administration, planning policy & support services in the Department of Education, youth affairs, gender & social services at 84 per cent, Sports in the Department of Tourism, culture, sports & arts at 65 per cent.

3.38.13 Accounts Operated Commercial Banks

The County Government operated thirteen accounts with commercial banks, one account for Vocational Training Centers, four accounts for Established Funds, two revenue accounts, five special purpose accounts (additional allocations), and one imprest account.

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.

3.38.14 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.295.19 million against an annual target of Kshs.1.04 billion, representing 28 per cent of the yearly target. If performance is below 40 per cent of the annual target.

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 County Bursary Fund Cooperative Development Fund reports were not submitted to the Controller of Budget as of 15 January 2025.
iii. High level of pending bills, which amounted to Kshs.695 Million as of 31 December 2024. 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.200 million were processed through manual payroll, accounting for 19 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. 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 imprest purposes.
vi. The programmes and sub-programmes in Table 3.328 were not aligned with the approved budget for each department; the IFMIS reports do not capture the department's budget with the proper description of the programmes.

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 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 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.*
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.*
vi. *The County Treasury must ensure compliance with the approved programme and sub-programmes in the approved budget.*

3.39. County Government of Taita Taveta

3.39.1 Overview of FY 2024/25 Budget

The Taita Taveta County Gross Approved FY 2024/25 budget is Kshs.8.41 billion. It comprises Kshs.2.70 billion (32 per cent) and Kshs.5.71 billion (68 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.940 million (12 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.2.32 billion and a recurrent budget of Kshs.5.17 billion. The increase in the county government budget was attributed to the increase in equitable share.

The budget will be financed from different sources of revenue. These include Kshs.5.22 billion (62 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.2.03 billion (24 per cent) as additional allocations/conditional grants, a cash balance of Kshs.403 million (5 per cent) brought forward from FY 2023/24, Kshs.8.60 million from other revenue sources (less than 1 per cent) and Kshs.750 million (9 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.250 million (33 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.500 million (67 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.329.

3.39.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.2.74 billion to fund its development and recurrent activities. This amount consisted of Kshs.2.10 billion from the equitable share of revenue raised nationally, Kshs.30 million in additional allocations from government and development partners, and Kshs.194.75 million in its own source revenue (OSR) collection. In addition, the County had a cash balance of Kshs.414.29 million from FY 2023/24.

The total OSR collection of Kshs.194.75 million includes Facilities Improvement Financing (FIF) of Kshs.96.39 million, and Kshs.98.35 million as ordinary OSR. Table 3.329 summarises the total revenue available to the County Government during the first half of FY 2024/25.

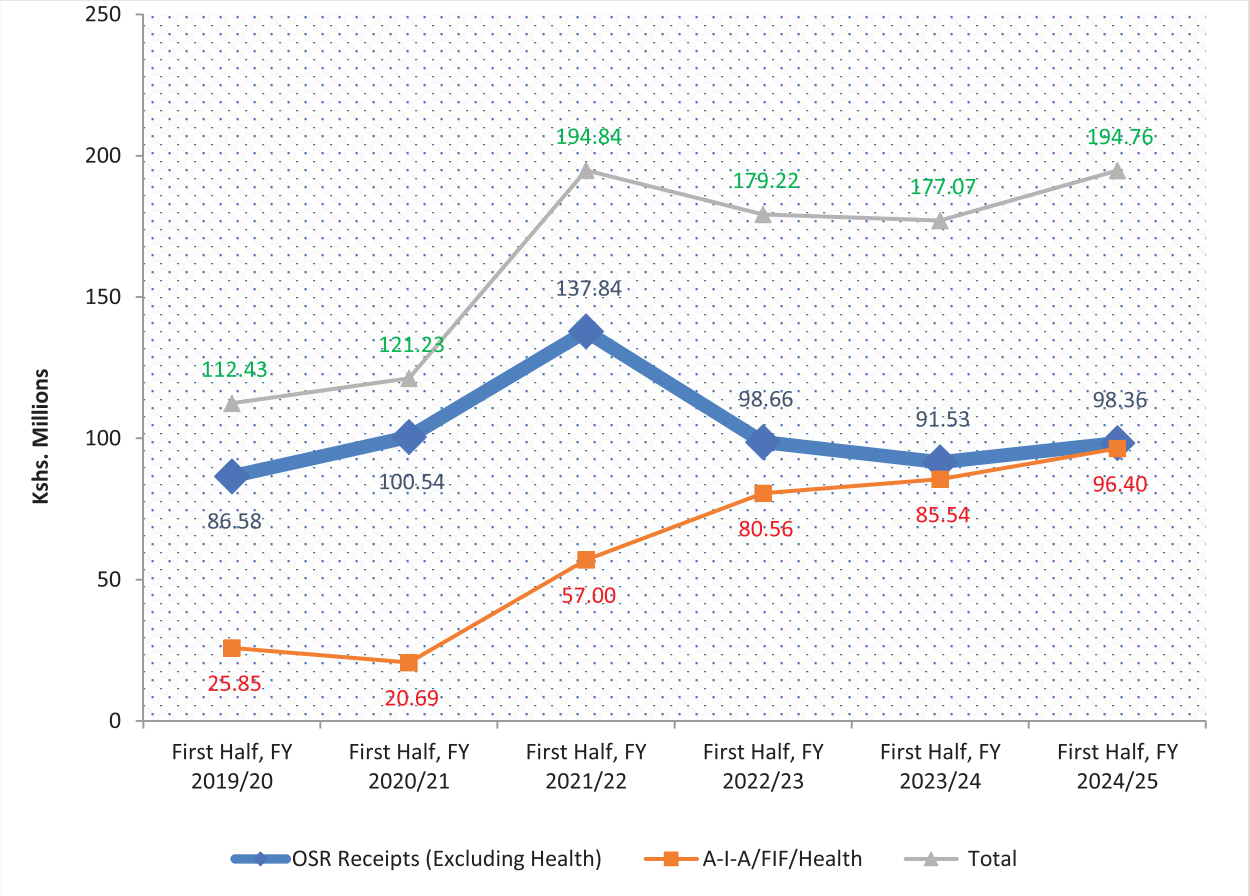
Table 3.329: Taita Taveta County, Revenue Performance in the First Half of FY 2024/25

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**	5,229,266,247	2,102,447,494	**40**
Sub Total		**5,229,266,247**	**2,102,447,494**	**40**
B	**Conditional Grants**			
1	Second Kenya Devolution Support Program (KDSP II) - IDA (World Bank) Credit	37,500,000		0
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	6,532,500		
5	Financing Locally Led Climate Change Action Projects	111,000,000		
6	Balance B/F FY 2023/2024 FLloCCaP	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) - SWEEDEN	10,918,919		
11	Aggregated Industrial Parks Programme	250,000,000		
12	Road Maintenance Fuel Levy	223,111,859		
13	Community Health Promoters (CHPs) Project	41,070,000		
Sub-Total		**2,030,632,132**	**30,000,000**	**1**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	500,000,000	98,358,372	20
3	Facility Improvement Fund (FIF)	250,000,000	96,396,742	39
Sub-Total		**750,000,000**	**194,755,114**	**26**
D	**Other Sources**			
	Balance b/f from FY2023/24	403,000,000	414,292,501	103
	Other Revenues	8,603,601		
Sub Total		**411,603,601**	**414,292,501**	**103**
Grand Total		**8,421,501,979**	**2,741,495,109**	**33**

Source: *Taita Taveta County Treasury*

The County has governing legislation on the operation of FIF. Figure 153 shows the trend in own-source revenue collection from the first half of FY 2019/20 to the first half of FY 2024/25.

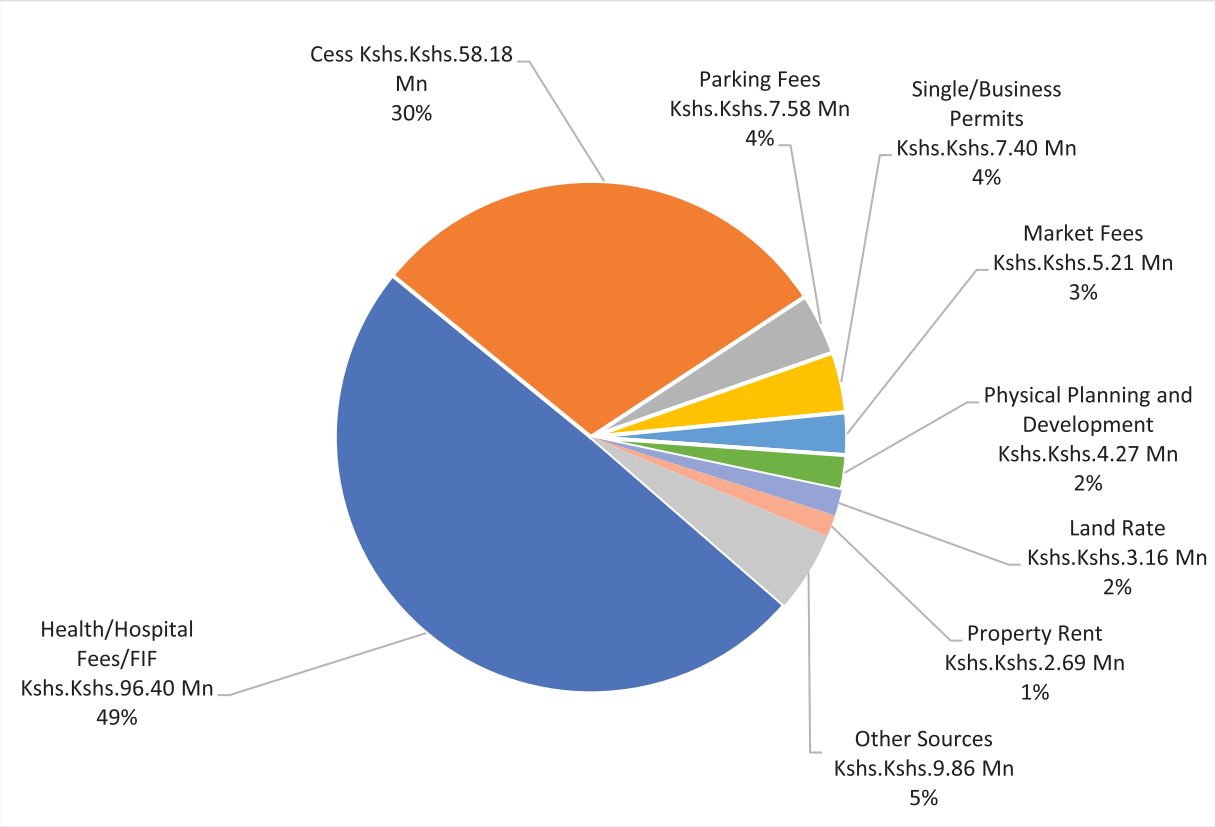
Figure 153: Trend in Own-Source Revenue Collection from the First Half of FY 2019/20 to the First Half of FY 2024/25



Source: *Taita Taveta County Treasury*

During the first half of FY 2024/25, the County generated Kshs.194.75 million from its revenue sources, including FIF. This amount was an increase of 10 per cent compared to Kshs.177.07 million realised in a similar period in FY 2023/24 and was 26 per cent of the annual target and 9 per cent of the equitable revenue share disbursed. The increase is attributed to increased OSR mobilisation and enforcement. The revenue streams which contributed the highest OSR receipts are shown in Figure 154.

Figure 154: Top Streams of Own Source Revenue in the First Half FY 2024/25



***Source**: Taita Taveta County Treasury*

The highest revenue stream, Kshs.96.39 million, was from Health/Hospital Fees/FIF, which contributed 49 per cent of the total OSR receipts during the reporting period.

3.39.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.2.37 billion from the CRF account during the reporting period, which comprised Kshs.152.95 million (6 per cent) for development programmes and Kshs.2.22 billion (94 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.65 billion was released towards compensation of employees and Kshs.566.17 million for operations and maintenance expenditure.

Analysis of the operations and maintenance exchequer releases indicates that 13 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.74.30 million and included Kshs.15.93 million for the County Executive and Kshs.58.36 million for the County Assembly. The foreign exchequer totalled Kshs.7.64 million spent by the County Assembly.

Table 3.330: Taita Taveta County, Budget Allocation and Exchequer Issued by Department

Department	Gross Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Gross Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	789,520,871	70,000,000	312,308,330	15,729,849	40	22
Public Service and Administration	512,799,946	-	272,669,344	-	53	0
The Governor's and Deputy Governor's Office	353,589,988	-	79,604,963	-	23	0
Finance and Economic Planning	316,984,300	210,000,000	143,726,010	85,699,318	45	41

Department	Gross Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Gross Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock and Fisheries	219,060,862	194,034,071	101,206,143	2,500,000	46	1
Water and Irrigation	137,350,144	1,118,401,402	56,203,615	11,450,985	41	1
Education and Libraries	775,384,434	55,800,000	292,925,469	2,467,277	38	4
Health	2,227,997,455	87,468,500	877,074,929	-	39	0
Trade, Tourism and Cooperative Development	57,684,983	274,500,000	16,338,656	-	28	0
County Public Service Board	65,541,205	4,500,000	11,938,497	-	18	0
Infrastructure and Public Works	103,602,551	352,661,859	21,838,194	2,000,000	21	1
Lands, Environment and Natural Resources	102,491,794	215,404,300	18,064,322	30,000,000	18	14
Youth, Gender, Sports, Culture and Social Services	51,973,315	124,750,000	17,140,424	3,108,000	33	2
	5,713,981,848	**2,707,520,132**	**2,221,038,896**	**152,955,429**	**39**	**6**

***Source**: Taita Taveta County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.281.33 million.

3.39.4 County Expenditure Review

The County spent Kshs.2.37 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.152.95 million and Kshs.2.22 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 6 per cent, while recurrent expenditures represented 39 per cent of the annual recurrent expenditure budget.

3.39.5 Settlement of Pending Bills

As of 30 June 2024, the County reported pending bills totalling Kshs.2.30 billion. 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 first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.296.16 million, comprising Kshs.274.54 million for recurrent programmes and Kshs.26.62 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.73.20 million for recurrent activities.

The County Executive and the Assembly submitted pending bill payment plans at the commencement of FY 2024/25, committing to pay Kshs.10.20 million and Kshs.5.10 million, respectively, in the first half of FY 2024/25. The County did adhere to this payment plan, clearing Kshs.296.16 million for the Executive and Kshs.73.20 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.1.93 billion, comprising Kshs.1.87 billion for the County Executive and Kshs.53.01 million for the County Assembly.

3.39.6 Expenditure by Economic Classification

The County Executive spent Kshs.1.50 billion on employee compensation, Kshs.408.63 million on operations and maintenance, and Kshs.137.22 million on development activities. Similarly, the County Assembly spent

Kshs.154.75 million on employee compensation, Kshs.157.55 million on operations and maintenance, and Kshs.15.73 million on development activities, as shown in Table 3.331.

Table 3.331: 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	**4,924,460,976**	**789,520,871**	**1,908,730,567**	**312,308,330**	**39**	**40**
Compensation to Employees	3,525,901,377	263,000,000	1,500,105,561	154,755,937	43	59
Operations and Maintenance	1,398,559,599	526,520,871	408,625,006	157,552,393	29	30
Development Expenditure	2,637,520,132	70,000,000	137,225,580	15,729,849	5	23
Total	**7,561,981,108**	**859,520,871**	**2,045,956,147**	**328,038,179**	**27**	**38**

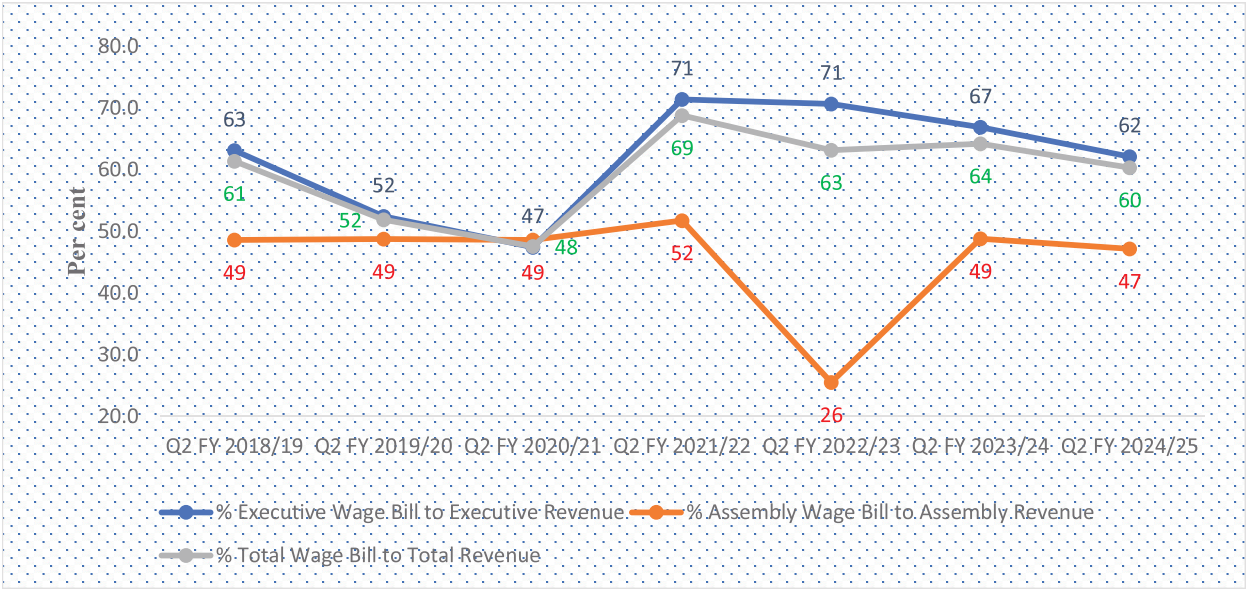
***Source**: Taita Taveta County Treasury*

3.39.7 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.65 billion, or 60 per cent of the available revenue of Kshs.2.74 billion. This expenditure represented an increase from Kshs.1.45 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.08 billion paid to the Health Sector employees, translating to 66 per cent of the total wage bill.

Figure 155 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 155: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



***Source**: Taita Taveta County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.64 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.14.62 million was processed through manual payrolls, which accounted for 1 per cent of the total PE cost.

The County Assembly spent Kshs.12.96 million on committee sitting allowances for the 32 MCAs against the annual budget allocation of Kshs.36 million. The average monthly sitting allowance was Kshs.67,510 per MCA. The County Assembly had 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 million to

County-established funds in FY 2024/25 or 3 per cent of the County's overall budget. The County allocated Kshs.15 million to the Emergency Fund (0.2 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.332 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.332: Table 3.332: Performance of County Established Funds in the First Half 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	Actual Expenditure in First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the fund (Kshs)	Submission of First Half Financial Statements (Yes/No.)
		A	B	C	D	E
County Executive Established Funds						
1	Education Fund	240,000,000	75,000,000	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**	**52,450,000**	**86,712,926**	**1,553,065,347**	

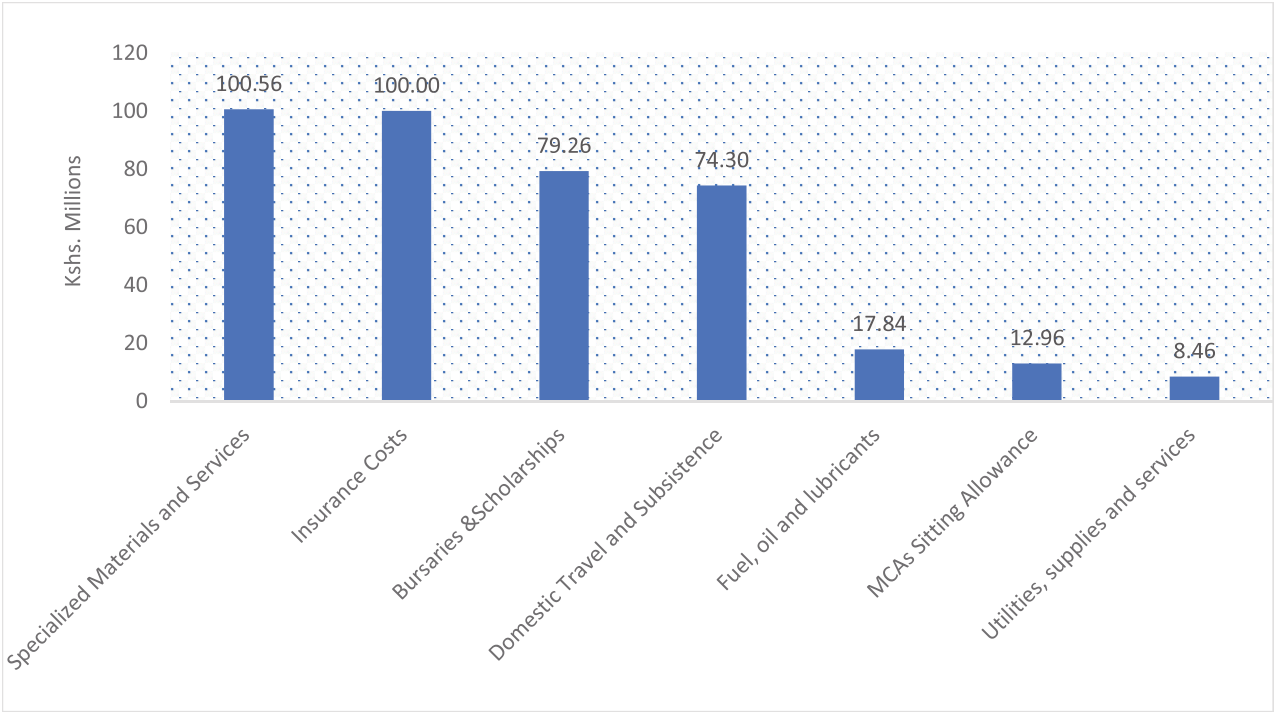
Source: *Taita Taveta County Treasury*

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 156 summarises the Operations and Maintenance expenditure by major categories.

Figure 156: Taita Taveta County, Operations and Maintenance Expenditure by Major Categories



Source: *Taita Taveta County Treasury*

Expenditure on domestic travel amounted to Kshs.74.30 million, comprising Kshs.58.36 million spent by the County Assembly and Kshs.15.93 million by the County Executive. Expenditure on foreign travel amounted to Kshs.7.63 million by the County Assembly. Spending on foreign travel is summarised in Table 3.333.

Table 3.333: Summary of Highest Expenditure on Foreign Travel in the First Half 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	8	25th oct 2023 to 30th September 2023	Being payment of the DSA balance during the trip to EALA	Tanzania	703,668
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 Assembly	6	18th to 24th August 2024	Facilitation for capacity building retreat on legislative programs of county assembly in Tanzania between 18-24th 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	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	Facilitation for 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 trip fam in Kampala, Uganda, from 20th to 21th November, 2024	Uganda	1,053,836
County Assembly	8	20th to 21st November 2024	Being refund of funds used to facilitate members who attended Kenya coast tourism exhibition trip in Kampala, Uganda, 20th to 21st November 2024	Uganda	450,000
Total					**7,635,759**

Source: Taita Taveta County Assembly

3.39.10 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.96.39 million as FIF, which was 39 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 the health facilities amounted to Kshs.73.39, as shown in Table 3.334.

Table 3.334: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1.	Moi County Referral Hospital	137,212,920	47,629,300	35%
2.	Taveta Sub County Hospital	42,029,684	13,163,835	31%
3.	Mwatate Sub County Hospital	19,977,072	7,531,815	38%
4.	Wesu Sub County Hospital	18,394,874	5,072,412	28%

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Total	**217,614,550**	**73,397,362**	**34%**

Source: *Taita Taveta County Treasury*

The Health Facility with the highest absorption rate was 38 per cent.

3.39.11 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.152.95 million on development programmes, a 54 per cent decrease compared to a similar period in FY 2023/24, when the County spent Kshs.331.31 million. Table 3.335 summarises the development projects with the highest expenditure in the reporting period.

Table 3.335: Taita Taveta County, List of Development Projects with the Highest Expenditure

S/No.	Project Name	Department	Location	Budget (Kshs.)	Exchequer issues (Kshs.)	Expenditure To date (Kshs.)	Absorption Rate (%)
1	Locally Led Climate Action Programme (Climate Change) WB	Water	Countywide	111,000,000	94,952,036	23,738,009	21
2	Kenya Informal Settlement Improvement Project-World Bank	Lands	Countywide	190,626,011	60,000,000	60,000,000	31
3	WB-National Agricultural Value Chain Development Project	Agriculture	Countywide	151,515,152	151,515,152	151,515,152	100
4	Construction of County Assembly Chamber	County Assembly	County Assembly	70,000,000	15,729,849	15,729,849	22
Total				**523,141,163**	**322,197,037**	**250,983,010**	**48**

Source: *Taita Taveta County Treasury*

3.39.12 Budget Performance by Department

Table 3.335 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.336: Taita Taveta 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	789.52	70.00	312.31	15.73	312.31	15.73	100	100	40	22
Public Service and Administration	512.80	-	272.67	-	272.67	-	100	-	53	-
The Governor's and Deputy Governor's Office	353.59	-	79.60	-	79.60	-	100	-	23	-
Finance and Economic Planning	316.98	210.00	143.73	85.70	143.73	85.70	100	100	45	41
Agriculture, Livestock and Fisheries	219.06	194.03	101.21	2.50	101.21	2.50	100	100	46	1
Water and Irrigation	137.35	1,118.40	56.20	11.45	56.20	11.45	100	100	41	1
Education and Libraries	775.38	55.80	292.93	2.47	292.93	2.47	100	100	38	4
Health	2,228.00	87.47	877.07	-	877.07	-	100	-	39	-

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
Trade, Tourism and Cooperative Development	57.68	274.50	16.34	-	16.34	-	100	-	28	-
County Public Service Board	65.54	4.50	11.94	-	11.94	-	100	-	18	-
Infrastructure and Public Works	103.60	352.66	21.84	2.00	21.84	2.00	100	100	21	1
Lands, Environment and Natural Resources	102.49	215.40	18.06	30.00	18.06	30.00	100	100	18	14
Youth, Gender, Sports, Culture and Social Services	51.97	124.75	17.14	3.11	17.14	3.11	100	100	33	2
Total	**5,713.98**	**2,707.52**	**2,221.04**	**152.96**	**2,221.04**	**152.96**	**100**	**100**	**39**	**6**

***Source**: Taita Taveta County Treasury*

Analysis of department expenditures shows that the Department of Finance and Planning recorded the highest absorption rate of the development budget at 41 per cent, followed by the County Assembly at 22 per cent. The Department of Public Administration and Service had the highest percentage of recurrent expenditures to budget at 53 per cent, while the Department of Lands, Environment, and Urban Planning had the lowest at 18 per cent.

3.39.13 Budget Execution by Programmes and Sub-Programmes

Table 3.337 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.337: Taita Taveta County, Budget Execution by Programmes and Sub-Programmes

Program	Sub Programme	Description	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)
	3260				
	103003260	Infrastructure Development programme	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
	701003260	General Administration support services	-	-	-
3261000100		**County Assembly Headquarters**	859,520,871	328,038,179	38
	702003260	County Assembly Infrastructure improvement	-	-	0
	701003260	General Administration support services	789,520,871	312,308,330	40
	708003260	Legislation, Oversight & Representation	70,000,000	15,729,849	22
3262000100		**Headquarters**	432,346,946	259,212,853	60
	3260				
	701003260	General Administration support services	432,346,946	259,212,853	60
	704003260	General Administration and Management of County Affairs	-	-	0
	703003260	Decentralised Infrastructure Development Programme	-	-	0

Program	Sub Programme	Description	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)
	705003260	Leadership Development Programme	-	-	0
3262000200		**Taveta Sub County Administration**	2,120,000	43,056	2
	705003260	Leadership Development Programme	-	-	0
	701003260	General Administration support services	-	-	0
	709003260	Devolved governance	2,120,000	43,056	2
3262000300		**Wundanyi Sub County Administration**	1,850,000	-	0
	701003260	General Administration support services	-	-	0
	703003260	Decentralised Infrastructure Development Programme	-	-	0
	709003260	Devolved governance	1,850,000	-	0
3262000400		**Mwatate Sub County Administration**	1,943,000	31,500	2
	709003260	Devolved governance	1,943,000	31,500	2
	701003260	General Administration support services	-	-	-
	703003260	Decentralised Infrastructure Development Programme	-	-	-
3262000500		**Voi Sub County Administration**	2,364,000	29,500	1
	701003260	General Administration support services	-	-	0
	709003260	Devolved governance	2,364,000	29,500	1
3262000600		**Taveta Town Administration**	-	-	-
	701003260	General Administration support services	-	-	-
	705003260	Leadership Development Programme	-	-	-
	703003260	Decentralised Infrastructure Development Programme	-	-	-
3262000700		**Voi Town Administration**	-	- 28,000	-
	703003260	Decentralised Infrastructure Development Programme	-	-	-
	705003260	Leadership Development Programme	-	-	-
	701003260	General Administration support services	-	- 28,000	-
3262000800		**County Policing Authority**	-	-	-
	701003260	General Administration support services	-	-	-
3262000900		**Human Resource Management**	11,316,000	583,936	5
	701003260	General Administration support services	11,316,000	583,936	5
3262001000			20,000,000	2,013,210	10
	701003260	General Administration support services	20,000,000	2,013,210	10
3262001100			3,360,000	-	-

Program	Sub Programme	Description	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)
	701003260	General Administration support services	-	-	-
	709003260	Devolved governance	3,360,000	-	-
3262001200		**Kenya Devolution Support Program**	37,500,000	-	-
	701003260	General Administration support services	37,500,000	-	-
3263000100		**Headquarters**	278,239,987	112,136,149	40
	712003260	Special programmes & Service Delivery	9,350,000	349,999	4
	703003260	Decentralised Infrastructure Development Programme	-	-	-
	705003260	Leadership Development Programme	-	-	-
	704003260	General Administration and Management of County Affairs	-	- 81,000	-
	701003260	General Administration support services	262,639,987	109,320,876	42
	710003260	Leadership & Coordination of county affairs	6,250,000	2,546,274	41
3263000200		**Office of the Deputy Governor**	13,160,000	2,894,376	22
	701003260	General Administration support services	13,160,000	2,894,376	22
	101003260	Administration Planning and Support Services	-	-	-
	704003260	General Administration and Management of County Affairs	-	-	-
	705003260	Leadership Development Programme	-	-	0
3263000300		**Special Programmes Unit**	22,100,000	2,563,732	12
	712003260	Special programmes & Service Delivery	22,100,000	2,563,732	12
	705003260	Leadership Development Programme	-	-	-
	704003260	General Administration and Management of County Affairs	-	-	-
	703003260	Decentralised Infrastructure Development Programme	-	-	-
3263000400		**Service Delivery Unit**	1,200,000	292,732	24
	704003260	General Administration and Management of County Affairs	-	-	0
	712003260	Special programmes & Service Delivery	1,200,000	292,732	24
3263000500		**Industrialisation**	-	-	-
	704003260	General Administration and Management of County Affairs	-	-	-
	705003260	Leadership Development Programme	-	-	-
	703003260	Decentralised Infrastructure Development Programme	-	-	-
3263000600		**ICT**	8,300,000	250,250	3
	703003260	Decentralised Infrastructure Development Programme	-	-	-

Program	Sub Programme	Description	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)
	704003260	General Administration and Management of County Affairs	-	-	-
	701003260	General Administration support services	8,300,000	250,250	3
	705003260	Leadership Development Programme	-	-	0
3263000700			3,600,000	321,800	9
	704003260	General Administration and Management of County Affairs	-	-	-
	710003260	Leadership & Coordination of county affairs	3,600,000	321,800	9
3263000800			3,870,000	83,038	2
	710003260	Leadership & Coordination of county affairs	3,870,000	83,038	2
	704003260	General Administration and Management of County Affairs	-	-	-
3263000900			23,120,000	2,672,200	12
	704003260	General Administration and Management of County Affairs	-	-	-
	710003260	Leadership & Coordination of County Affairs	23,120,000	2,672,200	12
3264000100		**Headquarters**	190,787,852	88,576,288	46
	706003260	General Administration, Planning, Internal Audit & Support Services	-	- 425,610	0
	701003260	General Administration support services	190,787,852	89,001,898	47
	707003260	Treasury Development Programme	-	-	-
3264000200		**County Emergency Fund**	15,000,000	-	-
	707003260	Treasury Development Programme	-	-	-
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	-
	701003260	General Administration support services	15,000,000	-	-
3264000300		**Equalisation of Wards Infrastructure**	-	-	-
	707003260	Treasury Development Programme	-	-	-
3264000400		**Planning**	31,126,448	8,027,924	26
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	-
	707003260	Treasury Development Programme	-	-	-
	713003260	Public Finance Management	23,754,781	4,826,924	20
	714003260	Economic Policy Formulation & management	7,371,667	3,201,000	43
3264000500		**Gratuity Fund**	-	-	-

Program	Sub Programme	Description	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	-
3264000700		**County Executive Administration**	15,000,000	7,450,000	50
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	0
	701003260	General Administration support services	15,000,000	7,450,000	50
3264000800		**Internal Audit Services**	10,470,000	2,077,189	20
	713003260	Public Finance Management	10,470,000	2,077,189	20
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	0
3264000900		**Revenue Management**	27,000,000	6,206,709	23
	713003260	Public Finance Management	27,000,000	6,206,709	23
	701003260	General Administration support services	-	-	0
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	0
3264001000		**Procurement**	8,000,000	1,438,349	18
	713003260	Public Finance Management	8,000,000	1,438,349	18
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	0
3264001100		**Accounting Services**	19,600,000	7,656,447	39
	713003260	Public Finance Management	19,600,000	7,656,447	39
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	-
	701003260	General Administration support services	-	-	-
3264001200		**Kenya Devolution Support Programme**	-	-	-
	701003260	General Administration support services	-	-	-
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	-
3264001300			210,000,000	83,227,972	40
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	-
	707003260	Treasury Development Programme	-	-	-
	701003260	General Administration support services	210,000,000	83,227,972	40
3265000100		**Headquarters**	363,830,987	91,358,221	25
	104003260	Agricultural Development Programme	-	-	0
	106003260	Crop Development	10,220,165	1,605,200	16

Program	Sub Programme	Description	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)
	102003260	Development programme	-	-	0
	105003260	Livestock and Fisheries Development	-	-	0
	101003260	Administration Planning and Support Services	353,610,822	89,753,021	25
3265000200		**Livestock**	7,382,884	649,636	9
	101003260	Administration Planning and Support Services	-	-	0
	105003260	Livestock and Fisheries Development	-	-	0
	108003260	Livestock Production	7,382,884	649,636	9
	104003260	Agricultural Development Programme	-	-	0
	102003260	Development programme	-	-	0
3265000300		**Fisheries**	4,577,742	204,000	4
	102003260	Development programme	-	-	0
	101003260	Administration Planning and Support Services	-	-	0
	111003260	Blue Economy Development	4,577,742	204,000	4
	105003260	Livestock and Fisheries Development	-	-	0
3265000400		**Veterinary**	5,666,901	649,150	11
	101003260	Administration Planning and Support Services	-	-	-
	104003260	Agricultural Development Programme	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
	102003260	Development programme	-	-	0
	110003260	Veterinary Services	5,666,901	649,150	11
3265000500		**Agribusiness Project (EU Grant)**	30,018,919	-	-
	101003260	Administration Planning and Support Services	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
	106003260	Crop Development	30,018,919	-	-
	104003260	Agricultural Development Programme	-	-	-
	102003260	Development programme	-	-	-
3265000600		**Kenya Climate Smart Agric Program**	-	-	-
	104003260	Agricultural Development Programme	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
	1001003260	Water and Irrigation Development Programme	-	-	-
3265000700		**Water**	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-

Program	Sub Programme	Description	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)
	104003260	Agricultural Development Programme	-	-	-
3265000800		**Cooperative Development**	1,617,500	349,999	22
	304003260	Cooperatives development	1,617,500	349,999	22
3266000100		**Headquarters**	-	- 230,500	-
	101003260	Administration Planning and Support Services	-	- 230,500	-
	105003260	Livestock and Fisheries Development	-	-	-
3266000300		**Veterinary**	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
3266000400		**Fisheries**	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
	101003260	Administration Planning and Support Services	-	-	0
3267000100		**Headquarters**	103,428,852	48,540,896	47
	1002003260	General Administration, Support and Support Services	103,428,852	48,540,896	47
	1001003260	Water and Irrigation Development Programme	-	-	0
3267000200		**Water Services**	881,593,292	3,931,173	0
	1002003260	General Administration, Support and Support Services	-	-	0
	1004003260	Water Infrastructure Development	873,943,292	2,446,582	0
	1005003260	Sanitation services	7,650,000	1,484,591	19
	1001003260	Water and Irrigation Development Programme	-	-	-
3267000300		**Bulk Water Project**	-	-	-
	1001003260	Water and Irrigation Development Programme	-	-	-
3267000400		**Ambulance services**	-	-	-
	1001003260	Water and Irrigation Development Programme	-	-	-
3267000500		**Public Health and Sanitation**	-	-	-
	1001003260	Water and Irrigation Development Programme	-	-	-
3267000600		**Promotion of primary healthcare**	270,729,402	27,953,007	10
	1006003260	Climate Change Adaptation	268,929,402	27,393,103	10
	1002003260	General Administration, Support and Support Services	-	-	-
	901003260	General administration, Planning & support	-	-	-
	1001003260	Water and Irrigation Development Programme	-	-	-
	1003003260	Natural Resources Support Programme	1,800,000	559,904	31

Program	Sub Programme	Description	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)
3268000100		**Headquarters**	511,473,395	241,905,605	47
	1001003260	Water and Irrigation Development Programme	-	-	0
	502003260	Early Childhood Education and Youth Training Development Programme	-	-	0
	501003260	General Administration, Planning and Support services	511,473,395	241,905,605	47
3268000200		**Polytechnics**	12,813,600	697,317	5
	501003260	General Administration, Planning and Support services	-	-	0
	502003260	Early Childhood Education and Youth Training Development Programme	-	-	0
	504003260	Vocational Training Centres & Homecrafts development	12,813,600	697,317	5
3268000300		**Early Childhood Development**	54,340,000	6,014,291	11
	502003260	Early Childhood Education and Youth Training Development Programme	54,340,000	6,014,291	11
	501003260	General Administration, Planning and Support services	-	-	-
	301003260	General Administration and Support Services Programme	-	-	-
3268000400		**Library services**	8,655,000	119,341	1
	501003260	General Administration, Planning and Support services	-	-	0
	502003260	Early Childhood Education and Youth Training Development Programme	-	-	0
	503003260	Library Services	8,655,000	119,341	1
3268000500		**Education Fund**	243,902,439	45,000,000	18
	505003260	Education Fund	243,902,439	45,000,000	18
	501003260	General Administration, Planning and Support services	-	-	-
	502003260	Early Childhood Education and Youth Training Development Programme	-	-	-
3268000600		**Energy**	-	-	-
	502003260	Early Childhood Education and Youth Training Development Programme	-	-	-
	501003260	General Administration, Planning and Support services	-	-	-
3269000100		**Headquarters**	2,065,465,955	867,596,360	42
	402003260	Health Development Programme	-	-	0
	404003260	Preventive & Promotive services	3,650,000	80,400	2
	405003260		1,500,000	450,000	30
	403003260	Hospitals & Specialised Health Services	182,100,000	15,750,623	9
	704003260	General Administration and Management of County Affairs	-	-	-

Program	Sub Programme	Description	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	-
	401003260	Administration and Support Services	1,878,215,955	851,315,337	45
3269000200		**Wesu Hospital**	-	-	0
	401003260	Administration and Support Services	-	-	0
3269000300		**Moi Referral Hospital**	-	-	-
	401003260	Administration and Support Services	-	-	-
3269000400		**Mwatate Hospital**	-	-	-
	401003260	Administration and Support Services	-	-	-
3269000500			-	-	-
	401003260	Administration and Support Services	-	-	-
3269000600			-	-	-
	401003260	Administration and Support Services	-	-	-
3269000700			-	-	-
	401003260	Administration and Support Services	-	-	-
3269000800			-	-	-
	401003260	Administration and Support Services	-	-	-
3269000900			-	-	-
	401003260	Administration and Support Services	-	-	-
3269001000			-	-	-
	401003260	Administration and Support Services	-	-	-
3269001100			-	-	-
	402003260	Health Development Programme	-	-	-
	401003260	Administration and Support Services	-	-	-
3269001200		**Health Improvement Financing**	250,000,000	2,538,964	1
	401003260	Administration and Support Services	250,000,000	2,538,964	1
3270000100		**Headquarters**	45,976,129	12,385,324	27
	302003260	Trade Development programme.	-	-	0
	301003260	General Administration and Support Services Programme	45,976,129	12,385,324	27
3270000200		**Trade**	32,609,770	1,980,497	6
	302003260	Trade Development programme.	32,609,770	2,293,830	7
	301003260	General Administration and Support Services Programme	-	- 313,333	-
3270000300		**Sports**	-	-	-
	301003260	General Administration and Support Services Programme	-	-	-

Program	Sub Programme	Description	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)
	302003260	Trade Development programme.	-	-	-
3270000400		**Gender**	-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and Support Services Programme	-	-	-
3270000500		**Cooperative**	-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and Support Services Programme	-	-	-
3270000600		**Youth Development**	-	-	-
	301003260	General Administration and Support Services Programme	-	-	-
	302003260	Trade Development programme.	-	-	-
3270000700		**Culture**	2,500,000	180,000	7
	905003260	Culture services	2,500,000	180,000	7
	301003260	General Administration and Support Services Programme	-	-	-
	302003260	Trade Development programme.	-	-	-
3270000800		**Markets**	-	-	-
	301003260	General Administration and Support Services Programme	-	-	-
	302003260	Trade Development programme.	-	-	-
3270000900			-	-	-
	301003260	General Administration and Support Services Programme	-	-	-
	302003260	Trade Development programme.	-	-	-
3270001100		**Weights and Measures**	-	-	-
	301003260	General Administration and Support Services Programme	-	-	-
3270001200			-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and Support Services Programme	-	-	-
3270001300		**Liquor Control and Licensing Fund**	-	-	-
	301003260	General Administration and Support Services Programme	-	-	-
3270001400			695,084	50,000	7
	301003260	General Administration and Support Services Programme	-	-	0
	303003260	Tourism Development	695,084	50,000	7
	302003260	Trade Development programme.	-	-	0
3270001500		**Industrialisation**	250,404,000	-	0
	305003260	Industrialisation	250,404,000	-	0
3271000100		**Headquarters**	70,041,205	14,599,010	21
	715003260	Human Resource Planning, management & development	4,462,000	927,100	21
	703003260	Decentralised Infrastructure Development Programme	-	-	0

Program	Sub Programme	Description	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)
	701003260	General Administration support services	65,579,205	13,671,910	21
3272000100		**Headquarters**	91,552,551	29,252,691	32
	204003260	Disaster & firefighting Management	1,000,000	283,333	28
	201003260	General Administrative, Planning & support services	62,832,551	23,907,508	38
	101003260	Administration Planning and Support Services	-	-	0
	203003260	Public Works, Transport & Housing	27,720,000	5,061,850	18
3272000200		**ICT**	-	-	0
	103003260	Infrastructure Development programme	-	-	0
	101003260	Administration Planning and Support Services	-	-	0
3272000300		**Roads**	363,211,859	13,786,935	4
	201003260	General Administrative, Planning & support services	223,111,859	-	0
	202003260	Roads Infrastructure Development	140,100,000	13,786,935	10
	102003260	Development programme	-	-	0
	103003260	Infrastructure Development programme	-	-	0
	101003260	Administration Planning and Support Services	-	-	0
3272000400		**Housing**	500,000	41,666	8
	203003260	Public Works, Transport & Housing	500,000	41,666	8
	101003260	Administration Planning and Support Services	-	-	0
	102003260	Development programme	-	-	0
	103003260	Infrastructure Development programme	-	-	0
3272000500		**Public Works**	1,000,000	275,167	28
	203003260	Public Works, Transport & Housing	1,000,000	275,167	28
	103003260	Infrastructure Development programme	-	-	-
	102003260	Development programme	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
3272000600		**Defunct Local Authorities**	-	-	-
	302003260	Trade Development programme.	-	-	0
	103003260	Infrastructure Development programme	-	-	0
3273000100		**Headquarters**	55,600,244	16,727,085	30
	101003260	Administration Planning and Support Services	49,100,244	16,727,085	34
	102003260	Development programme	-	-	0
	112003260	L& Planning Survey & Mapping	6,500,000	-	0

Program	Sub Programme	Description	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)
	301003260	General Administration and Support Services Programme	-	-	0
	1003003260	Natural Resources Support Programme	-	-	0
3273000200		**Mwatate Municipal Administration**	194,872,561	30,258,800	16
	114003260	Urban Development	190,626,011	30,000,000	16
	102003260	Development programme	-	-	0
	112003260	L& Planning Survey & Mapping	4,246,550	258,800	6
	1003003260	Natural Resources Support Programme	-	-	0
	101003260	Administration Planning and Support Services	-	-	0
3273000300			3,060,000	508,000	17
	1003003260	Natural Resources Support Programme	-	-	0
	101003260	Administration Planning and Support Services	-	-	0
	113003260	Mining	3,060,000	508,000	17
	102003260	Development programme	-	-	0
3273000400			-	-	0
	101003260	Administration Planning and Support Services	-	-	0
	102003260	Development programme	-	-	0
3273000500		**Environment and Natural Resources**	-	-	0
	1003003260	Natural Resources Support Programme	-	-	0
	101003260	Administration Planning and Support Services	-	-	0
3273000600			64,363,289	872,300	1
	301003260	General Administration and Support Services Programme	-	-	0
	114003260	Urban Development	64,363,289	872,300	1
	103003260	Infrastructure Development programme	-	-	0
	102003260	Development programme	-	-	0
3276000100		**Headquarters**	176,723,315	-	0
	1003003260	Natural Resources Support Programme	51,973,315	-	0
	301003260	General Administration and Support Services Programme	124,750,000	-	-
	1002003260	General Administration, Support and Support Services	-	-	-
		Grand Total	**8,421,501,980**	**2,373,994,324**	**28**

Source: *Taita Taveta County Treasury*

The sub-programmes with the highest levels of implementation based on absorption rates were: General Administration and Support Services in the Department of Public Administration and Service at 60 per cent, General Administration and Support Services in the Department of Finance and Planning at 50 per cent, General Administration and Support Services in the Department of Water &Sanitation at 47 per cent and General Administration, Planning and Support Services in the Department of Education and Libraries at 47 per cent of budget allocation.

