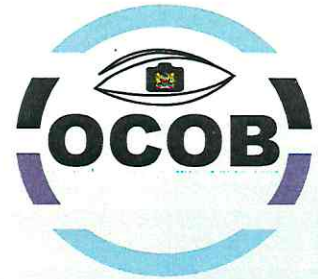


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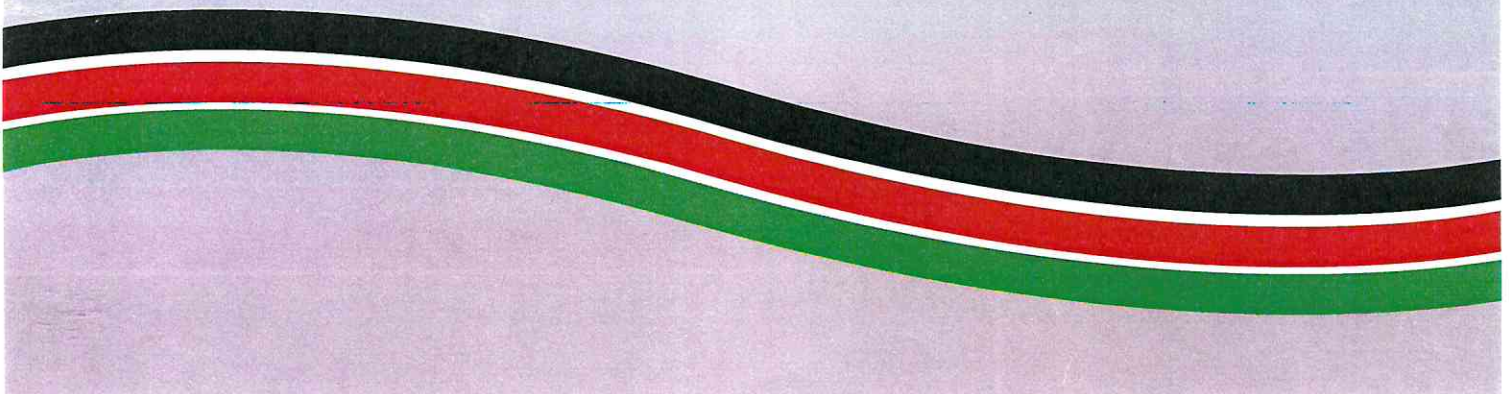


COUNTY GOVERNMENTS BUDGET IMPLEMENTATION REVIEW REPORT

FY 2024/25



AUGUST, 2025



OFFICE OF THE CONTROLLER OF BUDGET



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FOREWORD

The FY 2024/2025 County Governments Budget Implementation Review Report (CBIRR) provides a thorough analysis of the budget performance of the forty-seven County Governments. It examines various aspects, including receipts to the County Revenue Fund, issues related to the exchequer, expenditures, and funds absorption relative to the approved budget. Additionally, the report tracks pending bills and revenue arrears. It identifies key issues that hindered budget implementation during the FY 2024/2025 and offers recommendations to address these challenges.

This report is prepared per Article 228 (6) of the Constitution, which mandates the Controller of Budget to submit a report on the implementation of the budgets of the National and County Governments to each House of Parliament every four months. Furthermore, it aligns with Section 9 of the Controller of Budget Act, 2016, which outlines the required contents of budget implementation reports. The report serves as a means for the Controller of Budget to disseminate information about budget implementation at the County Government level, as stipulated in Section 39 (8) of the Public Finance Management Act, 2012.

To compile this report, financial and non-financial data were reviewed and analysed, including reports submitted to the Controller of Budget under Sections 166 and 168 of the Public Finance Management Act. It draws on data from the Integrated Financial Management Information System and the approved budgets for FY 2024/2025. Continuous monitoring of budget implementation by the Office of the Controller of Budget further enhances the findings of this report.

This report will be valuable to the Legislature and Executive branches of County Governments and the public by increasing awareness of budget implementation and improving the management of public funds. I encourage the public and other stakeholders to use this report to scrutinise how County Governments are utilising public funds.

The preparation of this report was made possible through the dedication and hard work of the Controller of Budget staff and County Government personnel, whom I would like to acknowledge and greatly appreciate.

