

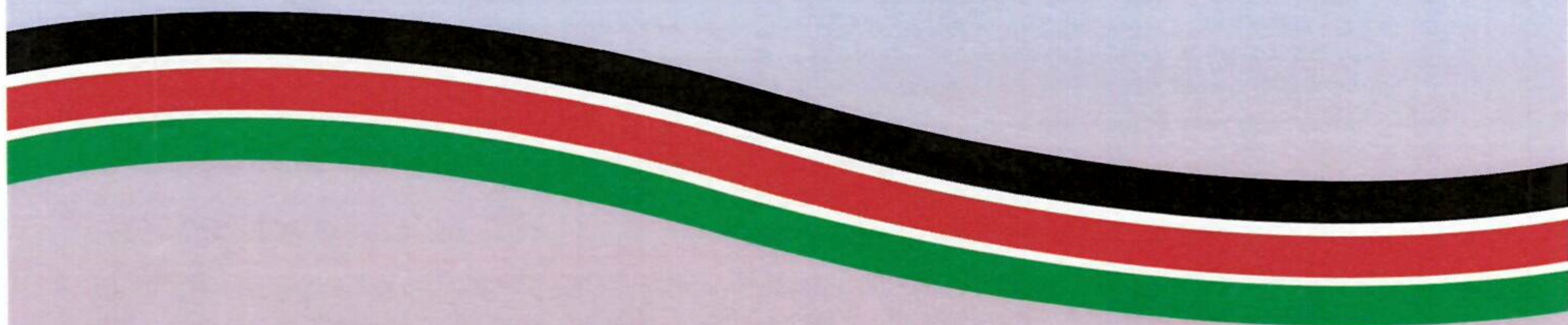
OFFICE OF THE CONTROLLER OF BUDGET



**COUNTY GOVERNMENTS
BUDGET IMPLEMENTATION REVIEW REPORT**

FY 2024/25

AUGUST, 2025



- 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

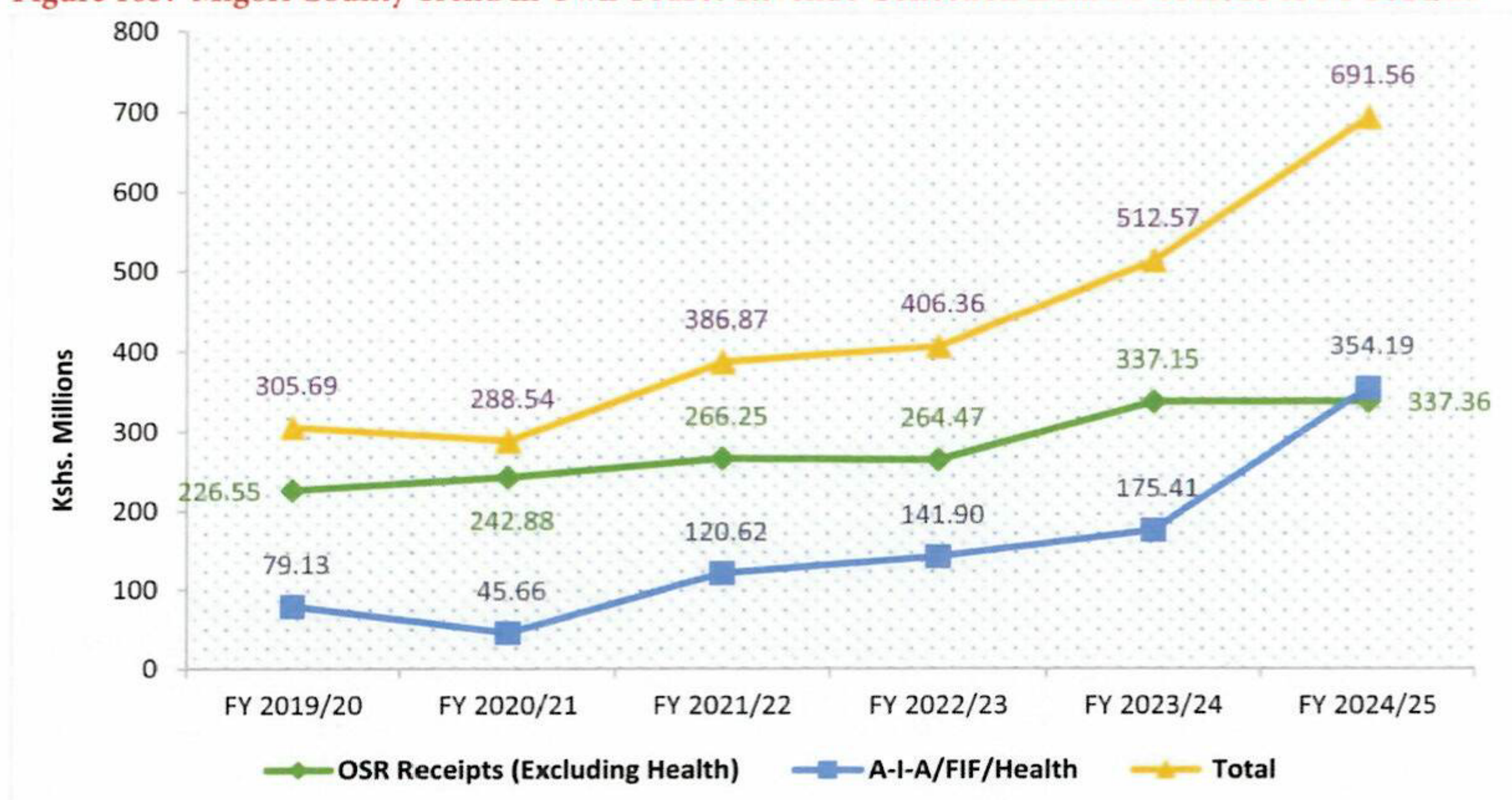
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	Equitable Share of Revenue Raised Nationally -			
		8,385,079,399	8,385,076,709	100
	Sub-total	8,385,079,399	8,385,076,709	100
B	Additional Allocations			
1.	DANIDA 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	-	-
18.	National Agricultural Value Chain Development Project (NAVCDP)	250,000,000	71,537,277	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.

Figure 105: Migori County Trend in Own-Source Revenue Collection from FY 2019/20 to FY 2024/25