3.39.14 Accounts Operated Commercial Banks

The County Government operated thirty-seven 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, and six recurrent operational accounts and one development operational accounts.

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.

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. Own-source revenue underperformed at Kshs.194.75 million against an annual target of Kshs.750 million, representing 26 per cent of the yearly target.
ii. High level of pending bills, which amounted to Kshs.1.93 billion as of 31 December 2024.
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.
iv. Low expenditure on development programmes accounted for a 6 per cent absorption rate of the budget allocated to development activities.

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 Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year.*
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.*
iv. *The County Leadership should develop and implement strategies to enhance the absorption of funds allocated towards development expenditure activities, improving citizens' livelihood.*

3.40. County Government of Tana River

3.40.1 Overview of FY 2024/25 Budget

The Tana River County Net Approved Budget Y 2024/25 budget is Kshs.9.31 billion. It comprises Kshs.3.64 billion (39 per cent) and Kshs.5.67 billion (61 per cent) allocated to 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 comprised a development budget of Kshs.3.56 billion and a recurrent budget of Kshs.5.46 billion. The increase in the budget was attributed to the rise in unspent funds from the FY 2023/2024 and the higher target in own source revenue collection projection.

The budget will be financed from different sources of revenue. These include; Kshs.7.04 billion (76 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.08 billion as additional allocations (12 per cent), and a cash balance of Kshs.1.09 billion (12 per cent) brought forward from FY 2023/24, and Kshs.96.63 million (1 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.3.96 million (0.04 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.92.67 million (1 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.338.

3.40.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.3.73 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.39 billion from the equitable share of revenue raised nationally, its own source revenue (OSR) collection of Kshs.42.57 million. In addition, the County had a cash balance of Kshs.298.88 million from FY 2023/24.

The total OSR collection of Kshs.42.57 million includes Facilities Improvement Financing (FIF) of Kshs.3.79 million, and Kshs.38.78 million as ordinary OSR. Table 3.338 summarises the total revenue available to the County Government during the first half of FY 2024/25.

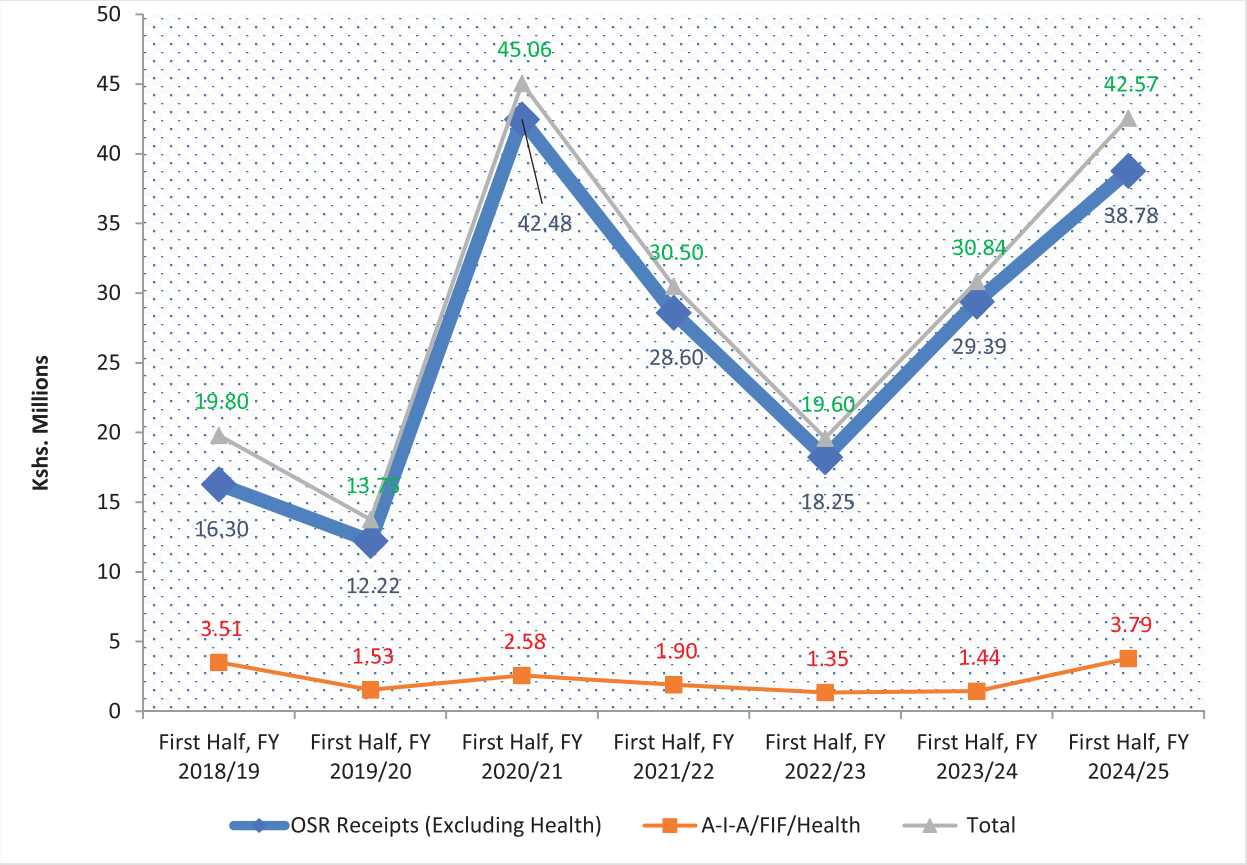
Table 3.338: Tana River County, Revenue Performance in the First Half of FY 2024/25

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	3,386,514,372	48
Sub Total		**7,040,540,708**	**3,386,514,372**	**48**
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		
10	Financing Locally-Led Climate Action (FLLoCA) - County Climate Institutional Support (CCIS)	11,000,000		
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		
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	92,673,773	38,783,520	42
2	Balance b/f from FY2023/24	1,093,197,531	298,884,968	27
3	Facility Improvement Fund (FIF)	3,956,827	3,785,117	96
4	Other Revenues			
5	Appropriation in Aid (AIA)			
Sub Total		1,189,828,131	341,453,605	29
Grand Total		**9,309,506,045**	**3,727,967,977**	**40**

Source: *Tana River County Treasury*

Figure 157 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 157: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25



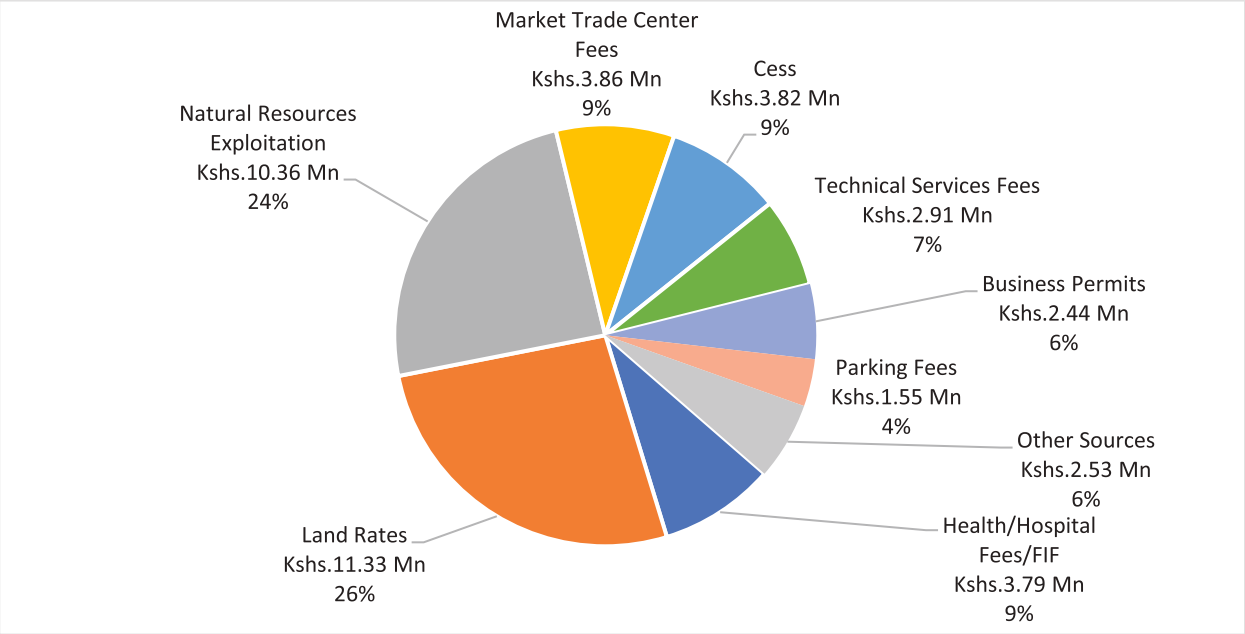
Source: *Tana River County Treasury*

During the first half of FY 2024/25, the County generated Kshs.42.57 million from its revenue sources, including AIA and FIF. This amount was an increase of 38 per cent compared to Kshs.30.84 million realised in a similar period in FY 2023/24, 44 per cent of the annual target, and 1 per cent of the equitable revenue share disbursed.

The increase in OSR can be attributed to increased revenues from exploiting natural resources.

The revenue streams which contributed the highest OSR receipts are shown in Figure 158.

Figure 158: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Tana River County Treasury

The highest revenue stream, Kshs.11.33 million, was from land rates, contributing 26 per cent of the total OSR receipts during the reporting period.

3.40.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.2.58 billion from the CRF account during the reporting period, which comprised Kshs.612.85 million (24 per cent) for development programmes and Kshs1.97 billion (76 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.968.68 million was released towards compensation of employees and Kshs.1.30 billion for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to the late submission of the salaries exchequer request.

The operations and maintenance exchequer releases analysis indicates that 8 per cent was for domestic travel. The domestic travel exchequer amounted to Kshs77.0 million and was all realised to the County Executive.

Table 3.339: 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	307,814,249	63,774,893	42	23
Office of The Governor and Deputy Governor	558,967,389	-	226,261,779		41	
Finance and Planning	445,911,230	673,476,870	192,773,395	271,877,171	43	40
County Public Service Board	77,301,400	-	38,116,211	-	49	
Trade, Tourism, Wildlife and Cooperative Development	50,599,698	130,000,000	12,474,925	-	25	
Agriculture, Livestock, Fisheries and Veterinary	166,697,784	381,910,984	100,371,461	-	60	
Culture, gender, Youth, Sports and Social Services	107,015,430	3,500,000	16,821,358	-	16	
Education and Vocational Training	57,266,669	267,800,000	3,230,171	88,000,000	6	33
Medical Services, Public Health and sanitation	1,532,043,009	196,700,000	535,349,217	-	34	

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Special program	154,395,243	14,257,827	73,519,447	-	48	
Roads, Transport, Public works, Housing and Urbanisation	70,147,977	885,108,627	9,773,195	-	14	
Water, Energy, Mining, Forestry and Natural Resources	44,493,611	353,009,158	13,196,365	17,500,000	30	5
Public Service, Administration and Citizen Participation	1,482,330,311	20,000,000	391,978,351	-	26	
Lands and Physical Planning	39,593,750	100,000,000	13,179,469	49,201,777	33	49
Hola Municipality	79,854,266	-	15,716,778	-	20	
Environment and Climate Change	64,945,550	340,823,766	14,985,925	122,498,870	23	36
Total	5,665,207,274	3,640,341,944	1,965,562,293	612,852,711	35	17

***Source**: Tana River County Treasury*

The underperformance in the Department of Roads Transport & Public Works and the Department of Hola Municipality was due to a delay in the procurement process, which affected their timely requisition process.

As of 31 December 2024, the County Government's cash balance in the CRF account was Kshs.1.28 billion.

3.40.4 County Expenditure Review

The County spent Kshs.2.09 billion on development and recurrent programmes in the reporting period. The expenditure represented 81 per cent of the total funds released by the CoB and comprised Kshs.266.43 million and Kshs.1.83 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 7 per cent, while recurrent expenditures represented 32 per cent of the annual recurrent expenditure budget.

3.40.5 Settlement of Pending Bills

The County reported pending bills totalling Kshs.2.13 billion as of 30 June 2024. This amount consists of 2.12 billion by the County Executive and Kshs.3.77 million by the County assembly. The pending bills from the County Executive consist of Kshs.1.17 billion for recurrent expenditures and Kshs.951.05 million for development expenditures, while the pending bills by the County Assembly consisted of Kshs..3.77 million for recurrent activities.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.334.99 million, comprising Kshs.63.11 million for recurrent programmes and Kshs.271.87 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.3.77 million for development activities.

The County Executive submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.790.65 million in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as the Executive only cleared Kshs.334.99 million.

As of 31 December 2024, the outstanding bills amounted to Kshs.1.79 billion by the County Executive.

3.40.6 Expenditure by Economic Classification

The County Executive spent Kshs.868.84 million on employee compensation, Kshs.654.22 million on operations and maintenance, and Kshs.262.66 million on development activities. Similarly, the County Assembly spent Kshs.144.89 million on employee compensation, Kshs.162.62 million on operations and maintenance, and Kshs.3.77 million on development activities, as shown in Table 3.340.

Table 3.340: 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**	1,523,054,571	307,522,644	**31**	**42**
Compensation to Employees	2,443,447,955	314,449,236	868,836,829	144,897,769	36	46
Operations and Maintenance	2,492,072,189	419,194,721	654,217,742	162,624,875	26	39
Development Expenditure	3,366,587,232	273,754,712	262,655,500	3,774,894	8	1
Total	**8,302,107,376**	**1,007,398,669**	**1,785,710,071**	**311,297,538**	22	31

***Source**: Tana River County Treasury*

3.40.7 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.01 billion, or 27 per cent of the available revenue of Kshs.3.73 billion. This expenditure represented an increase from Kshs.981.74 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.405.61 million paid to the Health Sector employees, translating to 40 per cent of the total wage bill.

Further analysis indicates that PE costs amounting to Kshs.1.00 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.8.22 million was processed through manual payrolls, which accounted for 0.8 per cent of the total PE cost.

The County Assembly spent Kshs.10.42 million on committee sitting allowances for the 27 MCAs against the annual budget allocation of Kshs.25 million. The average monthly sitting allowance was Kshs.128,630 per MCA. The County Assembly had 19 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.545.37 million to County-Established funds in FY 2024/25, or 6 per cent of the County's overall budget. Further, the County allocated Kshs139.68 million to the Emergency Fund (2 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

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

Table 3.341: Performance of County Established Funds in the First Half of FY 2024/25

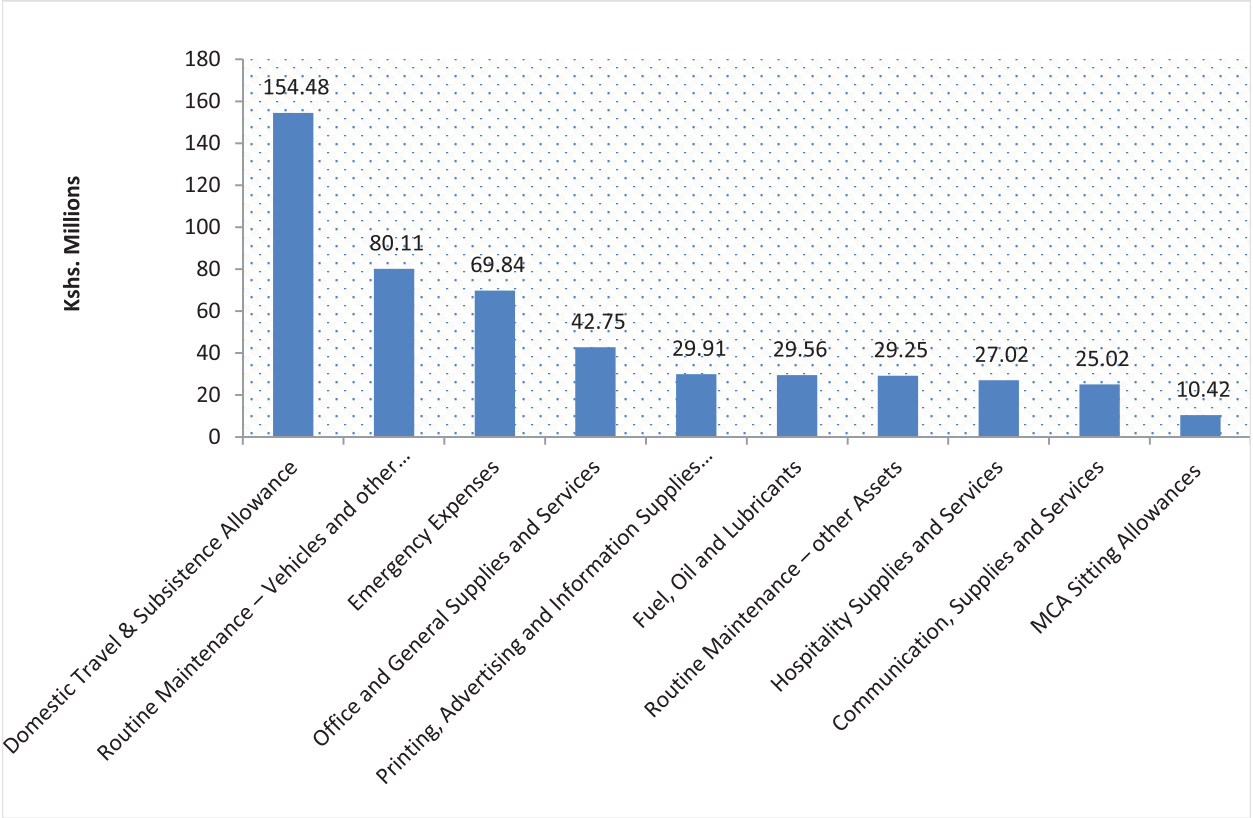
S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Quarter of FY 2024/25 (Kshs.)	Actual Expenditure in First Quarter of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1.	Emergency Fund	139,682,547	69,841,273		69,841,273	No
2.	Disaster Risk Management Fund	139,682,547	69,841,273		69,841,273	No
3.	Car Loan & Mortgage Fund	90,000,000	45,000,000		45,000,000	No
4.	Bursary Fund	176,000,000	88,000,000		88,000,000	No
	County Assembly Established Funds					
5.						
	Total	**545,365,094**	**272,682,546**		**272,682,546**	

Source: *Tana River County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from all Fund Administrators, as indicated in Table 3.341, contrary to the requirement of Section 168 of the PFM Act, 2012. Expenditure on Operations and Maintenance

Figure 159 summarises the Operations and Maintenance expenditure by major categories.

Figure 159: Tana River County, Operations and Maintenance Expenditure by Major Categories



Source: *Tana River County Treasury*

Expenditure on domestic travel amounted to Kshs.154.48 million and comprised Kshs.70.93 million spent by the County Assembly and Kshs.83.55 million by the County Executive. Expenditure on foreign travel amounted to Kshs.13.04 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.342.

Table 3.342: Summary of Highest Expenditure on Foreign Travel in the First Half 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.)
Tana River County Executive	3	9-13/9/2024	Attending a C-Suite seminar in Singapore	Singapore	2,170,140.00
Tana River County Executive	5	19-21/10/2024	Attending the inauguration ceremony of the African Hall in Addis Ababa, Ethiopia, on 21 October 2024	Ethiopia	1,521,340.00
Tana River County Executive	3	3-8/11/2024	Attending WUF 12 Cairo	Egypt	930,540
Tana River County Executive	3	1-8/12/2024	Being facilitating the 30th executive seminar in Dubai	Dubai	3,233,420
Tana River County Executive	4	10-20/12/2024	Attending Leadership and Governance seminar	Dubai	4,454,450
Tana River County Executive	1	10-20/12/2024	Attending the 20th ICID Programme	Dubai	727,830

Source: Tana River County Treasury

3.40.9 Facility Improvement Financing

During the period under review, the county reported a collection of Kshs.of 3.79 million as FIF, which was 96 per cent of the annual target of Kshs.3.95 million. The collected amount was retained and utilised at the source per the Facility Improvement Financing Act of 2023. The County has 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, in line with (contrary to) Section 18 (e) of the FIF Act, 2023.

3.40.10 Development Expenditure

In the first half of FY 2024/25, the County reported spending Kshs.266.43 million on development programmes, representing a 43 per cent decrease compared to a similar period in FY 2023/24, when the County spent Kshs.469.51 million. All the development expenditure was incurred to settle pending bills for projects implemented in previous financial years. Table 3.343 summarises development projects with the highest expenditure in the reporting period.

Table 3.343: Tana River 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	Health and Sanitation	Being payment for proposed equipping of health facilities	Hola ward	35,990,000	35,990,000	100
2	Finance	Outstanding Arrear's KRA	Minjila	32,018,678.60	32,018,678.60	100
3	Health and Sanitation	supply and installation of a paperless health system at Hola Referral Hospital	Hola ward	19,935,000	19,935,000	100
4	Finance	Outstanding Arrears KRA	Hola ward	15,522,652.50	15,522,652.50	100
5	Water	Construction of elevated steel water tank and pipeline at Chewani	CHEWANI	10,021,900	10,021,900	100
6	Finance	proposed construction of the deputy governor residence phase 1	HOLA	9,460,837	9,460,837	100
7	Water	Construction Of 100cubic, Elevated Steel Tank at Minjila And Other Works	Minjila	7,266,700	7,266,700	100
8	Roads	Proposed Rehabilitation of JCT Kipini - Jalalanto Road in kipini East ward	kipini East ward	6,862,444	6,862,444	100
9	Health and Sanitation	Electrification, Plumbing, Refurbishment and Maintenance of Tana/Hola/Hou/MG 6 Cat. C and MG 37 Cat. D with Servant Quarters	Hola	4,997,856	4,997,856	100
10	Health and Sanitation	Electrification, Plumbing, Refurbishment and Maintenance of Tana/Hola/Hou/MG 18 Cat. E and MG 5 Cat. D with Servant Quarters	Hola	4,798,853	4,798,853	100

Source: *Tana River County Treasury*

3.40.11 Budget Performance by Department

Table 3.344 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.344: Tana River 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	733.64	273.75	307.81	63.77	307.52	3.77	100	6	42	1
Office of The Governor and Deputy Governor	558.97	-	226.26		185.17		82	-	33	-
Finance and Planning	445.91	673.48	192.77	271.88	189.62	262.66	98	97	43	39
County Public Service Board	77.30	-	38.12	-	18.26		48	-	24	-
Trade, Tourism, Wildlife and Cooperative Development	50.60	130.00	12.47	-	11.76		94	-	24	-

Agriculture, Livestock, Fisheries and Veterinary	166.70	381.91	100.37	-	88.41		88	-	53	-
Culture, gender, Youth, Sports and Social Services	107.02	3.50	16.82	-	7.68		46	-	7	-
Education and Vocational Training	57.27	267.80	3.23	88.00	2.77		86	-	5	-
Medical Services, Public Health and sanitation	1,536.00	196.70	535.35	-	510.17		95	-	33	-
Special program	154.40	14.26	73.52	-	71.71		98	-	46	-
Roads, Transport, Public works, Housing and Urbanisation	70.15	885.11	9.77	-	9.14		94	-	13	-
Water, Energy, Mining, Forestry and Natural Resources	44.49	353.01	13.20	17.50	8.10		61	-	18	-
Public Service, Administration and Citizen Participation	1,482.33	20.00	391.98	-	391.90		100	-	26	-
Lands and Physical Planning	39.59	100.00	13.18	49.20	11.19		85	-	28	-
Hola Municipality	79.85	-	15.72	-	10.83		69	-	14	-
Environment and Climate Change	64.95	340.82	14.99	122.50	6.35		42	-	10	-
Total	**5,669.16**	**3,640.34**	**1,965.56**	**612.85**	**1,830.58**	**266.43**	**93**	**44**	**32**	**7**

Source: *Tana River County Treasury*

Analysis of expenditure by departments shows that the Department of Finance recorded the highest absorption rate of the development budget at 39 per cent, followed by the Department of County Assembly at 1 per cent. The Department of Agriculture, Livestock & Fisheries Development had the highest percentage of recurrent expenditure to budget at 53 per cent. In comparison, the Department of Education & Vocational Training had the lowest absorption at 5 per cent.

3.40.12 Budget Execution by Programmes and Sub-Programmes

Table 3.345 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.345: Tana River County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2023 (Kshs. Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Department County Assembly							
	Speakers, legislation and procedural	360.13	-	165.21	-	**46**	
	Sub Total	360.13	-	165.21	-	**46**	
	Speakers and County Assembly Service Board	21.40					
	Sub-Total	21.40	-	-	-	**13**	
	Clerks office, Development projects	351.51	273.75	142.31	3.77	**41**	**1**
	Sub-Total	351.51	273.75	142.31	3.77	**41**	**1**
Grand Total		**733.04**	**273.75**	**307.52**	**3.77**		

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2023 (Kshs. Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Executive Services sub	Program 1. General Administration, support and planning	323.71		49.38	-	**15**	
	Program 2: Executive Services	110.26		80.00	-	**73**	
	sub program 3: County leadership & coordination of CDAs	46.00		30.20		**66**	
	sub program 4: County Government Advisory Service	49.50		12.20		**25**	
	Programme 5: Coordination of peace and cohesion	29.50		13.39	-	**45**	
	Total	**558.97**	-	**185.17**	-	**33**	
Finance and Economic planning							
Public Finance Management	Program 1: General Administration, Planning and Support Services	208.21		105.00	-	**50**	
	Public Finance Management	81.41		56.00	-	**69**	
	Own Source revenue collection	21.62		8.00	-	**37**	
	Economic planning and Budgeting	33.63		7.00	-	**21**	
	Accounting & Finance	43.79		12.01		**27**	
	Supply chain management services	20.70		0.50		**2**	
	Internal Audit	12.78		0.40		**3**	
	Monitoring and Evaluation	17.98		0.70	-	**4**	
	PFM Enhancement	5.79			-	**0**	
	Development		673.48		262.66		39
	Grand Total	**445.91**	**673.48**	**189.62**	**262.66**	**43**	**39**
County Public Service Board							
	Programme 1: General Administration, Planning and Support Services	68.38	-	13.72	-	**20**	
	Programme 2:Ethics, Governance And Compliance	2.51		1.04		**41**	
	Programme 3:Skills and competency development	2.25	-	1.00	-	**44**	
	Programme 4: Human Resource Management and Development	4.16	-	2.50	-	**60**	
	Grand Total	**77.30**	-	**18.26**	-	**24**	
Trade, Tourism and co-operative development							
	General administration, planning and support	20.00		11.76		**59**	
	Promotion of trade and tourism	10.00				**0**	
	Trade, weights and measures	0.50				**0**	
	Tourism promotion	5.00				**0**	
	Industrial Development	5.00			-	**0**	
	Cooperative Development	10.10			-	**0**	
	Development		130.00				
	Grand Total	**50.60**	**130.00**	**11.76**	-	**23**	
Agriculture and Rural Development							

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2023 (Kshs. Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	General Administration, Planning and Support Services	46.84		12.50	-	**27**	
	Agricultural Development	73.71		52.39	-	**71**	
	Animal Husbandry, Livestock Resource Management and Development	10.07		7.04	-	**70**	
	Disease Control	10.37		5.04		**49**	
	Programme 5: Veterinary Services	21.65		10.39	-	**48**	
	Programme 6: Fisheries	4.06		1.05	-	**26**	
	Development	-	381.91	-			
	Grand Total	**166.70**	**381.91**	**88.41**	**-**	**53**	
Gender, Social Service and Youth Development							
	Programme 1. General administration, support and planning	37.34		7.68	-	**21**	
	Programme 2: Culture and art development	10.40	-		-	**0**	
	Programme 3: Child Protection.	16.10	-		-	**0**	
	Programme 4: Social Development and Protection.	19.05	-		-	**0**	
	Programme 5:Sports Training and Competitions	24.13			-	**0**	
	Development		3.50	-	-		
	Grand Total	**107.02**	**3.50**	**7.68**	**-**	7	
Education, Vocational training and ECDE							
	Programme 1: General Administration, Planning and support services	**25.00**		**2.77**		**11**	
	Programme 2: Early Childcare Services	**22.50**				**0**	
	Programme 3. Vocational Training Services	9.77	-		-	**0**	
	Development		267.80				
	Grand Total	**57.27**	**267.80**	**2.77**	**-**	**5**	
Health and Sanitation							
Curative and Rehabilitative	General Administration, Planning and support services	949.77		405.61		**43**	
	Curative and Rehabilitative	408.25		104.56		**26**	
	Preventive and Promotive	177.98			-	**0**	
	Development		196.70				
	Grand Total	**1,536.00**	**196.70**	**510.17**	**-**	**33**	
Special programmes							
	General Administration, support and planning	8.08				**0**	
	Drought management (Preparedness, Response, Mitigation and Recovery)	143.28		71.71		**50**	
	Social protection and response to other disasters	3.03			-	**0**	
	Development		14.26				

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2023 (Kshs. Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Grand Total	**154.40**	**14.26**	**71.71**	-	**46**	
Roads and public works							
County Roads Development	General Administration and Support Services	35.26		9.14		**26**	
	County Housing Development and Urbanisation	34.88				**0**	
	Development		885.11				
	Grand Total	**70.15**	**885.11**	**9.14**		**13**	
Water, Environment and Natural Resources							
General administration, planning support	General Administration, Policy and Coordination	23.06		8.10		**35**	
	Water Services	11.00				**0**	
	Energy	10.44				**0**	
	Development		353.01				
	Grand Total	**44.49**	**353.01**	**8.10**		**18**	
Public service and administration							
	General Administration, support and planning	1,253.10	391.90	391.90		**31**	
	Human Resource & Development	138.90	-				
	County Administration	81.33	-				
	Citizen Participation	9.00					
	Development		20.00				
Grand Total		**1,482.33**	**20.00**	**391.90**		**26**	
Lands and physical planning							
	General Administration, Planning and support services	31.34		11.19		**36**	
	Land Policy and Planning	8.25					
	Development		100.00				
	Grand Total	**39.59**	**100.00**	**11.19**	-	**28**	
Hola Municipality							
	General Administration and Support Services	79.85		10.83		**14**	
	Sub-Total	**79.85**		**10.83**		**14**	
Environment & Climate Change							
	General Administration and Support Services	64.95		6.35		**10**	
	Development		340.82				
	Sub-Total	**64.95**	**340.82**	**6.35**	-	**10**	
Grand Total		**5,669.16**	**3,640.34**	**1,830.58**	**266.43**	**32**	**7**

***Source**: Tana River County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Executive Services in the Department of Office of the Governor at 73 per cent, Agriculture Development in the Department of Agriculture & Rural Development at 71 per cent, Animal Husbandry in the Department of Agriculture & Rural Development at 70 per cent, and Public Finance Management at the department of Finance & Economic Planning 69 per cent of budget allocation.

3.40.13 Accounts Operated Commercial Banks

The County Government operated thirty-three accounts with commercial banks, including two accounts for Health Facilities, two accounts for Vocational Training Centres, ten accounts for Established Funds, two revenue accounts, xx special purpose accounts (additional allocations), two imprest accounts, two recurrent operational accounts, and one development operational account.

Table 3.346: Tana River County, List of Commercial Bank Accounts

	Name of Bank Account	Bank Account Number	Indicate whether recurrent, development, deposit, receipts, etc	Bank Balance as of 31 December 2024 (Kshs.)	Purpose of the Bank Account
1	Tana River County Recurrent Account	1000172735	Recurrent	1,005	Imprest Account
2	Tana River County Deposit Account	1000267496	Deposit	55,705,587	Retention Account
3	Tana River Health Conditional Grant	1000268298	Recurrent	-	Grant Account
4	Tana River Road Maintenance Levy Fund	1000297751	Development	232,356	Road funds account
5	Tana River County Kenya Climate Smart Agriculture Project	1000365862	Grants	-	Grant Account
6	Tana River County Agr. Se Dev Support Prog. II	1000365846	Grants	-	Grant Account
7	Tana River County Village Polytechnic PR	1000368958	Grants	2,535,447	Grant Account
8	Tana River County Urban Support Programme	1000372467	Grants	-	Grant Account
9	Tana River County Livestock Support Account	1000386118	Grants	1,104,095	Grant Account
10	Hola Municipality Development Grant	1000424982	Grants	-	Grant Account
11	Hola Municipality Institutional Grant	1000424834	Grants	-	Grant Account
12	Tana River County Covid-19 Fund	1000475676	Grants	-	Grant Account
13	Tana River County Primary Healthcare support	1000564539	Grants	3	imprest account
14	Tana River County Climate Change Fund	1000591463	Grants	11,491,076	Grant Account
15	Tana River County National Agric. Value Chain	1000718293	Grants	-	mortgage account
16	Tana River County Aggr. And Industrial Park	1000723025	Grants	-	Grant Account
17	Tana River County Equalisation Fund	1000737948	Grants	-	Grant Account
18	Equity-Tana River County Emergency Fund	1210277984971	Grants	1,675,825	imprest account
19	Equity- Tana River County Car Loan & Mortgage	1210277984993		12,776	loan
20	KCB - VTC Support Grant Account	1226976840	Grants	7,464	Grant Account
21	KCB - Tana River County National Agriculture Chain Development Project	1316010694	Grants	37,745,123	Project Account
22	KCB - IDEAS LED Project Account	1240740387	Grants	-	Project Account
23	KCB - Tana River County IDEAS LED Milk Project	1253298769	Grants	746,772	Grant Account
24	KCB - Tana River County IDEAS LED Fish Project	1253299730	Grants	4,634,564	Grant Account
25	KCB - Tana River County Gov't Revenue Collection Account	1140754033	Revenue	1,485,908	Grant Account
26	KCB - Tana River County Ward Bursary Fund	1166389197	Recurrent	16,578,557	Bursary account

	Name of Bank Account	Bank Account Number	Indicate whether re-current, development, deposit, receipts, etc	Bank Bal-ance as of 31 December 2024 (Kshs.)	Purpose of the Bank Account
27	KCB - Tana River County INUKA Fund Main	1272981193	Recurrent	10,316,574	Grant Account
28	KCB-Tana River County INUKA Fund Administration	1272981223	operational	881,200	Grant Account
29	KCB-Tana River County INUKA Fund Loan Collection	1272981088	loan	1,951,480	Grant Account
30	KCB - ASDP II Project	1235773442	Operational	4,340	Grant Account
31	KCB - Hola Municipality Development Grant	1253247862	Operational	556	Grant Account
32	KCB - Tana River County CHMT	1144885035	Operational	741	Grant Account
33	KCB - Hola Municipality Institutional Grant	1253247080	Operational	1,129	Grant Account

Source: *Tana River County Treasury*

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.

3.40.14 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 30 January 2024
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 Emergency Fund, Disaster Risk Management Fund, Car Loan & Mortgage Fun, and& Bursary Fund reports were not submitted to the Controller of Budge
iii. 5. As of 31 December 2024, the county Treasury had a high number of pending bills, amounting to Kshs.1.78 billio4. Further, the county Treasury did not adhere to the payment plan for the pending billy.
iv. Use of manual payroll. Personnel emoluments amounting to Kshs.8.22 million were processed through manual payroll, accounting for 0.8 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.

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 CECM Finance 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 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.*

3.41. County Government of Tharaka Nithi

3.41.1 Overview of FY 2024/25 Budget

The Tharaka Nithi County gross approved FY 2024/25 budget is Kshs.6.48 billion. It comprises Kshs.2.38 billion (36.8 per cent) and Kshs.4.10 billion (63 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.159.98 million (3 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.2.52 billion and a recurrent budget of Kshs.3.80 billion. The increase in the budget was attributed to the rise in equitable share balance brought forward of the FY 2023/24 allocation. The county's net approved budget is Kshs.6. billion, which consists of Kshs.3.93 billion for recurrent and Kshs.2.38 billion for development.

The budget will be financed from different sources of revenue. These include; Kshs.4.67 billion (71 per cent) expected from the National Government as the equitable share of revenue raised nationally. The equitable share includes Kshs.136.32 million as additional allocations. The County also projects to generate Kshs.450.00 million (6.8 per cent) from own source revenue. The own source revenue includes Kshs.285.0 million (4.3 per cent) as ordinary own-source revenue, Kshs.165.0 million (2.5 per cent) as Facility Improvement Fund (revenue from health facilities) treated as Appropriations-in-Aid (A-In-A). A breakdown of the additional allocations is shown in Table 3.347.

3.41.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.2.47 billion to fund its development and recurrent activities. This amount consisted of Kshs.2.18 billion from the equitable share of revenue raised nationally, and its own source revenue (OSR) collection of Kshs.183.00 million. In addition, the County had a cash balance of Kshs.107.44 million from FY 2023/24.

The total OSR collection of Kshs.183.00 million includes Facilities Improvement Financing (FIF) of Kshs.108.51 million treated as Appropriations in Aid (A-In-A) and Kshs.74.49 million as ordinary OSR. Table 3.347 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.347: Tharaka Nithi County, Revenue Performance in the First Half 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	4,670,803,484	2,176,054,334	47
Subtotal		4,670,803,484	2,176,054,334	47
B	Additional Allocations			
	DANIDA	6,045,000	-	-
	Other Conditional Grants/CHP National Grant	29,730,288	-	-
	Supplement of Construction	28,000,000	-	-
	National Agricultural Value Chain Development Project (NAVCDP	151,515,152	-	-
	Kenya Informal Settlement Programme	168,945,347	-	-
	Emergency Locust Response Project (ELRP)	104,600,000	-	-
	Financing Locally-Led Climate Action -FLLoCA	157,000,000	-	-
	World Bank Kenya Water, Sanitation and Hygiene Programme	353,808,808	-	-
	Aquaculture Business Development Programme	12,810,384	-	-
	Aggregated Industrial Parks Programme	250,000,000	-	-
	Kenya Devolution Support Program - KDSP-II	37,500,000	-	-
	Kenya Urban Support Program - KUSP - UIG Grant	35,000,000	-	-

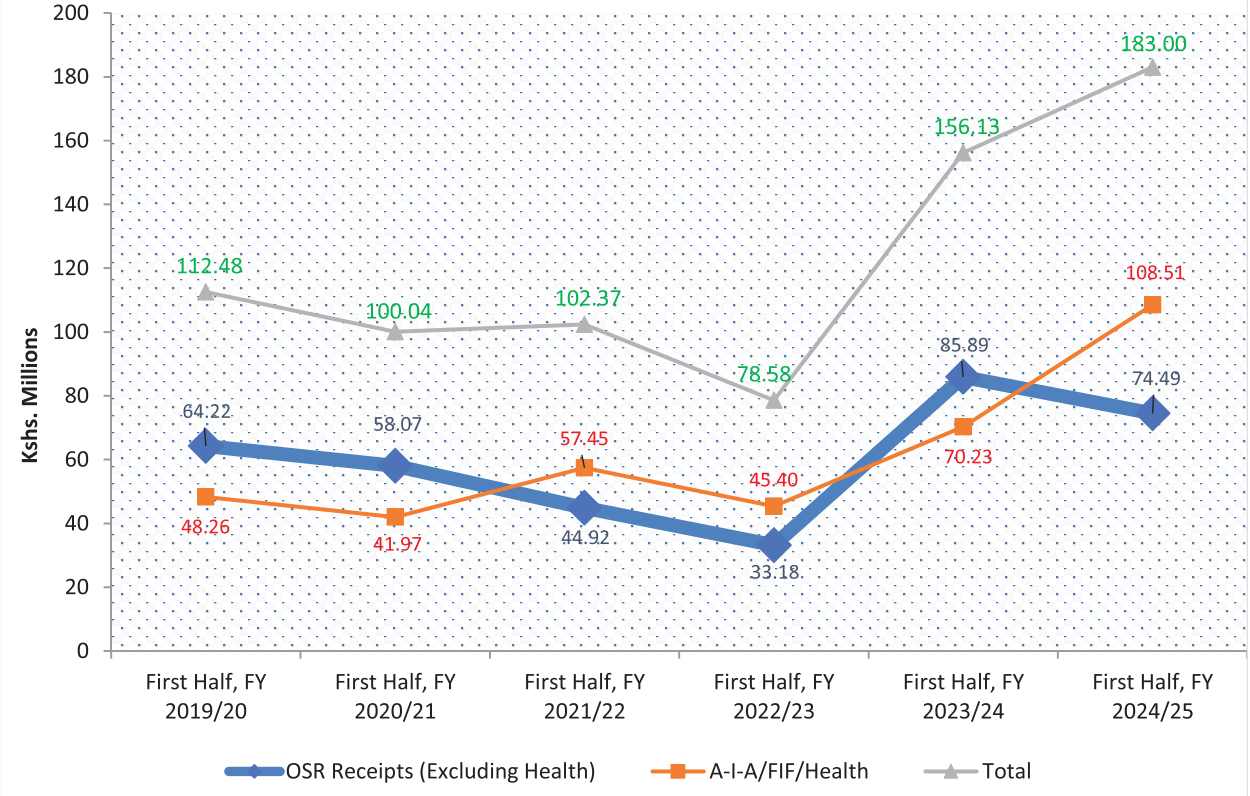
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
	Road Maintenance Levy	161,810,687	-	-
	Kenya Agribusiness Development Program (KAB-DP)	11,918,919	-	-
Subtotal		1,508,684,585	-	-
C	Own Source Revenue			
	Ordinary Own Source Revenue	285,000,000	74,491,935	26
	Appropriation in Aid (A-I-A)	0	0	-
	Facility Improvement Fund (FIF)	165,000,000	108,506,814	66
Subtotal		450,000,000	182,998,749	65
D	Other Sources of Revenue			
	Unspent balance from FY 2023/24	0	107,439,962	-
	Other Revenues (provide a list)	0		-
Sub Total		0	107,439,962	-
Grand Total		**6,629,488,069**	**2,466,493,045**	**37**

Source: *Tharaka Nithi County Treasury*

The County does not have governing legislation on operating ordinary A-I-A and FIF.

Figure 160 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 160: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25



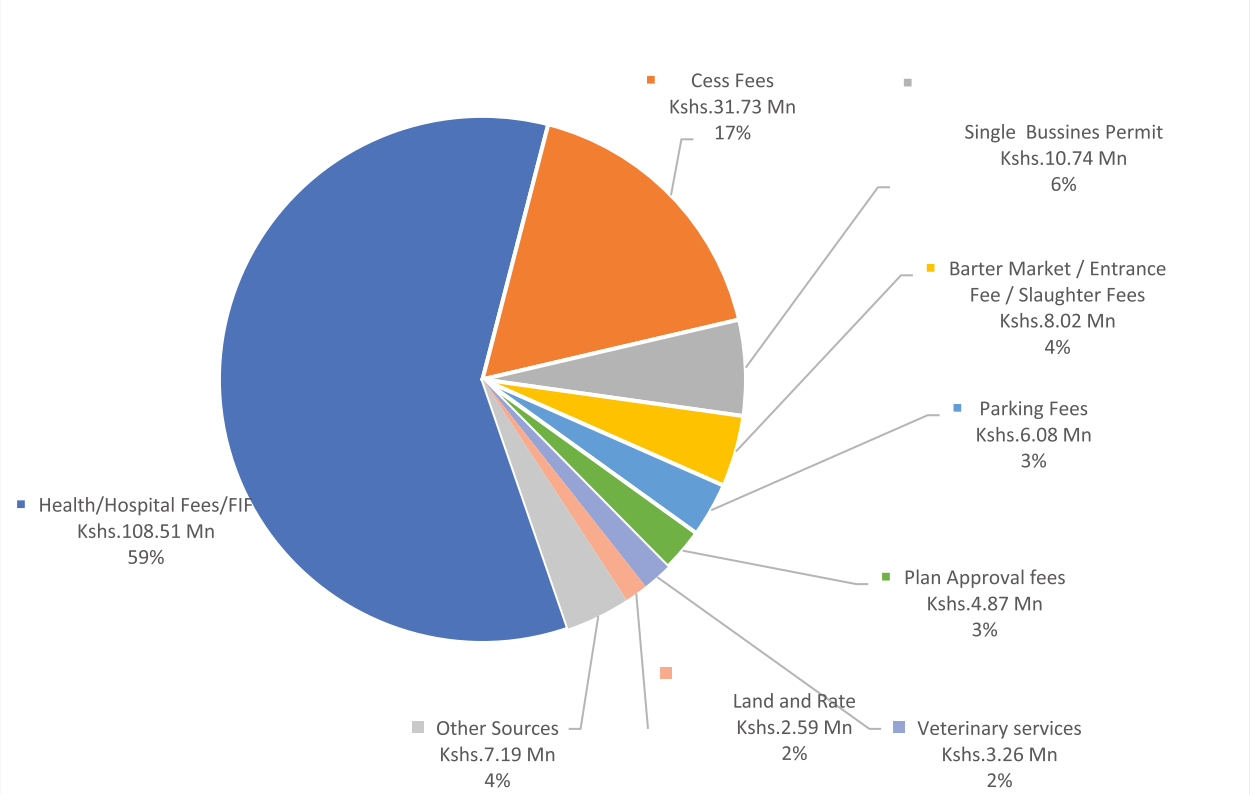
Source: *Tharaka Nithi County Treasury*

During the first half of FY 2024/25, the County generated Kshs.183.00 million from its revenue sources, including AIA and FIF. This amount was an increase of 17 per cent compared to Kshs.156.13 million realised in

a similar period in FY 2023/24 and was 41 per cent of the annual target and 8 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.22.86 million.

The revenue streams which contributed the highest OSR receipts are shown in Figure 161.

Figure 161: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Tharaka Nithi County Treasury

The highest revenue stream, Kshs.108.51 million, was from the hospital's Facility Improvement Fund, which contributed 59 per cent of the total OSR receipts during the reporting period.

3.41.3 Borrowing by the County

The County Government did not borrow during the first half of the financial year

3.41.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.2.33 billion from the CRF account during the reporting period, which comprised Kshs.223.88 million (10 per cent) for development programmes and Kshs.2.11 billion (90 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.48 billion was released towards compensation of employees and Kshs.508.41 million for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to delays in exchequer release.

Analysis of the operations and maintenance exchequer releases indicates that 15 percent was for domestic travel and 0.6 percent for foreign travel. The domestic travel exchequer amounted to Kshs.77.06 million and included Kshs.21.30 million for the County Executive and Kshs.55.76 million for the County Assembly. The foreign exchequer totalled Kshs.2.9 million incurred by the County Assembly.