The report is also available at <https://cob.go.ke/>



FCPA Dr Margaret Nyakang'o, CBS
CONTROLLER OF BUDGET



- iii. High level of pending bills, which amounted to Kshs.1.74 billion as of 30 June 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
- iv. Use of manual payroll. Personnel emoluments amounting to Kshs.61.09 million for 4 staff members not onboarded into HRIS and 220 casual staff were processed through manual payroll, accounting for 1 per cent of the total payroll cost. Manual payroll is prone to abuse and may result in the loss of public funds.
- v. During the FY2024/25 reporting period, health facilities were owed a combined total of Kshs.313.97 million across the two schemes—SHIF and the defunct NHIF. The persistent delay in remitting approved claims undermines hospitals' ability to generate and utilise revenue at source as intended, thereby constraining their capacity to fund critical operations, procure essential medical supplies, and deliver quality healthcare services.
- vi. The County Assembly did not adhere to the budget provisions, as evidenced by the recurrent pending bills of Kshs.63.54 million, whereas the recurrent budget was 100 per cent absorbed.
- vii. The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015
- viii. Administration costs of the Meru County Executive Staff Housing, County Assembly of Meru Staff Car Loan and Housing Scheme and County Assembly of Meru Members Car Loan and Housing Scheme Funds were above the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015

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

- i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
- ii. *The County Treasury should ensure unspent funds from the previous financial year are deposited into the CRF Account in line with Section 136 of the PFM Act 2012.*
- iii. *The CECMF should ensure that all Fund Administrators submit financial and non-financial reports to the Controller of Budget by the 15th of the month after each quarter, as required by Section 168 of the PFM Act, 2012.*
- iv. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly. Further, compliance with the Pending Bills Action Plan should be enforced.*
- v. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Furthermore, strict adherence to the approved staff establishment should be maintained.*
- vi. *The County Leadership should liaise with the Social Health Authority for the settlement of outstanding claims.*
- vii. *The Fund Administrators of the Meru County Executive Staff Housing, County Assembly of Meru Staff Car Loan and Housing Scheme and County Assembly of Meru Members Car Loan and Housing Scheme Funds should ensure the administration costs are 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*
- viii. *The County Treasury should be consistent in reporting of pending bills and ensure accuracy in the computation.*
- ix. *The County Treasury should ensure it submits all expenditure and revenue for all County Corporations and Boards to OCOB.*
- x. *The County Treasury should ensure reconciliation is carried out on FIF expenditures before they are submitted to ensure accuracy in reporting.*

3.27. County Government of Migori

3.27.1 Overview of FY 2024/25 Budget

The Migori County Approved Supplementary II Budget for FY 2024/25 was Kshs.12.15 billion. It comprised Kshs.4.47 billion (37 per cent) and Kshs.7.68 billion (63 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represented an increase of Kshs.1.79 billion (17 per cent) from the FY 2023/24 budget comprising a development budget of Kshs.3.10 billion and a recurrent budget of Kshs.7.25 billion. The increase in the budget was primarily attributed to growth in additional allocations for the year and opening cash balances brought forward from FY 2023/24, both in the County Revenue Fund and Special Purpose Operational Accounts (SPAs), re-voted in the budget.

The budget was to be financed from various revenue sources, including the equitable share of revenue raised nationally, amounting to Kshs.8.39 billion (69 per cent), and additional allocations of Kshs.2.27 billion (19 per cent), a cash balance of Kshs.688.43 million (6 per cent) brought forward from FY 2023/24, and Kshs.800 million (7 per cent)



generated as own-source revenue. The own-source revenue comprised Kshs.550 million (69 per cent) deposited into the CRF and Kshs.250 million (31 per cent) as Appropriations-in-Aid (A-I-A) spent at source. The A-I-A comprised Kshs.250 million (100 per cent) as the Facility Improvement Financing (revenue from health facilities). A breakdown of the additional allocations is shown in Table 3.325.

3.27.2 Revenue Performance

The County received Kshs.10.53 billion in revenues in the review period to fund its development and recurrent activities. This amount represented an increase of 8 per cent compared to the amount received in FY 2023/24 of Kshs.9.70 billion. The total revenue consisted of Kshs.8.39 billion from the equitable share of revenue raised nationally. Other revenue streams included additional allocations from the national government and development partners, amounting to Kshs.738.37 billion and own-source revenue (OSR) collection of Kshs.691.56 billion. Additionally, the County had a cash balance of Kshs.688.43 billion from FY 2023/24.

The total OSR collection of Kshs.691.56 billion included Facilities Improvement Financing (FIF) of Kshs.354.19 million, and Kshs.337.36 million from other OSR sources. Table 3.325 summarises the total revenue available to the County Government during FY 2024/25.

Table 3.325: Migori County, Revenue Performance in 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 -	8,385,079,399	8,385,076,709	100
	Sub-total	8,385,079,399	8,385,076,709	100
B	Additional Allocations			
1.	DANIDA Grant (Universal Healthcare in Devolved System Program)	12,358,500	10,432,500	84
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 (Government of Kenya)	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)	390,000,000	16,968,438	4
10.	Climate Change - IDA World Bank (FLLoCA)	11,000,000	11,000,000	100
11.	Urban Institutional Grant (UIG)	35,000,000	32,309,300	92
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