Table 3.348: 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 Governor and Deputy	144.28	-	43.39	-	30	
Roads, Infrastructure, Public Works and Urban Development	218.49	698.76	102.57	184.49	47	26
Medical Services	1,580.58	149.00	905.65	35.73	57	24
Agric. Livestock, Vet Services, and Coop Dev	198.13	380.40	97.83	77.47	49	20
Public Admin, Intergovernmental Coordination and Devolution Affairs	157.75	10.00	75.42	-	48	-
Educ. and Vocational Training	234.62	30.00	100.64	17.56	43	59
Finance and Economic Planning	216.73	-	80.14	-	37	
Environment, Mining and Natural Resources	33.67	146.00	22.38	-	66	-
County Assembly	564.29	55.71	223.88	-	40	-
Water Services and Irrigation	61.40	416.81	23.73	19.68	39	5
County Public Service Board	34.13	-	10.31	-	30	
Public Health and Sanitation	315.78	80.00	153.05	-	48	-
Youth and Sports	36.89	70.00	14.60	-	40	-
Culture and Tourism	31.20	5.00	17.02	-	55	-
Revenue and Resource Mobilization	116.33	7.00	57.30	-	49	-
Lands, Physical Planning and Housing	51.97	50.00	25.45	-	49	-
Fisheries And Ecosystem Dev	21.00	14.82	6.25	-	30	-
Gender, Children and Social Services	28.60	10.00	9.80	-	34	-
Trade, Investment Promotion, Energy and Industry	52.83	260.00	22.53	2.56	43	1
Total	**4,098.68**	**2,383.50**	**1,991.95**	**337.49**	**49**	**14**

***Source**: Tharaka Nithi County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.31.07 million.

3.41.5 County Expenditure Review

The County spent Kshs.2.23 billion on development and recurrent programmes in the reporting period. The expenditure represented 96 per cent of the total funds released by the CoB and comprised of Kshs.337.45 million and Kshs.1.89 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 14 per cent, while recurrent expenditure represented 46.1 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 includes Kshs.611.53 million from the County Executive and Kshs.136.61 million from the County Assembly. The pending bills from the County Executive consist of Kshs.393.02 million for recurrent expenditures and Kshs.218.50 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.247.29 million, comprising Kshs.167.52 million for recurrent programmes and Kshs.79.77 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.35.06 million for only development activities.

Since the commencement of FY 2024/25, the County Executive and the Assembly have yet to submit pending bill payment plans.

As of December 31, 2024, the outstanding bills amounted to Kshs.465.80 million, comprising Kshs.364.24 for the County Executive and Kshs.101.56 million for the County Assembly.

3.41.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.32 billion on employee compensation, Kshs.366.31 million on operations and maintenance, and Kshs.337.45 million on development activities. Similarly, the County Assembly spent Kshs.114.31 million on employee compensation and Kshs.89.53 million on operations and maintenance, as shown in Table 3.349.

Table 3.349: 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	**3,534,387,103**	**564,292,000**	**1,685,080,724**	**203,844,155**	**48**	**36**
Compensation to Employees	2,294,496,131	267,807,616	1,318,774,892	114,311,150	58	43
Operations and Maintenance	1,239,890,972	296,484,384	366,305,832	89,533,005	30	30
Development Expenditure	2,383,486,214	55,712,325	337,453,378	0	14	-
Total	**5,917,873,317**	**620,004,325**	**2,022,534,102**	**203,844,155**	**34**	**33**

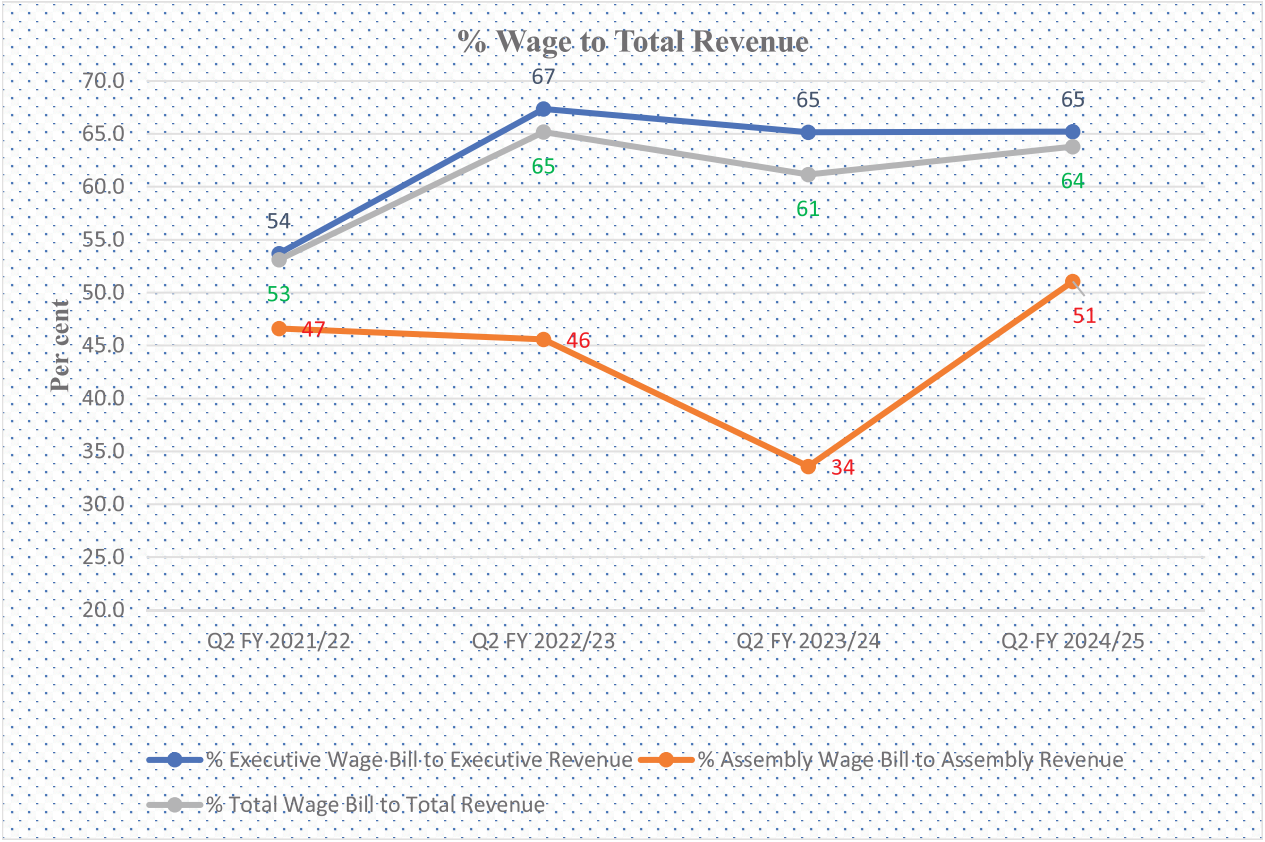
***Source**: Tharaka Nithi County Treasury*

3.41.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.43 billion, or 58 per cent of the available revenue of Kshs.2.47 billion. This expenditure represented an increase from Kshs.1.29 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.656.22 million paid to the Health Sector employees, translating to 46 per cent of the total wage bill.

Figure 162 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2021/22 to the first half of FY 2024/25.

Figure 162: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2021/22 to the First Half of FY 2024/25



Source: *Tharaka Nithi County Treasury*

Note: Data for the first half of the FYs 2018/19 to FY 2020/21 were not availed

Further analysis indicates that PE costs amounting to Kshs.1.27 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.159.91 million was processed through manual payrolls, which accounted for 11 per cent of the total PE cost.

The County Assembly spent Kshs.13.13 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.182,428 per MCA. The County Assembly had 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.88.52 million to county-established funds in FY 2024/25, or 1,37 per cent of the County's overall budget. Further, the County allocated Kshs.10.00 million to the Emergency Fund (0.2 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.350 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.350: Performance of County Established Funds in the First Half 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 First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
County Executive Established Funds						
	Emergency Fund	10,000,000	-	-	-	Yes
	Bursary Fund	30,000,000	-	-	-	Yes

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 First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	Executive Staff Mortgage And Car Loan Scheme Fund	30,000,000	-	-	-	Yes
	Youth Empowerment Fund	-	-	-	-	Yes
County Assembly Established Funds						
	Car and Mortgage Fund	18,515,081				No
	Total	**88,515,081**				

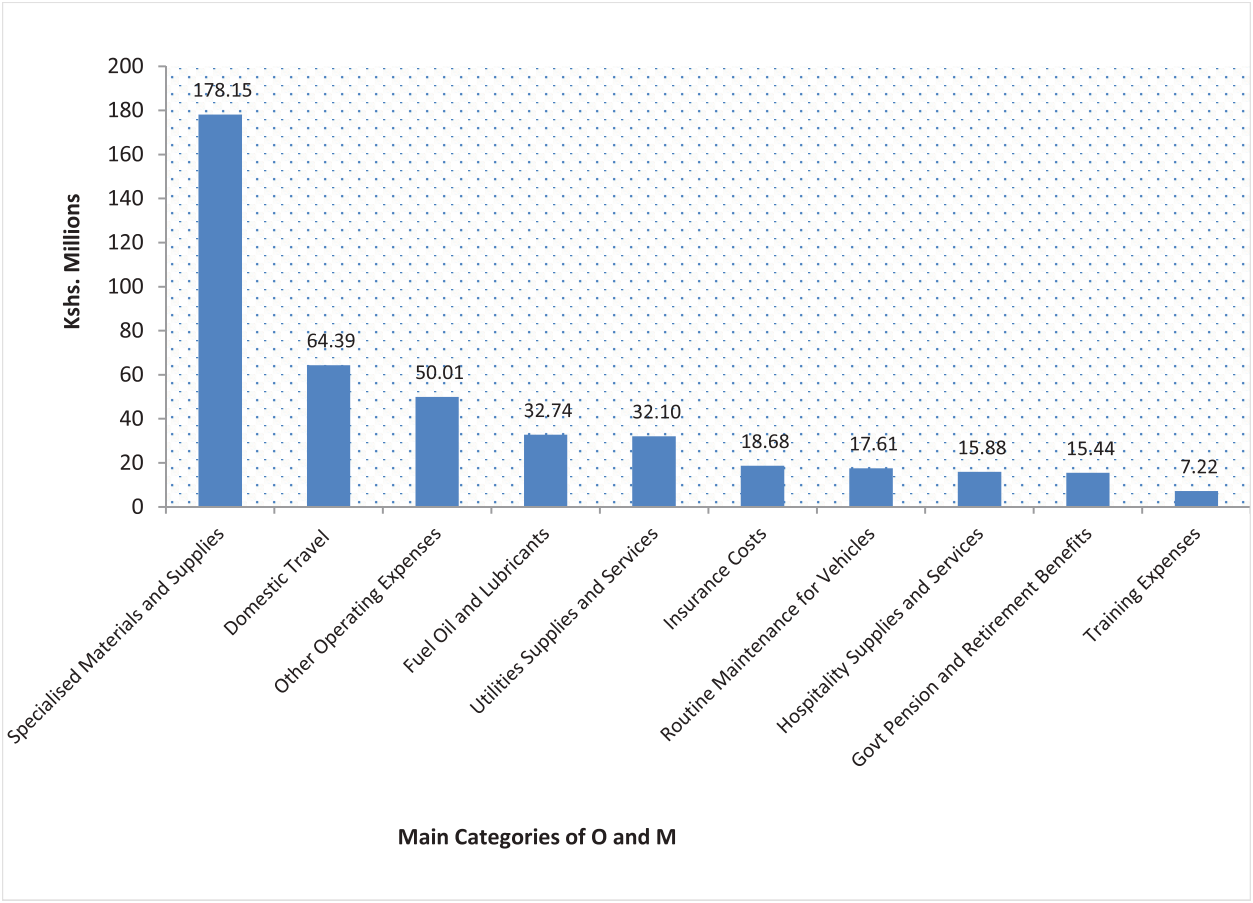
Source: *Tharaka Nithi County Treasury*

During the reporting period, the CoB received quarterly financial reports from county executive and but none from County Assembly Fund Administrators as indicated in Table 3.350, contrary to the requirement of Section 168 of the PFM Act, 2012. The 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.

3.41.10 Expenditure on Operations and Maintenance

Figure 163 summarises the Operations and Maintenance expenditure by major categories.

Figure 163: Tharaka Nithi County, Operations and Maintenance Expenditure by Major Categories



Source: *Tharaka Nithi County Treasury*

Expenditure on domestic travel amounted to Kshs.64.39 million and comprised Kshs.52.50 million spent by the County Assembly and Kshs.11.89 million by the County Executive. Expenditure on foreign travel amounted to Kshs.1.97 million spent by the County Executive. Expenditure on foreign travel is summarised in Table 3.351.

Table 3.351: Summary of Highest Expenditure on Foreign Travel in the First Half 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.)
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					**1,128,365**

Source: *Tharaka Nithi County Treasury*

"Other operating expenses" comprised

Table 3.352: Tharaka Nithi County, Breakdown of "Other Operating Expenses"

Contracted Guards and Cleaning Services	34,815,776
Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	44,800
Legal Dues/fees, Arbitration and Compensation Payments	4,110,490
Contracted Professional Services	1,000,000
Temporary Committees Expenses	350,000
Constituency Expenses	9,692,500
Total	**50,013,566**

Source: *Tharaka Nithi County Treasury*

3.41.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.108.51 million as FIF, which was 66 percent of the annual target of Kshs.165.00 million. The collected amount was retained and utilised at source in accordance with the Facility Improvement Financing Act, 2023. 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.108.51million.

3.41.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.337.45 million on development programmes, representing an increase of 14 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.296.82 million. Table 3.353 summarises development projects with the highest expenditure in the reporting period.

Table 3.353: Tharaka Nithi 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 and Transport	Access Roads -Maintenance and Improvement	Countywide	-	75,298,063	75
2	Roads and Transport	Tarmacking & Maintenance of Major Rds (Tunyai - Nthaara - Marimanti Rd, Cheera - Ruguti Rd, Mitheru-Kaanwa Rd, Karandini- Kithioroni Rd, Katharaka-Mukui Rd)	Countywide	-	70,222,498	50

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
3	Agriculture	Crop subsidy	Countywide	59,072,000	51,749,946	90
4	Health Services	Equipping of ICU	Karinagni	-	35,728,699	10
5	Roads and Transport	Construction Bridges and Footbridges	Countywide	-	24,489,567	82
6	Education and vocational training	Other current transfers	Countywide	23,630,725	23,630,000	
7	Land, physical planning & housing	County spatial plan	Countywide	25,497,440	21,497,440	
8	Education and vocational training	Construction of ECDE classes and Rehabilitation of vocational training Centres		-	21,295,197	
9	Land, physical planning and housing	Purchase of land -public utilities	Headquarters	-	18,000,000	
10	Water and irrigation	Community Irrigation Water Projects	Countywide	-	14,785,923	

Source: *Tharaka Nithi County Treasury*

3.41.13 Budget Performance by Department

Table 3.354 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.354: 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 Governor and Deputy	144.28	-	43.39	-	39.79	0.00	92	-	28	
Roads, Infrastructure, Public Works and Urban Development	218.49	698.76	102.57	184.49	95.10	184.45	93	100	44	26
Medical Services	1,580.58	149.00	905.65	35.73	904.99	35.73	100	100	57	24
Agric, Livestock, Vet Services, and Coop Dev	198.13	380.40	97.83	77.47	96.68	77.47	99	100	49	20
Public Admin, Intergov Coordination and Devolution Affairs	157.75	10.00	75.42	-	59.43	0.00	79	-	38	-
Educ and Vocational Training	234.62	30.00	100.64	17.56	99.97	17.56	99	100	43	59
Finance & Economic Planning	216.73	-	80.14	-	79.55	0.00	99		37	-
Environment, Mining and Natural Resources	33.67	146.00	22.38	-	16.74	0.00	75		50	-
County Assembly	564.29	55.71	223.88	-	203.84	0.00	91		36	-
Water Services and Irrigation	61.40	416.81	23.73	19.68	18.30	19.68	77	100	30	5
County Public Service Board	34.13	-	10.31	-	6.75	0.00	65		20	
Public Health and Sanitation	315.78	80.00	153.05	-	142.44	0.00	93		45	
Youth and Sports	36.89	70.00	14.60	-	12.48	0.00	85		34	-
Culture and Tourism	31.20	5.00	17.02	-	14.62	0.00	86	-	47	--

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
Revenue and Resource Mobilization	116.33	7.00	57.30	-	47.52	0.00	83	-	41	-
Lands, Physical Planning and Housing	51.97	50.00	25.45	-	19.12	0.00	75	-	37	-
Fisheries And Ecosystem Dev	21.00	14.82	6.25	-	5.39	0.00	86	-	26	-
Gender, Children and Social Services	28.60	10.00	9.80	-	9.10	0.00	93	-	32	-
Trade, Investment Promotion, Energy and Industry	52.83	260.00	22.53	2.56	17.11	2.56	76	100	32	1
Total	**4,098.68**	**2,383.50**	**1,991.95**	**337.49**	**1888.92**	**337.45**	**95**	**100**	**46**	**14**

***Source**: Tharaka Nithi County Treasury*

Analysis of department expenditure shows that the Department of Education and Vocational Training recorded the highest absorption rate of development budget at 59 per cent, followed by the Department of Roads, Infrastructure, Public Works and Urban Development at 26 per cent. The Department of Medical Services had the highest percentage of recurrent expenditure to budget at 57 per cent, while The County Public Service Board had the lowest absorption at 20 per cent.

3.41.14 Budget Execution by Programmes and Sub-Programmes

Table 3.355 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.355: Tharaka Nithi County, Budget Execution by Programmes and Sub-Programmes

Department/Programme/Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Million)		Actual Expenditure as of 31st December 2024 (Kshs.Million)		Absorption Rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Government Advisory Services	**54.10**		**15.45**		**29**	-
Public Sector Advisory Services (Legal & Economic Advisors)	43.40		15.20		35	-
Communication & Strategy	10.70		0.25		2	-
County Leadership & Coordination of MDAs	**4.93**		**1.27**		**26**	-
Coordination of CMAs (Office of County Secretary)	4.93		1.27		26	-
General Admin, Planning & Support Services	**85.24**		**23.07**		**27**	-
Management of County Affairs (Office of Governor)	61.32		21.49		35	-
Coordination & Supervisory Services (Deputy Governor's Office)	23.92		1.58		7	-
Total – Office of Governor & Dep. Governor	**144.28**		**39.79**		**28**	**0**
General Admin Planning & Support Services	**33.90**		**31.05**		**92**	-
General Admin Services	33.90		31.05		92	-

Department/Programme/Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Million)		Actual Expenditure as of 31st December 2024 (Kshs.Million)		Absorption Rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Kathwana Municipality Dev. Programme	**14.00**		**3.89**		**28**	-
Kathwana Urban Area Support	14.00		3.89		28	-
Public Works & Housing Services	**4.44**	**78.00**	**0.68**	**0.45**	**15**	**1**
Public Works Services	4.44	78.00	0.68	0.45	15	1
Roads Transport	**88.65**	**431.81**	**52.15**	**169.55**	**59**	**39**
Rural Roads Improvement & Maintenance Services	88.65	431.81	52.15	169.55	59	39
Urban Dev. & Admin	**77.50**	**188.95**	**7.33**	**14.46**	**9**	**8**
Urban Administrative Services	77.50	188.95	7.33	14.46	9	8
Total – Roads, Infrastructure, Public Works & Urban Dev	**218.49**	**698.76**	**95.10**	**184.45**	**44**	**26**
Curative & Rehabilitative Services	**136.34**		**101.68**		**75**	-
Medical Supplies	136.34		101.68		75	-
General Admin Planning & Support Services	**1,406.30**	**114.00**	**784.65**	**35.73**	**56**	**31**
General Admin Services	93.70	114.00	67.08	35.73	72	31
Human resource management	1,178.20		648.42		55	-
Policy, Planning, Financing & Budgeting	134.40		69.15		51	-
ICT Infrastructure Dev.	**37.95**	**35.00**	**18.66**		**49**	-
ICT Infrastructure Dev.	37.95	35.00	18.66		49	-
Total - Medical Services	**1,580.58**	**149.00**	**904.99**	**35.73**	**57**	**24**
Cooperative Dev. & Management	**3.49**				**0**	-
Cooperative Dev.	3.49				0	-
Crop Dev. & Management	**15.73**	**156.52**	**0.18**		**1**	-
Crops Dev., Agribusiness & Market Dev.	15.73	156.52	0.18		1	-
General Admin Planning & Support Services	**107.92**	**205.88**	**68.55**	**72.63**	**64**	**35**
Admin, Policy, Strategy & Management of Agric	107.92	205.88	68.55	72.63	64	35
Livestock & Fisheries Resource Management & Dev.	**70.98**	**18.00**	**27.94**	**4.84**	**39**	**27**
Livestock Policy Dev. & Capacity Building	61.57	5.00	27.35	4.84	44	97
Veterinary Services & Disease Prevention	9.41	13.00	0.59		6	-
Total – Agric, Livestock, Vet Services & Coop Dev.	**198.13**	**380.40**	**96.68**	**77.47**	**49**	**20**
General Admin, Planning & Support Services	**157.75**	**10.00**	**59.43**		**38**	-
General Admin & Support Services	105.91	10.00	59.15		56	-
Sub-County Admin & Field Services	6.90		0.11		2	-
Human Resource Management Services	44.94		0.17		0	-
Total – Public Admin, Intergovernmental Coordination & Devolution Affairs	**157.75**	**10.00**	**59.43**		**38**	**0**

Department/Programme/Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Million)		Actual Expenditure as of 31st December 2024 (Kshs.Million)		Absorption Rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Education & Youth Training	**80.70**	**30.00**	**0.04**	**17.56**	**0**	**59**
Promotion of Basic Education (ECDE)	53.27	20.00	0.04	12.62	0	63
Youth Training & Capacity Building	27.44	10.00		4.95	0	49
General Admin Planning & Support Services	**153.92**		**99.93**		**65**	-
Admin Planning & Support Services	153.92		99.93		65	-
Total – Education & Vocational Training	**234.62**	**30.00**	**99.97**	**17.56**	**43**	**59**
Economic Policy & County Planning	**14.28**		**1.51**		**11**	-
Monitoring & Evaluation Services	4.55		0.51		11	-
Econ Dev., Planning & Coordination Services	4.23		0.61		14	-
County Statistics Services	5.50		0.40		7	-
Financial Management Services	**28.50**		**9.82**		**34**	-
Supply Chain Management Services	14.35		8.05		56	-
Audit Services	4.55		0.80		18	-
Budget Formulation & Coordination	4,650,000		0.21		5	-
Accounting Services	4.95		0.75		15	-
General Admin, Planning & Support Services	**173.95**		**68.22**		**39**	-
Human Resource Management Services	173.95		68.22		39	-
Total – Finance & Economic Planning	**216.73**		**79.55**		**37**	-
Environment & Natural Resources Management	**33.67**	**146.00**	**16.74**		**50**	-
Environment & Natural Resource	33.67	146.00	16.74		50	-
Total – Environment, Mining & Natural Resources	**33.67**	**146.00**	**16.74**		**50**	-
Environment & Natural Resources Management		**43.00**		**16.13**	**0**	**38**
Water Services		43.00		16.13	0	38
Water Supply Services	**61.40**	**373.81**	**18.30**	**3.55**	**30**	**1**
Domestic Water Services	46.45		17.36		37	-
Water Storage Services	4.03	373.81	0.05	3.55	1	1
Irrigation & Drainage Services	10.92		0.89		8	-
Water Services & Irrigation	**61.40**	**416.81**	**18.30**	**19.68**	**30**	**5**
General Admin, Planning & Support Services	**34.13**		**6.75**		**20**	-
General Admin & Support Services	27.54		6.04		22	-
Human Resource Management Services	6.59		0.72		11	-
County Public Service Board	**34.13**		**6.75**		**20**	-
Preventive & Promotive Health Services	**315.78**	**80.00**	**142.44**		**45**	-
Health Promotion & Disease Control	243.58	80.00	142.13		58	-
Environmental Health Services	68.71		0.31		0	-
Reproductive Maternal & Child Health Services	3.50				0	-
Public Health & Sanitation	**315.78**	**80.00**	**142.44**		**45**	-

Department/Programme/Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.Million)		Actual Expenditure as of 31st December 2024 (Kshs.Million)		Absorption Rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Sports Dev. & Promotion	**36.89**	**70.00**	**12.48**		**34**	-
County Football League & Clubs Dev.	4.03				0	-
Athletics Championships & Other Games	2.45				0	-
Talent Search & Promotion	30.41	70.00	12.48		41	-
Youth & Sports	**36.89**	**70.00**	**12.48**		**34**	-
Culture, Arts & Social Services	**28.13**	**5.00**	**14.62**		**52**	-
Culture & Arts Promotion	28.13	5.00	14.62		52	-
Tourism Dev. & Promotion	**3.08**				**0**	-
Tourism Promotion & Infrastructure Dev.	1.07				0	-
Miss Tourism Tharaka Nithi	2.00				0	-
Culture & Tourism	**31.20**	**5.00**	**14.62**		**47**	-
Financial Management Services	**13.76**		**0.71**		**5**	-
Resource Mobilization & Management	13.76		0.71		5	-
Resource Mobilization	**102.57**	**7.00**	**46.81**		**46**	-
Revenue Admin	102.57	7.00	46.81		46	-
Revenue & Resource Mobilization	**116.33**	**7.00**	**47.52**		**41**	-
Land Policy & Planning	**51.97**	**50.00**	**19.12**		**37**	-
Physical Planning Services	44.79	50.00	17.98		40	-
Land Admin & management	7.17		1.14		16	-
Lands, Physical Planning & Housing	**51.97**	**50.00**	**19.12**		**37**	-
Livestock & Fisheries Resource Management & Dev.	**21.00**	**14.81**	**5.39**		**26**	-
Fisheries Dev. & Promotion	21.00	14.81	5.39		26	-
Fisheries & Ecosystem Dev.	**21.00**	**14.81**	**5.39**		**26**	-
Gender & Youth Empowerment	**28.60**	**10.00**	**9.10**		**32**	-
Gender, Youth & Women Empowerment	28.60	10.00	9.10		32	-
Gender, Children & Social Services	**28.60**	**10.00**	**9.10**		**32**	-
Energy Resource Dev. & Management	**37.10**	**10.00**	**16.65**	**2.56**	**45**	**26**
Energy Resource Dev. & Management	37.10	10.00	16.65	2.56	45	26
Industrial Dev. & Investment	**15.73**	**250.00**	**0.46**		**3**	-
Industrial Dev.	6.23	250.00	0.20		3	-
Consumer Protection & Fair Trade Practices	9.50		0.27		3	-
Trade, Investment Promotion, Energy & Industry	**52.83**	**260.00**	**17.11**	**2.56**	**32**	**1**
General Admin, Planning and Support Services	**294.95**	**55.71**	**88.70**		**30**	-
Office of the Clerk	294.95	55.71	88.70		30	-
Legislation and Oversight	**269.34**		**115.15**		**43**	
County Assembly Legislation Services	197.86		82.45		42	-
Coordination Services (Office of the Speaker)	15.60		5.50		35	
Procedure and Oversight Services (Committees)	55.88		27.20		49	
Total – County Assembly	**564.29**	**55.71**	**203.84**		**36**	-
Grand Total	**4,098.68**	**2,383.49**	**1,888.92**	**337.45**	**46**	**15**

***Source**: Tharaka Nithi County Treasury*

The sub-programmes with the highest implementation levels based on absorption rates were General Administrative Services in the Department of Roads, Infrastructure, Public Works and Urban Development at 92 per cent, General Administrative Services in the Department of Medical Services at 72 per cent, and Administration Planning and Support Services in the Department of Education and Vocational Training at 64 per cent of budget allocation.

3.41.15 Accounts Operated Commercial Banks

The county government operated 14 accounts with commercial banks, including 9 accounts for revenue collection, one special purpose account (FLOCCA), 1 for emergencies (County Emergency Fund), 1 for bursaries (County Bursary Fund account), 1 for youth empowerment (County Youth Empowerment Fund account), and 1 for mortgage funds (County Staff Loan and Mortgage Fund account).

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.

3.41.16 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 submitted its financial reports late to the Controller of Budget, which affected the timely preparation of the budget implementation report. The report was received on February 3, 2025.
ii. The underperformance of own-source revenue at Kshs.183 million against an annual target of Kshs.450 million, representing 40 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 County Assembly Car and Mortgage Fund reports were not submitted to the Controller of Budget as of 15th January 2025.
iv. High pending bills amounted to Kshs748.14 million. as of 31st December 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
v. Use of manual payroll. Kshs.159.91 million in personnel emoluments were processed through manual payroll, accounting for 11.2 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.
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.
vii. The unspent funds from FY 2023/24 and equitable share's additional allocation amounting to Kshs.107.44 million and Kshs.136.32 million, respectively, had not been incorporated into the budget, creating an imbalance in the county's budget.

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 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.*
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.

vi. *The County Treasury should ensure that unspent funds from the previous FY 2024/25 are incorporated into the budget to uphold its integrity.*

3.42. County Government of Trans Nzoia

3.42.1 Overview of FY 2024/25 Budget

The Trans Nzoia County Approved FY 2024/25 budget is Kshs.10.52 billion. It comprises Kshs.4.45 billion (42.3 per cent) and Kshs.6.07 billion (57.7 per cent) allocations for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.336.60 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 different sources of revenue. These include Kshs.7.80 billion (74 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.44 billion as additional allocations, a cash balance of Kshs.599.90 million 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 3.356.

3.42.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.3.95 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.13 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.65.13 million, and its own source revenue (OSR) collection of Kshs.159.66 million. In addition, the County had a cash balance of Kshs.599.90 million from FY 2023/24.

The total OSR collection of Kshs.159.66 million includes Facilities Improvement Financing (FIF) of Kshs.89.99 million, and Kshs.69.68 million as ordinary OSR. Table 3.356 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.356: Trans Nzoia County, Revenue Performance in the First Half of FY 2024/25

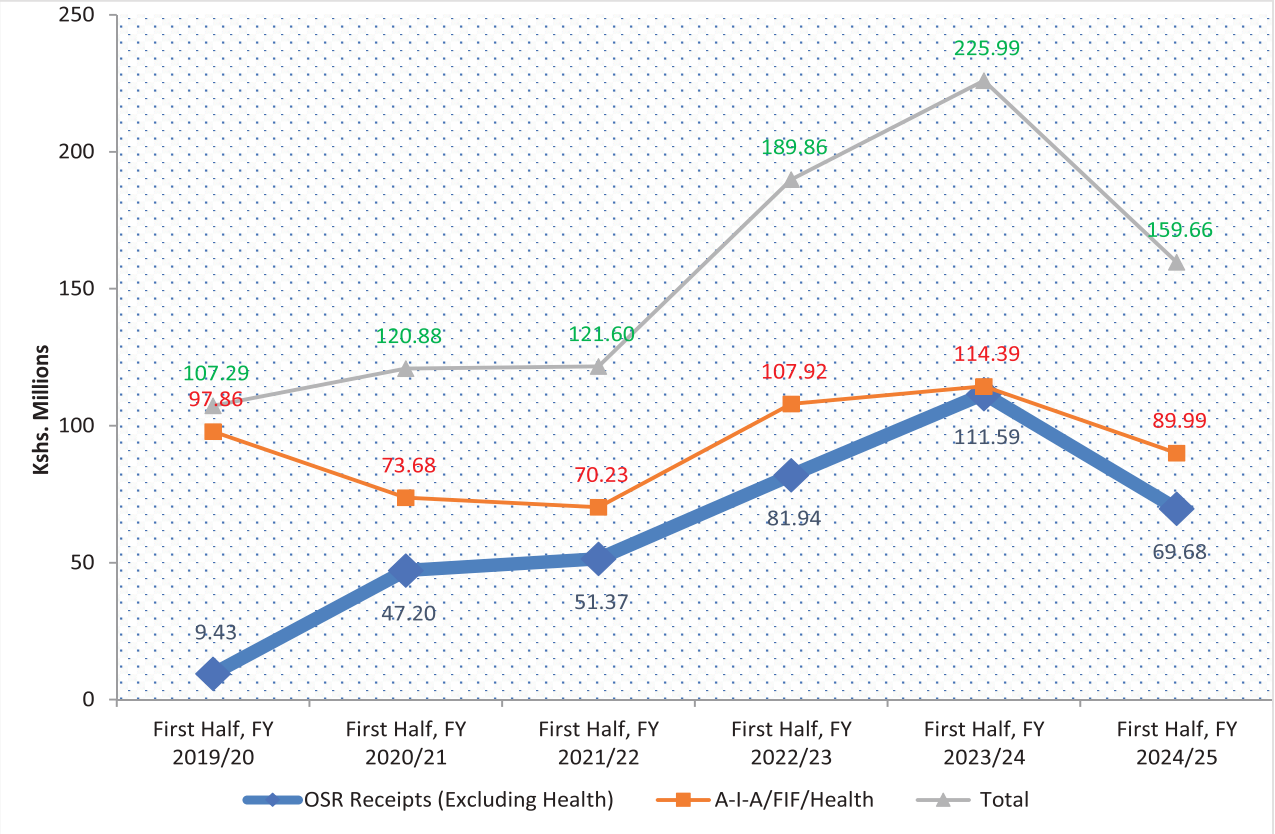
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	7,798,593,372	3,129,308,121	40
	Subtotal	**7,798,593,372**	**3,129,308,121**	**40**
B	**Additional Allocations**			
	DANIDA Grant (Universal Healthcare in Devolved System Program)	8,872,500	-	-
	International Fund for Agricultural Development Loan (IFAD)	39,050,000	-	-
	Kenya Agricultural Business Development Project (KABDP)	10,918,919	-	-
	Roads Maintenance Fuel Levy	149,496,401	-	-
	Kenya Informal Settlement Programme II (KISIP II)	621,834,073	-	-
	National Value Chain Development Programme (NAVCDP)	151,515,152	-	-
	Kenya Urban Support Programme -UIG II	35,000,000	-	-
	Kenya Urban Support Programme -UDG	131,267,528	-	-

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
	Museum Grant	12,343,968	-	-
	IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) "Level II Grant"	37,500,000	-	
	IDA - FLLoCA (County Climate Institutional Support) Grant	11,000,000	11,000,000	100
	IDA - FLLoCA (County Climate Resilient Investment) Grant	149,730,885	-	-
	KFW - FLLoCA (County Climate Resilient Investment) Grant	84,651,450	-	-
	Aggregated Industrial Parks Programme	-	54,131,579	-
Subtotal		**1,443,180,876**	**65,131,579**	**5**
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	368,300,000	69,675,029	19
	Facility Improvement Fund (FIF)	311,700,000	89,989,513	29
Subtotal		**680,000,000**	**159,664,542**	**24**
D	**Other Sources of Revenue**			
	Unspent balance from FY 2023/24	599,985,795	599,985,795	100
Sub Total		**599,985,795**	**599,985,795**	**100**
Grand Total		**10,521,760,043**	**3,954,090,037**	**38**

Source: *Trans Nzoia County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF. Figure 164 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

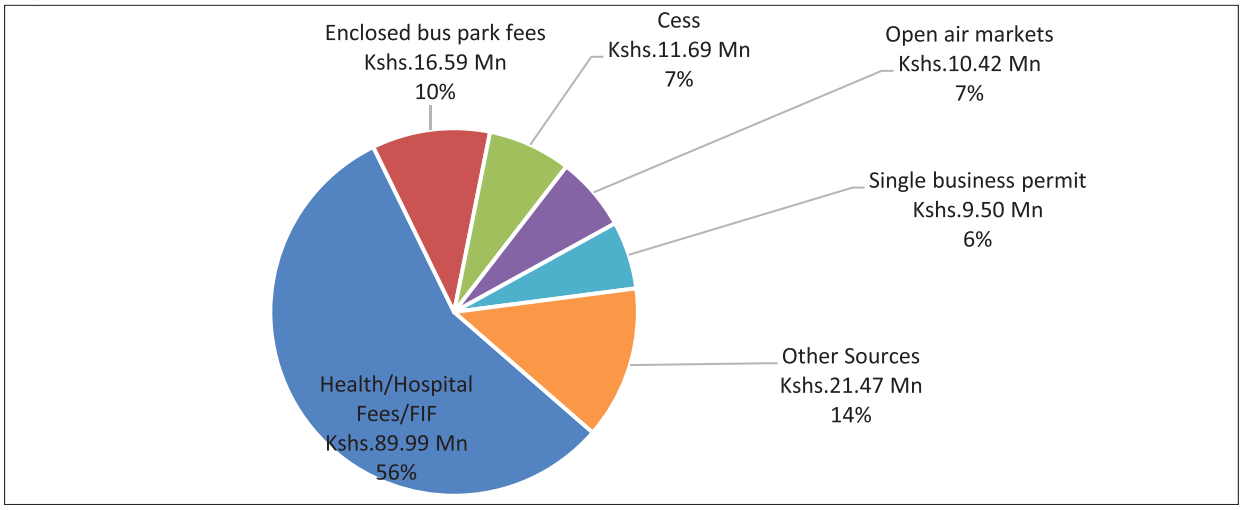
Figure 164: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: *Trans Nzoia County Treasury*

During the first half of FY 2024/25, the County generated Kshs.159.66 million from its revenue sources, including FIF. This amount was a decrease of 29 per cent compared to Kshs.225.99 million realised in a similar period in FY 2023/24 and was 24 per cent of the annual target and 5 per cent of the equitable revenue share disbursed. The revenue streams which contributed the highest OSR receipts are shown in Figure 165.

Figure 165: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: *Trans Nzoia County Treasury*

The highest revenue stream, Kshs.89.99 million, was from Hospital Fees/FIF, contributing 56 per cent of the total OSR receipts during the reporting period.

3.42.3 Borrowing by the County

3.42.4 The County did not report any borrowing during the reporting period.

3.42.5 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.0 billion from the CRF account during the reporting period comprised Kshs.901.92 million (30 per cent) for development programmes and Kshs.2.10 billion (70 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.59 billion was released towards compensation of employees and Kshs.510.05 million for operations and maintenance expenditure. Releases towards compensation for employees in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly due to a delay in requisition by the County Treasury.

Analysis of the operations and maintenance exchequer releases indicates that 10 per cent was for domestic travel and 2 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.51.83 million, including Kshs.26.57 million for the County Executive and Kshs.25.26 million for the County Assembly. The foreign travel exchequer totalled Kshs.8.00 million, which the County Assembly spent.

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.870.96 million.

The budget allocation and exchequer issued by the department are shown in Table 3.357.

Table 3.357: Trans Nzoia 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	243.94	321.10	77.86	3.00	32	1
Livestock	5.28	119.97	0.33	2.00	6	2
Trade, Commerce	44.62	92.28	19.91	-	45	-

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Water, Env and Natural Resources	69.51	478.04	29.24	36.93	42	8
Public Works, Transport	107.89	103.43	36.03	-	33	-
Roads and Infrastructure	23.90	575.14	22.61	8.08	95	1
Health Corporate	2,302.55	162.97	885.76	8.19	39	5
Lands, Housing	61.97	746.61	17.66	27.11	29	4
Municipality Board of Kitale	20.72	212.38	3.48	-	17	-
Gender, Sports, Culture	161.52	335.69	36.45	56.18	23	17
Governance	209.71	38.82	27.17	-	13	-
Public Service Management (PSM)	602.73	249.03	136.74	39.18	23	16
County Public Service Board (CPSB)	62.20	10.50	17.28	-	28	-
Education, ICT	668.00	159.25	218.89	22.49	33	14
Finance	609.23	728.72	316.09	655.61	52	90
Economic Planning	30.33	7.00	0.90	-	3	-
County Attorney	121.95	-	5.68	-	5	-
County Assembly	724.15	110.65	250.78	43.16	35	39
Total	**6,070.19**	**4,451.57**	**2,102.86**	**901.92**	35	20

***Source**: Trans Nzoia County Treasury*

3.42.6 County Expenditure Review

The County spent Kshs.2.84 billion on development and recurrent programmes in the reporting period. The expenditure represented 94 per cent of the total funds released by the CoB and comprised of Kshs.851.08 million and Kshs.1.99 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 19 per cent, while recurrent expenditure represented 33 per cent of the annual recurrent expenditure budget.

3.42.7 Settlement of Pending Bills

As of 30 June 2024, the County reported pending bills totalling Kshs.2.11 billion. The pending bills were only for the County Executive, which consisted of Kshs.926.07 million for recurrent expenditures and Kshs.1.19 billion for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.806.98 million, comprising Kshs.140.23 million for recurrent programmes and Kshs.666.75 million for development programmes.

The County Executive submitted pending bill payment plans at the commencement of FY 2024/25, committing to pay Kshs.826.47 million in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.806.98 million. As of 31 December 2024, the outstanding bills amounted to Kshs.1.31 billion.

3.42.8 Expenditure by Economic Classification

During the first half of the FY 2024/2025, the County Executive spent Kshs.1.34 billion on employee compensation, Kshs.433.21 million on operations and maintenance, and Kshs.807.92 million on development activities. Similarly, the County Assembly spent Kshs.116.35 million on employee compensation, Kshs.96.91 million on operations and maintenance, and Kshs.43.16 million on development activities, as shown in Table 3.358.

Table 3.358: 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**	**1,772,958,995**	**213,261,650**	**33**	**29**
Compensation to Employees	3,425,645,619	349,574,274	1,339,745,503	116,351,548	39	33

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Operations and Maintenance	1,920,396,140	374,578,726	433,213,492	96,910,102	23	26
Development Expenditure	4,340,915,284	110,650,000	807,922,174	43,162,354	19	39
Total	**9,686,957,043**	**834,803,000**	**2,580,881,169**	**256,424,004**	**27**	**31**

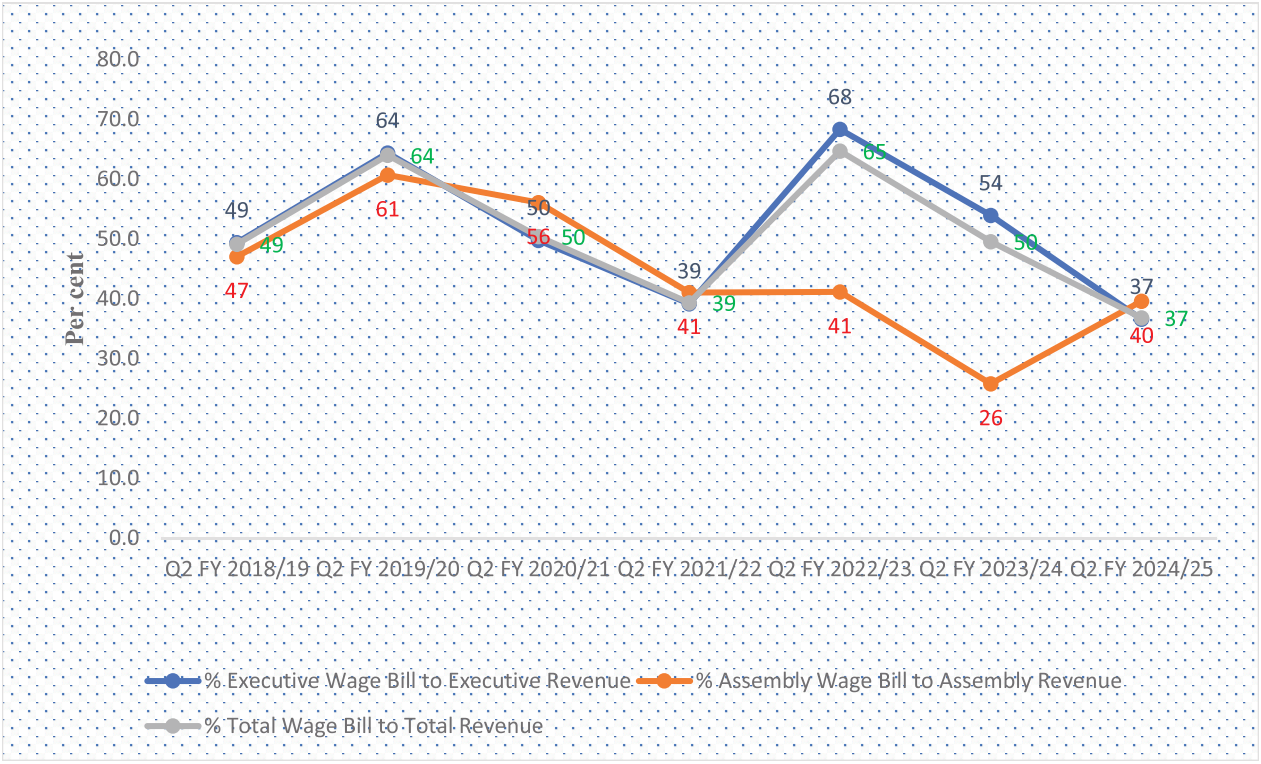
***Source**: Trans Nzoia County Treasury*

3.42.9 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.46 billion, or 37 per cent of the available revenue of Kshs.3.95 billion. This expenditure represented a decrease from Kshs.1.82 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.847.14 million paid to the Health Sector employees, translating to 58 per cent of the total wage bill.

Figure 166 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 166: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Trans Nzoia County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.41 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.45.68 million was processed through manual payrolls, which accounted for 3 per cent of the total PE cost.

The County Assembly spent Kshs.10.68 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.52,335 per MCA. The County Assembly had 22 House Committees.

3.42.10 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. The CCountyallocated Kshs.40 million to the Emergency Fund (0.4 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.359 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.359: Performance of County Established Funds in the First Half 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.)
	County Executive Established Funds					
	Car Loan and Mortgage	50,000,000	-	-	-	No
	Elimu Bursary Fund	125,000,000	41,951,795	8,569,859	932,951,795	Yes
	Nawiri Fund	20,000,000	-	-	84,000,000	No
	Emergency Fund	40,000,000	-	-	-	No
	County Assembly Established Funds					
	Car Loan and Mortgage Scheme Fund (Members and Staff	23,758,258	-	38,300,000	289,979,954	Yes
	Total	**258,758,258**	**41,951,795**	**46,869,859**	**1,306,931,749**	

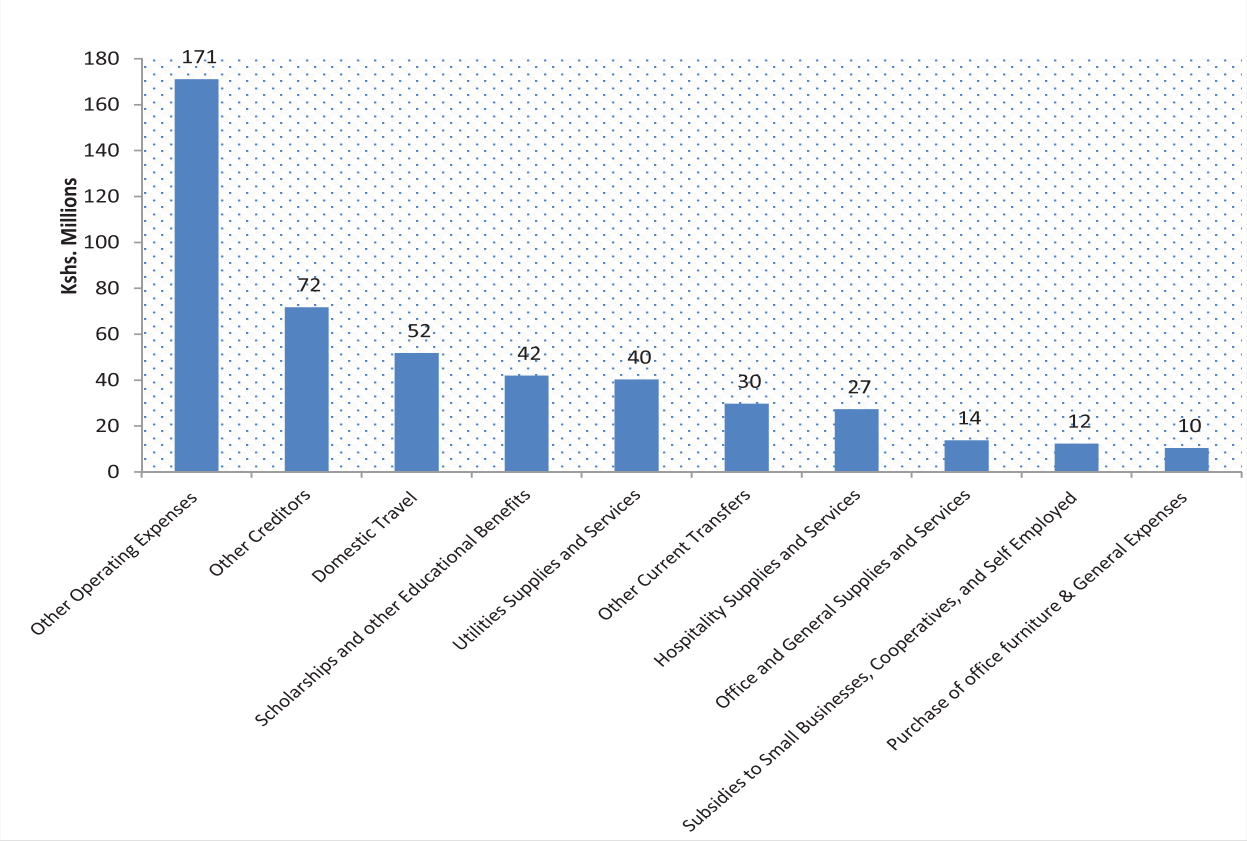
Source: *Trans Nzoia County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from the Administrators of the Car Loan and Mortgage Fund, The Emergency Fund and the Nawiri Fund, as indicated in Table 3.359 contrary to the requirement of Section 168 of the PFM Act, 2012.

3.42.11 Expenditure on Operations and Maintenance

Figure 167 summarises the Operations and Maintenance expenditure by major categories.

Figure 167: Trans Nzoia County, Operations and Maintenance Expenditure by Major Categories



Source: *Trans Nzoia County Treasury*

Expenditure on domestic travel amounted to Kshs.51.83 million and comprised Kshs.25.26 million spent by the County Assembly and Kshs.26.57 million by the County Executive. Expenditure on foreign travel amounted to Kshs.8.00 million spent by the County Assembly. Expenditure on foreign travel is summarised in Table 3.360.

Table 3.360: Summary of Highest Expenditure on Foreign Travel in the First Half 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	17 August 2024	FEASSA Games	Uganda	1,123,590
County Assembly	1	12 September 2024	Training on Leadership and Governance	Japan	1,134,794
County Assembly	1	19 October 2024	7th Africa Colloquium of Legal Counsels to Parliament	Zimbabwe	397,500
County Assembly	2	2 December 2024	Leadership Training and Exposure to Uk parliamentary and governance systems	London-UK	744,588

Source: Trans Nzoia County Treasury and Trans Nzoia County Assembly

The operations and maintenance costs include an expenditure of Kshs.6.45 million on legal fees/dues, arbitration and compensation payments, and legal fees.

3.42.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.89.99 million as FIF, which was 29 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 CCountyhas 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.

3.42.13 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.851.08 million on development programmes, representing an increase of 62 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.524.03 million. Table 3.361 summarises development projects with the highest expenditure in the reporting period.

Table 3.361: Trans Nzoia 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	PSM	Proposed Construction of Trans Nzoia Headquarters	Trans Nzoia Headquarters	498,835,545	279,990,881	42
2	Gender, Youth	Rehabilitation and Modernisation of Kenyatta Stadium Phase 1A-Kitale	Kenyatta Stadium	657,305,895	242,509,279	37
3	Public works	Proposed construction of a box culvert at Nakhosi in Kinyoro Ward	Kinyoro ward	12,301,400	12,301,400	100
4	Public works	Routine maintenance of GSU junction -Nabeki Masengo Road	Nabeki masengo road	10,863,065	10,863,065	100
5	Public works	Routine maintenance of Mwanga-za-Geta-Eronge-Laini moja-Kip-tio-Wanjala Cherangany Suwerwa ward	Cherangany Suwerwa ward	11,609,476	11,609,476	100
6	Public works	routine maintenance of the road-block-Matunda-Nyasi road in Nabiswa ward	Nabiswa ward	6,646,347	6,646,347	100
7	PSM	Construction of administrative offices in Kwanza sub-county	Kwanza Sub County	7,978,210	6,643,830	80
8	Agriculture	Supply and delivery of acaricides	County Hqs	4,968,380	4,968,380	100

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
9	Agriculture	Supply and delivery of amitraz in 5litres	County Hqs	4,946,800	4,946,800	100
10	Public works	Routine maintenance of Letting junction Mwitha market Chemichemi road	Machewa	4,646,317	4,646,317	100

Source: *Trans Nzoia County Treasury*

3.42.14 Budget Performance by Department

Table 3.362 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.362: 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	77.86	3.00	77.80	-	100	-	32	-
Livestock	5.28	119.97	0.33	2.00	0.32	-	99	-	6	-
Trade, Commerce	44.62	92.28	19.91	-	19.90	-	100	-	45	-
Water, Env and Natural Resources	69.51	478.04	29.24	36.93	28.65	32.38	98	88	41	7
Public Works, Transport	107.89	103.43	36.03	-	34.70	-	96	-	32	-
Roads and Infrastructure	23.90	575.14	22.61	8.08	21.88	-	97	-	92	-
Health Corporate	2,302.55	162.97	885.76	8.19	866.96	-	98	-	38	-
Lands, Housing	61.97	746.61	17.66	27.11	9.66	27.11	55	100	16	4
Municipality Board of Kitale	20.72	212.38	3.48	-	2.16	-	62	-	10	-
Gender, Sports, Culture	161.52	335.69	36.45	56.18	27.20	47.91	75	85	17	14
Governance	209.71	38.82	27.17	-	27.00	-	99	-	13	-
Public Service Management (PSM)	602.73	249.03	136.74	39.18	136.40	35.86	100	92	23	14
CPSB	62.20	10.50	17.28	-	10.05	-	58	-	16	-
Education, ICT	668.00	159.25	218.89	22.49	190.65	22.49	87	100	29	14
Finance	609.23	728.72	316.09	655.61	314.76	642.17	100	98	52	88
Economic Planning	30.33	7.00	0.90	-	0.90	-	100	-	3	-
County Attorney	121.95	-	5.68	-	3.99	-	70	-	3	-
County Assembly	724.15	110.65	250.78	43.16	213.26	43.16	85	100	29	39
Total	**6,070.19**	**4,451.57**	**2,102.86**	**901.92**	**1,986.22**	**851.08**	**94**	**94**	**33**	**19**

Source*: Trans Nzoia County Treasury*

Analysis of expenditures by departments shows that the Department of Finance recorded the highest absorption rate of the development budget, at 88 per cent, followed by the County Assembly, at 39 per cent. The Department of Roads and Infrastructure had the highest percentage of recurrent expenditures to budget, 92 per cent, while the Department of County Attorney had the lowest, 3 per cent.

3.42.15 Budget Execution by Programmes and Sub-Programmes

Table 3.363 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.363: Trans Nzoia County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Budget FY 2024/25		Actual Half-Year 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**	**78,120,986**	-	**31**	-
Crop Development		-	**441,064,718**	-	-		-
	Crop Diversification		321,099,639		-		-
	Post-harvest management and value addition		119,965,079		-		-
Administrative And Support Services		**249,215,280**	-	**78,120,986**	-	**31**	
	Administrative And Support Services	249,215,280		78,120,986		31	
Trade, Commerce and Industry		**44,619,504**	**92,280,000**	**19,895,808**	-	**45**	-
Medium and small Enterprises		-	**92,280,000**	-	-		-
	Medium and small Enterprises		92,280,000		-		-
Administrative And Support Services		**44,619,504**	-	**19,895,808**	-	**45**	
	Administrative And Support Services	44,619,504		19,895,808		45	
Water, Environment and Natural Resources		**69,511,861**	**478,039,329**	**28,645,012**	**32,381,870**	**41**	**7**
Environment management and protection		-	**478,039,329**	-	**32,381,870**		**7**
	Waste Management		478,039,329		32,381,870		7
Administrative And Support Services		**69,511,861**	-	**28,645,012**	-	**41**	
	Administrative And Support Services	69,511,861		28,645,012		41	
Public Works		**107,894,296**	**103,427,938**	**34,704,762**	-	**32**	-
Road Construction and Road Maintenance		-	**103,427,938**	-	-		-
	Maintenance of Roads		103,427,938		-		-
Administrative And Support Services		**107,894,296**	-	**34,704,762**	-	**32**	-
	Administrative And Support Services	107,894,296		34,704,762		32	
Lands, Housing and Urban Planning		**61,966,726**	**746,607,634**	**9,661,366**	**27,105,228**	**16**	**4**
Administrative And Support Services		**61,966,726**	**746,607,634**	**9,661,366**	**27,105,228**	**16**	**4**
	Administrative And Support Services	61,966,726	746,607,634	9,661,366	27,105,228	16	4
Gender, Sports, Culture and Tourism		**161,516,309**	**335,692,556**	**27,196,248**	**47,911,818**	**17**	**14**
Cultural development and promotion		-	**335,692,556**	-	**47,911,818**		**14**
	Culture development		335,692,556		47,911,818		14
Administrative And Support Services		**161,516,309**	-	**27,196,248**	-	**17**	
	Administrative And Support Services	161,516,309		27,196,248		17	
Public Service Management		**602,729,518**	**249,025,000**	**136,398,007**	**35,856,788**	**23**	**14**
Infrastructure Development		-	**249,025,000**	-	**35,856,788**		**14**
	Supervision and Management of Projects		249,025,000		35,856,788		14
Administrative And Support Services		**602,729,518**	-	**136,398,007**	-	**23**	
	Administrative And Support Services	602,729,518		136,398,007		23	
Education and ICT		**667,997,575**	**159,251,863**	**190,645,691**	**22,493,756**	**29**	**14**
Vocational Training Development		-	**159,251,863**	-	**22,493,756**		**14**
	Vocational Training Development		159,251,863		22,493,756		14
Administrative And Support Services		**667,997,575**	-	**190,645,691**	-	**29**	

Programme	Sub-Programme	Approved Budget FY 2024/25		Actual Half-Year Expenditure FY 2024/25		Absorption %	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Administrative And Support Services	667,997,575		190,645,691		29	
Finance		**609,229,731**	**728,724,218**	**314,757,668**	**642,172,714**	**52**	**88**
Administrative and Support Services		**609,229,731**	**728,724,218**	**314,757,668**	**642,172,714**	**52**	**88**
	Supervision and Management of Projects		728,724,218		642,172,714		88
	Administrative And Support Services	609,229,731		314,757,668		52	
Governance		**209,709,141**	**38,820,571**	**26,996,380**	-	**13**	-
Infrastructure Development		-	**38,820,571**	-	-		-
	Supervision and Management of Projects		38,820,571		-		-
Administrative And Support Services		**209,709,141**	-	**26,996,380**	-	**13**	
	Administrative And Support Services	209,709,141		26,996,380		13	
County Public Service Board		**62,204,964**	**10,495,000**	**10,048,323**	-	**16**	-
Governance and County Values		-	**10,495,000**	-	-		-
	Infrastructure Development		10,495,000		-		-
Administrative And Support Services		**62,204,964**	-	**10,048,323**	-	**16**	
	Administrative And Support Services	62,204,964		10,048,323		16	
Health Corporate		**2,302,550,904**	**162,972,217**	**866,960,491**	-	**38**	-
Administrative and Support Services		**2,302,550,904**	**162,972,217**	**866,960,491**	-	**38**	-
	Preventive Health Services		162,972,217		-		-
	Administrative And Support Services	2,302,550,904		866,960,491		38	
Economic Planning		**30,334,500**	**7,000,000**	**899,900**	-	**3**	-
County Research and Development Planning		-	**7,000,000**	-	-		-
	County Development Planning Services		7,000,000		-		-
Administrative And Support Services		**30,334,500**	-	**899,900**	-	**3**	
	Administrative And Support Services	30,334,500		899,900		3	
Municipality Board of Kitale		**20,716,324**	**212,378,528**	**2,164,943**	-	**10**	-
Administrative And Support Services		**20,716,324**	**212,378,528**	**2,164,943**	-	**10**	-
	Administrative And Support Services	20,716,324	212,378,528	2,164,943	-	10	-
County Attorney		**121,945,126**	-	**3,987,165**	-	**3**	
Administrative And Support Services		**121,945,126**	-	**3,987,165**	-	**3**	
	Administrative And Support Services	121,945,126	-	3,987,165	-	3	
Roads, Transport and Infrastructure		**23,900,000**	**575,135,712**	**21,876,247**	-	**92**	
Administrative And Support Services		**23,900,000**	**575,135,712**	**21,876,247**	-	**92**	
	Administrative And Support Services	23,900,000	575,135,712	21,876,247	-	92	
County Assembly		**724,153,000**	**110,650,000**	**213,261,650**	**43,162,354**	**29**	**39**
Administrative And Support Services		**724,153,000**	**110,650,000**	**213,261,650**	**43,162,354**	**29**	**39**
	Administrative And Support Services	724,153,000	110,650,000	213,261,650	43,162,354	29	39
	Grand Total	**6,070,194,759**	**4,451,565,284**	**1,986,220,646**	**851,084,528**	**33**	**19**

***Source**: Trans Nzoia County Treasury*

The 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 92 per cent, Administrative

And Support Services in the Department of Finance at 52 per cent, Administrative And Support Services in the Department of Trade, Commerce and Industry at 45 per cent, and Administrative And Support Services in the Department of Water, Environment at 41 per cent of budget allocation.

3.42.16 Accounts Operated Commercial Banks

The County Government operated 135 accounts with commercial banks, including 83 accounts for Health Facilities, 32 for Vocational Training Centres, seven for Established Funds, two for revenue, six special purpose accounts (additional allocations), four for imprest accounts, and one for development operational account.

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.

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 that hampered effective budget implementation.

i. The County Treasury submitted its financial reports late to the Controller of Budget, which affected the timely preparation of the budget implementation report. The report was received on 22 January 2025.
ii. Own-source revenue underperformed at Kshs.159.66 million against an annual target of Kshs.680.00 million, representing 24 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. As of 15 January 2025, reports for the Car Loan and Mortgage Fund, the Emergency Fund, and the Nawiri Fund were yet to be submitted to the Controller of Budget.
iv. High level of pending bills, which amounted to Kshs.1.31 billion as of 31 December 2024. 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.45.68 million were processed through manual payroll, accounting for 3.1 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.
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 CCountyshould 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 CCountyshould 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 CCountyis 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.*

3.43. County Government of Turkana

3.43.1 Overview of FY 2024/25 Budget

The Turkana County Gross Approved FY 2024/25 Budget 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 comprised a development budget of Kshs.7.05 billion and a recurrent budget of Kshs.10.17. billion. The increase in the budget was attributed to the rise in 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.

The budget will be financed from different sources of revenue. These include; Kshs.13.65 billion (69 per cent) as the equitable share of revenue raised nationally, Kshs.1.34 billion (7 per cent) as additional allocations, a cash balance of Kshs.4.45 billion (23 per cent) was brought forward from FY 2023/24, and Kshs.320 million (2 per cent) was 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 3.364.

3.43.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.6.82 billion to fund its development and recurrent activities. This amount consisted of Kshs.5.48 billion from the equitable share of revenue raised nationally, and its own source revenue (OSR) collection of Kshs.141.80 million. In addition, the County had a cash balance of Kshs.1.19 billion from FY 2023/24.

The total OSR collection of Kshs.141.80 million includes Facilities Improvement Financing (FIF) of Kshs.74.82 million, and Kshs.66.98 million as ordinary OSR. Table 3.364 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.364: Turkana County, Revenue Performance in the First Half 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	5,483,512,587	**40**
Subtotal				
B	**Additional Allocations/Conditional Grants**			
	Roads Maintenance Fuel Levy	251,956,760	-	-
	Community Health Promoters	58,167,956	-	-
	DANIDA (Primary Health Care)	16,233,750	-	-
	ELRP (Emergency Locust Response Project)	142,500,000	-	-
	DRPNK (Drought Resilience Programme)	319,534,140	-	-
	UNFPA (United Nations Fund for Population Services)	5,920,000	-	-
	K-WASH WORLD BANK PROGRAMME	300,965,240	-	-
	(KDSP II) Kenya Devolution Support Programme II	37,500,000	-	-
	Urban Institutional Grant (UIG)	35,000,000	-	-
	ESRP (Food System Resilience Programme	173,076,923	-	-
Subtotal		**1,340,854,769**	-	-
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	241,000,000	66,980,065	28
	Appropriation in Aid (A-I-A)	-	-	-

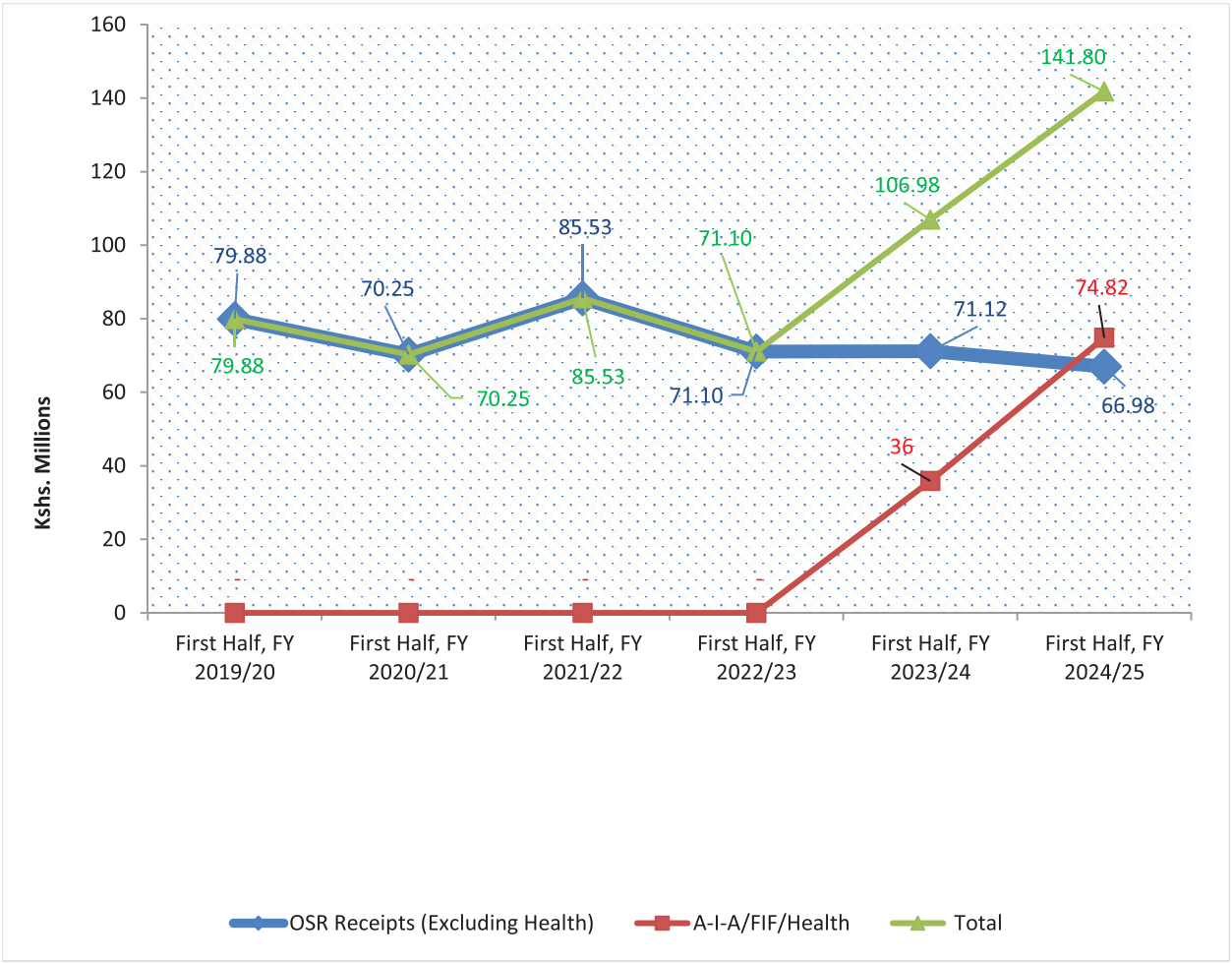
S/No.	Revenue Category	Annual Budget Allocation (Kshs.)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
	Facility Improvement Fund (FIF)	79,000,000	74,818,617	95
Subtotal		**320,000,000**	**141,798,692**	**44**
D	**Other Sources of Revenue**			
	Unspent balance from FY 2023/24	4,446,202,659	1,189,891,122	27
Sub Total		**4,766,202,659**	**1,331,689,804**	**28**
Grand Total		**19,760,257,780**	**6,815,202,391**	**35**

Source: *Turkana County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF.

Figure 168 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 168: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

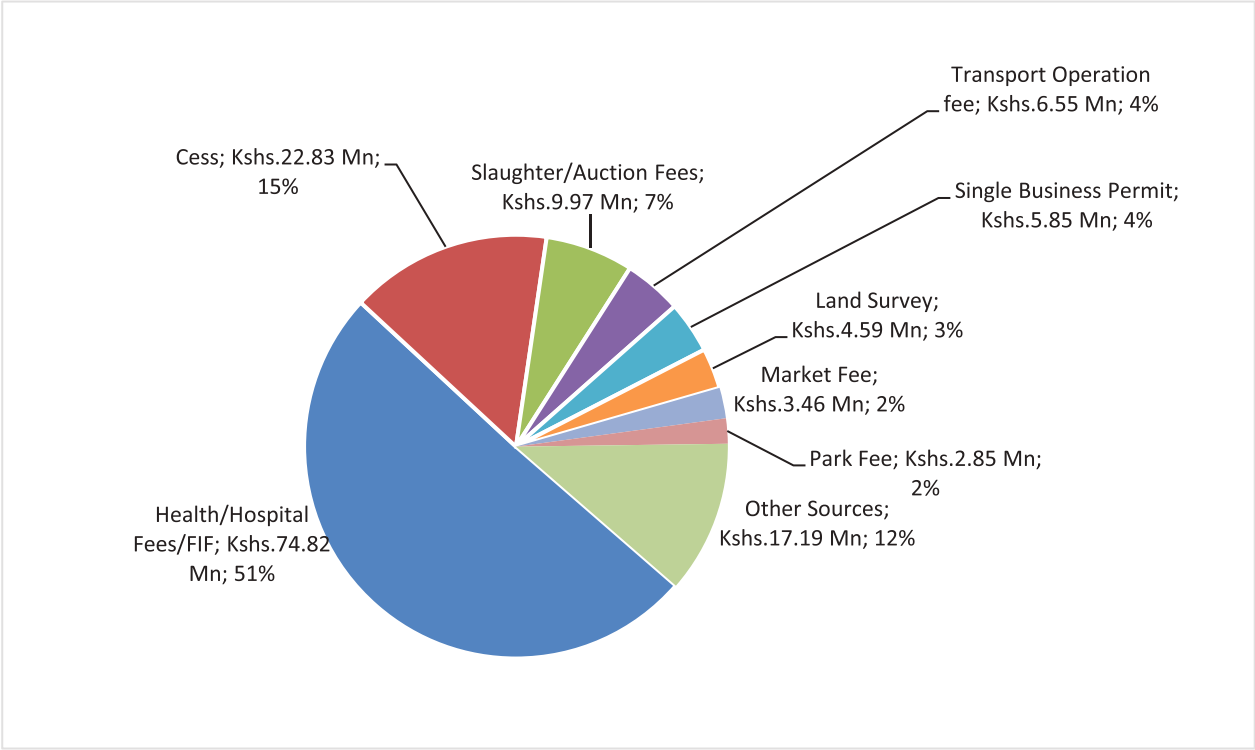


Source: *Turkana County Treasury*

During the first half of FY 2024/25, the County generated Kshs.141.80 million from its revenue sources, including AIA and FIF. This amount was an increase of 32.5 per cent compared to Kshs.106.98 million realised in a similar period in FY 2023/24 and was 44.3 per cent of the annual target and 2.6 per cent of the equitable revenue share disbursed. The increase can be attributed to the Facility Improvement fund (FIF) collection.

The revenue streams which contributed the highest OSR receipts are shown in Figure 169.

Figure 169: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: *Turkana County Treasury*

The highest revenue stream, Kshs.74.82 million, was from the Facility Improvement Fund (FIF), which contributed 51 per cent of the total OSR receipts during the reporting period.

3.43.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.37 billion from the CRF account during the reporting period, which comprised Kshs.1.88 billion (35 per cent) for development programmes and Kshs.3.49 billion (65 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.38 billion was released towards compensation of employees and Kshs.1.11 billion for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 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 14 per cent was for domestic travel and 0.5 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.156.69 million, including Kshs.140.18 million for the County Executive and Kshs.16.51 million for the County Assembly. The foreign exchequer totalled Kshs.16.84 million, comprising Kshs.16.84 million for the County Executive. The County Assembly did not incur any expenditure on foreign travel.

Table 3.365: Turkana County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Office of Governor	434,290,307	51,000,000	122,476,933	-	28	-
Office of the Deputy Governor	27,395,153	-	15,290,349	-	56	-
Finance and Economic Planning	1,098,871,528	4,013,280,521	259,060,174	1,683,079,435	24	41.9
Water Services, Environment and Mineral Resources	77,145,153	811,165,239	9,610,762	-	13	-
Health & Sanitation Services	995,331,859	603,800,000	268,702,956	78,650,000	27	13
Trade, Gender and Youth Affairs	58,078,965	124,000,000	8,159,873	-	14	-

Department	Revised Net Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Education, Sports and Social Protection	746,645,153	483,500,000	70,710,660	-	10	-
Public Services, Decentralized Administration & Disaster Management	5,920,659,153	41,500,000	2,281,896,062	-	39	-
Infrastructure, Transport and Public Works	88,665,153	568,656,760	15,487,649	-	18	-
Agriculture Pastoral Economy and Fisheries	122,750,276	979,521,063	11,011,005	109,410,000	9	11
Tourism, Culture and Natural Resources	182,895,153	544,409,358	19,070,600	11,000,000	10	2
Lands, Energy, Housing and Urban Areas Management	83,195,183	76,500,000	2,093,200	-	3	-
Turkana County Assembly	895,691,616	169,943,385	336,618,389	-	38	-
Turkana County Public Service Board	122,155,151	-	4,535,337	-	4	-
Office of the County Attorney	20,187,567	-	8,412,727	-	42	-
Lodwar Municipality Board	76,645,153	-	3,400,800	-	4	-
Kakuma Municipality	55,395,154	207,983,773	55,395,154	-	100	-
Total	**11,005,997,677**	**8,675,260,099**	**3,491,932,630**	**1,882,139,435**	**32**	**22**

***Source**: Turkana County Treasury*

As of 31st December 2024, the County Government's cash balance in the CRF account was Kshs.1.33 billion.

3.43.4 County Expenditure Review

The County spent Kshs.6.63 billion on development and recurrent programmes in the reporting period. The expenditure represented 123.3 per cent of the total funds released by the CoB and comprised Kshs.2 billion and Kshs.4.63 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 34 per cent, while recurrent expenditure represented 41.7 per cent of the annual recurrent expenditure budget.

3.43.5 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 first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.2.5 billion, comprising Kshs.619.74 million for recurrent programmes and Kshs.1.88 billion for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.18 million 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.3.41 billion and Kshs.18 million, respectively, in the first half of FY 2024/25. However, the County Executive did not adhere to this payment plan, as it cleared Kshs.2.5 billion.

As of 31st December 2024, the outstanding bills amounted to Kshs.2.28 billion, solely for the County Executive.

3.43.6 Expenditure by Economic Classification

The County Executive spent Kshs.2.69 billion on employee compensation, Kshs.1.60 billion on operations and maintenance, and Kshs.2.00 billion on development activities. Similarly, the County Assembly spent Kshs.238.04 million on employee compensation and Kshs.97.88 million on operations and maintenance. The

County Assembly did not incur any expenditure on development activities, as shown in Table 3.366.

Table 3.366: 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	**10,189,306,063**	**895,691,617**	4,289,462,428	335,926,071	**42.1**	**37.5**
Compensation to Employees	4,868,800,000	515,756,599	2,685,329,474	238,044,422	55.2	46.2
Operations and Maintenance	5,320,506,063	379,935,018	1,604,132,954	97,881,649	30.2	25.8
Development Expenditure	**8,505,316,714**	**169,943,385**	**2,002,070,423**	-	**23.5**	**0.0**
Total	**18,694,622,777**	**1,065,635,002**	**6,291,532,851**	**335,926,071**	**33.7**	**31.5**

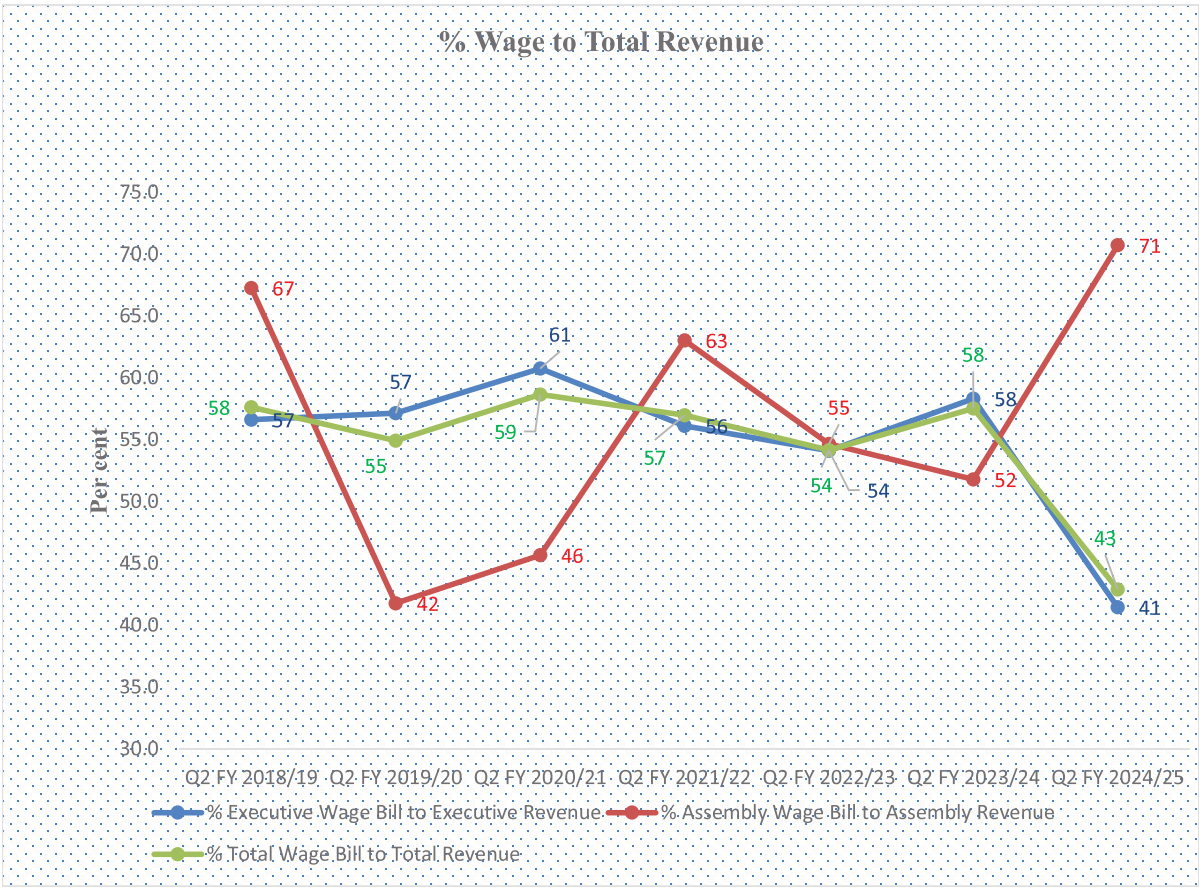
***Source**: Turkana County Treasury*

3.43.7 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.92 billion, translating to 43 per cent of the available revenue of Kshs.6.82 billion. This expenditure represented a decrease from Kshs.3.03 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.18 billion paid to the Health Sector employees, translating to 40.2 per cent of the total wage bill.

Figure 170 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 170: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



***Source:** Turkana County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.87 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.58.22 million was processed through manual payrolls, which accounted for 1.7 per cent of the total PE cost.

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.31,784 per MCA. The County Assembly has 21 House Committees.

3.43.8 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.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 3.367 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.367: Performance of County Established Funds in the First Half 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 the First Half of FY2024/25 (Kshs.)	Cumulative Disbursement to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
		A	B	C	D	E
	Turkana County Emergency Fund	100,000,000	-	-	1,192,388,667	Yes
	Turkana County Biashara Fund	-	-	2,355	360,325,320	Yes
	Turkana County Youth and Women Empowerment Fund	-	-	3,298	425,000,000	Yes
	Turkana County Education and Skills Development Fund	535,000,000	-	9,431,458	3,264,245,499	Yes
	Turkana County Cooperative Enterprise Development Fund	-	-	-	96,251,070	Yes
	Turkana County Climate Change Fund	120,000,000	-	-	120,000,000	Yes
	Turkana County Water Service Fund	10,000,000	-	-	94,334,986	Yes
	Turkana County Car Loan and Mortgage Fund	-	-	1,065	200,822,217	Yes
	Turkana County COVID Fund	-	-	-	606,674,113	Yes
	Total	**765,000,000**	**-**	**-**	**6,360,041,872**	

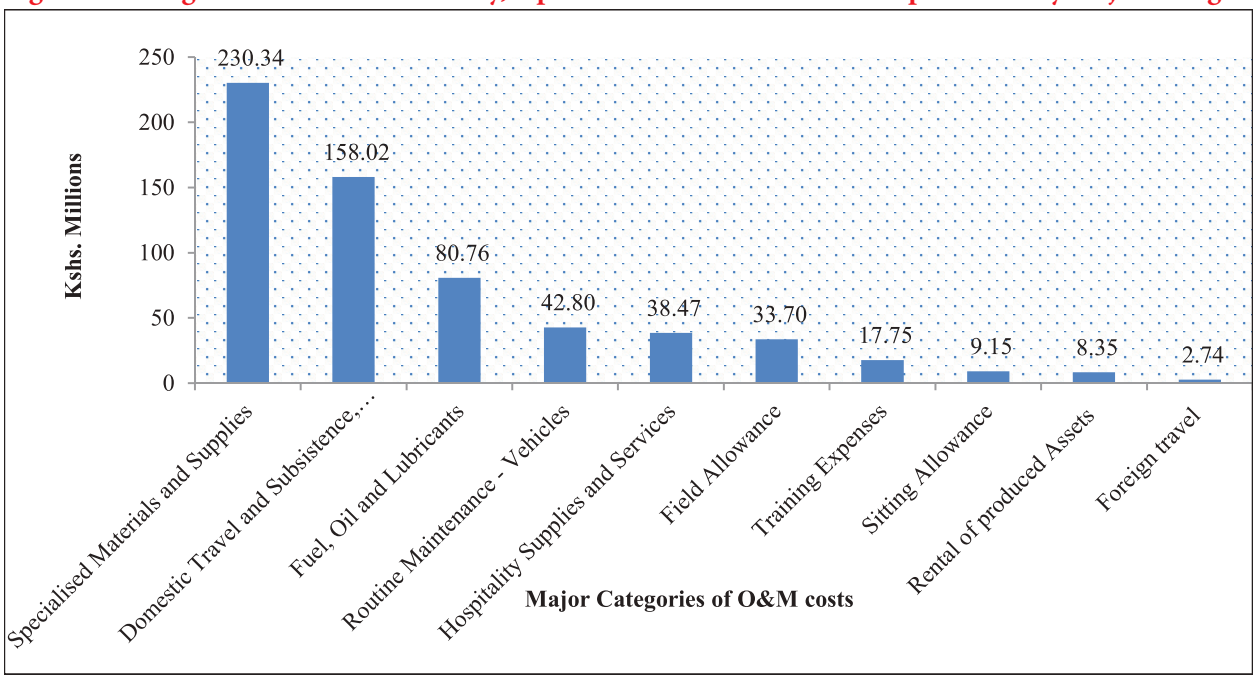
Source: *Turkana County Treasury*

During the reporting period, the CoB received quarterly financial reports from 9 Fund Administrators, as indicated in **Table 3.367**, as per the requirement of Section 168 of the PFM Act, 2012.

3.43.9 Expenditure on Operations and Maintenance

Figure 171 summarises the Operations and Maintenance expenditure by major categories.

Figure 171: Figure 171: Turkana County, Operations and Maintenance Expenditure by Major Categories



Source: *Turkana County Treasury*

Expenditure on domestic travel amounted to Kshs.158.02 million and comprised Kshs.15.11 million spent by the County Assembly and Kshs.142.92 million by the County Executive. Foreign travel expenses amounted to Kshs.2.74 million, which the County Executive solely incurred. Expenditure on foreign travel is summarised in Table 3.368.

Table 3.368: Summary of Highest Expenditure on Foreign Travel in the First Half 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	55	17th October, 2024	Attended the Lokiriama Peace Accord	Uganda	2,742,795

Source: *Turkana County Treasury*

3.43.10 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.74.82 million as FIF, which was 94.7 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, enacted by the National Assembly. The County has yet to develop regulations to operationalise the FIF Act of 2023.

The health facilities reported using the FIF during the reporting period, per Section 18 (e) of the FIF Act, 2023.

The expenditure by the health facilities amounted to Kshs.128.40 million, as shown in Table 3.369.

Table 3.369: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	LCRH	79,000,000	128,400,786	162.5
	Total	**79,000,000**	128,400,786	162.5

Source: *Turkana County Treasury*

The Health Facility is funded by both the components of FIF and CRF.

3.43.11 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.2 billion on development programmes, representing an increase of 56.3 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.1.28 billion. Table 3.370 summarises development projects with the highest expenditure in the reporting period.

Table 3.370: Turkana County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)
1	Agriculture, Livestock Development and Fisheries	Construction and Rehabilitation of Model Drip Irrigation Scheme	County Ward	182,255,834	144,365,984
2	Office of the Governor	Construction of Resettlement Schemes	Napeitom Kochodin Letea Kaputir	115,612,050	51,096,047
3	Roads, Transport and Public Works	Construction of Roads	Loima Sopel Lodwar Turkana East	43,032,048	39,684,877
4	Education, Sports and Social Protection	Construction of ECDEs	County Wide	54,416,853	31,862,098
5	Health Services and Sanitation	Construction of Dispensaries	Nakurio Kalemngorok Kaakong Nabuin	37,657,521	28,145,993
6	Trade, Gender and Youth Affairs	Construction of Modern Markets	Kapendo and Todonyang	27,981,920	18,243,940
7	Finance and Economic Services	Construction of Lokiriama Revenue Centre	Lokiriama	38,195,895	15,019,430
8	Trade, Gender and Youth Affairs	Construction of Business Kiosks	Kakuma Kalokol	8,009,840	8,009,840
9	Tourism, Culture, Natural Resources and Climate Change	Routine Maintenance of Solar PV System	Nakurio Loyapat	7,125,000	7,125,000
10	Lands, Physical Planning and Urban Development	Fencing of Kakuma Stadium	Kakuma	9,785,000	5,871,000

Source: *Turkana County Treasury*

Note: The expenditures for most of the projects listed in the Table 3.370 relate to pending bills from previous financial periods.

3.43.12 Budget Performance by Department

Table 3.371 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.371: 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 Governor	434.29	51.00	122.48	-	82.86	-	68	-	19	-
Office of the Deputy Governor	27.40	-	15.29	-	6.98	-	46	-	26	-
Finance and Economic Planning	1,098.87	4,013.28	259.06	1,683.08	435.64	1,729.82	168	103	40	43

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
Water Services, Environment and Mineral Resources	77.15	811.17	9.61	-	18.93	79.62	197	-	25	10
Health and Sanitation Services	1,074.33	603.80	268.70	78.65	495.81	-	185	-	46	-
Trade, Gender and Youth Affairs	58.09	124.00	8.16	-	12.16	-	149	-	21	-
Education, Sports and Social Protection	746.65	483.50	70.71	-	375.74	-	531	-	50	-
Public Services, Decentralized Administration & Disaster Management	5,920.66	41.55	2,281.90	-	2,717.09	-	119	-	46	-
Infrastructure, Transport and Public Works	88.67	568.66	15.49	-	17.77	-	115	-	20	-
Agriculture Pastoral Economy and Fisheries	122.75	979.52	11.01	109.41	18.75	105.92	170	97	15	11
Tourism, Culture and Natural Resources	182.90	544.41	19.07	11.00	36.00	44.32	189	403	20	8
Lands, Energy, Housing and Urban Areas Management	83.20	76.50	2.09	-	10.59	-	506	-	13	-
Turkana County Assembly	895.69	169.94	336.62	-	335.93	-	100	-	38	-
Turkana County Public Service Board	122.16	-	4.54	-	21.76	-	480	-	18	-
Office of the County Attorney	76.65	-	3.40	-	12.51	-	368	-	16	-
Lodwar Municipality Board	55.40	207.98	55.40	-	23.85	42.39	43	-	43	20
Kakuma Municipality	20.19	-	8.42	-	3.02	-	36	-	15	-
Total	**11,085.00**	**8,675.26**	**3,491.93**	**1,882.14**	**4,625.39**	**2,002.07**	133	106	42	23

***Source**: Turkana County Treasury*

The County Treasury did not provide an explanation for why certain departments' expenditures exceeded their respective exchequer receipts.

Analysis of department expenditures shows that the Department of Finance and Economic Planning recorded the highest absorption rate of the development budget at 43.1 per cent, followed by the Lodwar Municipality Board at 20 per cent. The Department of Education, Sports and Social Protection had the highest percentage of recurrent expenditures to the recurrent budget at 50 per cent, while the Department of Lands, Energy, Housing and Urban Areas Management had the lowest at 13 per cent.

Further analysis shows that expenditures for most departments exceeded exchequer issues. The anomalies can be attributed to the fact that many transactions may appear to have been paid at IFMIS, but in practice, they are awaiting funding at the CBK Internet Banking (IB) level. The anomaly can also be attributed to the adoption of an accrual basis of accounting in which payments and expenses are credited and debited when earned or incurred.