S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs)	Actual Receipts as Percentage of Annual Budget Allocation
17.	Kenya Water and Sanitation (K-WASH) Program	199,874,000	71,587,277	0
18.	National Agricultural Value Chain Development Project (NAVCDP)	250,000,000	71,587,277	29
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.	Basic Salary arrears for County Government Health Workers	27,687,815	-	-
26.	Community Health Promoters (CHPs) Projects	88,380,000	-	-
27.	Migori County Climate Change Fund FLoCCA Balances C/Fwd	372,833,613	372,833,613	100
28.	Migori County Health Special Balances C/Fwd	915,068	915,068	100
29.	Migori County RMLF Balances C/Fwd	681,918	681,918	100
30.	Migori County NARIGP Operations Account Balances C/Fwd	4,261,826	4,261,826	
31.	Migori County Agriculture Chain Balances C/Fwd	161,794,532	161,794,532	
32.	Migori County Industrial Park Balances C/Fwd	1,500,000	1,500,000	100
Sub-total		2,273,500,528	738,366,051	32
C	Own Source Revenue			
33.	Ordinary Own Source Revenue	550,000,000	337,363,187	61
34.	Appropriation in Aid (A-I-A)	-	-	
35.	Facility Improvement Fund (FIF)	250,000,000	354,192,398	142
Sub-total		800,000,000	691,555,585	86
D	Other Sources of Revenue			
36.	Unspent balance from FY 2023/24	688,425,652	688,425,652	100
37.	Other Revenues (provide a list)	-	-	-
Sub-Total		688,425,652	688,425,652	100
Grand Total		12,147,005,579	10,503,423,997	86

Source: Migori County Treasury

Figure 105 shows the collection trend in own-source revenue from FY 2019/20 to FY 2024/25.

3.27.15 Budget Performance by Department

Table 3.336 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.336: Migori County, Budget Allocation and Absorption Rate by Department

Department	Revised Budget Allocation (Kshs.Million)		Exchequer Received (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure as % Exchequer Issues		Absorption Rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock, Veterinary Services, Fisheries & Blue Economy	237.95	720.73	227.78	164.38	227.78	264.91	100	161	96	37
Trade, Tourism, Industry, Market & Cooperative Development	150.89	362.95	135.06	243.57	134.73	243.57	100	100	89	67
Health Medical Services	1,836.31	307.38	1,791.20	124.13	1,791.20	124.13	100	100	98	40
Education, Gender Inclusivity, Social Services, Youth and Sports	488.12	169.96	443.36	145.74	443.36	145.74	100	100	91	86
Roads, Transport, Public Works & Infrastructural Development	151.67	946.88	150.50	925.80	150.50	925.80	100	100	99	98
Lands, Physical Planning, Housing & Urban Development	113.72	99.79	113.62	78.99	113.62	51.14	100	65	100	51
Rongo Municipality	22.42	31.32	22.42	8.97	22.42	8.97	100	100	100	29
Kehancha Municipality	25.13	27.85	25.13	13.44	25.13	13.44	100	100	100	48
Migori Municipality	21.14	64.35	18.18	3.97	18.18	3.97	100	100	86	6
Awendo Municipality	20.85	37.23	20.55	24.10	20.55	24.10	100	100	99	65
Environment, Natural Resources, Climate Change & Disaster Management	297.77	785.93	285.46	44.72	285.46	376.14	100	841	96	48
Finance and Economic Planning	1,151.23	28.13	1,146.24	26.63	1,146.24	26.63	100	100	100	95
Public Service Management, Monitoring & Evaluation & Performance Contracting	920.93	10.85	839.09	10.85	839.09	10.85	100	100	91	100
County Executive	431.80	153.46	431.26	130.48	431.26	141.29	100	108	100	92
County Assembly	968.73	102.92	950.82	54.56	950.81	54.41	100	100	98	53
Water and Energy	203.22	483.64	190.99	274.57	190.99	274.57	100	100	94	57
Public Health & Sanitation	526.87	133.04	465.82	100.95	465.82	100.95	100	100	88	76
Office of the County Attorney	111.84	-	72.68	-	72.68	-	100	0	65	-
Total	7,680.60	4,466.41	7,330.15	2,375.84	7,329.82	2,790.61	100	117	95	62

Source: Migori County Treasury

Analysis of expenditure by departments shows that the Department of Public Service Management, Monitoring, Evaluation and Performance Contracting posted the highest absorption rate of development budget at 100 per cent, followed closely by the Department of Roads, Transport, Public Works and Infrastructural Development at 98 per cent. Five Departments, namely Lands, Physical Planning, Housing & Urban Development, Rongo Municipality, Kehancha Municipality, Finance and Economic Planning, and County Executive, had the highest percentage of recurrent expenditure to budget at 100 per cent each, respectively, while the Office of the County Attorney registered the lowest at 65 per cent.

The over absorption on expenditure against exchequer issues reported in the Department of Agriculture, Livestock, Veterinary Services, Fisheries & Blue Economy at 161 per cent, Department of Environment, Natural Resources,