3.43.13 Budget Execution by Programmes and Sub-Programmes

Table 3.372 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.372: Turkana County, Budget Execution by Programmes and Sub-Programmes

Program	Sub Program	Revised Gross Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Office of the Governor				
General Administration, Planning and Support Services	General Administration, Planning and Support Services	276,006,832	69,092,539	25
Governor's Security and Protocol	Security protocol and procedures	3,627,586	340,000	9.4
	Performance Contracting	7,255,172	-	-
	Efficiency Monitoring	14,162,068	4,976,560	35.1
Intergovernmental Relations	Intergovernmental Relations	7,255,170	-	-
	Inter-County Performance Review Forum	5,441,378	-	-
Donor/ Investor engagement	Public-Private Partnership Initiative	4,534,482	-	-
	Political and Intergovernmental Advisory Services	4,534,482	1,229,900	27.1
	Legal Advisory Services	4,534,482	-	-
	Security and cross-border Advisory Services	1,360,344	-	-
	Oil and Gas Advisory Service	1,360,344	-	-
	Gender and Partnership Advisory Services	1,360,344	-	-
	Special Interest groups	1,360,344	-	-
	Climate Change advisory services	1,360,344	-	-
	Education and youth Advisory services	1,360,344	-	-
	Culture, Arts and Heritage advisory services	1,360,344	-	-
	Tracking of Flagships projects	7,255,170	612,500	8.4
	Governor's Transformative Agenda	3,627,584	-	-
Governors Press Service	Governors Press support	3,285,233	-	-
	Governors' Visibility and Branding	7,000,000	492,000	7
	Media Liaison	500,000	-	-
	Public Address Unit	4,500,000	-	-
Security and Peace Building	Resettlement Infrastructural Programme	51,000,000	-	-
	Cross Border Peace Dividends Programme	19,640,172	-	-
	County Peace Building and Conflict Management Committees	34,986,610	5,763,257	16.5
	Internal Peace Building and Conflict Management Programme	16,621,478	350,000	2.1
	Sub - Total	**485,290,307**	**82,856,756**	**17.1**
Office of the Deputy Governor				
General Administration, Planning and Support Services	General Admin Planning and Support	14,852,331	5,917,440	39.8
Public Communications, Media Relations and Information Management	Media Partnerships and Stakeholder Engagement	1,981,780	28,200	1.4
	County Publicity and Branding	2,500,000	-	-
	Public Access to Information	534,110	267,055	50
	Communication Research and Development	1,100,000	300,000	27.3
Resource Mobilisation	Resource Mobilisation	2,776,932	281,298	10.1
	Public Private Partnerships	1,800,000	11,265	0.6
	Donor and Partner Coordination	1,850,000	175,000	9.5

Program	Sub Program	Revised Gross Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
	Sub - Total	**27,395,153**	**6,980,258**	**25.5**
Office of the County Attorney				
General Administration, Planning and Support Services	General Administration, Planning and Support Services	14,229,030	3,770,232	26.5
Legal Services	Litigation	32,858,066	4,183,000	12.7
	Government Agreements and Contracts	4,984,450	758,800	15.2
	Legal Audit and Compliance	6,949,550	558,640	8
Research and Legislative Drafting	Legislation	7,030,564	1,409,800	20.1
	Policy and Legal Briefs	5,171,612	916,000	17.7
Capacity Building	Training of Legal Counsel	1,529,566	266,000	17.4
	Legal Training and Awareness	3,892,316	651,000	16.7
	Sub - Total	**76,645,154**	**12,513,472**	**16.3**
Finance and Economic Planning				
General Administration, Planning and Support Services	General Administration Services	4,696,744,068	2,046,937,133	43.6
	General Administration - Economic planning	35,000,000	-	-
	County Headquarters Offices	20,000,000	-	-
Revenue Collection Systems	Awareness and Campaigns on Revenue.	6,150,836	2,305,920	37.5
	Revenue Forecast and Revenue Budget Preparation	4,930,564	741,400	15
	Revenue Automation	8,700,000	200,000	2.3
	Revenue Governance	1,644,669	194,900	11.9
	Revenue Infrastructure	11,000,000	-	-
Accountability and Transparency	Consultation Services	3,600,000	798,000	22.2
	Financial Reporting and Assurance	3,800,000	-	-
	Tax Management and Statutory Deductions	3,800,000	755,300	19.9
	Modern Fencing	100,000,000	100,000,000	100
Social and Financial Security	Assurance and Insurance of Assets	4,340,000	-	-
	Liability and Debt Management	1,700,000	143,360	8.4
	Turkana SACCO Seed Capital	3,800,000	473,720	12.5
County Statistical Unit	Software, Database and Tools	58,000,000	114,680	0.2
	Public Participation and access to information	16,224,124	-	-
	Support to Audit Committees	3,800,000	-	-
Planning and Policy Formulation	Planning and Policy Formulation	32,569,682	574,310	1.8
Monitoring and Evaluation	Field Visits and Data Collection	2,500,000	826,600	33.1
	Training and Development	3,100,000	1,532,600	49.4
	Devolved Monitoring and Evaluation	3,500,000	602,800	17.2
Budgetary Supply	Budget Formulation, Coordination and Management	22,500,000	6,245,744	27.8
	Public Participation in Budgeting	11,800,000	2,812,920	23.8
	County Budget and Economic Forum	48,000,000	59,000	0.1
	Accountability in Resource Allocation	4,948,106	148,000	3
	Sub - Total	**5,112,152,049**	**2,165,466,387**	**42.4**
Water Services, Environment and Mineral Resources				
General Administration and Support	General Administration and Support	28,245,152	5,118,340	18.1

Program	Sub Program	Revised Gross Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
K-WASH World Bank Programme	K-WASH World Bank Programme	400,965,240	25,002,192	6.2
Water Supply and Storage	Water Infrastructure	404,550,000	49,981,790	12.4
	Water Resource Management	10,150,000	1,985,200	19.6
	Water Governance Planning and Coordination	30,000,000	11,752,905	39.2
	Emergency Response and Drought Mitigation	14,400,000	4,701,800	32.7
	Sub - Total	**888,310,392**	**98,542,227**	**11.1**
Health and Sanitation Services				
General Administration, Planning and support services	Health Facilities	22,500,000	-	-
	General Administration, Planning and Support Services - Medical Services	121,000,000	20,492,177	16.9
	General Administration, Planning and Support Services - Preventive and Promotive Services	554,909,831	147,025,787	26.5
Support to Health Programs	HIV & AIDS, including community-based HIV interventions	1,500,000	-	-
	TB and Leprosy	1,500,000	-	-
	NTDs (neglected tropical diseases)	1,000,000	-	-
	Child Health	500,000	-	-
	Reproductive health	2,960,000	-	-
	Gender-Based Violence care	2,150,000	-	-
	EPI/outreaches	2,000,000	-	-
	Adolescent Youth Repro. Health	500,000	-	-
	Maternal and Neonatal Health	1,500,000	-	-
	Rural Health Facilities Support	500,000	-	-
Medical Services	Laboratory Services	3,000,000	214,200	7.1
	Blood Transfusion Services	1,500,000	117,600	7.8
	Rehabilitative Services	800,000	274,400	34.3
	Referrals and Emergency Services	32,000,000	17,988,141	56.2
	Radiology Services	200,000	56,000	28
	Dental Services	500,000	-	
	Clinical Services	1,300,000	160,000	12.3
	Nursing Services	1,700,000	-	
	Sub county Health Facilities Support	2,800,000	549,500	19.6
	Ophthalmic Services	1,000,000	169,600	17
	Malaria	1,000,000	-	
	Mental Health	500,000	-	
	Biomedical Engineering	500,000	77,236	15.4
	UHC Turkana	300,000	-	
Lodwar County and Referral Hospital	LCRH Operations and Support Services	444,186,086	127,046,522	28.6
Medical Supplies	Medical Supplies	309,975,942	177,120,869	57.1
	Health Management	1,700,000	-	

Program	Sub Program	Revised Gross Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Policy, Planning, Monitoring and Evaluation	Health Information Management	1,350,000	33,600	2.5
	Quality Assurance	250,000	-	
	Electronic Medical Records	800,000	-	
	Research and Development	400,000	-	
	Policy and Planning	800,000	75,600	9.5
	Health Partners Coordination	1,400,000	466,100	33.3
	Monitoring and Evaluation of Health	800,000	-	
Community Health Services	Community Health Services	1,400,000	886,500	63.3
	Community Nutrition	3,350,000	659,600	19.7
	MIYCN and Emergency Nutrition	1,500,000	500,000	33.3
Public Health	Food safety	300,000	-	
	School Health	250,000	-	
	Disease Surveillance Response	1,050,000	150,000	14.3
	Alcohol and Substance Abuse	2,500,000	465,000	18.6
Level 6 Hospital	Turkana Level 6 Hospital	146,500,000	1,280,000	0.9
	Sub - Total	**1,678,131,859**	**495,808,432**	**29.5**
Trade, Gender and Youth Affairs				
General Administration and Support Services	General Administration Gender and Youth	6,567,576	884,119	13.5
	General Administration Trade and Cooperatives	14,127,578	1,390,486	9.8
Trade Development and Promotion	Market Infrastructure Development	27,800,000	-	
	Industrial Development and Investments	1,750,000	225,290	12.9
	Biashara Fund	900,000	75,200	8.4
	Trade Promotion	3,350,000	784,615	23.4
	Fair Trade and Consumer Protection Services	1,800,000	324,215	18
Cooperative Development and Management	Cooperative Marketing, Value Addition, Surveys and Research	2,000,000	246,900	12.3
	Cooperative Education, Training, Exchange and Ushirika Day Celebration	3,600,000	289,975	8.1
	Strengthening of Key Dormant Cooperative Societies	1,410,000	130,275	9.2
	Formulation of Cooperative Policy and Legal Framework	1,600,000	254,180	15.9
	Cooperative Development Fund	90,000,000	-	
	Cooperative Ethics Governance and Audit Support	250,000	57,820	23.1
Promotion of Gender Equality and Empowerment	Gender Empowerment and advocacy	4,100,000	1,719,200	41.9
	Gender Mainstreaming and Coordination	2,980,000	700,000	23.5
	Legal Compliance and Redress	1,700,000	482,000	28.4
	Promotion of Gender Equality and Empowerment	3,743,811	240,000	6.4
Youth Affairs Development	Youth Coordination and Representation	4,700,000	1,888,500	40.2
	Youth and Women Fund	-	-	
	Youth Capacity Building and Training	5,200,000	808,425	15.5
	Youth Talent Development	4,500,000	1,659,274	36.9

Program	Sub Program	Revised Gross Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
	Sub - Total	**182,078,965**	**12,160,474**	**6.7**
Education, Sports and Social Protection				
General Administration and Support Services	Turkana Education and Skill Development Fund	535,000,000	300,000,000	56.1
	General Administration Services	28,253,683	8,536,036	30.2
	General Administration ECDE & Social Protection	19,474,501	-	
	General Administration Sports and Vocational Training	7,484,499	-	
Early Childhood Education	School Feeding and Infrastructure	477,250,000	47,496,000	10
Social Protection Programs/ Affirmative Action	ECDE Governance	3,900,000	1,425,802	36.6
	Turkana County Persons with Disability Development	22,300,000	3,923,000	17.6
	Marginalised and Minority groups support	4,460,000	490,000	11
	Child Care and Protection	19,000,000	6,478,000	34.1
County Library Services	Library Governance and infrastructure	6,970,070	44,800	0.6
	Training and Development	2,002,400	-	
	Co-Curricular Activities	22,600,000	1,999,400	8.8
Sports and arts programme	Construction of sports Stadia	14,450,000	5,345,540	37
	Sports Infrastructure	67,000,000	-	
	Sub - Total	**1,230,145,153**	**375,738,578**	**30.5**
Public Services, Decentralized Administration and Disaster Management				
General Administration, Planning and Support Services	General Administration, Planning and Support Services-Public Service	5,298,919,999	2,686,940,800	50.7
Human resource management	Payroll administration	1,300,000	311,500	24
	Digitisation and Automation	5,240,000	621,200	11.9
	Human Resource Management and Development	4,700,000	1,454,410	30.9
	GHRIS Module	1,300,000	337,400	26
	County performance management	2,800,000	1,245,415	44.5
Decentralized Services	Sub County Administration Support Programme	19,000,000	2,976,470	15.7
	Ward Administration Support Programme	18,000,000	3,376,246	18.8
	Village Administration Support Programme	33,099,154	8,026,497	24.2
Governance and Public Participation	Civic education Programme	3,000,000	83,760	2.8
	Public Participation and access to information	10,700,000	2,112,666	19.7
Disaster risk management	Stakeholders Coordination and Support Programme	800,000	-	
	Disaster Risk Management	2,600,000	64,000	2.5
	Disaster Preparedness Mitigation & Response	553,700,000	8,862,505	1.6
Inspectorate services	Enforcement & Coordination Services	4,000,000	480,900	12
	County Inspectorate Training Institute	3,000,000	197,618	6.6
	Sub - Total	**5,962,159,153**	**2,717,091,387**	**45.6**
Infrastructure, Transport and Public Works				
General Administration and Support Services	General Administration- Infrastructure and Transport	31,917,050	5,321,449	16.7
	General Administration- Public works	16,748,103	7,184,861	42.9

Program	Sub Program	Revised Gross Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Develop and maintain roads.	Roads Maintenance Levy Fund (RMLF)	251,956,760	-	
	Designing & Construction of Roads and Bridges	328,400,000	649,800	0.2
Develop and Maintain Staff	Roads Safety initiatives	14,400,000	2,985,400	20.7
	Government Structures/Buildings	13,900,000	1,629,881	11.7
	Sub - Total	**657,321,913**	**17,771,391**	**2.7**
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	46.9
	General Administration Livestock Development	14,800,000	4,137,192	28
	General Administration Fisheries and Aquaculture	16,000,000	646,298	4
Agriculture Programme	Agriculture Sector Development	34,800,000	1,843,525	5.3
	DRNKP/KfW	346,444,140	28,504,030	8.2
	Fish Market Infrastructure and Sustainable Management	60,906,460	2,960,800	4.9
	Livestock Breed Improvement	143,500,000	13,229,132	9.2
Food System Resilience Project	Food System Resilience Project	173,076,922	-	
Revival of Turkana Fishermen Cooperative	Policy Formulation, Research and Development	155,839,817	4,670,143	3
Emergency Locust Response Project	Emergency Locust Response Project	142,500,000	61,911,740	43.4
	Sub - Total	**1,102,271,339**	**124,662,676**	**11.3**
Tourism, Culture and Natural Resources				
General Administration	General Administration Tourism Culture and Heritage	13,400,000	4,055,197	30.3
	General Administration Environment and Climate Change	9,350,000	3,195,205	34.2
	General Administration Energy Mining and Natural Resources	7,350,000	1,469,900	20
Tourism Development and Promotion	Tourism Destination Marketing	2,200,000	1,057,700	48.1
	Tourism Product Development and Promotion	2,100,000	201,600	9.6
	Tourism Infrastructure Development	4,000,000	-	-
	Tourism Research and Development	2,200,000	963,388	43.8
Culture, Arts, Heritage Development, promotion and preservation	Ushanga Initiative	2,700,000	693,680	25.7
	Culture Promotion and Preservation	4,300,000	424,500	9.9
	Turkana Cultural Festivals	40,000,000	8,539,738	21.3
Heritage Promotion	Heritage Development Promotion and Preservation	1,200,000	-	-
	Turkana Cultural Education and Research Centre	2,200,000	-	-
	Lokiriama Culture and Peace Accord	30,895,154	4,630,000	15
	Ataa Nayeche Commemoration	35,000,000	3,400,821	9.7
Environmental Governance Compliance Conservation Protection and Management	Environmental Governance and Compliance	6,000,000	2,125,900	35.4
Climate Change Adaptation, Resilience and Mitigation	Climate Change Institutional Governance and Administration	4,500,000	-	-
Financing Locally-Led and Departmental Programmes Climate Actions	Financing Locally-Led and Departmental Programmes Climate Actions	500,109,357	44,324,869	8.9

Program	Sub Program	Revised Gross Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Energy Development Programme	Renewable Energy Development	12,300,000	678,400	5.5
	Streetlighting	1,100,000	417,200	37.9
	Energy Efficiency and Conservation	12,000,000	1,192,998	9.9
Mining Development	Sustainable Exploitation of Mineral Resources	9,450,000	413,500	4.4
Oil and Gas	Sustainable Utilisation of Oil and Gas	3,450,000	67,200	1.9
Forest Conservation and Management	Forestry Development and Governance	18,500,000	2,481,700	13.4
	Prosopis Management and Nature-Based Value Chains Promotion	1,000,000	-	-
Wildlife Management and Conservation	Wildlife Governance and Community Services	2,000,000	-	
	Sub - Total	**727,304,511**	**80,333,496**	**11**
Lands, Energy, Housing and Urban Areas Management				
General Administration and Support Services	General Administration Lands and Physical Planning	15,670,678	3,374,684	21.5
	General Administration Urban and Municipalities	9,844,507	1,558,876	15.8
Physical Planning Services	County Spatial Plan	40,847,000	42,600	0.1
	Policy Formulation	1,570,000	8,500	0.5
	Development Control	1,470,000	26,000	1.8
	Land Governance	5,323,000	1,666,860	31.3
	Planning Services	1,100,000	-	-
Lands Survey	Land and Property Valuation Services	2,700,000	1,222,660	45.3
	Spatial Infrastructure	1,000,000	350,000	35
	Land Registration	12,100,000	743,700	6.1
	Land Policy and Management	970,000	395,300	40.8
Urban Development	Urban Services	4,000,000	-	-
	Urban Governance	19,500,000	-	-
	Urban Infrastructure	7,000,000	400,000	5.7
	Fire Services	1,600,000	799,700	50
Kenya Urban Support Programme	Urban Institutional Grant	35,000,000	-	-
	Sub - Total	**159,695,185**	**10,588,880**	**6.6**
Turkana County Public Service Board				
General Administration, Planning and Support Services	General Administration	43,333,255	8,650,513	20
	Human Resource Management	21,520,116	5,613,041	26.1
	County Public Service Governance	11,009,162	2,006,700	18.2
	County Internship Programme	46,292,618	5,488,584	11.9
	Sub - Total	**122,155,151**	**21,758,838**	**17.8**
Kakuma Municipality Board				
General Admin Planning and Support Services	General Admin Planning and Support Services	11,380,000	3,023,160	26.6
	Municipal Planning	2,000,000	-	-
	Municipal Services	2,500,000	-	-
	Municipal Infrastructure	1,500,000	-	-
	Research, Development and Extension Services	1,000,000	-	-
Kenya Urban Support Programme	Urban Development Grant	1,807,567	-	-
	Sub - Total	**20,187,567**	**3,023,160**	**15**

Program	Sub Program	Revised Gross Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Lodwar Municipality Board				
General Admin Planning and Support Services	General Admin Planning and Support Services	229,728,928	47,912,389	20.9
	Municipal Infrastructure	4,200,000	1,603,727	38.2
	Research, Development and Extension Services	3,200,000	1,091,700	34.1
	Municipal Planning	5,900,000	3,821,937	64.8
	Municipal Services	20,350,000	11,806,686	58
	Sub - Total	**263,378,928**	**66,236,439**	**25.1**
Turkana County Assembly				
General Administration and Planning	Construction of Buildings	40,000,000	-	
	General Administration	109,943,385	-	
Headquarters	General Administration and Planning	915,691,616	335,926,071	36.69
	Sub Total	**1,065,635,001**	**335,926,071**	**31.52**
	Grand Total	**19,760,257,780**	**6,627,458,921**	**33.54**

***Source**: Turkana County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were Modern Fencing in the Department of Finance and Economic Planning at 100 per cent, Municipal Planning in the Department of Lodwar Municipality Board at 65 per cent, Community Health Services in the Department of Health, and Sanitation Services at 63 per cent, and Municipal Services in the Department of Lodwar Municipality Board at 58 per cent of budget allocation.

3.43.14 Accounts Operated Commercial Banks

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 accounts.

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.

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. 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 3.371.

ii. The high pending bills amounted to Kshs.2.28 billion as of 31st December 2024. 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.50.22 million were processed through manual payroll, accounting for 1.7 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.

iv. 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 unspent funds from the previous financial year are deposited to 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.*

iii. *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.*

iv. *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.*

3.44. County Government of Uasin Gishu

3.44.1 Overview of FY 2024/25 Budget

The Uasin Gishu County approved FY 2024/25 budget is Kshs.12.09 billion. It comprised Kshs.4.71 billion (39.0 per cent) and Kshs.7.37 billion (61 per cent) allocated for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs.59.45 million (less than 1 per cent) from the FY 2023/24 budget comprised of a development budget of Kshs.4.06 billion and a recurrent budget of Kshs.8.09. billion.

The Uasin Gishu County Government budget will be financed from different sources of revenue. These include; Kshs.8.77 billion (73 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.93 billion as additional allocations/conditional grants, and Kshs.1.40 billion (12 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 3.373.

3.44.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.4.64 billion to fund its development and recurrent activities. This amount consisted of Kshs.4.20 billion from the equitable share of revenue raised nationally and additional allocations from government and development partners of Kshs.63.61 million, and its own source revenue (OSR) collection of Kshs.376.46 million.

The total OSR collection of Kshs.376.46 million includes, Facilities Improvement Financing (FIF) of Kshs.16.39 million, and Kshs.360.1 million as ordinary OSR. Table 3.373 summarises the total revenue available to the county government during the first half of FY 2024/25.

Table 3.373: Uasin Gishu County, Revenue Performance in the First Half 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	4,202,631,643	48
Sub Total		**8,766,325,224**	**4,202,631,643**	**48**
B	**Conditional Grants**			
1	County Aggregated Industrial Park	0	52,631,579	
2	Danida	9,750,000		
3	WB- KUSP	420,055,948		
4	WB-KDSP	37,500,000	11,000,000	29

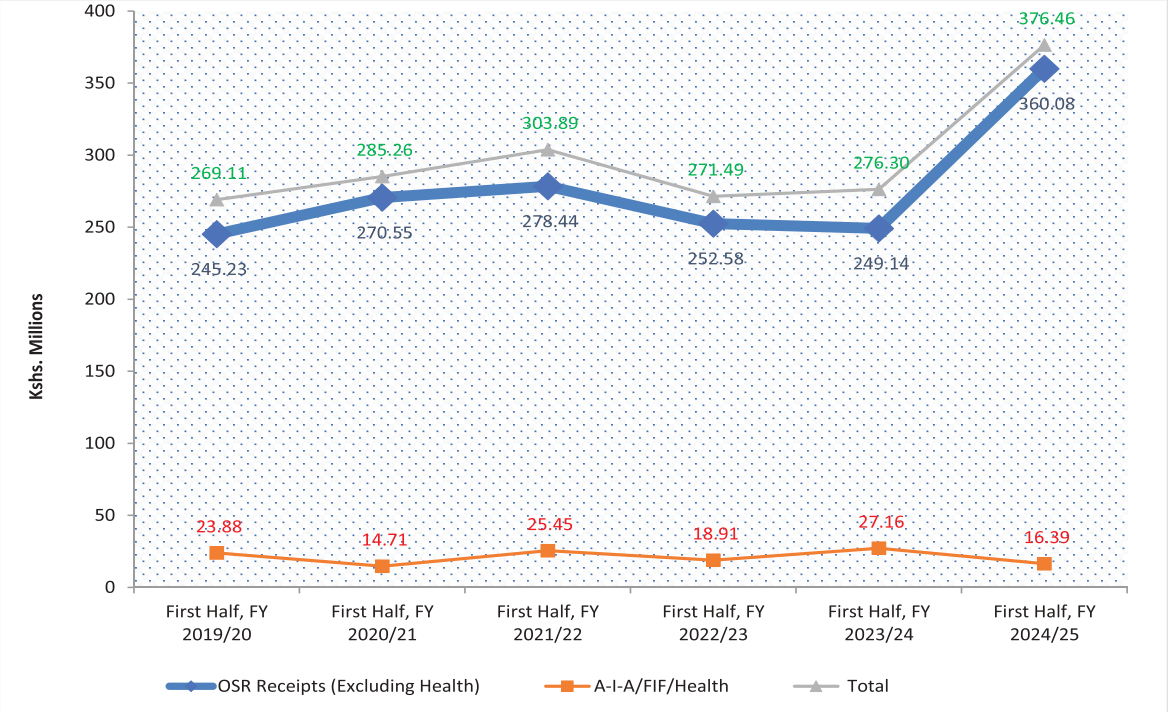
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
5	WB-IDA NAVCDP	151,515,152		
6	Kenya Agricultural Business Development Project (KABDP)	10,918,919		
7	Road Maintenace Fuel Levy(RMLF)	245,361,740		
8	Community Health Promoters(CHP)	61,980,000		
9	WB-KISSIP II	990,000,000		
10	20% share of minerals Royalties	376,383		
Sub-Total		1,927,458,142	63,631,579	**3**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	1,318,200,000	360,075,496	27
2	Balance b/f from FY2023/24	0	0	
3	Facility Improvement Fund (FIF)	76,800,000	16,386,502	21
4	Other Revenues	0	0	
5	Appropriation in Aid (AIA)	0	0	
Sub Total		1,395,000,000	376,461,998	27
Grand Total		**12,088,783,366**	**4,642,725,220**	**38**

Source: *Uasin Gishu County Treasury*

The County governing legislation on the operation of ordinary FIF.

Figure 172 shows the trend in own-source revenue collection from the first half of FY 2024/25 to the first half of FY 2024/25.

Figure 172: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 24/25



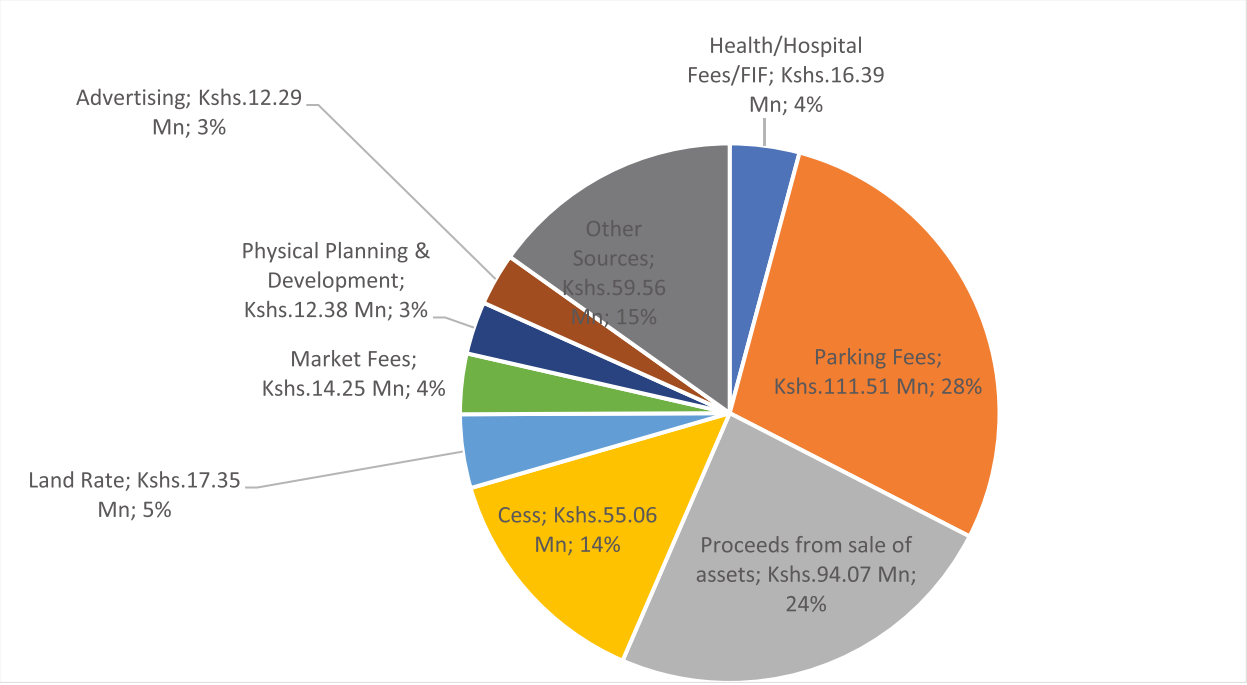
Source: *Uasin Gishu County Treasury*

During the first half of FY 2024/25, the County generated Kshs.376.46 million from its revenue sources and FIF. This amount was an increase of 27 per cent compared to Kshs.276.3 million realised in a similar period in FY

2023/24 and was 27 per cent of the annual target and 7 per cent of the equitable revenue share disbursed. The increase in OSR is attributed to implementing business mapping of single business permits for FY 2025.

The revenue streams which contributed the highest OSR receipts are shown in Figure 173.

Figure 173: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Uasin Gishu County Treasury

The highest revenue stream of Kshs.111.51 million was from parking fees, contributing to 28 per cent of the total OSR receipts during the reporting period.

3.44.3 Borrowing by the County

The County Government did not borrow during the reporting period.

3.44.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.4.23 billion from the CRF account comprised Kshs.817.35 million (19 per cent) for development programmes and Kshs.3.41 billion (81 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.36 billion was released towards compensation of employees and Kshs.1.06 billion for operations and maintenance expenditure. Funding released towards compensation for employees in the first half of FY 2024/25 does not include the December 2024 exchequer request for the County Executive and County Assembly due to a delay in exchequer processing by the County.

Analysis of the operations and maintenance exchequer releases indicates that 4 per cent was for domestic travel and none for foreign travel. The domestic travel exchequer amounted to Kshs.175.56 million, including Kshs.84.96 million for the County Executive and Kshs.90.6 million for the County Assembly.

Table 3.374: Uasin Gishu 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
Governor's Office	110,182,319	-	53,190,961	-	48	-
Finance	392,244,340	-	253,524,904	-	65	-
Public Service Management	866,611,766	-	464,166,044	-	54	-
ICT and E-Government	63,506,559	26,000,000	29,316,250	6,065,000	46	23

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure to Exchequer Issues (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Roads, Transport and Infrastructure	588,413,328	770,085,565	257,978,294	343,815,146	44	45
Health Services	1,603,720,748	240,000,000	800,959,311	97,047,966	50	40
Agriculture, Livestock and Fisheries	225,523,285	342,515,152	86,315,585	61,301,087	38	18
Trade, Cooperatives, Tourism, Wildlife	68,539,837	128,179,000	15,843,274	55,718,348	23	44
Education, Social, Cultural, Youths and Sports	626,806,634	144,250,113	228,017,531	2,938,000	36	2
County Public Service Board	63,645,936	-	19,637,801	-	31	-
County Assembly	825,565,536	60,000,000	453,253,726	9,432,379	55	16
Economic Planning	115,085,896	-	78,188,996	-	68	-
Administration and Devolution	169,808,210	110,379,850	57,823,675	38,668,950	34	35
Youth and Development	201,065,220	117,100,000	71,703,470	16,269,340	36	14
Co-operatives and Enterprise Development	60,215,854	16,500,000	7,468,995	-	12	-
Livestock Development and Fisheries	48,148,410	125,275,000	11,903,001	2,797,978	25	2
Eldoret Municipality	168,788,710	515,055,948	92,418,034	2,938,000	55	1
Promotive and Preventive Health	515,176,243	74,900,000	319,410,301	1,531,290	62	2
Energy Environment Climate Change and Natural Resources	48,598,038	204,000,000	2,296,197	18,086,100	5	9
Partnership Liason and Linkages	53,474,235	-	9,814,638		18	-
Gender Social Protection and Culture	148,217,942	30,600,000	63,575,930		43	-
Housing and Urban Development	78,397,619	1,012,000,244	2,161,110	25,973,177	3	3
Lands and Physical Planning	57,049,119	80,800,000	1,384,745		2	-
Water, Irrigation and Sanitation	209,782,767	716,425,452	19,752,132	134,763,964	9	19
County Attorney	65,538,491	-	10,597,756		16	-
Total	**7,374,107,042**	**4,714,066,324**	**3,410,702,661**	**817,346,725**	**46**	**17**

Source: *Uasin Gishu County Treasury*

As of 31 December 2024, the County Government's cash balance in the CRF account was Kshs.1.30 billion.

3.44.5 County Expenditure Review

The County spent Kshs.4.74 billion on development and recurrent programmes in the reporting period. The expenditure represented 112 per cent of the total funds the CoB released and comprised Kshs.817.35 million and Kshs.3.41 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.

3.44.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.711.04 million as of 30th June 2024. This amount includes Kshs.673.81 million from the County Executive and Kshs.37.23 million from the County Assembly. The pending bills from the County Executive consist of Kshs.253.13 million for recurrent expenditures and Kshs.420.68 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.221.55 million, comprising Kshs.93.14 million for recurrent programmes and Kshs.121.13 million for development programs. Meanwhile, the County Assembly settled pending bills worth Kshs.7.28 million for recurrent activities only.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.253.13 million and Kshs.37.23 million, respectively, in the first half of FY

2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.221.55 million for the Executive and Kshs.7.28 million for the Assembly.

As of December 31, 2024, the outstanding bills amounted to Kshs.489.82 million, comprising Kshs.459.54 for the County Executive and Kshs.29.92 million for the County Assembly.

3.44.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.18 billion on employee compensation, Kshs.836.36 million on operations and maintenance, and Kshs.1.27 billion on development activities. Similarly, the County Assembly spent Kshs.174.61 million on employee compensation, Kshs.269.21 million on operations and maintenance, and Kshs.9.43 million on development activities, as shown in Table 3.375

Table 3.375: Uasin Gishu County, 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	**6,549,151,506**	**825,565,536**	3,016,815,358	443,821,347	**46**	**53**
Compensation to Employees	4,239,616,039	419,723,168	2,180,458,332	174,608,176	51	41
Operations and Maintenance	2,309,535,467	405,842,368	836,357,026	269,213,171	36	66
Development Expenditure	4,654,066,324	60,000,000	1,272,020,185	9,432,379	27	16
Total	**11,203,217,830**	**885,565,536**	**4,288,835,543**	**453,253,726**	**38**	**51**

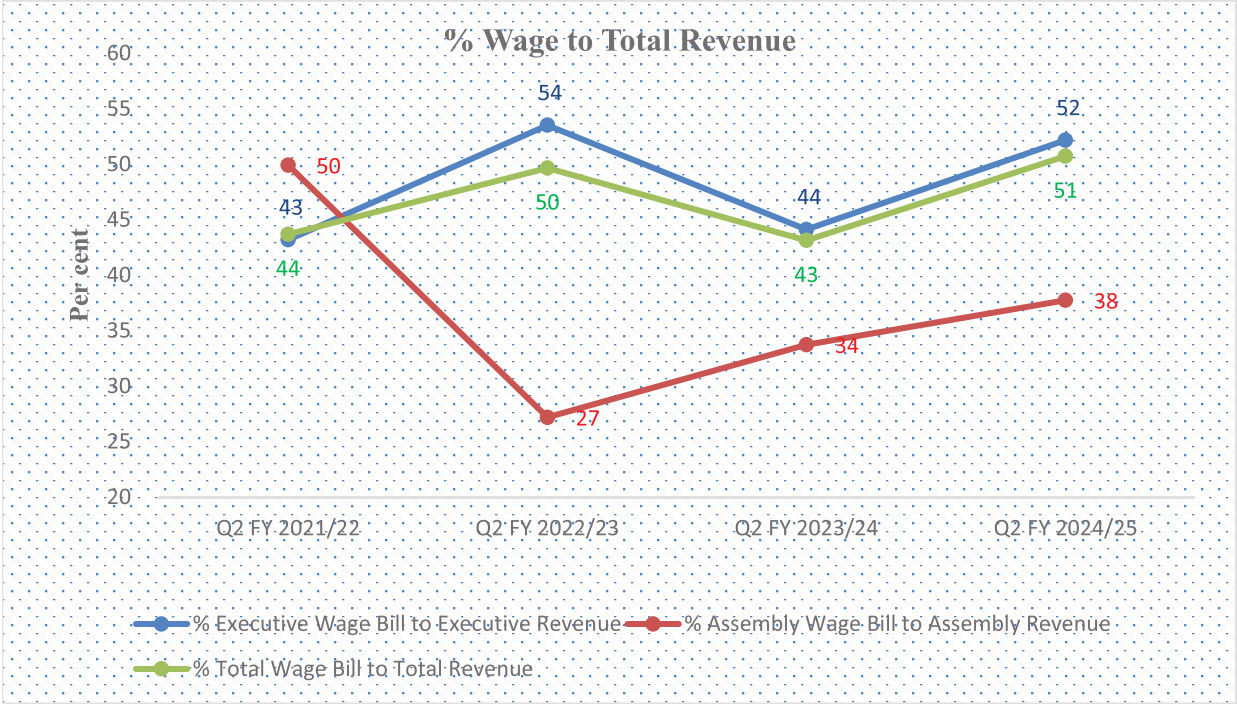
***Source**: Uasin Gishu County Treasury*

3.44.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.36 billion, or 50 per cent of the available revenue of Kshs.4.70 billion. This expenditure represented an increase from Kshs.2.27 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.1.06 billion paid to the health sector employees, translating to 45 per cent of the total wage bill.

Figure 174 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2021/22 to the first half of FY 2024/25.

Figure 174: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2021/22 to the First Half of FY 2024/25



Source: Uasin Gishu County Treasury

Further analysis indicates that PE costs amounting to Kshs.2.13 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.229.93 million was processed through manual payrolls, which accounted for 10 per cent of the total PE cost.

The County Assembly spent Kshs.17.18 million on committee sitting allowances for the 44 MCAs against the annual budget allocation of Kshs.39.92 million. The average monthly sitting allowance was Kshs.130,169.51 per MCA. The County Assembly had 24 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.315.91 million to County-Established Funds in FY 2024/25, or 3 per cent of the County's overall budget. Further, the County allocated Kshs.35.0 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 3.376 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.376: Performance of County Established Funds in the First Half of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in Second Quarter of FY 2024/25 (Kshs.)	Actual Expenditure in Second 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	35,000,000	-	-	-	not yet
2	Uasin Gishu Couty Enterprise Development Fund	-	-	-	517,771,435	yes

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in Second Quarter of FY 2024/25 (Kshs.)	Actual Expenditure in Second Quarter of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
3	Uasin Gishu County Inua Biashara Fund{(trade)	20,000,000	-	-	120,814,711	yes
4	Uasin Gishu County Bursary and Skills Development Support Fund	176,000,000	-	-	184,207,362	yes
5	Car Loan & Mortgage - County Executive (Governor)	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	**315,908,000**	-	-	**1,148,175,523**	

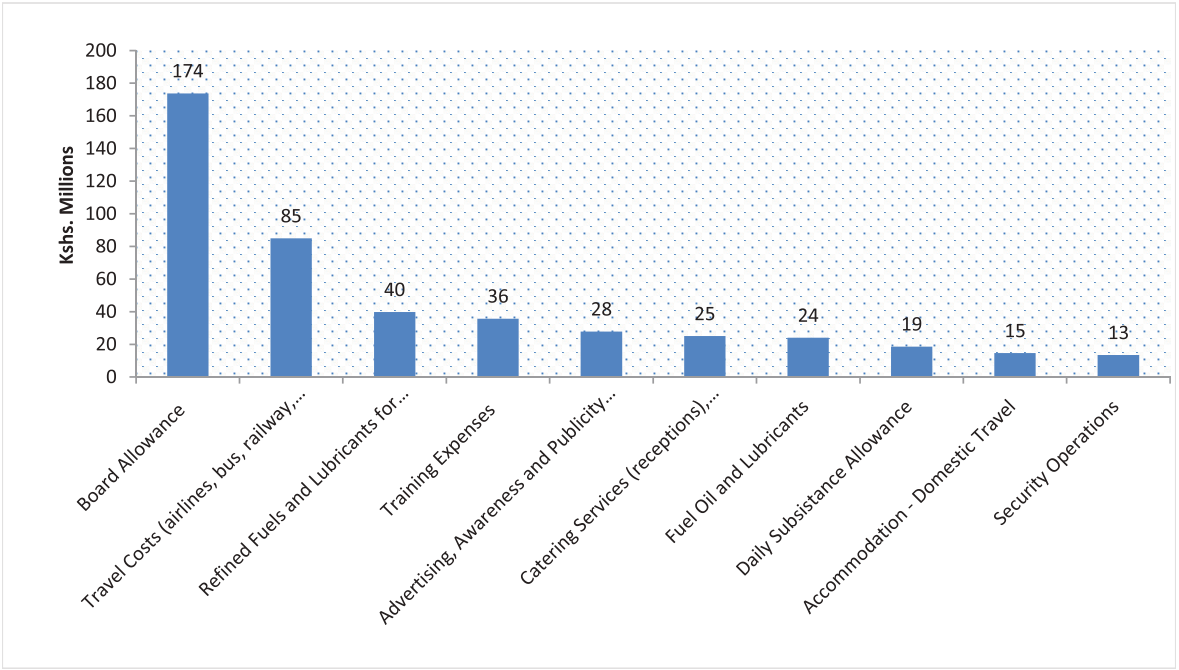
Source: *Uasin Gishu County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from 2 Fund Administrators, as indicated in Table 3.376 , contrary to the requirement of Section 168 of the PFM Act, 2012.

3.44.10 Expenditure on Operations and Maintenance

Figure 175 summarises the Operations and Maintenance expenditure by major categories.

Figure 175: Uasin Gishu County, Operations and Maintenance Expenditure by Major Categories



Source: *Uasin Gishu County Treasury*

Expenditure on domestic travel amounted to Kshs.175.56 million and comprised Kshs.90.60 million spent by the County Assembly and Kshs.84.96 million by the County Executive. No Expenditure on foreign travel was reported by either arm of the government.

The operations and maintenance costs include an expenditure of Kshs.9.77 million on legal fees/dues, arbitration and compensation payments, and legal fees.

3.44.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.16.39 million as FIF, which was 21.3 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 2023 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.

3.44.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.1.27 billion on development programmes, representing an increase of 35 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.833.46 million. Table 3.377 summarises development projects with the highest expenditure in the reporting period.

Table 3.377: 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	500,000,000.00	159,000,000.00	45
2	Public Administration	Construction of Turbo Sub-county office	Cheromei - Turbo	105,055,705	90,010,559.00	100
3	Housing & Urban Development	Construction of Cluster 4 ward Offices	Langas, Kipkenyo,Megun, Ngeria, Kapsoya,Cheptiret/ Kipchamo	164,905,152.00	54,546,850.00	85
4	Public Administration	Deputy Governor's Residence	Elgon View Estate	65,000,000.00	34,666,470.00	80
5	Public Administration	Construction of cluster 3 ward offices	Kapkures Kipsombatabsagoi,Huruma, and Moi's Bridge	140,573,109.70	20,651,420.00	45
6	Housing & Urban Development	Construction of Road Section	Sports Club	20,000,000.00	14,800,200.00	90
7	Housing & Urban Development	Remodelling of Korosiot, fims roundabout and Harambee Road	Eldoret CBD	15,000,000.00	12,521,500.00	100

Source: *Uasin Gishu County Treasury*

3.44.13 Budget Performance by Department

Table 3.378 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.378: Uasin Gishu 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
Governor's Office	110.00	-	53.19	-	53.19	-	100	-	48	-
Finance	392.00	-	253.52	-	253.52	-	100	-	65	-
Public Service Management	867.00	-	464.17	-	464.17	-	100	-	54	-
ICT and E-Government	64.00	26.00	29.32	6.07	29.32	6.07	100	100	46	23
Roads, Transport and Infrastructure	588.00	770.09	257.98	343.82	257.98	342.79	100	100	44	45
Health Services	1,604.00	240.00	800.96	97.05	800.96	97.05	100	100	50	40
Agriculture, Livestock and Fisheries	226.00	342.52	86.32	61.30	86.32	64.84	100	106	38	19

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
Trade, Cooperatives, Tourism, Wildlife	69.00	128.18	15.84	55.72	15.84	8.08	100	15	23	6
Education, Social, Cultural, Youths and Sports	627.00	144.25	228.02	2.94	228.02	39.50	100	1,344	36	27
County Public Service Board	64.00	-	19.64	-	19.64	-	100	-	31	-
County Assembly	826.00	60.00	453.25	9.43	453.25	9.43	100	100	55	16
Economic Planning	115.00	-	78.19	-	78.19	-	100	-	68	-
Administration and Devolution	170.00	110.38	57.82	38.67	57.82	57.91	100	150	34	52
Youth and Development	201.00	117.10	71.70	16.27	71.70	32.87	100	202	36	28
Co-operatives and Enterprise Development	60.00	16.50	7.47	-	7.47	-	100	-	12	-
Livestock Development and Fisheries	48.00	125.28	11.90	2.80	11.90	14.10	100	504	25	11
Eldoret Municipality	169.00	515.06	92.42	2.94	92.42	3.63	100	124	55	1
Promotive and Preventive Health	515.00	74.90	378.78	1.53	378.78	1.53	100	100	74	2
Energy Environment Climate Change and Natural Resources	49.00	204.00	2.30	18.09	2.30	45.55	100	252	5	22
Partnership Liason and Linkages	53.00	-	9.81		9.81	13.69	100	-	18	-
Gender Social Protection and Culture	148.00	30.60	63.58		63.58	-	100	-	43	-
Housing and Urban Development	78.00	1,012.00	2.16	25.97	2.16	125.21	100	482	3	12
Lands and Physical Planning	57.00	80.80	1.38		1.38	80.80	100	-	2	100
Water, Irrigation and Sanitation	210.00	716.43	19.75	134.76	19.75	-	100	-	9	-
County Attorney	66.00	-	10.60		10.60	328.96	100	-	16	-
Total	**7,374.00**	**4,714.07**	**3,470.07**	**817.35**	**3,470.07**	**1,272.02**	**100**	**156**	**47**	**27**

***Source**: Uasin Gishu County Treasury*

Analysis of expenditure by departments shows that the Department of Lands and Physical Planning recorded the highest absorption rate of development budget at 100 per cent, followed by the Department of Administration and Devolution at 53 per cent. The Department of Promotive and Preventive Health had the highest percentage of recurrent expenditure to budget at 74 per cent. In comparison, the Department of Lands and Physical Planning had the lowest at 2.43 per cent.

3.44.14 Budget Execution by Programmes and Sub-Programmes

Table 3.379 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.379: Uasin Gishu County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates. (Kshs.Million)		Actual Expenditure. (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
4311 Governor							

Programme	Sub-Programme	Revised Gross Approved Estimates. (Kshs.Million)		Actual Expenditure. (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	SP1.1 Administrative support services	110.18	0.00	53.19	0.00	48	0
	Subtotal	**110.18**	**0.00**	**53.19**	**0.00**	48	0
4312 Finance							
	internal audit services	7.46	0.00	7.32	0.00	98	0
	Accounts services	2.56	0.00	1.73	0.00	68	0
	Finance services	379.56	0.00	242.51	0.00	64	0
	Procurement and supply services	2.66	0.00	1.96	0.00	74	0
	Subtotal	**392.24**	**0.00**	**253.52**	**0.00**	65	0
4313-Public Service Management							
	Administration and Support Services	866.61	0.00	464.17	0.00	54	0
	Subtotal	**866.61**	**0.00**	**464.17**	**0.00**	54	0
4314-ICT and E-Government							
	Staff Online Management System (Online Help Desk System)	0.00	24.00		6.07	0	25
	SP ICT Services	63.51	0.00	29.32	0.00	46	0
	Ward Development Services	0.00	2.00	0.00	0.00	0	0
	Subtotal	**63.51**	**26.00**	**29.32**	**6.07**	46	23
4315- Roads, Transport and Infrastructure							
	Capital roads investments	588.41	260.36	184.83	63.54	31	24
	Plants and Machinery	0.00	70.00	0.00	0.00	0	0
	Ward Development Services	0.00	439.72	73.15	279.25	0	64
	Subtotal	**588.41**	**770.09**	**257.98**	**342.79**	44	45
4318- Health Services							
	SP1.1 Administrative support services	30.00	0.00		0.00	0	0
	Health Services	0.00	240.00	0.00	97.05	0	40
	Administration And Support Services	1,573.72	0.00	800.96	0.00	51	0
	Subtotal	**1,603.72**	**240.00**	**800.96**	**97.05**	50	40
4319-Agriculture, Livestock and Fisheries							
	SP Post-harvest Management Services	225.52	0.00	86.32	0.00	38	0
	Promoting Agribusiness investments by value addition Processing	0.00	333.52	0.00	19.84	0	6
	Ward Development Services	0.00	9.00	0.00	0.00	0	0
	Subtotal	**225.52**	**342.52**	**86.32**	**19.84**	38	6
4320-Trade, Cooperatives, Tourism, Wildlife							
	SP1.1 Administrative support services	68.54	0.00	15.84	0.00	23	0
	Ultra-modern Wholesale market with cold storage go-down	0.00	25.00	0.00	8.08	0	32
	Tourism Promotion and Marketing	0.00	40.00	0.00	0.00	0	0
	Ward Development Services	0.00	63.18	0.00	0.00	0	0
	Subtotal	**68.54**	**128.18**	**15.84**	**8.08**	23	6
4321-Education, Social, Cultural, Youths and Sports							
	Administrative and Support Services	626.81	0.00	228.02	0.00	36	0
	SP Vocational Training Services	0.00	65.00	0.00	0.00	0	0
	Ward Development Services	0.00	79.25	0.00	39.50	0	50

Programme	Sub-Programme	Revised Gross Approved Estimates. (Kshs.Million)		Actual Expenditure. (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Subtotal	**626.81**	**144.25**	**228.02**	**39.50**	36	27
4322-County Public Service Board							
	SP1.1 Administrative support services	63.65	0.00	19.64	0.00	31	0
	Subtotal	**63.65**	**0.00**	**19.64**	**0.00**	31	0
4323- County Assembly							
	Administration And Support Services	825.57	60.00	453.25	9.43	55	16
	Subtotal	**825.57**	**60.00**	**453.25**	**9.43**	55	16
4324-Economic Planning							
	Budget and Economic Affairs services	77.09	0.00	43.37	0.00	56	0
	Central planning and M&E services	38.00	0.00	34.82	0.00	92	0
	Subtotal	**115.09**	**0.00**	**78.19**	**0.00**	68	0
4325-Administration and Devolution							
	Office Accommodation	0.00	110.38	0.00	57.91	0	52
	SP1.1 Administrative support services	132.31	0.00	42.12	0.00	32	0
	Kenya Devoluion Support	37.50	0.00	15.70	0.00	42	0
	Subtotal	**169.81**	**110.38**	**57.82**	**57.91**	34	52
4326-Youth & Development							
	Administration And Support Services	5.00	0.00	0.00	0.00	0	0
	SP Youth Empowerment	0.00	50.00	0.00	0.00	0	0
	SP Youth Development	196.07	0.00	71.70	0.00	37	0
	Ward Development Services	0.00	67.10	0.00	32.87	0	49
	Subtotal	**201.07**	**117.10**	**71.70**	**32.87**	36	28
4327-Co-Operatives and Enterprise Development							
	Standard weighbridge	60.22	0.00	7.47	0.00	12	0
	Ward Development Services	0.00	16.50	0.00	0.00	0	0
	Subtotal	**60.22**	**16.50**	**7.47**	**0.00**	12	0
4329- Livestock Development and Fisheries							
	Breeding services	0.00	90.00	0.00	0.50	0	1
	SP1.1 Administrative support services	48.15	0.00	11.90	0.00	25	0
	Ward Development Services	0.00	35.28	0.00	13.60	0	39
	Subtotal	**48.15**	**125.28**	**11.90**	**14.10**	25	11
4331-Eldoret Municipality							
	SP1.1 Administrative support services	168.79	0.00	92.42	0.00	55	0
	SP Urban Development and Management Services	0.00	50.00	0.00	3.63	0	7
	Sports Facilities	0.00	465.06	0.00	0.00	0	0
	Subtotal	**168.79**	**515.06**	**92.42**	**3.63**	**55**	**1**
4332- Promotive and Preventive Health							
	Health Infrastructure	0.00	20.00	0.00	1.53	0	8

Programme	Sub-Programme	Revised Gross Approved Estimates. (Kshs.Million)		Actual Expenditure. (Kshs.Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Administration And Support Services	515.18	0.00	378.78	0.00	74	0
	Ward Development Services	0.00	54.90	0.00	0.00		
	Subtotal	**515.18**	**74.90**	**378.78**	**1.53**	**74**	**2**
4333-Energy Environment Climate Change and Natural Resources							
	SP Energy Services	0.00	55.00	0.00	1.46	0	3
	SP Afforestation, Re-Afforestation and Agroforestry	0.00	10.00	0.00	0.00	0	0
	SP Climate Change Services	0.00	60.00	0.00	12.57	0	21
	Administration And Support Services	48.60	0.00	2.30	0.00	5	0
	Ward Development Services	0.00	79.00	0.00	31.51	0	40
	Subtotal	**48.60**	**204.00**	**2.30**	**45.55**		
4334- Partnership Liason and Linkages							
	SP Partnership, liaisons and Linkages	53.47	0.00	9.81	0.00	18	0
	Subtotal	**53.47**	**0.00**	**9.81**	**0.00**	**18**	**0**
4335- Gender Social Protection and Culture							
	SP1.1 Administrative support services	91.12	0.00	12.70	0.00	14	0
	Social Welfare and Community Development	0.00	20.00	0.00	13.69	0	68
	SP Culture and Heritage Services	49.10	0.00	47.64	0.00	97	0
	SP Social Protection & Safety Nets	8.00	0.00	3.23	0.00	40	0
	Ward Development Services	0.00	10.60	0.00	0.00	0	0
	Subtotal	**148.22**	**30.60**	**63.58**	**13.69**	**43**	**45**
4336-Housing and Urban Development							
	SP Housing Development Services	0.00	20.00	0.00	19.60	#DIV/0!	98
	SP Urban Development and Management Services	0.00	990.00	0.00	360.04	0	36
	Administration And Support Services	78.40	0.00	2.16	0.00	3	0
	Ward Development Services	0.00	2.00	0.00	0.00	0	0
	Subtotal	**78.40**	**1,012.00**	**2.16**	**379.64**	**3**	**38**
4337-Lands and Physical Planning							
	SP Land Management and Administration Services	57.05	0.00	1.38	0.00	2	0
	Administration And Support Services	0.00	25.00	0.00	0.00	0	0
	Ward Development Services	0.00	55.80	0.00	5.68	0	10
	Subtotal	**57.05**	**80.80**	**1.38**	**5.68**	**2**	**7**
4338-Water, Irrigation and Sanitation							
	Ward Development Services	0.00	266.43	0.00	104.30	0	39
	Drilling of boreholes	209.78	0.00	19.75	0.00	9	0
	Water Supply Development	0.00	450.00	0.00	90.35	0	20
	Subtotal	**209.78**	**716.43**	**19.75**	**194.66**	**9**	**27**
4339- County Attorney							
	115014310	65.54	0.00	10.60	0.00	16	0
	Subtotal	**65.54**	**0.00**	**10.60**	**0.00**	16	0
	Grand Total	**7,374.11**	**4,714.07**	**3,470.07**	**1,272.02**	**47**	**27**

Source: *Uasin Gishu County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Social Welfare and Community Development in the Department of Gender Social Protection at 68 per cent, Office Accommodation in the Department of Administration and Devolution at 52 per cent, Ward Development Services in the Department of Youths and sports at 49per cent of budget allocation.

3.44.15 Accounts Operated Commercial Banks

The County Government operated 65 accounts with commercial banks, including one account for Health Facilities, 39 accounts for Vocational Training Centers, seven accounts for Established Funds, four revenue accounts, eight special purpose accounts (additional allocations), four imprest accounts, and one recurrent operational account and one development operational account.

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.

3.44.16 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 24th January 2025.
ii. The underperformance of own-source revenue at Kshs.376.46 million against an annual target of Kshs.1.4 billion, representing 27 per cent of the yearly target.
iii. 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 3.378.
iv. The high level of pending bills amounted to Kshs.489.48 million as of 31st December 2024. 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.229.93 million were processed through manual payroll, accounting for xx 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 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 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.*
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 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.*
vii. *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.*

3.45. County Government of Vihiga

3.45.1 Overview of FY 2024/25 Budget

The Vihiga County Gross Approved FY 2024/25 budget is Kshs.6.50 billion. It comprises Kshs.2.10 billion (32 per cent) and Kshs.4.40 billion (68 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs.0.31 billion (5 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.2.41 billion and a recurrent budget of Kshs.4.40. billion. The County's Net Approved Budget is Kshs.6.36 billion, which consists of Kshs.4.26 billion for recurrent and Kshs.2.10 billion for development.

The budget will be financed from different sources of revenue. These include; Kshs.5.34 billion (82 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.815.18 million as additional allocations and Kshs.340 million (5 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.140 million (2 per cent) as Appropriations-in-Aid (A-I-A)/Facility Improvement Fund (revenue from health facilities) and Kshs.200 million (3 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.380.

3.45.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.2.76 billion to fund its development and recurrent activities. This amount consisted of Kshs.2.62 billion from the equitable share of revenue raised nationally and its own-source revenue (OSR) collection of Kshs.139.40 million.

The total OSR collection of Kshs.139.40 million includes Appropriations in Aid (AIA)/Facilities Improvement Financing (FIF) of Kshs.86.23 million, and Kshs.53.17 million as ordinary OSR. Table 3.380 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.380: Vihiga County, Revenue Performance in the First Half 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 -**	5,340,712,256	2,617,924,959	49.0
	Subtotal	**5,340,712,256**	**2,617,924,959**	**49.0**
B	**Additional Allocations**			
	Road Maintenance Fuel Levy	104,335,372	-	-
	Community Health Promoters (CHPS)	33,984,188	-	-
	Primary Health Care in Developed Context Programme (DANIDA)	7,166,250	-	-
	Aggregated Industrial Parks Programme	250,000,000	-	-
	National Agriculture Value Chain Development Projects (NAVCDP)	151,515,152	-	-
	Kenya Devolution Support Programme - KDSP II (GRANT)	37,500,000	-	-
	Kenya Urban Support Programme - UIG Grant	35,000,000	-	-
	Nutrition International	10,000,000	-	-
	FLLoCA KFW/IDA (CCRI)	162,765,059	-	-
	Kenya Agricultural Business Development Project(KABDAP)	11,918,919	-	-
	FLLoCA KFW/IDA (CCIS)	11,000,000	-	-
	Subtotal	**815,184,940**	**-**	**-**
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	200,000,000	53,169,355	26.6
	Appropriation in Aid (A-I-A)	-	-	-

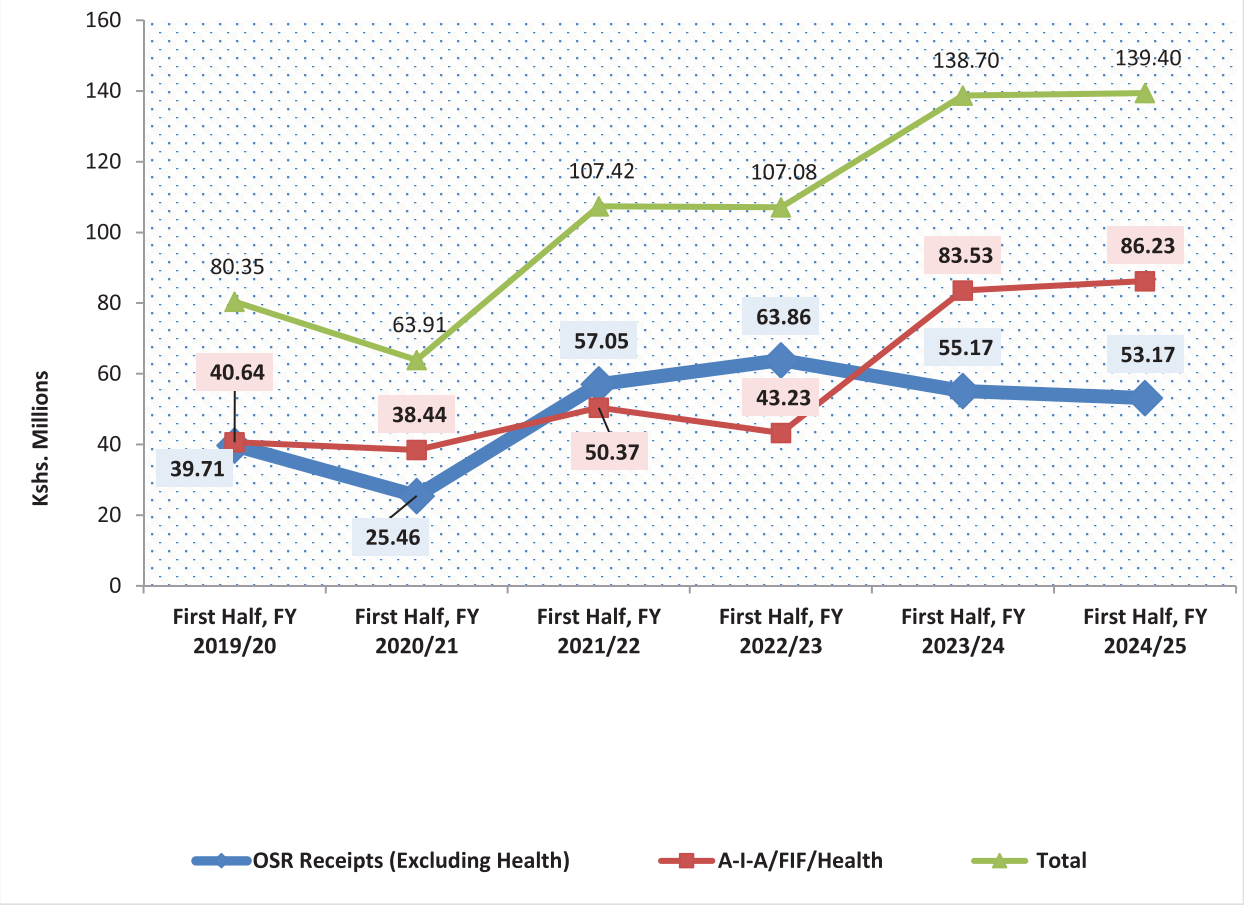
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
	Facility Improvement Fund (FIF)	140,000,000	86,231,535	61.6
Subtotal		**340,000,000**	**139,400,890**	**41.0**
D	**Other Sources of Revenue**			
	Unspent balance from FY 2023/24	-	-	-
	Other Revenues (provide a list)	-	-	-
Sub Total		**-**	**-**	**-**
Grand Total		**6,495,897,196**	**2,757,325,849**	**42.4**

Source: *Vihiga County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF.

Figure 176 shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 176: Trend in Own-Source Revenue Collection from the First Half of FY 2018/19 to the First Half of FY 2024/25

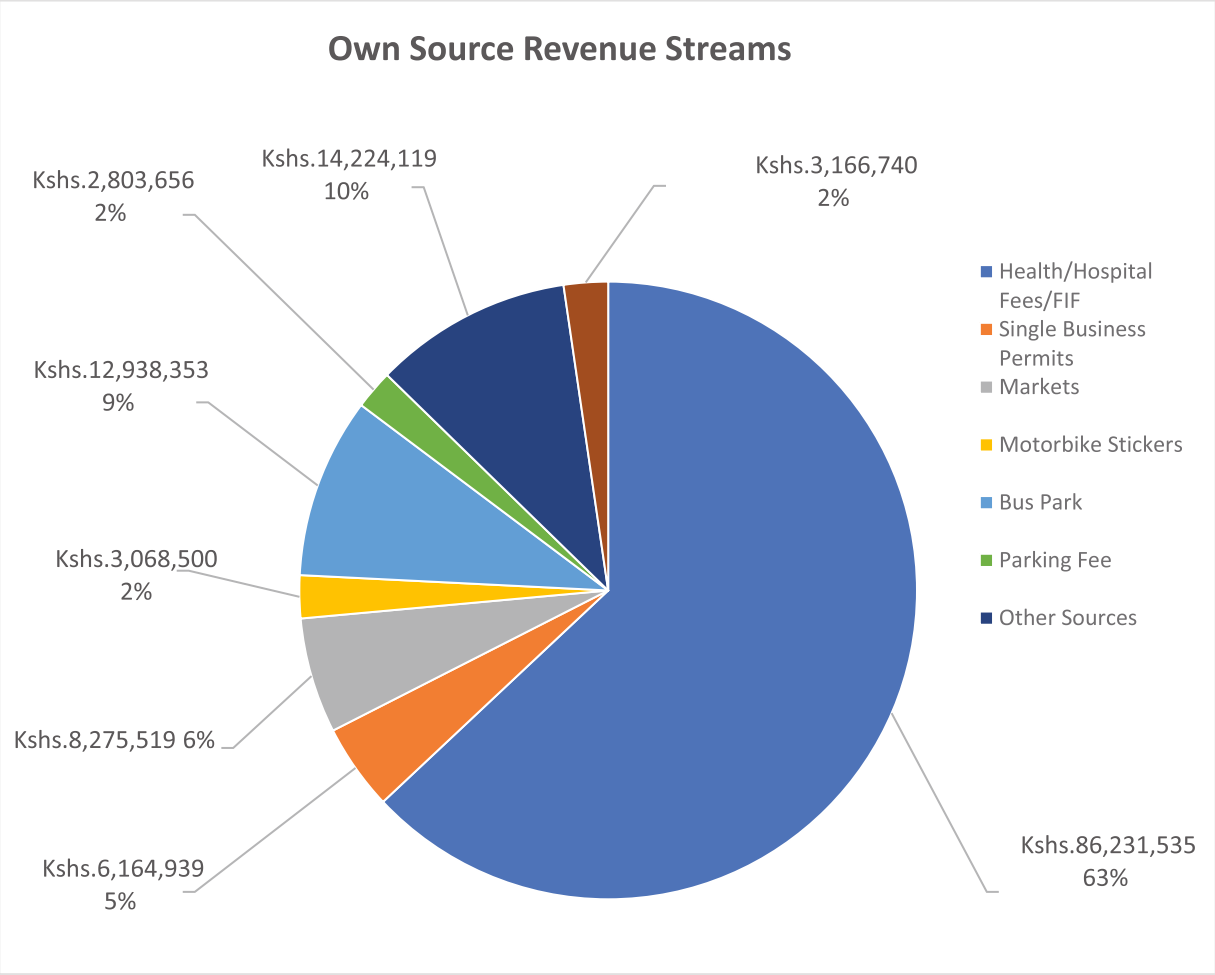


Source: *Vihiga County Treasury*

During the first half of FY 2024/25, the County generated Kshs.139.40 million from its revenue sources, including AIA and FIF. This amount was an increase of 0.5 per cent compared to Kshs..138.70 million realised in a similar period in FY 2023/24 and was 41 per cent of the annual target and 5.3 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 177

Figure 177: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Vihiga County Treasury

The highest revenue stream, Kshs.86.23 million, was from Hospital fees/FIF, which contributed 63 per cent of the total OSR receipts during the reporting period.

3.45.3 Borrowing by the County

The county government did not borrow funds from any institution in the reporting period.

3.45.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.2.74 billion from the CRF account during the reporting period comprised Kshs.289.9 million (11 per cent) for development programmes and Kshs.2.45 billion (89 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.87 billion was released towards compensation of employees and Kshs.584.61 million for operations and maintenance expenditure.

Analysis of the operations and maintenance exchequer releases indicates that 26 per cent was for domestic travel and 3 per cent for foreign travel. The domestic travel exchequer amounted to Kshs. 100.67 million, and included Kshs.15.53 million for the County Executive and Kshs.85.14 million for the County Assembly. The foreign exchequer totalled Kshs.2.34 million, comprising Kshs.0.86 million for the County Executive and Kshs.1.48 million for the County Assembly.

Table 3.381: 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	259.01	-	154.40	-	60	-
Finance and Economic Planning	315.68	194.22	191.89	19.07	61	10
Agriculture, Livestock and Fisheries	152.30	193.93	87.86	-	58	-
Health Services	1,280.81	138.20	862.99	7.85	61	6
Education, Science, Technical and Vocational Training	376.95	158.72	256.17	44.89	68	28
Gender, Culture, Youth, Sports and Social Services	84.69	34.99	48.75	-	58	-
Commerce, Tourism and Co-operatives	61.72	418.78	37.55	-	61	-
County Public Service Board	50.81	-	27.24	-	54	-
Environment, Water, Energy and Natural Resources	139.53	427.36	83.45	107.43	60	25
Transport, Infrastructure and Communication	100.47	454.92	56.25	79.66	56	18
Physical Planning, Lands and Housing	122.37	39.57	58,811,471	20.00	48	51
Administration and Coordination of County Affairs	560.79	15.50	298.09	-	53	-
County Attorney	24.50	-	16.45	-	67	-
County Assembly	724.67	25.40	271.40	11.05	38	44
Total	**4,254.30**	**2,101.60**	**2,451.30**	**289.94**	**56**	**14**

***Source**: Vihiga County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.173.9 million.

3.45.5 County Expenditure Review

The County spent Kshs.2.36 billion on development and recurrent programmes in the reporting period. The expenditure represented 86.13 per cent of the total funds released by the CoB and comprised Kshs.274.89 million and Kshs.2.09 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 13 per cent, while recurrent expenditures represented 48 per cent of the annual recurrent expenditure budget.

3.45.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.51 billion as of 30th June 2024 from the County Executive. They consist of Kshs.538.42 million for recurrent expenditures and Kshs.972.95 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.151.46 million, comprising Kshs.13.36 million for recurrent programmes and Kshs.138.10 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.335 million and Kshs.0 million in the first half of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.151 million for the Executive and none for the Assembly.

As of December 31, 2024, the outstanding bills amounted to Kshs.1.36 billion, comprising Kshs.1.36 for the County Executive and Kshs.0 billion for the County Assembly.

3.45.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.46 billion on employee compensation, Kshs.413.24 million on operations and maintenance, and Kshs.274.35 million on development activities. Similarly, the County Assembly spent Kshs.107.31 million on employee compensation, Kshs.107.77 million on operations and maintenance, and Kshs.0 million on development activities, as shown in Table 3.382.

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	**3,669,627,779**	**724,667,651**	**1,875,050,508**	**215,080,824**	**51.1**	**29.7**
Compensation to Employees	2,639,018,739	531,780,180	1,461,815,112	107,306,718	55.4	20.2
Operations and Maintenance	1,030,609,040	192,887,471	413,235,396	107,774,106	40.1	55.9
Development Expenditure	2,076,202,417	25,399,349	274,348,185	-	13.2	-
Total	**5,745,830,196**	**750,067,000**	**2,149,398,693**	**215,080,824**	**37.4**	**28.7**

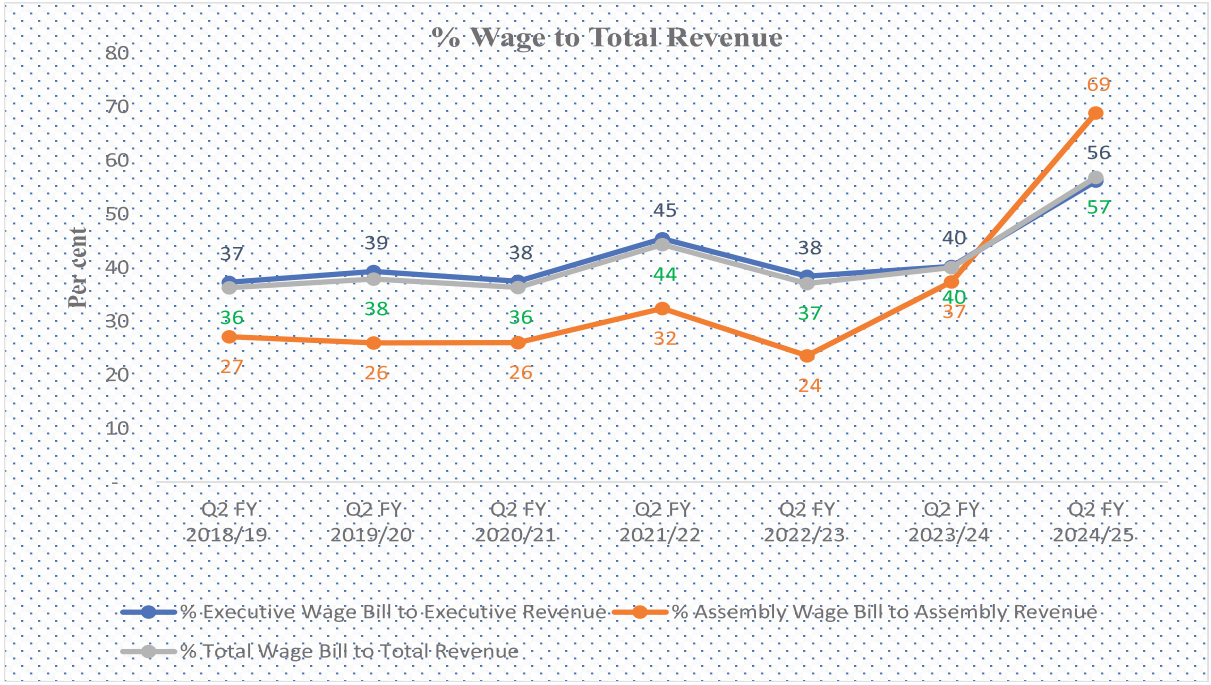
***Source**: Vihiga County Treasury*

3.45.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.57 billion, or 57 per cent of the available revenue of Kshs.2.76 billion. This expenditure represented an increase from Kshs.1.37 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.529.03 million paid to the Health Sector employees, translating to 34 per cent of the total wage bill.

Figure 178 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 178: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Vihiga County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.53 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.39.75 million was processed through manual payrolls, which accounted for 3 per cent of the total PE cost.

The County Assembly spent Kshs.14.42 million on committee sitting allowances for the 38 MCAs against the annual budget allocation of Kshs.30.68 million. The average monthly sitting allowance was Kshs.117,224 per MCA. The County Assembly had 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.510 million to County-Established funds in FY 2024/25, or 8 per cent of the County's overall budget. Further, the County allocated Kshs.19.22 million to the Emergency Fund (0.3 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.383 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.383: Performance of County Established Funds in the First Half 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 31st December 2024 (Kshs)	Submission of Financial Statements as of 31st December 2024 (Yes/No.)
	County Executive Established Funds					
	Emergency Fund	19,224,644	-	-	-	N/A
	Education Fund	80,000,000	25,000,000	4,387,919	1,016,743,412	Yes
	Sports Fund	13,000,000	-	4,314,484	65,000,000	Yes
	Trade and Enterprise Fund	500,000	-	403,010	59,977,000	Yes
	Cooperative Enterprise Fund	3,500,000	-	-	-	N/A
	Climate Change/ FLLoCA Fund	253,765,059	31,000,000	16,243,088	119,000,000	Yes
	Car-loan and Mortgage Fund	-	-	1,344,266	70,000,000	Yes
	FIF Fund	140,000,000	86,231,535	89,202,209	-	Yes
	County Assembly Established Funds					
	Car-loan and Mortgage	-	-	-	200,000,000	No
	Total	**509,989,703**	**142,231,535**	**115,894,976**	**1,530,720,412**	

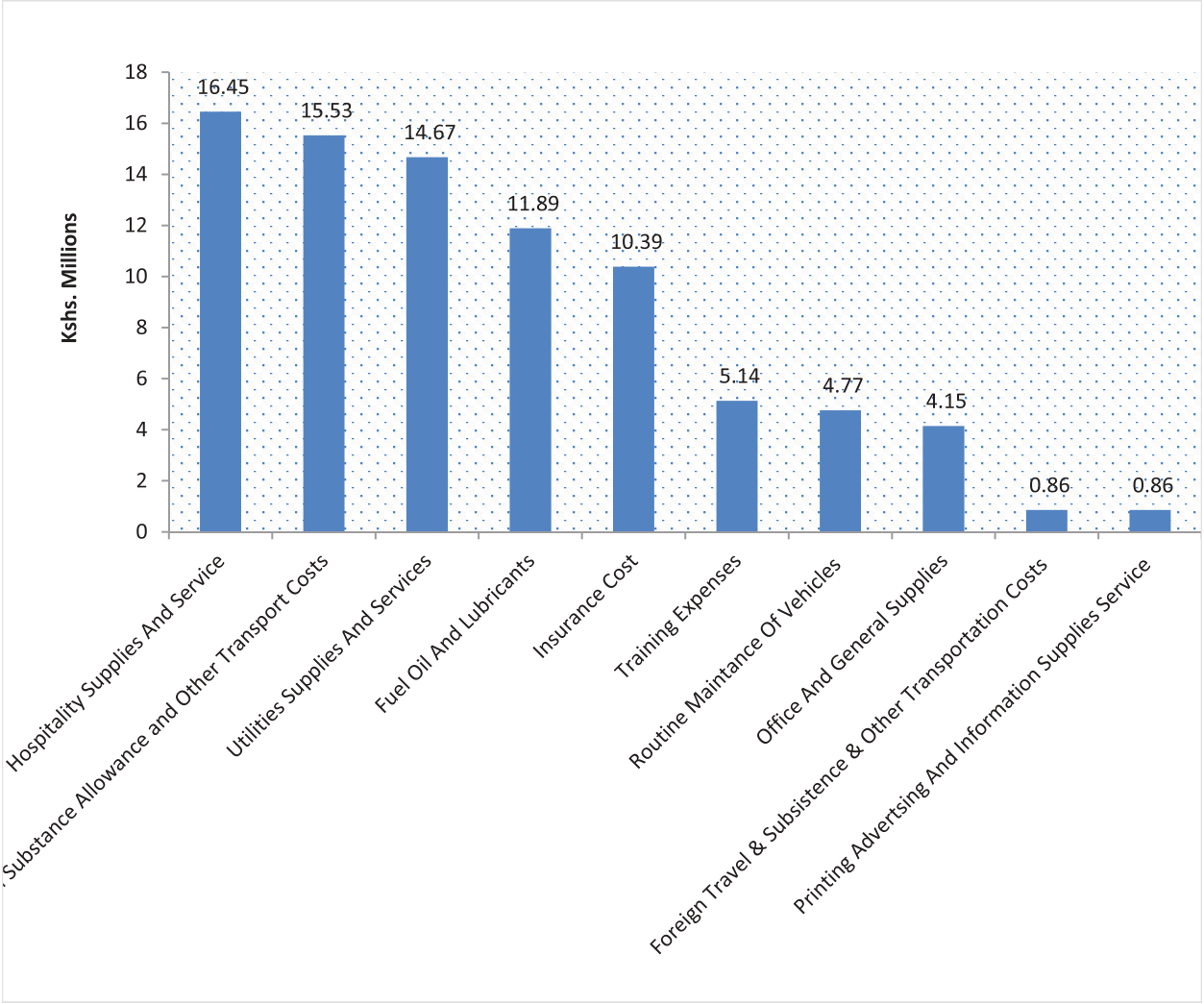
Source: *Vihiga County Treasury*

As indicated in Table 3.383, the CoB received quarterly financial reports from all fund administrators during the reporting period.

3.45.10 Expenditure on Operations and Maintenance

Figure 179 summarises the Operations and Maintenance expenditure by major categories.

Figure 179: Vihiga County, Operations and Maintenance Expenditure by Major Categories



Source: *Vihiga County Treasury*

Expenditure on domestic travel amounted to Kshs.100.6 million and comprised Kshs.85.1 million spent by the County Assembly and Kshs.15.5 million by the County Executive. Expenditure on foreign travel amounted to Kshs.2.34 million and comprised Kshs.1.48 million by the County Assembly and Kshs.0.86 million by the County Executive. Spending on foreign travel is summarised in Table 3.384.

Table 3.384: Summary of Highest Expenditure on Foreign Travel in the First Half of FY 2024/25

No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
3	11th November to 22nd November 2024	United Nations Framework convention on climate change	Dubai Baku - Azerbaljan	863,380
4	13th November, 2024 to 23rd December, 2024	Sports benchmarking trip courtesy of Fountain Gate Sport Academy	Tanzania	1,476,248
TOTAL				2,339,628

Source: *Vihiga County Treasury and Vihiga County Assembly*

3.45.11 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.86.23 million as FIF, which was 61.6 per cent of the annual target of Kshs.140 million. The collected amount was retained and utilised at the source per the Facility Improvement Financing Act of 2023. However, the county has not developed regulations 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

(contrary to) Section 18 (e) of the FIF Act, 2023.

The expenditure by the health facilities amounted to Kshs.89,202,209, as shown in Table 3.385.

Table 3.385: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Vihiga County Referral Hospital	80,000,000	69,325,877	86.7
	Sabatia	20,000,000	6,047,651	30
	Emuhaya	20,000,000	8,061,057	40
	Hamisi	10,000,000	3,205,088	32
	Emusire	10,000,000	2,562,536	25
	Total	**140,000,000**	**89,202,209**	

Source: *Vihiga County Treasury*

The Health Facility with the highest absorption rate was Vihiga County Referral Hospital

3.45.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.274.35 million on development programmes, representing a decrease of 31 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.397.64 million. Table 3.386 summarises the development projects with the highest expenditure in the reporting period.

Table 3.386: Vihiga County, List of Development Projects with the Highest Expenditure

No.	Sector/Department	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
1	Environment Water Energy, Natural Resources and Climate Change	Construction of Kegondi spring water conservation and reticulation project	West Sabatia	12,097,795.15	-	Ongoing
2		Construction of Virginia spring water conservation and reticulation project	Izava/ Lyaduywa	14,442,824.43	-	Ongoing
3		Construction of the Kayila spring water conservation and reticulation project	Luanda South	16,200,000.00	-	Ongoing
4		Augmentation of Ebukhaya water project	Central Bunyore	21,990866.35	-	Ongoing
5		Construction of Ekamanji Resilient Water Project	Luanda Township	12,598,740	-	Ongoing
6		Construction of Mutave-Jepsis bridge	Tambua	13,158,344.00	-	Ongoing
7		Construction of the Mwala-Kaptik water project	Shiru	22,337,766.00	-	Ongoing
8		Restoration of 70 acres of Maragoli Hills Forest Ecosystem	South Maragoli	9,380,224.00	-	Ongoing

Source: *Vihiga County Treasury*

3.45.13 Budget Performance by Department

Table 3.387 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.387: Vihiga 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	259.01	-	154.40	-	49.85	-	32.3	-	19.2	-
Finance and Economic Planning	315.68	194.22	191.89	19.07	183.48	19.07	95.6	100.0	58.1	9.8
Agriculture, Livestock and Fisheries	152.30	193.93	87.86	-	53.05	-	60.4	-	34.8	-
Health Services	1,420.81	138.20	862.99	7.85	813.43	7.85	94.3	100.0	57.3	5.7
Education, Science, Technical and Vocational Training	376.95	158.72	256.17	44.89	230.05	44.21	89.8	98.5	61.0	27.9
Gender, Culture, Youth, Sports and Social Services	84.69	34.99	48.75	-	36.37	-	74.6	-	42.9	-
Commerce, Tourism and Co-operatives	61.72	418.78	37.55	-	24.26	-	64.6	-	39.3	-
County Public Service Board	50.81	-	27.24	-	11.01	-	40.4	-	21.7	-
Environment, Water, Energy and Natural Resources	139.53	427.36	83.45	107.42	77.56	104.53	92.9	97.3	55.6	24.5
Transport, Infrastructure and Communication	100.47	454.92	56.25	79.66	42.11	78.69	74.9	98.8	41.9	17.3
Physical Planning, Lands and Housing	122.37	39.57	58.81	20.00	55.63	20.00	94.6	100.0	45.5	50.5
Administration and Coordination of County Affairs	560.79	15.50	298.09	-	284.56	-	95.5	-	50.7	-
County Attorney	24.50	-	16.45	-	13.70	-	83.2	-	55.9	-
County Assembly	724.67	25.40	271.39	11.05	215.08	-	79.2	-	29.7	-
							-	-	-	-
Total	**4,394.30**	**2,101.60**	**2,451.30**	**289.94**	**2,090.13**	**274.35**	**85.3**	**94.6**	**47.6**	**13.1**

Source: *Vihiga County Treasury*

Analysis of expenditure by departments shows that the Department of Physical Planning, Lands and Housing recorded the highest absorption rate of development budget at 51 per cent, followed by the Department of Education, Science, Technology and Vocational Training at 28 per cent. The Department of Education, Science, Technology and Vocational Training had the highest percentage of recurrent expenditure to budget at 61 per cent. The Office of the Governor had the lowest at 19 per cent.

3.45.14 Budget Execution by Programmes and Sub-Programmes

Table 3.388 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.388: Vihiga County, Budget Execution by Programmes and Sub-Programmes

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

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
Administration, Planning and Support Service		919,627,014	**188,414,500**	**359,093,976**	-	**39**	-
	Administrative Service	915,575,205	188,414,500	358,950,376	-	**39**	-
	Research and Development	3,751,809	-	143,600	-	**4**	-
	Formulation of Policies, Regulations and Legal Framework	300,000	-	--	-	-	-
Livestock Development and Management		**9,772,500**	**8,000,000**	**120,417**	-	**1**	-
	Veterinary Services and Extension	7,908,500	4,500,000	120,417	-	**2**	-
	Livestock Extension	1,614,000	3,500,000	-	-	**0**	-
	Value Chain Development	250,000	-	-	-	-	-
Fisheries Development and Management		**3,146,000**	**1,000,000**	**50,000**	-	**2**	-
	Promotion of Fish Farming	3,146,000	1,000,000	50,000	-	**2**	-
Crop Development and Management		**4,962,000**	**21,918,919**	**216,160**	-	**4**	-
	Crop Extension	550,000		111,900	-	**20**	-
	Farm Input Subsidy	500,000	21,918,919	-	-	-	-
	Cash Crop Production and Development	2,412,000		104,260	-	**4**	-
	Food Security Initiatives	1,500,000		-	-	**0**	-
Cooperatives Development		**6,599,000**	**2,000,000**	**375,000**	-	**6**	-
	Cooperative Development Services	6,599,000	2,000,000	375,000	-	**6**	-
Land Survey and Mapping Services		**1,000,000**	**11,800,000**	**182,525**	-	**18**	-
	Land Survey and Mapping	1,000,000	11,800,000	182,525	-	**18**	-
1 Urban and Physical Planning and Housing Services		**62,732,511**	**27,774,460**	**1,711,252**	**20,000,000**	**3**	**72**
	Urban and Physical Planning	1,500,000	7,774,460	751,790	-	**50**	-
	Housing Development	1,500,000		-	-	-	-
	Vihiga Municipality {KUSP}	59,732,511	20,000,000	959,462	20,000,000	**2**	**100**

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
Administration, Planning and Support Service		**91,610,006**	**196,982,628**	**8,773,290**	-	**10**	-
	Administrative Service	91,610,006	196,982,628	8,773,290	-	**10**	-
Transport Management		**7,858,600**	**15,000,000**	**800,000**	-	**10**	-
	Transport System Management	5,312,600		800,000	-	**15**	-
	Mechanical Services	2,546,000	15,000,000	-	-	-	-
Infrastructure Development		**1,000,000**	**242,936,293**	-	-	-	-
	Street Lighting	1,000,000	18,336,293	-	-	-	-
	Roads Maintenance		224,600,000	-	-		-
Administration, Planning and Support Service		**47,869,225**	**373,982,323**	**3,632,765**	-	**8**	-
	Administrative Service	47,869,225	373,982,323	3,632,765	-	**8**	-
Public Finance Management		**200,000**	-	-	-	-	-
	ICT Printing press	200,000	-	-	-	-	-
Trade Development and Investment		**4,095,000**	**42,800,000**	**250,000**	-	**6**	-
	Market Development and Management	4,095,000	39,900,000	250,000	-	**6**	-
	Business Support and Consumer Protection		2,900,000	-	-	-	-
Tourism Development		**3,159,000**	-	**333,000**	-	**11**	-
	Tourism Promotion and Branding	3,159,000	-	333,000	-	**11**	-
Administration, Planning and Support Service		**1,244,501,780**	**138,200,000**	**953,334,679**	**7,846,411**	**77**	**6**
	Administrative Service	1,236,401,780	138,200,000	952,875,061	7,846,411	**77**	**6**
	Human Resource Management and Development	1,000,000	-	459,618	-	**46**	-
	Healthcare Financing	7,100,000	-	-	-	-	-
Promotive and Preventive Healthcare Services		**86,792,188**	-	**17,947,729**	-	**21**	-
	Public Health Services	246,000	-	-	-	-	-
	Community Health Strategy	80,546,188	-	16,952,729	-	21	-
	Health Promotion	1,000,000	-	-	-	-	-

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
	Reproductive Health-care	5,000,000	-	995,000	-	20	-
Curative And Rehabilitative Health Services		**79,515,000**	**-**	**2,831,560**	**-**	**4**	**-**
	Medical services	5,000,000	-	2,831,560	-	57	-
	Drugs and Other Medical Supplies	74,515,000	-	-	-	-	-
Child and Maternal Health Care		**10,000,000**	**-**	**2,426,467**	**-**	**24**	**-**
	Nutrition Services	10,000,000	-	2,426,467	-	24	-
Administration, Planning and Support Service		**81,228,000**	**59,018,632**	**14,847,012**	**34,959,820**	**18**	**59**
	Administrative Service	81,228,000	59,018,632	14,847,012	34,959,820	18	59
Education Support Service		**40,517,177**	**-**	**23,580,971**	**-**	**58**	**-**
	Education Support	40,517,177	-	23,580,971	-	58	-
Vocational Education and Training		**85,100,000**	**30,000,000**	**28,143,976**	**2,250,047**	**33**	**8**
	Youth Polytechnic Development	85,100,000	30,000,000	28,143,976	2,250,047	33	8
Early Childhood Development		**170,100,000**	**69,700,000**	**333,015**	**-**	**-**	**-**
	ECD Development	170,100,000	69,700,000	333,015	-	-	-
Administration, Planning and Support Service		**1,032,865,033**	**209,722,151**	**590,574,993**	**26,670,825**	**57**	**13**
	Administrative Service	1,009,465,033	198,222,151	589,305,993	23,670,825	58	12
	County Administration	16,800,000	9,500,000	1,269,000	3,000,000	8	32
	County Radio Information Services	6,600,000	2,000,000	-	-	-	-
Public Finance Management		**59,983,508**	**-**	**11,905,268**	**-**	**20**	**-**
	Public Finance Management	7,080,002	-	2,327,383	-	33	-
	Accounting Services	7,700,000	-	1,189,900	-	15	-
	Audit Services	7,606,000	-	444,675	-	6	-
	Budget Formulation Coordination	7,600,000	-	2,032,090	-	27	-
	Resource Mobilization	23,382,653	-	4,401,700	-	19	-
	Budget Expenditure Management	6,614,853	-	1,509,520	-	23	-

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
County Planning Services		**9,790,000**	-	**2,690,603**	-	**27**	-
	Monitoring and Evaluation	4,650,000	-	978,600	-	21	-
	Coordination of Policy Formulation and Plans	5,140,000	-	1,712,003	-	33	-
Coordination and Supervisory Services		**27,649,288**	-	**10,497,900**	-	**38**	-
	Performance Management	8,424,644	-	2,518,400	-	30	-
	Disaster Management and Mitigation	19,224,644	-	7,979,500	-	42	-
Management and Administration of County Services		**53,906,790**	-	**6,574,985**	-	**12**	-
	County Executive	48,678,288	-	5,999,985	-	12	-
	County Secretary	5,228,502	-	575,000	-	11	-
Administration, Planning and Support Service		**42,886,094**	**1,586,918**	**2,899,450**	-	**7**	-
	Administrative Service	42,886,094	1,586,918	2,899,450	-	7	-
903004860		**33,750,000**	**8,000,000**	**2,861,300**	-	**8**	-
	Promotion of Sports	15,000,000		2,411,300	-	16	-
	Promotion of Culture and Heritage	2,750,000	8,000,000	450,000	-	16	-
	Recreation and Arts	16,000,000	-	-	-	-	-
904004860		**8,050,000**	**25,400,000**	**1,641,900**	-	**20**	-
	Social Protection	5,050,000	25,400,000	69,300	-	1	-
	Gender, Children, Youth and People with Disability	3,000,000	-	1,572,600	-	52	-
Administration, Planning and Support Service		**70,037,562**	-	**6,982,185**	-	**10**	-
	Administrative Service	70,037,562	-	6,982,185	-	10	-
1003004860		**65,892,153**	**160,599,882**	**33,484,820**	**50,946,963**	**51**	**32**
	Water Supply Management	55,278,411	160,599,882	28,709,520	50,946,963	52	32
	Waste Water Management	10,613,742	-	4,775,300	-	45	-
1004004860		**1,100,000**	**253,765,059**	-	**131,674,119**	-	**52**
	Environmental Protection and Conservation	1,100,000	253,765,059	--	131,674,119	-	52
1005004860		**2,500,000**	**13,000,000**	**1,034,135**	-	**41**	-
	Natural Resources management	2,500,000	13,000,000	1,034,135	-	41	-
	Grand Total	**4,369,795,429**	**2,101,601,765**	**2,090,131,332**	**274,348,185**	**48**	**13**

Source: *Vihiga County Treasury*

Based on absorption rates, the sub-programmes with the highest implementation levels were Administrative Services in the Department of Public Service and Administration (77 per cent), Vihiga Municipality (KUSP) in the Department of Lands (100 per cent), Administrative Services in the Department of Public Service and Administration (59 per cent), and Education support (58 per cent) of budget allocation.

3.45.15 Accounts Operated Commercial Banks

The County Government operated 13 departmental imprest accounts with commercial banks, and all funds accounts have since been domiciled at CBK.

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.

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. High pending bills amounted to Kshs.1.3 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.39.7 million were processed through manual payroll, accounting for 2.5 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. Reports were submitted late and were supposed to be received on 15 January but were delayed until 25 January 2025.

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 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.*
iii. *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.*

3.46. County Government of Wajir

3.46.1 Overview of FY 2024/25 Budget

The Wajir County approved FY 2024/25 budget is Kshs.13.76 billion. It comprised Kshs.5.29 billion (38 per cent) and Kshs.8.47 billion (62 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.23 billion (10 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.4.27 billion and a recurrent budget of Ksh.8.26 billion. The County's Net Approved Budget is Kshs.13.64 billion, which consists of Kshs.8.53 billion for recurrent and Kshs.5.29 billion for development. The increase in the County Government budget was attributed to the June 2024 exchequer that was carried forward into the current financial year.

The Wajir County Government budget will be financed from different sources of revenue. These include Kshs.10.21 billion (74 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.2.4 billion (13 per cent) as additional allocations/conditional grants, a cash balance of Kshs.936.62 million (7 per cent) brought forward from FY 2023/24, and Kshs.200 million (2 per cent) generated as gross own source revenue. The own-source revenue is Kshs.120 million (1 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.80 million (less than 1 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.389.

3.46.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.5.15 billion to fund its development and recurrent activities. This amount consisted of Kshs.4.11 billion from the equitable share of revenue raised nationally and Kshs.104.72 million from its own source revenue (OSR) collection. In addition, the County had a cash balance of Kshs.936.62 million from FY 2023/24.

The total OSR collection of Kshs.104.72 million, including Facilities Improvement Financing (FIF) of Kshs.41.33 million and Kshs.63.39 million as ordinary OSR. Table 3.389 summarises the total revenue available to the County Government during the first half of FY 2024/25.

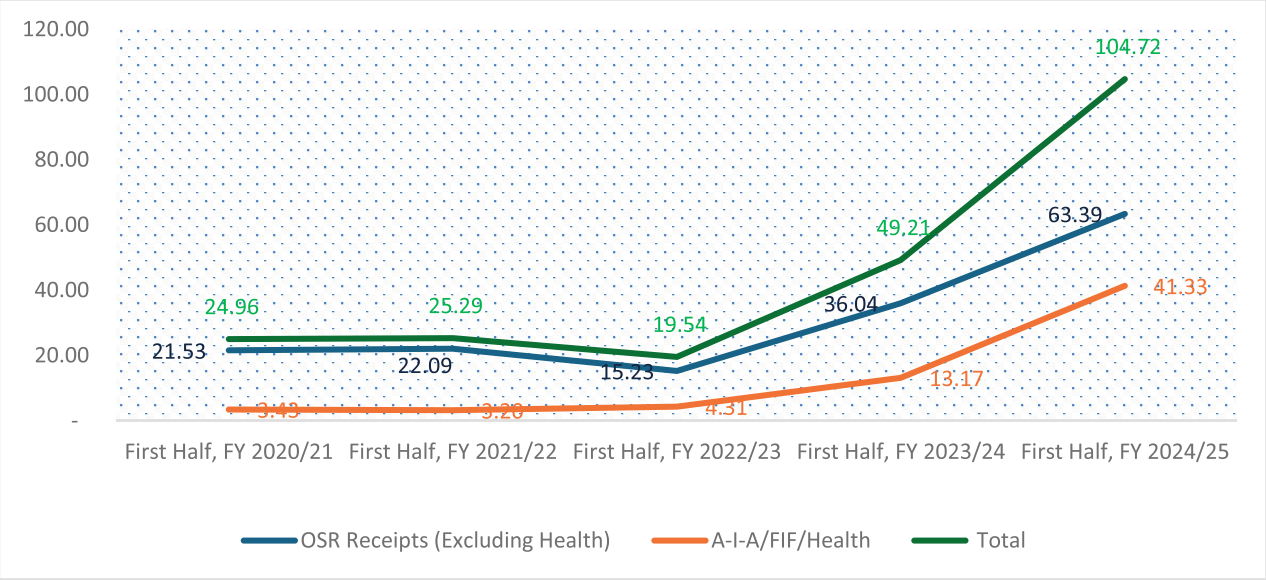
Table 3.389: Wajir County, Revenue Performance in the First Half of FY 2024/25

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**	10,214,592,219	4,109,661,258	40
Sub Total		**10,214,592,219**	**4,109,661,258**	**40**
B	**Conditional Grants**			
1	Ministry of Investments, Trade and Industry Conditional Grant for Industrial Park	250,000,000	-	-
2	Transfer of Museum Function	2,244,060	-	-
3	Community Health Promoters (CHPs)	60,810,000	-	-
4	Road Maintenance Fuel Levy	251,017,318	-	-
5	**Total**	**564,071,378**	-	-
6	**Conditional allocations to County Governments from Loans and Grants from Development Partners**			
7	Kenya Devolution Support Programme ii	37,500,000	-	-
8	DANIDA to Finance Universal Healthcare	13,162,500	-	-
9	Food System Resilience Project	173,076,923	-	-
10	World Bank for Kenya Informal Settlement Improvement Project	488,615,663	-	-
11	Kenya Urban Support Programme UDG	72,942,053	-	-
12	Kenya Urban Support Programme UIG	35,000,000	-	-
13	Agricultural Business Development Project (KABDP)	10,918,919	-	-
14	Financed Locally-Led Climate Action Program (FLLoCA)	170,416,290	-	-
15	World Bank for Emergency Locust Response Project	142,500,000	-	-
16	World Bank for Water and Sanitation Development Project	700,000,000	-	-
		1,844,132,348	-	-
Sub-Total		**2,408,203,726**	-	**-**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	80,000,000	63,389,051	79
2	Balance b/f from FY2023/24	936,621,902	936,621,902	100
3	Facility Improvement Fund (FIF)	120,000,000	41,328,430	34
Sub Total		**1,136,621,902**	**1,041,339,383**	**92**
Grand Total		**13,759,417,847**	**5,151,000,641**	**37**

Source: *Wajir County Treasury*

Figure 180 shows the trend in own-source revenue collection from the first half of FY 2020/21 to the first half of FY 2024/25.

Figure 180: Trend in Own-Source Revenue Collection from the First Half of FY 2020/21 to the First Half of FY 2024/25

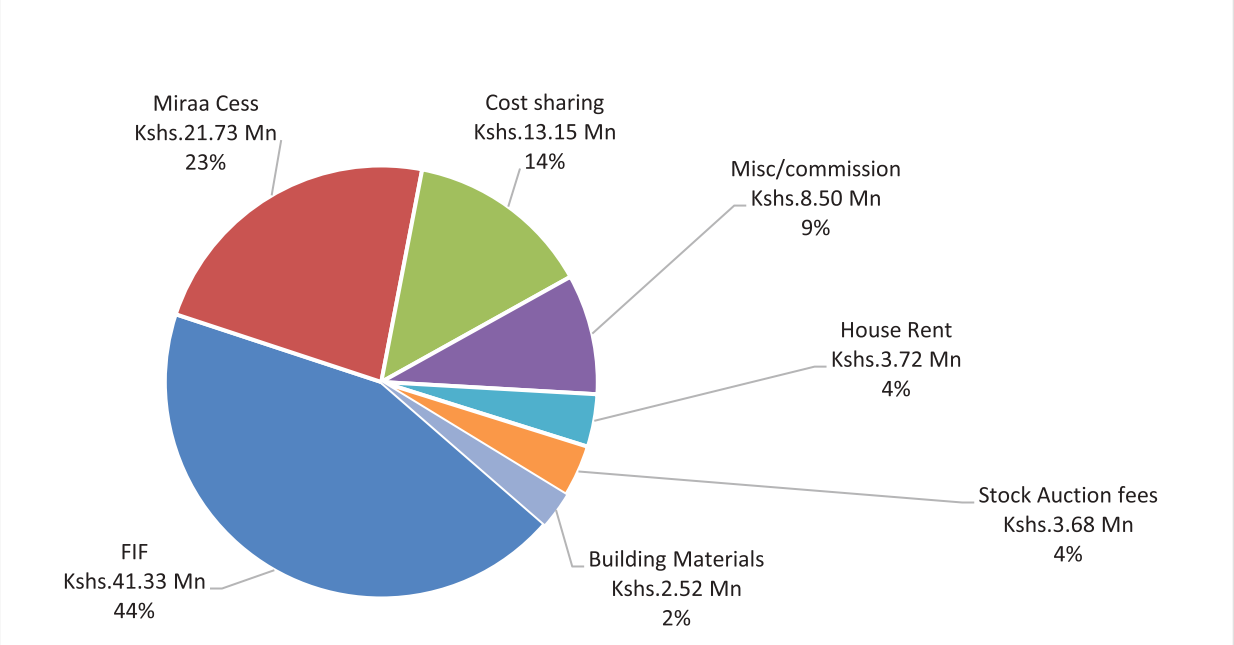


Source: *Wajir County Treasury*

During the first half of FY 2024/25, the County generated Kshs.104.72 million from its revenue sources, including FIF. This amount was an increase of 112.8 per cent compared to Kshs.49.21 million realised in a similar period in FY 2023/24 and was 52 per cent of the annual target and 3 per cent of the equitable revenue share disbursed. The increase in OSR can be attributed to enhanced revenue collection measures and additional revenue streams introduced in the current financial year.

The revenue streams which contributed the highest OSR receipts are shown in Figure 181.

Figure 181: Top Streams of Own Source Revenue in the First Half FY 2024/25



Source: Wajir County Treasury

The highest revenue stream, Kshs.41.33 million, was from FIF, contributing 39 per cent of the total OSR receipts during the reporting period.

3.46.3 Borrowing by the County

The County Government did not provide any information regarding borrowings during the period. The returns shared with OCOB indicate the county could have utilised banks' borrowing to settle the salaries for December 2024.

3.46.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.12 billion from the CRF account during the reporting period, which comprised Kshs.1.04 billion (25 per cent) for development programmes and Kshs.3.07 billion (75 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.2.0 billion was released towards compensation of employees and Kshs.1.07 billion for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Executive and County Assembly.

Analysis of the operations and maintenance exchequer releases indicates that 16 per cent was for domestic travel and less than 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.111.7 million and included Kshs.81.3 million for the County Executive and Kshs.30.4 million for the County Assembly. The foreign exchequer totalled Kshs.0.95 million, incurred by the County Assembly.

Table 3.390: Wajir County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs. Millions)		Exchequer Issues (Kshs.Millions)			
	Rec	Dev	Rec	Dev	Rec	Dev
The County Assembly	992.61	-	337.34	-	34	0
The County Executive	575.32	-	238.32	-	41	0
Finance & Economic Planning	677.25	-	179.40	-	26	0
Roads, Transport and Public Works	225.65	546.84	114.82	170.57	51	31
Water Resources Development	278.81	1,273.27	100.45	199.64	36	16
Energy, Environment and Natural Resources	97.14	506.55	30.48	32.20	31	6
Public Health, Medical Services and Sanitation	2,983.49	798.73	1,168.93	440.69	39	55
Education, Youth, Gender and Social Services	793.19	253.86	273.68	20.49	35	8
Agriculture, Livestock and Fisheries Development	250.13	464.54	97.91	6.75	39	1
ICT, Trade, Industrialization and Co-operative Development	188.05	474.39	82.31	165.43	44	35
Lands, Housing and Physical Planning	107.60	702.16	29.82	3.99	28	1
Public Service, Labour and Decentralised Unit	1,009.43	47.80	306.14	-	30	0
County Public Service Board	72.27		24.29	-	34	0
Wajir Municipality	222.45	217.89	84.81	-	38	0
Total	**8,473.39**	**5,286.03**	**3,068.69**	**1,039.77**	**36**	**20**

***Source**: Wajir County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.885.06 million.

3.46.5 County Expenditure Review

The County spent Kshs.4.77 billion on development and recurrent programmes in the reporting period. The expenditure represented over 100 per cent of the total funds released by the CoB and comprised of Kshs.1.29 billion and Kshs.3.47 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 24.4 per cent, while recurrent expenditure represented 41 per cent of the annual recurrent expenditure budget.

3.46.6 Settlement of Pending Bills

As of 30 June 2024, the county reported pending bills totalling Kshs1.85 billion. This amount included Kshs.1.71 billion from the County Executive and Kshs.143 million from the County Assembly. The pending bills from

the County Executive consist of Kshs.904.45 million for recurrent expenditures and Kshs.802.25 million for development expenditures.

During the first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.374.06 million, comprising Kshs.312.65 million for recurrent programmes and Kshs.61.41 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.12.26 million for recurrent activities.

The County Executive and the Assembly submitted pending bill payment plans at the commencement of FY 2024/25, committing to pay Kshs.200 million and Kshs.34.02 million, respectively, in the first half of FY 2024/25. The County executive adhered to this payment plan, clearing Kshs.374.06 million, while the County Assembly only settled Ksh12.63 million out of the planned Ksh34.02 million and did not adhere to its payment plan.

As of 31 December 2024, the outstanding bills amounted to Kshs.1.46 billion, comprising Kshs.1.33 billion for the County Executive and Kshs.130.74 million for the County Assembly.

3.46.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.80 billion on employee compensation, Kshs.1.34 billion on operations and maintenance, and Kshs.1.29 billion on development activities. Similarly, the County Assembly spent Kshs.215.83 million on employee compensation and Kshs.121.5 million on operations and maintenance activities, as shown in Table 3.391.

Table 3.391: 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	7,480,778,225	992,609,870	3,137,112,814	337,336,120	42	34
Compensation to Employees	4,377,202,254	696,778,788	1,796,541,472	215,832,884	41	31
Operations and Maintenance	3,103,575,971	295,831,082	1,340,571,342	121,503,236	43	41
Development Expenditure	**5,286,029,752**	-	**1,291,055,754**	-	**24**	-
Total	**12,766,807,977**	**992,609,870**	**4,428,168,568**	**337,336,120**	**35**	**34**

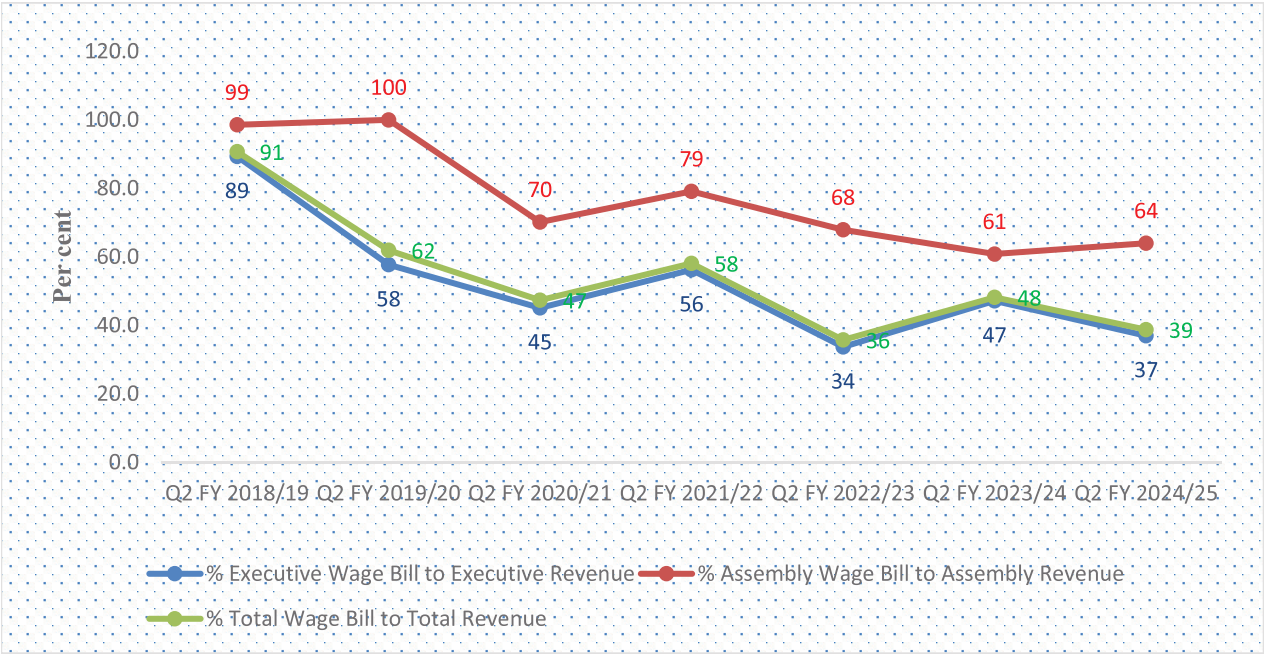
***Source**: Wajir County Treasury*

3.46.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.2.01 billion, or 39 per cent of the available revenue of Kshs.5.15 billion. This expenditure represented a decrease from Kshs.2.25 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.884.21 million paid to the Health Sector employees, translating to 44 per cent of the total wage bill.

Figure 182 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2018/19 to the first half of FY 2024/25.

Figure 182: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2018/19 to the First Half of FY 2024/25



Source: Wajir County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.76 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.256.16 million was processed through manual payrolls, which accounted for 13 per cent of the total PE cost.

The County Assembly spent Kshs.19.24 million on committee sitting allowances for the 46 MCAs against the annual budget allocation of Kshs.43.96 million. The average monthly sitting allowance was Kshs.69,707 per MCA. The County Assembly had 21 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.115.34 million to County-Established funds in FY 2024/25, or 0.8 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 3.392 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.392: Performance of County Established Funds in the First Half of FY 2024/25

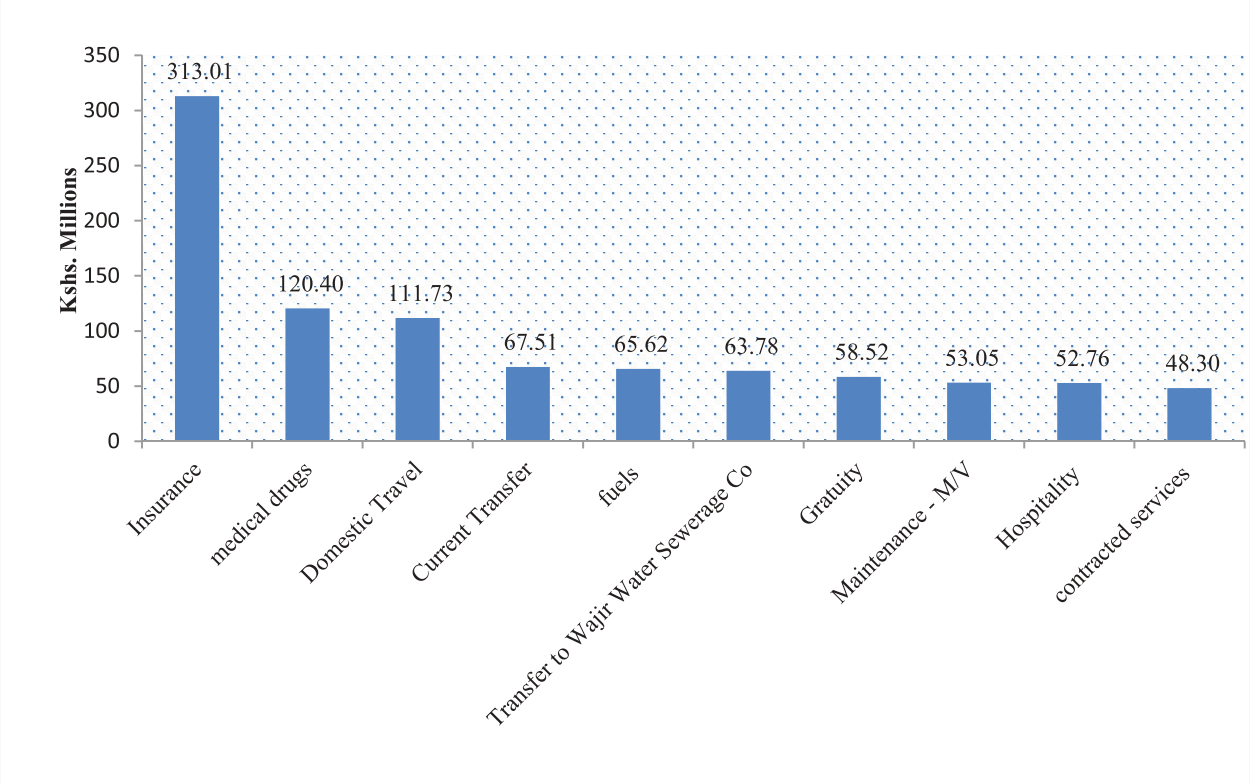
S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Half of FY 2024/25 (Kshs.)	Actual Expenditure in First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Quarterly Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
	Emergency Fund	200,000,000	-	-	150,000,000	No
	Wajir County Climate Fund	75,000,000	-	-	75,000,000	No
	Disability Fund	40,343,000	-	-	40,343,000	No
	Total	**315,343,000**			**265,343,000**	

Source: Wajir *County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from the Emergency Fund, the Climate Fund and the Disability Fund Administrators, as indicated in Table 3.392, contrary to the requirement of Section 168 of the PFM Act, 2012. Expenditure on Operations and Maintenance

Figure 183 summarises the Operations and Maintenance expenditure by major categories.

Figure 183: Wajir County, Operations and Maintenance Expenditure by Major Categories



Source: Wajir *County Treasury*

Expenditure on domestic travel amounted to Kshs.111.73 million and comprised Kshs.30.4 million spent by the County Assembly and Kshs.81.33 million by the County Executive. Expenditure on foreign travel amounted to Kshs.950,780 and was incurred by the County Assembly. Expenditure on foreign travel is summarised in Table 3.393.

Table 3.393: Summary of Highest Expenditure on Foreign Travel in the First Half 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	1	7th-14th December,2024	Training Liaison Committee chairpersons/ Deputy Speakers masterclass themed "Effective leadership and Management of committees	Singapore	Ksh.950,780

Source: *Wajir County Assembly*

The operations and maintenance costs include Kshs.36.56 million in legal fees/dues, arbitration and compensation payments, and legal fees.

3.46.10 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.41.33 million as FIF, which was 34 per cent of the annual target of Kshs.120 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 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.

3.46.11 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.1.29 billion on development programmes, representing an increase of 72 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.751.23 million. **Table 3.394** summarises development projects with the highest expenditure in the reporting period.

Table 3.394: Wajir County, List of Development Projects with the Highest Expenditure

S. No	Sector	Project Name	Project Location	Contract sum (Kshs.)	Budget Allocation FY 2024/25 (Kshs.)	Amount paid to date (Kshs)	Implementation status (%)
1	Health	Construction of Accidents & Emergency At Wajir County Referral Hospital	Wajir Town	465,608,595	229,814,413	407,488,253	88
2	Trade	Construction of County Aggregation and Industrial Parks at Wajir County (CAIP)	Wajir Town	601,000,973	200,686,870	320,841,732	53
3	Roads	Maintenance of Wajir Town Tarmac Roads (Phase 2)	Wajir Town	197,820,020	108,336,808	197,820,020	100
4	Health	Upgrading of Arbajahan Health Centre to Level 4 Hospital	Wajir West	137,524,321	119,646,159	119,646,159	87
5	Health	Upgrading of Makaror Health Centre to Level 4 Hospital	Wajir West	76,129,872	58,522,157	58,522,157	77
6	Environment	2nd Phase Installation Of 140kvaoff-Grid Solar Back-Up System at Wajir County Hqs	Wajir Town	23,308,800	23,308,800	23,308,800	100
7	Health	Upgrading of Kutulo Health Centre to Level 4 Hospital	Wajir East	41,168,957	41,168,957	20,500,000	75
8	Health	Upgrading of Tarbaj Health Centre to Level 4 Hospital	Tarbaj	34,950,956	19,703,408	19,703,408	56
9	Health	Construction of Maternity Ward at Giriftu Sub County Hospital.	Wajir West	19,261,870	19,261,870	17,335,683	100
10	Health	Upgrading of Buna Health Centre to Level 4 Hospital	Buna	28,850,000	16,623,600	16,623,600	58

***Source: Wajir** County Treasury*

3.46.12 Budget Performance by Department

Table 3.395 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.395: Wajir 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
The County Assembly	992.61	-	337.34	-	337.23	-	100	-	34	-
The County Executive	575.32	-	238.32	-	260.2	-	109	-	45	-
Finance & Economic Planning	677.25	-	179.4	-	274.76	-	153	-	41	-
Roads, Transport and Public Works	225.65	546.84	114.82	170.57	100.91	162.12	88	95	45	30
Water Resources Development	278.81	1,273.27	100.45	199.64	113.11	247.38	113	124	41	19

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
Energy, Environment And Natural Resources	97.14	506.55	30.48	32.2	11.88	113.21	39	352	12	22
Public Health, Medical Services And Sanitation	2,983.49	798.73	1,210.26	440.69	1,486.21	441.51	127	100	0	55
Education, Youth, Gender And Social Services	793.19	253.86	273.68	20.49	310.38	58.82	113	287	39	23
Agriculture, Livestock And Fisheries Development	250.13	464.54	97.91	6.75	45.61	22.15	47	328	18	5
ICT, Trade, Industrialization and Co-operative Development	188.05	474.39	82.31	165.43	63.07	169.53	77	103	34	36
Lands, Housing and Physical Planning	107.6	702.16	29.82	3.99	17.92	52.85	60	1,326	17	8
Public Service, Labour And Decentralised Unit	1,009.43	47.8	306.14	-	326.07	23.48	107	-	32	49
County Public Service Board	72.27	-	24.29	-	23.33	-	96	-	32	-
Wajir Municipality	222.45	217.89	84.81	-	103.66	-	122	-	47	-
Total	**8,473**	**5,286**	**3,110**	**1,040**	**3,474**	**1,291**	**113**	**124**	**41**	**24**

Source: *Wajir County Treasury*

The County Treasury did not provide an explanation for why certain departments' expenditures exceeded their respective exchequer receipts.

Analysis of department expenditure shows that the Department of Public Health, Medical Services and Sanitation recorded the highest absorption rate of development budget at 55 per cent, followed by the Department of Public Service, Labour and Decentralisation at 49 per cent. The Department of Public Health, Medical Services and Sanitation had the highest percentage of recurrent expenditure to budget at 50 per cent. In contrast, the Energy Environment and Natural Resources department had the lowest at 12 per. The County's recurrent expenditure exceeded the exchequer issued in the period by 24 per cent, partly due to borrowing to settle salaries for December 2024.

3.46.13 Budget Execution by Programmes and Sub-Programmes

Table 3.396 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.396: Wajir County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs. Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Department: County Executive (Office of the Governor)							
Coordination and Supervisory Services	Coordination and Supervisory Services	575.32	0.00	260.20	0.00	45	0
	Sub Total	**575.32**	-	**260.20**	-	**45**	
Department: Finance and Economic Planning							
Public Finance Management	Budget Management Services	27.25		13.29			
	County Accounting Services	332.20		174.09			
	County Revenue Collection and Resource Mobilization	85.45		12.17			
	Internal Audit Management Services	27.11		4.55			
	County Supply Chain Management	146.85		55.56			
Economic Planning Services	County Integrated Development Planning	58.39		15.10			
	Sub-Total	**677.25**	-	**274.76**	-	41	
Department: Agriculture, Livestock and Veterinary Services							
Livestock management Services	Livestock Production Services	57.86	6.00	1.59			
	Veterinary Services	76.97	4.50	16.72	2.00		
Food Production Services	Food Production Services	60.44	422.91	14.95	13.41	25	
Irrigation Management Services	Irrigation Management Services	15.65	31.13	0.76	6.75		
Alternative Livelihood management	Alternative Livelihood management	39.21		11.58			
	Sub-Total	**250.13**	**464.54**	**45.61**	**22.15**	18	**5**
Department: Health Services							
Curative, rehabilitative and Emergency services	Curative and rehabilitative services	930.36	694.40	539.38	441.51		
	Emergency Referral Services	39.98					
General Administration and Support Services	General Administration and Support Services	1,811.90	-	900.31			
Public Health	Reproductive Maternal Neonatal Child Health	27.54	2.00	5.08			
	Primary Health Care	164.08	102.33	36.79	6.91		
	Special Programme	7.00		3.50			
	Health Research	2.64		1.15			
	Sub-Total	**2,983.49**	**798.73**	**1,486.21**	**448.42**	50	**56**
Department: Roads& Transport							
County Roads and Transport management	Construction of County Roads	1.40	109.32	0.63	103.22		
	maintenance and Rehabilitation of county roads	137.15	437.52	41.50	58.90		
	County Transport Services	87.10		58.79			
	Total	**225.65**	**546.84**	**100.91**	**162.12**	45	**30**
Department: Water Services							

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs. Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Water Services	Water Supplies Overhaul and Maintenance Services	269.99	979.69	109.14	133.86		
	Infrastructure development services	8.81	293.58	3.97	113.52		
	Total	**278.81**	**1,273.27**	**113.11**	**247.38**	41	**19**
Department: Energy, Environment and Climate Change							
Energy development services	Energy development services	3.94	73.31	3.04	23.31		
Environmental Conservation Services	Climate Change	14.30	418.83	8.13	82.99		
	Environmental Conservation Services	7.20	9.91				
Natural Resource Management	Natural Resource Management	1.70	4.50	0.72			
General Administration and Support Services	General Administration and Support Services	70.00					
	Total	**97.14**	**506.55**	**11.88**	**106.30**	12	**21**
Department: Public Service, Special Programs and County Administration							
Human Resources Management and decentralised services	Human Resources Management and decentralised services	180.44		76.41			
Service Delivery and Performance Management	Service Delivery and Performance Management	47.07		9.10			
Decentralised unit and Town admin	Decentralised unit and Town admin	427.76	16.80	201.26			
Special Programs	Disaster Management & Humanitarian Coordination	210.99		22.61			
	Conflict Prevention, Management and Resolution	30.34	21.00	3.39	19.50		
	Intergovernmental Relations	69.40		3.52			
	Public Participation Services	27.31	10.00	7.91	3.98		
	Governance and Ethics	16.11		1.87			
	Total	**1,009.43**	**47.80**	**326.07**	**23.48**	32	**49**
Department: Education Social Welfare and Family Affairs							
Sports promotion and development	Sports promotion and development	26.20	85.50	13.41		**51**	
Early Childhood Education Development Services	Early Childhood Education Development Services	536.14	140.40	192.09	49.92	**36**	
Social Services, Culture, Heritage and Library Services	Promotion of Social Service, Culture and Heritage Services	113.06	4.00	70.34		**62**	
	Child Protection Services	28.30		1.12		**4**	
Gender and Woman Empowerment	Gender and Woman Empowerment	30.92	16.96	8.39	8.90	**27**	**52**
Vocational Training Services	Infrastructural development	58.57	7.00	25.02		**43**	**0**
	Sub Total	**793.19**	**253.86**	**310.38**	**58.82**	**39**	**23**
ICT, Trade, Industrialization, Co-operative Development							

Programme	Sub-Programme	Approved Estimates (Kshs.Million)		Actual Expenditure as of 31 December 2024 (Kshs. Million)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Trade Services	Business Support & Investment Services	15.43	7.50	13.38	4.10	**87**	**55**
Co-operatives Services	Capacity Building Services	2.20	2.70	0.60		**27**	**0**
ICT Infrastructure Services	ICT Infrastructure Improvement & Enhancement Services	88.17	13.50	22.68		**26**	**0**
Industrialisation and Investment Services	Investment and Industry Services	2.40	450.69	0.90	165.43	**37**	
General administration, Planning and Support Services	General administration, Planning and Support Services	79.85	-	25.52		**32**	
	Sub Total	**188.05**	**474.39**	**63.07**	**169.53**	**34**	**36**
Lands and Spatial Planning							
Land Policy and Physical Planning	Urban Physical Planning Services	69.70	590.48	16.54	48.86	**24**	**8**
	Urban Development Management	35.00	-				
Housing Services	Housing Services	1.60		0.75			
Public Works Services	Public Works Services	1.30	111.68	0.64	3.99		
	Sub-Total	**107.60**	**702.16**	**17.92**	**52.85**	**17**	**8**
County Public Service Board							
County Public Service Board Services	Coordination and Supervisory	72.27	0.00	23.33	**0.00**	**32**	
	Sub-Total	**72.27**	-	**23.33**	-	**32**	
Municipality							
Urban Development Services	Urban Development Services	222.45	217.89	103.66		**47**	**0**
	Sub-Total	**222.45**	**217.89**	**103.66**	**0.00**	**47**	**0**
County Assembly Services		**992.61**	**0.00**	**337.23**	**0.00**	**34**	
Total		**8,473.39**	**5,286.03**	**3,474.34**	**1,291.06**	**41**	**24**

***Source**: Wajir County Treasury*

The sub-programmes with the highest levels of implementation based on absorption rates were Business Support and Investment Services in the Department of ICT, Trade Industrialization Co-operative Development at 87 per cent and Promotion of Social Service, Culture and Heritage Services in the Department of Education Social Welfare and Family Affairs Promotion of Social Service at 62 per cent, Sports promotion and development in the department of Education Social Welfare and Family Affairs at 51 per cent of budget allocation.

3.46.14 Accounts Operated Commercial Banks

The County Government operated fifty-seven accounts with commercial banks, including forty-eight accounts for Health Facilities, three for Established Funds, one revenue account, three special purpose accounts (additional allocations), one Imprest account, and one recurrent operational account.

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.

3.46.15 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 22 January 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, Climate Fund and Disability Fund were not submitted to the Controller of Budget as of 15 January 2025.
iii. High pending bills amounted to Kshs.1.46 billion as of 31 December 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Assembly.
iv. Use of manual payroll. Personnel emoluments amounting to Kshs.256.16 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.

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 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 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.*

3.47. County Government of West Pokot

3.47.1 Overview of FY 2024/25 Budget

The West Pokot County Gross Approved Supplementary I FY 2024/25 budget 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 inclusion of the un-disbursed June 2024 allocation carried forward to FY 2024/25. The County's Net Approved Supplementary I Budget is Kshs.7.79 billion, comprising Kshs.5.56 billion for recurrent and Kshs.2.36 billion for development.

The budget will be financed from different sources of revenue. These include Kshs.7.00 billion (88.4 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.667.90 million as additional allocations, a cash balance of Kshs.20 million (less than 1 per cent) brought forward from FY 2023/24, and Kshs.230.00 million (3 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.132.8 million (2 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.97.2 million (1 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.397.

3.47.2 Revenue Performance

In the first half of FY 2024/25, the County had Kshs.3.37 billion to fund its development and recurrent activities. This amount consisted of Kshs.3.26 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.16.34 million, and its own source revenue (OSR) collection of Kshs.77.60 million. In addition, the County had a cash balance of Kshs.20.00 million from FY 2023/24.

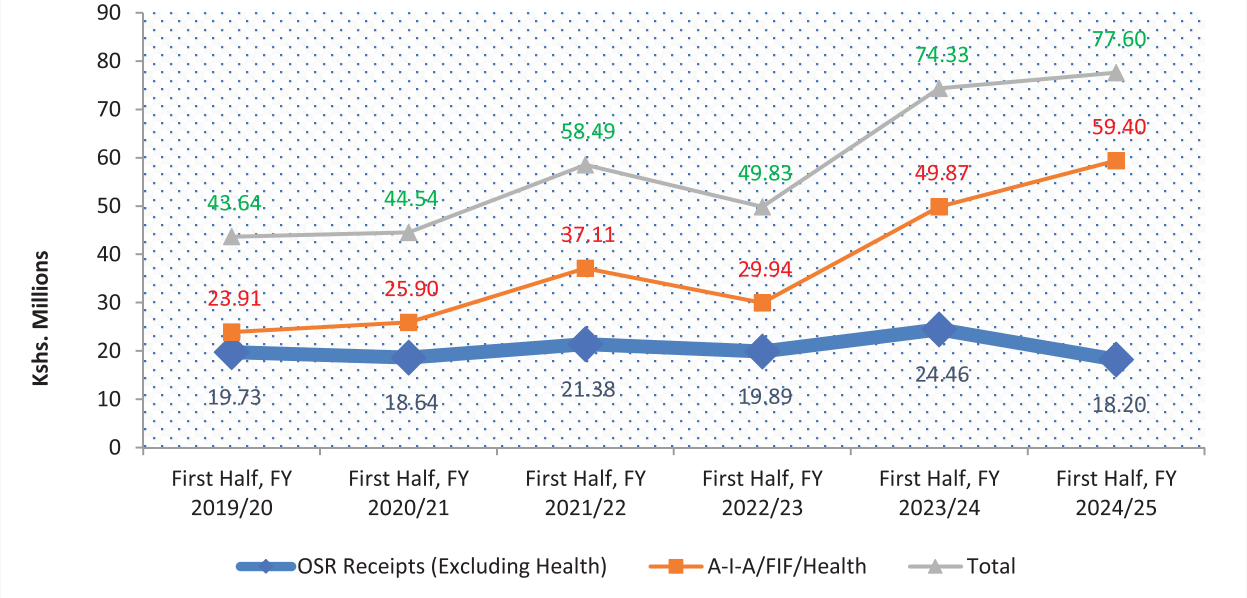
The total OSR collection of Kshs.77.60 million includes Facilities Improvement Financing (FIF) of Kshs.59.40 million, and Kshs.18.20 million as ordinary OSR. Table 3.397 summarises the total revenue available to the County Government during the first half of FY 2024/25.

Table 3.397: West Pokot County, Revenue Performance in the First Half 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 -	7,002,648,339.00	3,257,112,707.00	47
Sub Total		**7,002,648,339.00**	**3,257,112,707.00**	**47**
B	**Additional Allocations**			
1	DANIDA	7,702,500.00	-	-
2	Community Health Promoters	60,706,194.24	-	-
3	Emergency Locust Response	121,025,000.00	-	-
5	FLLoCA (CCRI GRANT)	133,000,000.00	-	-
6	FLLoCA-CCIS Grants(Rollover)	11,000,000.00	11,000,000.00	100
7	FLLoCA - CCRI (Rollover Funds)	70,467,694.00	-	-
8	Eu Grants For Nasukuta Export Abattoir - Donor Contribution	5,406,747.53	5,340,517.50	99
9	KUSP -Uig	35,000,000.00	-	-
10	KDSP Roll Over FY 2022/2023	13,010,485.00	-	-
11	KDSP II	37,500,000.00	-	-
12	Food Systems Resilience Project (Fsrp)	173,076,923.08	-	-
Sub-Total		**667,895,543.85**	**16,340,517.50**	**3**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	97,200,000.00	18,204,530.60	19
2	Balance B/F from FY2023/24	20,000,000.00	20,000,000.00	100
3	Facility Improvement Fund (FIF)	132,800,000.00	59,395,241.00	45
Sub Total		**250,000,000.00**	**97,599,771.60**	**39**
Grand Total		**7,920,543,882.85**	**3,371,052,996.10**	**43**

Source: *West Pokot County Treasury*

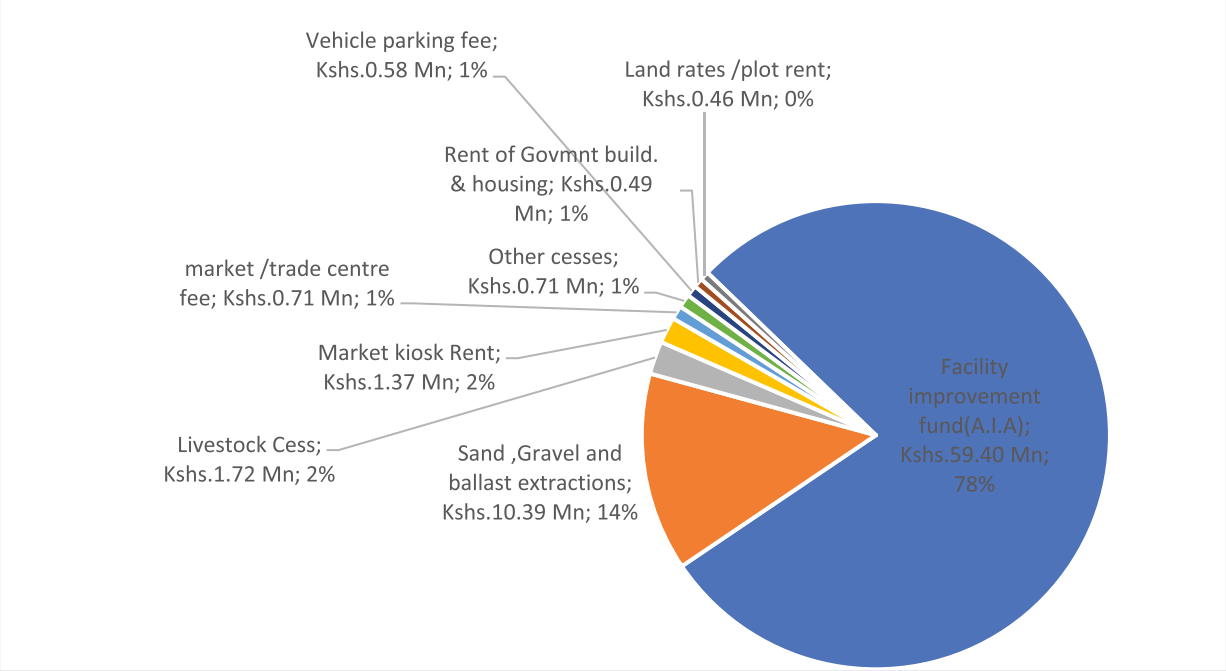
Figure 184: Shows the trend in own-source revenue collection from the first half of FY 2018/19 to the first half of FY 2024/25.



Source: *West Pokot County Treasury*

During the first half of FY 2024/25, the County generated Kshs.77.60 million from its revenue sources, including FIF. This amount was an increase of 4 per cent compared to Kshs.74.33 million realised in a similar period in FY 2023/24 and was 34 per cent of the annual target and 1 per cent of the equitable revenue share disbursed. The revenue streams which contributed the highest OSR receipts are shown in Figure 185.

Figure 185: Top Streams of Own Source Revenue in the First Half FY 2024/25.



Source: West Pokot County Treasury

The highest revenue stream, Kshs.59.40 million, was from the Facility improvement fund (A.I.A), which contributed 78 per cent of the total OSR receipts during the reporting period.

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

The Controller of Budget approved withdrawals of Ksh2.22 billion from the CRF account during the reporting period, comprised of Kshs.241.44 million (11 per cent) for development programmes and Kshs.1.98 billion (89 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first half of FY 2024/25 indicates that Kshs.1.60 billion was released towards compensation of employees and Kshs.373.68 million for operations and maintenance expenditure. Releases towards employee compensation in the first half of FY 2024/25 do not include the December 2024 exchequer request for the County Assembly due to challenges in closing the payroll after migration to the new system.

Analysis of the operations and maintenance exchequer releases indicates that 26 per cent was for domestic travel and 5 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.91.42 million, comprising Kshs.29.22 million for the County Executive and Kshs.62.20 million for the County Assembly. The foreign exchequer totalled Kshs.16.5 million for the County Executive.

Table 3.398: West Pokot 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	447,721,850	36,664,500	112,139,707	-	25	-
Finance and Economic Planning	293,099,461	21,072,917	89,510,798	-	31	-

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Public Works, Transport & Infrastructure	111,204,976	282,986,854	44,846,023	73,897,712	40	26
Health And Sanitation	2,054,275,319	257,328,802	889,697,387	18,584,309	43	7
Education and Technical Training	841,734,948	388,468,898	235,696,824	9,138,424	28	2
Agriculture And Irrigation	89,799,395	541,001,411	35,968,518	51,399,628	40	10
Livestock, Fisheries and Vet Services	125,828,690	99,531,933	24,308,888	33,133,833	19	33
Trade, Industrialisation, Energy & Coop Dev	62,560,162	50,118,244	30,554,608	6,118,382	49	12
Lands, Housing, Physical Planning and Urban Development	154,702,416	54,299,178	58,571,152	999,978	38	2
Water, Environment, Natural Resources and Climate Change	75,051,468	512,513,624	34,101,545	39,872,316	45	8
Youths Affairs, Sports, Tourism, Culture and Social Services.	89,270,220	45,494,989	30,065,794	8,298,737	34	18
County Public Service Management, CT	425,378,841	3,549,400	108,420,289	-	25	-
Special Programmes	98,345,784	-	19,291,687	-	20	-
West Pokot County Assembly	693,116,557	65,423,039	264,504,304	-	38	-
Total	**5,562,090,089**	**2,358,453,793**	**1,977,677,528**	**241,443,320**	**36**	**10**

***Source**: West Pokot County Treasury*

As of 31 December 2024, the county government's cash balance in the CRF account was Kshs.1.42 billion.

3.47.5 County Expenditure Review

The County spent Kshs.2.22 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.241.44 million and Kshs.1.98 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 10 per cent, while recurrent expenditure represented 36 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 30 June 2024. This amount includes 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 first half of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.143.79 million, comprising Kshs.37.85 million for recurrent programmes and Kshs.105.94 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.1.21 million for recurrent activities.

The County Executive and the Assembly submitted pending bill payment plans at the commencement of FY 2024/25, committing to pay Kshs.509.94 million. The County did not adhere to this payment plan, as it cleared Kshs.143.79 million for the Executive and Kshs.1.21 million for the Assembly.

As of 31 December 2024, the outstanding bills amounted to Kshs.366.16 million, comprising Kshs.343.81 million for the County Executive and Kshs.22.35 million for the County Assembly.

3.47.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.45 billion on employee compensation, Kshs.268.12 million on operations and maintenance, and Kshs.241.44 million on development activities. Similarly, the County Assembly spent

Kshs.158.94 million on employee compensation and Kshs.105.57 million on operations and maintenance, as shown in Table 3.399.

Table 3.399: 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	4,868,973,532	2,165,585,127	1,713,173,225	264,504,304	35	12
Compensation to Employees	2,839,426,134	404,156,469	1,445,054,485	158,939,222	51	39
Operations and Maintenance	2,029,547,399	1,761,428,658	268,118,740	105,565,082	13	6
Development Expenditure	2,293,030,755	65,423,039	241,443,320	-	11	-
Total	**7,162,004,287**	**2,231,008,166**	**1,954,616,545**	**264,504,304**	**27**	**12**

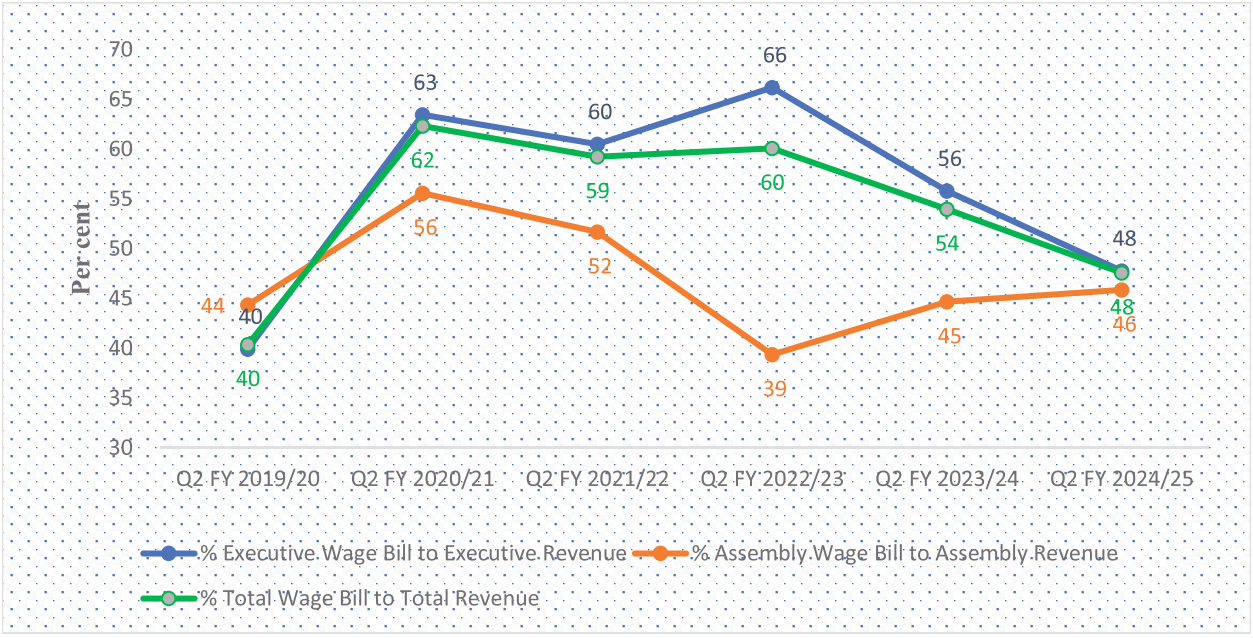
***Source**: West Pokot County Treasury*

3.47.8 Expenditure on Employees' Compensation

In the first half of FY 2024/25, expenditure on employee compensation was Kshs.1.60 billion, or 48 per cent of the available revenue of Kshs.3.37 billion. This expenditure represented an increase of Kshs.0.20 billion reported in a similar period in FY 2023/24. The wage bill included Kshs.828.12 million paid to the Health Sector employees, translating to 51 per cent of the total wage bill.

Figure 186 shows the trend of personnel expenditures as a percentage of total revenue from the first half of FY 2019/20 to the first half of FY 2024/25.

Figure 186: Percentage of Wage Bill to Total Revenue Received from the First Half of FY 2019/20 to the First Half of FY 2024/25.



Source: West Pokot County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.60 billion were processed through the Integrated Personnel and Payroll Database (IPPD/HRIS) system. There was no manual payroll processing in the period under review.

The County Assembly spent Kshs.13.64 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.68,880 per MCA. The County Assembly had 17 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.665.25 million to County-Established funds in FY 2024/25, or 8 per cent of the County's overall budget. The County allocated Kshs.10 million to the Emergency Fund (1 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.400 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.400: Performance of County Established Funds in the First Half of FY 2024/25.

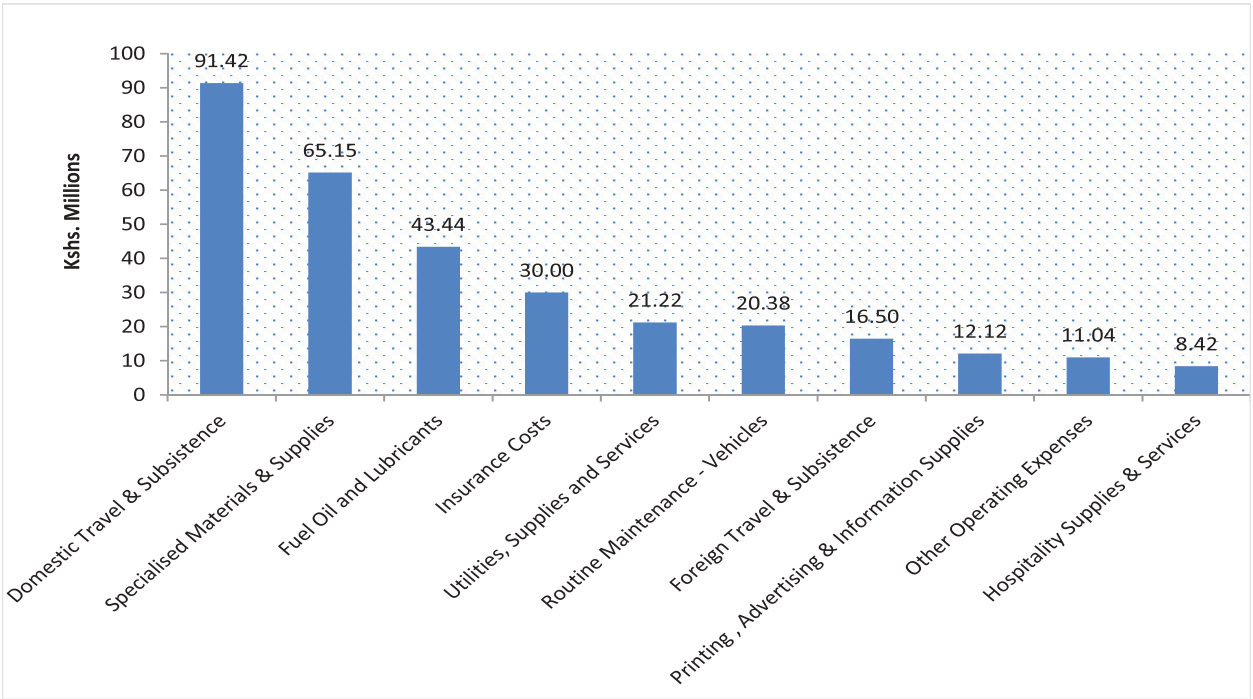
S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Half of FY 2024/25 (Kshs.)	Actual Expenditure in First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Half Financial Statements (Yes/No.)
	County Executive Established Funds					
	Car Loan and Mortgage					
	Bursary Fund	500,000,000	-	-	-	Yes
	Cooperative Development Fund	-				Yes
	Emergency Fund	10,000,000	-	-	-	No
	Chepareria Municipality Fund	7,150,000				Yes
	Kapenguria Municipality Fund	20,300,000				Yes
	FIF Fund	127,800,000	31,066,365	41,166,365	72,232,730	Yes
	Total	**665,250,000**	**31,066,365**	**41,166,365**	**72,232,730**	

Source: *West Pokot County Treasury*

3.47.10 Expenditure on Operations and Maintenance

Figure 187 summarises the Operations and Maintenance expenditure by major categories.

Figure 187: West Pokot, Major Categories of Operations and Maintenance Expenditures



Source: *West Pokot County Treasury*

Expenditure on domestic travel amounted to Kshs.91.42 million and comprised Kshs.62.20 million spent by the County Assembly and Kshs.29.22 million by the County Executive. Expenditure on foreign travel amounted to Kshs.16.50 million by the County Executive. The spending on foreign travel is summarised in Table 3.401.

Table 3.401: Summary of Highest Expenditure on Foreign Travel in the First Half 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	2	6th-16th December	Celebration of West Pokot County and the Pokot culture during the Jmahuri Day celebrations in New Delhi, India	New Delhi, India	1,507,213

Source: West Pokot County Treasury and West Pokot County Assembly treasury

The operations and maintenance costs include an expenditure of Kshs.3.57 million on Legal fees, arbitration, and compensation payments expenditure legal fees.

3.47.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.59.40 million as FIF, which was 44.7 per cent of the annual target of Kshs.132.8 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 expenditure by the health facilities amounted to Kshs.41,166,365, as shown in Table 3.402.

Table 3.402: Breakdown of Expenditure by Health Facilities in the First Half of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Kapenguria County Referral Hospital	127,800,000	32,683,791	26
	Kacheliba Sub County Hospital	14,200,000	1,236,694	9
	Chepareria Sub County Hospital	14,200,000	4,892,880	35
	Sigor Sub County Hospital	14,200,000	2,353,000	17
	Total	**132,800,000**	**41,166,365**	**24**

Source: *West Pokot County Treasury*

The Health Facility with the highest absorption rate was Chepareria Sub County Hospital at 35 per cent.

3.47.12 Development Expenditure

In the First Half of FY 2024/25, the County reported spending Kshs.241.44 million on development programmes, a 55 per cent decrease compared to a similar period in FY 2023/24, when the County spent Kshs.538.73 million. Table 3.403 summarises the development projects with the highest expenditure in the reporting period.

Table 3.403: West Pokot County, List of Development Projects with the Highest Expenditure

S/No	Sector	Project Name	Project Location	Contract sum (Kshs.)	Amount paid to date (Kshs)	Contract variation (Kshs)	Implementation status (%)
1	Trade	Construction Of Marich Fresh Produce Market *County Contribution Bal 40m)	Sekerr	109,209,105	20,000,000	-	18
2	Agriculture	Purchase Of Certified Maize Seeds(Pending Bill To Kenya Seed Company Part Payment) - Rollover	20 Wards	74,466,000	30,000,000	-	40

S/No	Sector	Project Name	Project Location	Contract sum (Kshs.)	Amount paid to date (Kshs)	Contract variation (Kshs)	Implementation status (%)
3	Health	Construction Of The Makutano Sub County Hospital	Mnangei	52,304,655	9,414,660	-	18
5	Executive	Completion Of Land-scaping At Governors Residence	Kapenguria	37,123,746	-	-	-
6	Education	Completion Of Education Administration Block	Kapenguria	36,612,987	30,000,000	-	82
7	Education	Completion Of Chesta Ttc Hostel	Weiwei	29,814,545	10,000,000	-	34
8	Executive	Completion Of Governors Office Complex Phase 2	Kapenguria	27,612,234	-	-	0
9	Health	Walling And External Works At Blood Bank (Pending Bill)	Kapenguria	23,599,960	113,036	113,036.00	0.5
10	Health	Construction Of Male Ward At Kacheliba	Suam	9,890,191	2,592,005	-	26
11	Health	Construction Of Kruru Dispensary	Riwo	5,945,117	3,545,117	1,051,488.00	60
12	Health	Proposed Construction Of Cheptiyangwa Materni-ty At Chepareria Ward (Pending Bill)-RollOver	Chepareria	5,897,490	566,000	-	10

Source: *West Pokot County Treasury*

3.47.13 Budget Performance by Department

Table 3.404 summarises the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2024/25.

Table 3.404: West Pokot County, Budget Allocation and Absorption Rate by Department.

Department	Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Expenditure (Kshs. Million)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	447.72	36.66	112.14	-	112.14	-	25.0	-
Finance and Economic Planning	293.10	21.07	89.51	-	89.51	-	30.5	-
Public Works, Transport and Infrastructure	111.20	282.99	44.85	73.90	44.85	73.90	40.3	26.1
Health and Sanitation	2,054.28	257.33	889.70	18.58	889.70	18.58	43.3	7.2
Education and Technical Training	841.73	388.47	235.70	9.14	235.70	9.14	28.0	2.4
Agriculture and Irrigation	89.80	541.00	35.97	51.40	35.97	51.40	40.1	9.5
Livestock, Fisheries and Vet Services	125.83	99.53	24.31	33.13	24.31	33.13	19.3	33.3
Trade, Industrialization, Energy and Cooperative Development	62.56	50.12	30.55	6.12	30.55	6.12	48.8	12.2
Lands, Housing, Physical Plan-ning and Urban Development	154.70	54.30	58.57	1.00	58.57	1.00	37.9	1.8
Water, Environment, Natural Resources and Climate Change	75.05	512.51	34.10	39.87	34.10	39.87	45.4	7.8
Youths Affairs, Sports, Tourism, Culture and Social Services.	89.27	45.49	30.07	8.30	30.07	8.30	33.7	18.2

Department	Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Expenditure (Kshs. Million)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Public Service Management, ICT And Decentralised Units	425.38	3.55	108.42	-	108.42	-	25.5	-
Special Programmes	98.35	-	19.29	-	19.29	-	19.6	-
West Pokot County Assembly	693.12	65.42	264.50	-	264.50	-	38.2	-
Total	**5,562.09**	**2,358.45**	**1,977.68**	**241.44**	**1,977.68**	**241.44**	**35.6**	**10.2**

***Source**: West Pokot County Treasury*

Analysis of department expenditure shows that the Department of Trade, Industrialization, Energy and Cooperative Development recorded the highest absorption rate of the recurrent budget at 49 per cent, followed by the Department of Water, Environment, Natural Resources and Climate Change at 45 per cent. The Department of Livestock, Fisheries and Vet Services had the highest percentage of development expenditure to budget at 33 per cent. In contrast, the departments of the County Executive, the Finance and Economic Planning, the County Public Service Management, ICT And Decentralised Units, and the County Assembly did not report any expenditure on the development budget.

3.47.14 Budget Execution by Programmes and Sub-Programmes

Table 3.405 summarises the budget execution by programmes and sub-programmes in the first half of FY 2024/25.

Table 3.405: West Pokot County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
	SP 2 -(County Public service Board	23,217,120.00	-	1,811,425.00	-	8	-
	SP 3 -(County Executive affairs)	38,368,871.00	-	2,656,013.00	-	7	-
	SP 4-(Liasion and Intergovernmental service)	11,842,615.00	-	-	-	-	-
	Sub Total	**447,721,850.00**	**36,664,500.00**	112,139,707.70	-	25	-
FINANCE &ECONOMIC PLANNING							
Programme 2 -	SP 1(General Administration, planning and Support Services	214,024,383.00	21,072,917.40	77,870,298.95	-	36	-
	SP 2-(Treasury Accounting Services)	12,959,823.00	-	1,480,600.00	-	11	-
	SP 3-(Supply Chain Management services)	7,988,000.00	-	1,965,100.00	-	25	-
	SP 4-(Resource Mobilization)	14,270,000.00	-	5,615,400.00	-	39	-
	SP 5-(Internal Audit services)	7,743,600.00	-	185,600.00	-	2	-
	SP 6-(Budget Formulation services)	12,274,000.00	-	2,051,500.00	-	17	-
	SP 7-(Economic Planning)	10,879,832.00	-	-	-	-	-
	SP 8-(Monitoring and Evaluation)	12,959,823.00	-	342,300.00	-	3	-
	Sub-Total	**293,099,461.00**	**21,072,917.40**	89,510,798.95	-	31	-
ROADS, PUBLIC WORKS, TRANSPORT AND INFRASTRUCTURE							
Programme 3 -	SP 1(General Administration, planning and Support Services	92,512,656.00	-	44,846,023.70	-	48	-
	SP 2(Road Transport)	15,784,320.0	65,685,517.0	-	3,181,200.00	-	-
	SP 3(Public Works)	2,908,000.00	-	-	-	-	-
	SP 5-(Ward Specific Projects)	0.00	217,301,338.0		70,716,512.40	-	32
	Sub-Total	**111,204,976.03**	**282,986,854.97**	44,846,023.70	**73,897,712.40**	40	26

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
HEALTH AND SANITATION							
Programme 4 -	SP 1(General Administration, planning and Support Services	1,734,697,987.00	-	**829,475,994.30**	-	48	-
	SP 2-(Preventive Health Services)	89,125,304.00		**45,724,695.00**	-	51	-
	SP 3-(Curative Health Services)	83,052,028.00	136,333,696.00	**323,698.00**	**113,036.00**	-	
	SP 4-(Kacheliba Sub county hospital)	14,200,000.00	-	**304,000.00**	-	2	-
	SP 5-(Sigor Sub county hospital)	14,200,000.00	-	-	-	-	-
	SP 6-(Chepareria Sub county hospital)	14,200,000.00	-	-	-	-	-
	SP 7(Facility Improvement Fund)	104,800,000.00	23,000,000.00	**13,869,000.00**	-	13	-
	SP 8(Ward Specific)	-	97,995,107.00	-	**18,471,273.50**	-	-
	Sub-Total	**2,054,275,319.00**	**257,328,803.00**	**889,697,387.30**	**18,584,309.50**	43	7
EDUCATION AND TECHNICAL TRAINING							
Programme 5 -	SP 1(General Administration, planning and Support Services	426,985,689.00	190,000,000.00	235,434,324.40	-	55	-
	SP 2 -(ECD Services)	37,043,851.00	-	262,500.00	-	1	-
	SP 3-(Youth Vocational training)	17,305,408.00	1,210,000.00	-	-	-	-
	SP 4-(Bursary Fund)	360,400,000.00	-	-	-	-	-
	SP 5 - (Ward specific)	-	197,258,899.00	-	9,138,424.00	-	5
	Sub-Total	**841,734,948.00**	**388,468,899.00**	235,696,824.40	**9,138,424.00**	28	2
AGRICULTURE AND IRRIGATION							
Programme 6 -	SP 1 - (General Administration, planning and Support Services)	80,728,866.00	-	35,968,518.00	-	45	-
	SP 2-(Crop Development and Management)	4,070,529.00	364,101,923.00	-	47,000,000.00	-	13
	SP 3-(Cash Crop Production(Special Programs)	5,000,000.00	124,000,000.00	-	-	-	-
	SP 4 -(Ward specific)	-	**52,899,488**	-	4,399,628.00		8
	Sub-Total	**89,799,395.00**	**541,001,411.00**	35,968,518.00	51,399,628.00	40	10
PASTORAL ECONOMY							
Programme 7 -	SP 1 - (General Administration, planning and Support Services)	93,178,689.60	-	24,308,888.15	-	26	-
	SP 2 - (Livestock production and Range Management)	10,800,000.00	29,106,748.00	-	13,549,517.00	-	47
	SP 3-(Livestock Disease management)	7,550,000.00	-	-	-	-	-
	SP 4-(Fisheries Development)	1,100,000.00	6,794,900.00	-	-	-	-
	SP 5-(Nasukuta Livestock Improvement Center)	11,700,000.00	9,798,311.00	-	7,798,042.00	-	-
	SP 6 -(Ward specific)	0.00	53,831,975.00	-	11,786,274.00	-	22
	SP 7 -(Dairy Development(Special Programmes)	1,500,000.00	-	-	-	-	-
	Sub-Total	**125,828,689.60**	**99,531,934.00**	24,308,888.15	33,133,833.00	19	33.
TRADE, INDUSTRIALISATION, INVESTMENT & COOPERATIVE DEVELOPMENT							

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
Programme 8 -	SP 1 - (General Administration, planning and Support Services)	56,284,962.00	45,099,269.00	30,554,608.25	5,499,406.50	54	12
	SP 2-(Cooperative Development)	2,829,600.00	-	-	-	-	-
	SP 3 - (Trade, License and Market Development)	3,445,600.00	-	-	-	-	-
	SP 4-(Ward specific)	-	5,018,976.00	-	618,976.00	-	12
	Sub-Total	62,560,162.00	**50,118,245.00**	30,554,608.25	6,118,382.50	49	12
LANDS, HOUSING, PHYSICAL PLANNING AND URBAN DEVELOPMENT							
Programme 9 -	SP 1 - (General Administration, planning and Support Services)	112,761,316.00	-	53,196,152.30	-	47	-
	SP 2 -(Land Policy and Physical Planning)	4,528,800.00	-	-	-	-	-
	SP 3-(Housing Development)	1,612,000.00	-	-	-	-	-
	SP 4-(Urban Development)	0.00	-	-	-	-	-
	SP 5-(Kapenguria Municipality)	24,100,000.00	35,000,000.00	5,375,000.00	-	22	-
	SP 6-(Ward specific)	-	19,299,178.00	-	999,978.00	-	5
	SP 6-(Chepareria Municipality)	11,700,300.00	-	-	-	-	-
	Sub-Total	**154,702,416.00**	**54,299,178.00**	**58,571,152.30**	**999,978.00**	**38**	**2**
WATER, ENVIRONMENT AND NATURAL RESOURCES							
Programme 10 -	SP 1 - (General Administration, planning and Support Services)	56,304,774.30	-	29,868,545.40	-	53	-
	SP 2 -(Water Supply Services)	17,165,414.00	23,075,216.00	4,233,000.00	23,075,216.00	25	100
	SP 3 -(Environment & Natural Resource Development)	1,581,280.00	328,967,694.00	-	16,797,100.00	-	5
	SP 4 -(Ward Specific)	-	160,470,714.00	-	-	-	-
	Sub-Total	75,051,468.30	**512,513,624.00**	34,101,545.40	**39,872,316.00**	45	8
TOURISM, YOUTH SPORTS AND CULTURE							
PROGRAMME 11-	SP 1 - (General Administration, planning and Support Services)	75,799,889.00	-	29,152,344.05	-	38	-
	SP 2-(Tourism Development)	5,494,000.00	-	913,450.00	-	17	-
	SP 3-(Gender, Youths and Sports Development)	0.00	12,999,873.00	-	4,999,950.00	-	38
	SP 4(Culture and Social Development)	3,439,718.00	-	-	-	-	-
	SP 5-(Ward Specific)	4,536,612.00	32,495,117.00	-	3,298,787.00	-	10
	Sub-Total	89,270,219.00	**45,494,990.00**	30,065,794.05	8,298,737.00	37	18
COUNTY PUBLIC SERVICE, ICT AND DECENTRALISED UNITS							
Programme 12 -	SP 1 - (General Administration, planning and Support Services)	371,572,693.00	-	100,094,280.05	-	27	-
	SP 2-(Human Resource)	5,377,548.90	-	-	-	-	-
	SP 3-(Legal Services)	11,520,000.00	-	3,565,439.00	-	31	-
	SP 4 - (Records Management)	9,528,000.00	-	1,960,700.00	-	21	-
	SP 5- (Communication Services)	4,200,000.00	-	-	-	-	-
	SP 6 - (ICT Infrastructure Connectivity)	28,176,926.00	3,549,400.00	2,799,870.00	-	10	-
	SP 7 - (Field Administration)	15,480,000.00	-	-	-	-	-
	Sub-Total	425,378,841.90	3,549,400.00	108,420,289.05	-	25	-
SPECIAL PROGRAMMES AND DIRECTORATES							

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
Programme 13 -	Programme 1: Sub Programme 1.1: General Administration Planning And Support Services	49,263,000.00	-	13,415,761.70	-	27	-
	Programme 5: Sub Programme 5.1 Emergency And Disaster Response	18,756,785.00	-	5,875,926.00	-	31	-
	Programme 4: Sub Programme 6.1 Peace Building And Reconciliation	19,506,000.00	-	-	-	-	-
	Programme 4: Sub Programme 7.1 Resource	2,730,000.00	-	-	-	-	-
	Gender And Special Needs Development (Office Of The First Lady)	8,090,000.00	-	-	-	-	-
	Emergency Relief And Refugee Assistance	-	0.00	-	-	--	-
	Sub-Total	98,345,785.00	-	19,291,687.70	-	2	-
COUNTY ASSEMBLY OF WEST POKOT							
PRO-GRAMME 14:	Program 1:General Administration Planning And Support Services	491,319,359	65,423,039	182,909,401	-	37	-
	Legislation, Oversight And Representation	166,515,198	-	63,673,659	-	38	-
	Staff Affairs And Development	14,282,000	-	6,199,844	-	43	-
	County Assembly Service Board Affairs	21,000,000	-	11,721,400	-	56	-
	Sub-Total	**693,116,557**	**65,423,039**	**264,504,304**	**-**	**38**	**-**
Grand Total		**5,562,090,087**	**2,358,453,795**	**1,977,677,528**	**241,443,320**	**5**	**1**

***Source**: West Pokot County Treasury*

The sub-programmes with the highest levels of implementation based on absorption rates were Water Supply Services in the Department of Water, Environment and Natural Resources at 100 per cent, Livestock production and Range Management in the Department of Pastoral Economy at 46 per cent, Ward Specific Projects in the Department of Roads, Public Works, Transport And Infrastructure at 33 per cent, and Gender, Youths and Sports Development Tourism, Youth Sports And Culture at 38 per cent of budget allocation.

3.47.15 Accounts Operated Commercial Banks

The County Government operated 29 accounts with commercial banks, including seven accounts for Health Facilities, seven accounts for Vocational Training Centers, seven accounts for Established Funds, two revenue accounts, five special purpose accounts (additional allocations) and one imprest account.

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.

3.47.16 Key Observations and Recommendations

In overseeing and reporting on the County budget implementation, the COB identified the following challenges that hampered effective budget implementation.

i. The County Treasury submitted its financial reports late to the Controller of Budget, which affected the timely preparation of the budget implementation report. The report was received on 20 January 2025.
ii. The underperformance of own-source revenue at Kshs.77.60 million against an annual target of Kshs.230 million, representing 34 per cent of the yearly target.
iii. The high pending bills amounted to Kshs.366.56 million as of 31 December 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
iv. 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.

v. Low expenditure on development programs was Kshs.241.44 million, translating to an absorption rate of 10.2 per cent of the entire allocation towards development expenditure in the financial year.

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 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 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.*
v. *The County Leadership should strategise on implementing development programmes according to the approved budget and work plans to improve citizens' quality of life.*

4. KEY OBSERVATIONS AND RECOMMENDATIONS

4.1. Introduction

This section highlights the issues that affected budget implementation and reporting in the first half of FY 2024/25 and provides recommendations to address the challenges. The cross-cutting challenges included the following:

4.2. Delay by the Parliament to enact the County Government Additional Allocations Bill 2024

The County Governments Additional Allocation Bill (CGAAB) facilitates the transfer of additional funds to County Governments from the National Government's revenue share, loans and grants provided by Development Partners.

Observation: The CGAAB 2024 proposes additional allocations for County Governments amounting to Kshs.55.46 billion for the FY 2024/25. These funds are to be disbursed through the relevant implementing entities of the National Government. As of December 31, 2024, the CGAAB was under mediation between the two Houses of Parliament. Consequently, funds could not be disbursed for the additional allocations in the first half of FY 2024/25. Further delays in resolving issues surrounding CGAAB will adversely affect budget implementation.

***Recommendation**: While Parliament and relevant stakeholders continue to work on resolving the outstanding issues under mediation in the CGAAB, we recommend that in subsequent budget cycles, the National Treasury and Parliament find a way to address the non-controversial issues in the CGAAB. This would enable the timely release of funds to County Governments, thereby facilitating timely budget implementation at the county level. Concerned stakeholders should also consider arranging for a pre-budget mediation mechanism to resolve these issues before the start of the budget cycle.*

4.3. Under-Performance in Own-Source Revenue Collection

Article 209 (3) of the Constitution allows County Governments to impose property rates, entertainment taxes, and any other taxes authorised by an Act of Parliament.

Observation: In the first half, the County Governments collectively generated Kshs.25.54 billion as own-source revenue (OSR) i.e. ordinary OSR and AIA (including FIF), achieving 30 per cent of the annual target of Kshs.85.36 billion. Several County Governments recorded low OSR performance compared to their targets, with some achieving less than 20 per cent in the first half of FY 2024/25. While the reasons for this underperformance vary, it creates an environment for accumulating pending bills.

***Recommendation**: County Governments that experience significantly low own-source revenue (OSR) performance in the first half of FY 2024/25 should consider lowering their OSR targets in their subsequent supplementary budgets. Additionally, these governments should enhance revenue administration to improve their revenue collection efforts.*

In future budget cycles, the County Executive Committee Member of Finance should emphasise prudence in revenue forecasting when issuing the circular outlining the budget process (Section 128 of the PFM Act 2025). Additionally, there should be a focus on controlling the desire for increased expenditure allocations across various votes.

We also request that the National Treasury collaborate with other stakeholders to develop relevant frameworks for revenue forecasting.

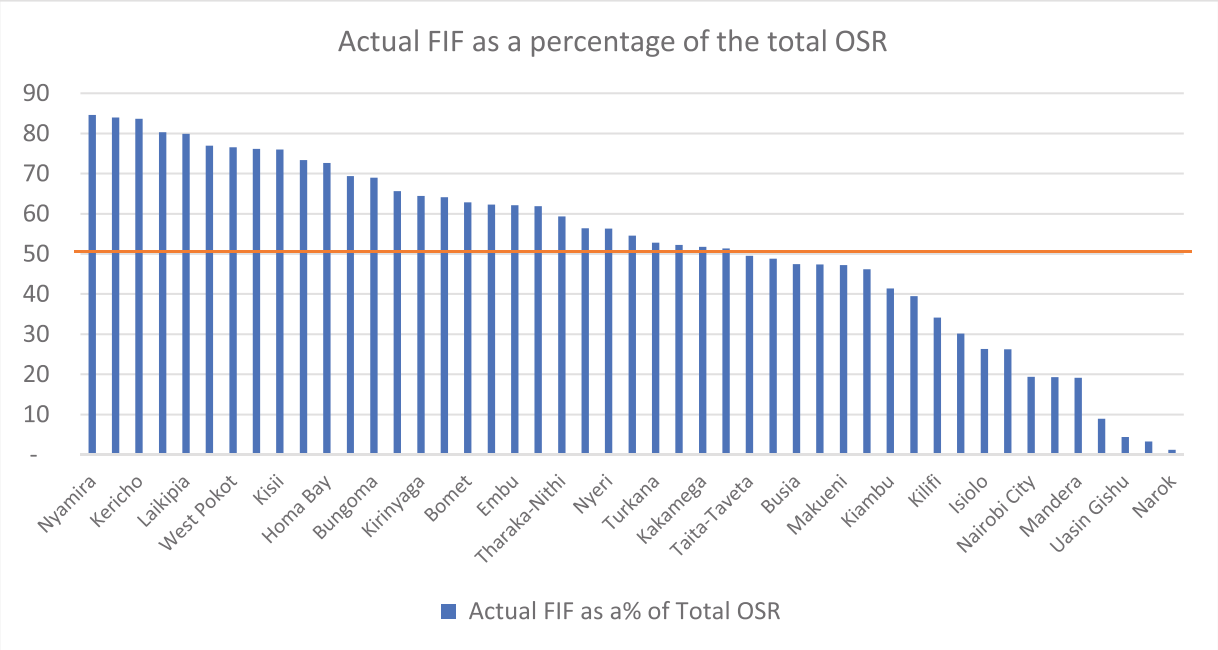
4.4. Overdependence on Funding from Appropriations and Facility Improvement Funds

Section 107(2)(f) of the PFM Act, 2012 states that in managing a County Government's public finances, the County Treasury shall ensure the fiscal risks are managed prudently.

Observation: In the first quarter of FY 2023/24, we observed that FIF revenue accounted for more than 50 per cent of the total revenue for 28 counties (refer to Annex I for details). This can be attributed to enhancements to health facilities, including better service provision and an adequate supply of medicine, which resulted in an increase in the uptake of health services in the County Governments over time.

While the growth in FIF is commendable, it raises the risk of overdependence on a single revenue stream.

Figure 188: Actual FIF as a percentage of the total OSR



Recommendation: *We recommend that the counties develop strategies to diversify and increase their other revenue streams over time, thus reducing the risk associated with relying solely on one funding source.*

4.5. 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 discussed in Chapter Three of this report, several County Governments did not adhere to their submitted plans while paying pending bills. The delay in disbursing the equitable share for December 2024 and underperformance in own-source revenue (OSR) contributed to this lack of compliance. The efforts by some County Governments to clear their debts remain insufficient. The consequences of not paying 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, all of which contribute to reduced economic activity.

Recommendations*: First, County Governments should strive to avoid accumulating pending bills, regardless of their challenges. They can achieve this by entering into agreements or contracts based on their cash flow availability and budget allocations.*

Secondly, under regulations 41 and 55 of the Public Finance Management (County Governments) Regulations 2015, County Governments should prioritise settling eligible pending bills as a first charge against their budgets to ensure compliance with the law. They should also adhere to the pending bill payment plans submitted to the OCoB.

Further, the National Treasury should release the equitable share of revenue raised nationally promptly, per the established disbursement schedule, to enable Counties to execute their budgets as planned.

4.6. Non-adherence to Exchequer Workplans Submitted to the OCoB

In accordance with Article 228 (4) of the Constitution of Kenya, Section 5 of the Controller of Budget (CoB) Act, 2016, and the guidelines for approval to withdraw from the County Revenue Funds, County Governments are required to support their exchequer requisitions with the necessary documentation outlining the budgeted activities to be implemented.

Observation: While the approved requests for withdrawals from the relevant County Revenue Funds are well supported, the Controller of Budget has noted frequent non-adherence to the exchequer work plans by County Governments, which results in weak fiscal discipline. Further, given that the exchequer process is mainly manual, it is challenging to tie approved requests and supporting work plans to actual expenditures. This issue is further illustrated in Annex II, which compares approved Exchequer requisitions from the respective County Revenue Funds (CRFs) with reported expenditures.

Recommendation: *The National Treasury liaise with key stakeholders to expedite the automation of the exchequer process of County Governments to ensure that approved exchequer work plans are linked to the actual execution (payments) of budgeted activities. This will create a comprehensive record of activities requisitioned over time, enabling easy reference. Additional benefits of automation include improved efficiency in exchequer processing.*

4.7. 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.33.60 billion on development activities, representing an absorption rate of only 16 per cent against the annual development budget of Kshs.211.53 billion. Analysis of development expenditure as a proportion of the approved annual development budget showed that several County Governments had an absorption rate of less than 10 per cent for their development programs.

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.*

4.8. 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 of financial and non-financial reports for the review period at January 15, 2025

Observation: However, as noted in Chapter Three, despite these legal requirements, several County Governments submitted their reports way after the January 15, 2025, deadline. This delay has hindered the timely finalisation of the County Budget Implementation Review Report.

County Governments should implement mechanisms to ensure compliance with the legal requirements for submitting quarterly financial and non-financial reports as outlined in the law.

5. CONCLUSION

This report aims to provide information on budget implementation by County Governments during the first half of the fiscal year 2024/25. It has been prepared in fulfilment of Article 228(6) of the Constitution of Kenya 2010 and Section 9 of the Controller of Budget Act 2016.

The combined budget estimates for County Governments for FY 2024/25 amount to Kshs.588.38 billion, which includes Kshs.211.53 billion (36 per cent) allocated for development activities and Kshs.376.86 billion (64 per cent) for recurrent activities. In the first half of FY 2024/25, the total funds available to County Governments amounted to Kshs.234.71 billion and consisted of Kshs.160.78 billion as the equitable share of revenue raised nationally, Kshs.30.83 billion in equitable share arrears for FY 2023/24, Kshs.25.54 billion in own-source revenue, with a balance brought forward of Kshs.17.56 billion.

The total expenditure by County Governments in the first half of FY 2024/25 was Kshs.181.86 billion, representing an absorption rate of 31 per cent of the total annual County Government budget. This expenditure comprised Kshs.151.26 billion for recurrent expenses and Kshs.33.60 billion for development expenses, representing 18 per cent of the total expenditure during the review period. This indicates that several County Governments did not achieve the minimum requirement of 30 per cent expenditure on development programs, as stipulated in Regulation 27(1)(g) of the Public Finance Management (County Governments) Regulations 2015.

In overseeing budget implementation, the Controller of Budget identified key challenges that hindered effective budget execution during this period. These challenges include delays in enacting the Additional Allocations Bill, underperformance in own-source revenue collection (30 per cent of the target in the review period), non-adherance to pending bills payment plans (Kshs.182.13 billion outstanding as of 31st December 2024), and low development spending (16 per cent absorption of the development budget).

This report provides recommendations for addressing these challenges to enhance the smooth execution of the budget for the remainder of FY 2024/25. The Controller of Budget urges the Parliament, County Government and National Treasury to implement the recommendations outlined in this report. The Controller of Budget remains committed to ensuring the effective use of public resources and will continue to publish reports on budget implementation.

6. ANNEXES

6.1. Annex I: Comparison of AIA (including FIF) with Total reported OSR

County	Ordinary OSR Target (Kshs.)	AIA (including FIF) Target (Kshs.)	Total Revenue Target (Kshs.)	Ordinary OSR Actual Realised (Kshs.)	AIA (including FIF) Actual (Kshs.)	Total Actual Revenue (Kshs.)	Actual AIA (including FIF) as a % of Total
	A	B	C=A+B	D	E	F=D+E	G=E/H*100
Baringo	450,719,215	149,378,181	600,097,396	132,513,000	47,066,252	179,579,252	26
Bomet	280,032,929	175,718,000	455,750,929	26,827,854	45,387,248	72,215,102	63
Bungoma	1,193,245,420	1,063,647,395	2,256,892,815	141,906,269	314,981,554	456,887,823	69
Busia	442,262,490	204,744,506	647,006,996	74,112,715	66,943,733	141,056,448	47
Elgeyo-Marakwet	105,784,971	195,000,000	300,784,971	28,741,042	150,570,814	179,311,856	84
Embu	454,377,354	498,255,343	952,632,697	120,411,248	197,275,093	317,686,341	62
Garissa	140,000,000	160,000,000	300,000,000	38,125,103	121,965,946	160,091,049	76
Homa Bay	501,737,917	981,068,740	1,482,806,657	141,662,048	376,212,529	517,874,577	73
Isiolo	271,208,180	100,000,000	371,208,180	88,177,273	31,427,534	119,604,807	26
Kajiado	1,200,000,000	370,000,000	1,570,000,000	143,961,534	157,451,982	301,413,516	52
Kakamega	1,359,000,000	841,000,000	2,200,000,000	340,389,150	365,225,564	705,614,714	52
Kericho	573,742,933	646,355,000	1,220,097,933	61,675,604	315,842,795	377,518,399	84
Kiambu	5,880,140,717	2,100,000,000	7,980,140,717	958,454,359	676,948,071	1,635,402,430	41
Kilifi	1,570,795,142	400,000,000	1,970,795,142	308,356,021	159,582,459	467,938,480	34
Kirinyaga	410,451,000	200,000,000	610,451,000	83,297,006	150,753,420	234,050,426	64
Kisii	650,000,000	1,561,193,565	2,211,193,565	139,979,000	443,903,335	583,882,335	76
Kisumu	2,877,951,100	926,122,000	3,804,073,100	232,804,530	444,827,924	677,632,454	66
Kitui	390,638,102	598,007,839	988,645,941	74,732,424	249,726,938	324,459,362	77
Kwale	350,000,000	300,000,000	650,000,000	79,789,612	84,252,366	164,041,978	51
Laikipia	842,500,000	602,500,000	1,445,000,000	158,941,709	632,500,000	791,441,709	80
Lamu	160,000,000	130,000,000	290,000,000	26,875,357	60,957,742	87,833,099	69
Machakos	2,788,961,508	687,000,000	3,475,961,508	334,454,452	79,998,091	414,452,543	19
Makueni	905,177,623	176,430,000	1,081,607,623	161,539,422	144,346,468	305,885,890	47
Mandera	278,609,881	57,923,965	336,533,846	75,778,920	17,959,596	93,738,516	19
Marsabit	110,000,000	141,164,000	251,164,000	28,411,718	50,796,888	79,208,606	64
Meru	500,000,000	550,000,000	1,050,000,000	112,546,294	309,626,322	422,172,615	73
Migori	550,000,000	140,000,000	690,000,000	115,917,226	104,451,115	220,368,341	47
Mombasa	4,941,017,284	1,050,000,000	5,991,017,284	1,176,042,307	507,520,873	1,683,563,180	30
Murang'a	750,000,000	500,000,000	1,250,000,000	191,464,339	229,835,296	421,299,635	55
Nairobi City	20,060,926,033	0	20,060,926,033	3,763,140,892	902,371,277	4,665,512,169	19
Nakuru	2,226,948,048	1,880,210,000	4,107,158,048	509,894,818	840,604,940	1,350,499,759	62
Nandi	306,096,685	301,231,711	607,328,396	81,850,399	77,927,121	159,777,520	49
Narok	4,859,048,092	164,951,908	5,024,000,000	4,328,623,352	53,997,708	4,382,621,060	1
Nyamira	400,000,000	450,000,000	850,000,000	29,599,271	162,835,232	192,434,503	85
Nyandarua	600,000,000	250,000,000	850,000,000	130,507,878	111,987,361	242,495,239	46
Nyeri	800,000,000	836,295,127	1,636,295,127	232,658,755	299,221,029	531,879,784	56
Samburu	262,930,140	18,700,000	281,630,140	160,220,292	5,370,224	165,590,516	3
Siaya	849,363,883	194,697,423	1,044,061,306	58,245,660	236,947,693	295,193,353	80
Taita-Taveta	500,000,000	250,000,000	750,000,000	98,358,372	96,396,742	194,755,114	49
Tana River	92,673,773	3,956,827	96,630,600	38,783,520	3,785,117	42,568,637	9
Tharaka-Nithi	285,000,000	165,000,000	450,000,000	74,491,935	108,506,814	182,998,749	59
Trans Nzoia	368,300,000	311,700,000	680,000,000	69,675,029	89,989,513	159,664,542	56

County	Ordinary OSR Target (Kshs.)	AIA (including FIF) Target (Kshs.)	Total Revenue Target (Kshs.)	Ordinary OSR Actual Realised (Kshs.)	AIA (including FIF) Actual (Kshs.)	Total Actual Revenue (Kshs.)	Actual AIA (including FIF) as a % of Total
	A	B	C=A+B	D	E	F=D+E	G=E/H*100
Turkana	241,000,000	79,000,000	320,000,000	66,980,065	74,818,617	141,798,682	53
Uasin Gishu	1,318,200,000	76,800,000	1,395,000,000	360,075,496	16,386,502	376,461,998	4
Vihiga	200,000,000	140,000,000	340,000,000	53,169,355	86,231,535	139,400,890	62
Wajir	80,000,000	120,000,000	200,000,000	63,389,051	41,328,430	104,717,481	39
West Pokot	97,200,000	132,800,000	230,000,000	18,204,531	59,395,241	77,599,772	77
Total	**64,476,040,420**	**20,880,851,530**	**85,356,891,950**	**15,735,756,207**	**9,806,439,043**	**25,542,195,250**	**38**

Source: *County Government Treasuries*

6.2. Annex II: Comparison of Exchequer and reported Expenditure in the first half of FY 2024/25

	Exchequers (Kshs.Million)			Expenditure (Kshs.Million)			Expenditure to Exchequer Performance (%)		
County	Rec	Dev	Total	Rec	Dev	Total	Rec	Dev	Total
Baringo	2,656.09	343.99	3,000.08	2,363.13	216.12	2,579.25	89	63	86
Bomet	2,713.47	698.42	3,411.90	2,709.73	617.86	3,327.59	100	88	98
Bungoma	3,991.79	728.60	4,720.39	4,369.06	760.70	5,129.76	109	104	109
Busia	3,215.06	575.62	3,790.68	1,979.32	647.27	2,626.59	62	112	69
Elgeyo-Marakwet	1,842.61	159.96	2,002.57	1,845.23	110.80	1,956.03	100	69	98
Embu	1,929.87	248.92	2,178.79	1,929.43	242.08	2,171.51	100	97	100
Garissa	2,941.77	1,236.93	4,178.70	2,491.03	1,179.43	3,670.46	85	95	88
Homa Bay	3,534.29	717.96	4,252.25	3,483.31	889.32	4,372.63	99	124	103
Isiolo	1,634.92	521.09	2,156.01	1,644.04	481.52	2,125.56	101	92	99
Kajiado	3,445.88	518.71	3,964.59	3,372.00	485.14	3,857.15	98	94	97
Kakamega	4,979.56	1,071.14	6,050.70	4,780.39	698.49	5,478.88	96	65	91
Kericho	2,097.02	693.26	2,790.28	1,699.25	639.53	2,338.77	81	92	84
Kiambu	5,195.93	1,176.58	6,372.51	5,221.54	1,054.52	6,276.07	100	90	98
Kilifi	3,513.38	1,602.05	5,115.43	4,030.26	2,102.03	6,132.29	115	131	120
Kirinyaga	1,985.10	607.10	2,592.20	1,806.66	607.10	2,413.76	91	100	93
Kisii	2,769.41	489.76	3,259.17	2,734.62	463.48	3,198.10	99	95	98
Kisumu	3,784.99	327.31	4,112.30	3,681.16	302.84	3,984.01	97	93	97
Kitui	4,460.22	285.58	4,745.81	4,452.78	284.53	4,737.31	100	100	100
Kwale	2,705.77	1,378.14	4,083.91	3,009.50	1,645.75	4,655.26	111	119	114
Laikipia	2,263.13	510.56	2,773.69	2,108.87	460.64	2,569.52	93	90	93
Lamu	1,101.29	113.15	1,214.44	1,101.29	113.15	1,214.44	100	100	100
Machakos	3,969.02	808.03	4,777.05	4,791.05	1,179.33	5,970.38	121	146	125
Makueni	2,989.46	196.37	3,185.83	3,876.42	534.47	4,410.89	130	272	138
Mandera	3,883.20	1,900.99	5,784.19	3,883.20	1,900.99	5,784.19	100	100	100
Marsabit	2,700.86	1,012.73	3,713.59	2,626.50	974.75	3,601.25	97	96	97
Meru	3,908.81	703.92	4,612.74	4,028.77	786.05	4,814.83	103	112	104
Migori	2,747.10	487.90	3,235.00	2,684.94	810.59	3,495.53	98	166	108
Mombasa	4,275.23	652.66	4,927.88	3,994.95	588.55	4,583.50	93	90	93
Murang'a	2,750.11	456.41	3,206.52	2,700.89	456.41	3,157.30	98	100	98
Nairobi	13,033.84	674.42	13,708.26	12,816.25	861.57	13,677.81	98	128	100
Nakuru	5,352.95	483.89	5,836.83	5,160.49	368.76	5,529.24	96	76	95
Nandi	2,535.69	555.73	3,091.41	2,976.81	741.57	3,718.38	117	133	120
Narok	6,365.03	1,599.00	7,964.03	6,766.86	1,556.11	8,322.97	106	97	105
Nyamira	1,827.83	319.01	2,146.85	1,675.13	224.77	1,899.90	92	70	88
Nyandarua	1,947.26	282.51	2,229.77	2,417.41	307.00	2,724.41	124	109	122
Nyeri	2,206.04	175.59	2,381.63	2,389.74	174.94	2,564.67	108	100	108
Samburu	1,908.95	433.87	2,342.82	1,940.29	420.84	2,361.13	102	97	101
Siaya	2,263.23	967.42	3,230.65	2,167.42	977.04	3,144.46	96	101	97
Taita-Taveta	2,221.04	152.96	2,373.99	2,221.04	152.96	2,373.99	100	100	100
Tana River	1,965.56	563.65	2,529.21	1,830.58	266.43	2,097.01	93	47	83
Tharaka-Nithi	2,105.56	223.88	2,329.44	1,888.92	337.45	2,226.38	90	151	96
Trans Nzoia	2,102.86	901.92	3,004.78	1,986.22	851.08	2,837.31	94	94	94
Turkana	3,491.93	1,882.14	5,374.07	4,625.39	2,002.07	6,627.46	132	106	123
Uasin Gishu	3,410.70	817.35	4,228.05	3,460.64	1,281.45	4,742.09	101	157	112

	Exchequers (Kshs.Million)			Expenditure (Kshs.Million)			Expenditure to Exchequer Performance (%)		
County	**Rec**	**Dev**	**Total**	**Rec**	**Dev**	**Total**	**Rec**	**Dev**	**Total**
Vihiga	2,451.30	289.94	2,741.24	2,090.13	274.35	2,364.48	85	95	86
Wajir	3,068.69	1,039.77	4,108.46	3,474.45	1,291.06	4,765.50	113	124	116
West Pokot	1,977.68	241.44	2,219.12	1,977.68	241.44	2,219.12	100	100	100
Total	**150,221.51**	**31,828.34**	**182,049.85**	**151,264.78**	**33,564.36**	**184,829.14**	**101**	**105**	**102**

Source: *County Government Treasuries*

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