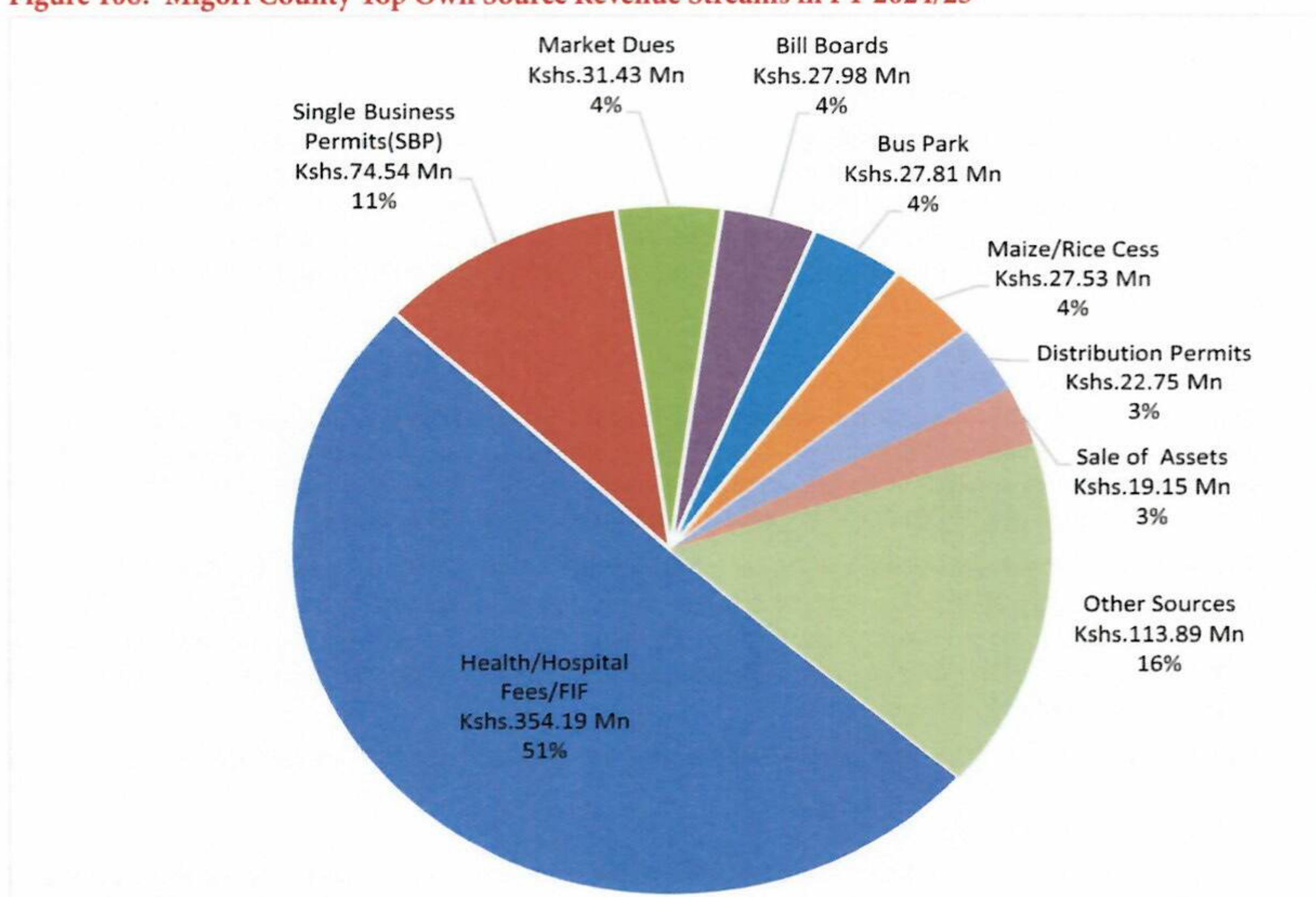


Source: Migori County Treasury

During the year, the County generated Kshs.691.56 million from its revenue sources, including FIF. This amount was an increase of 35 per cent compared to Kshs.512.57 million realised in a similar period in FY 2023/24. It was 86 per cent of the annual target and 8 per cent of the equitable revenue share disbursed. The increase is primarily attributed to the automation of FIF streams and reimbursed claims from the Social Health Authority (SHA).

The revenue streams which contributed the highest OSR receipts are shown in Figure 106.

Figure 106: Migori County Top Own Source Revenue Streams in FY 2024/25



Source: Migori County Treasury

As shown in Figure 106, the highest revenue stream, at Kshs.354.19 million, was from Hospital fees (FIF), accounting for 51 per cent of the total OSR receipts. The County Government indicated that it had automated 12 revenue streams out of 40

3.27.3 Revenue Arrears

The County had no outstanding revenue arrears at the beginning of the financial year. Similarly, the County did not report on any waivers and arrears recovered during the year other than the outstanding arrears earned from FIF of Kshs.212.28 million as at 30 June 2025, indicating that the County had no accumulated arrears in the reporting period. Table 3.326 presents a breakdown of the County's revenue in arrears.

Table 3.326: Migori County Revenue Arrears as of 30 June 2025

No	Revenue Stream	Revenue Arrears as of 1 July 2024 (Kshs.)	Progress made in FY 2024/25			OSR Arrears as of 30 June 2025 (Kshs.)
			Waivers (Kshs)	Arrears paid in the financial year (Kshs)	Arrears earned in FY 2024/25 (Kshs)	
		a	b	c	d	f=a-b-c+d
A	Ordinary Own Sources of Revenue	-	-	-	-	-
B	Facility Improvement Fund (FIF)	-	-	-	-	-
1	Social Health Authority (SHA)	-	-	-	101,590,708	101,590,708
2	National Hospital Insurance Fund (NHIF)	-	-	-	110,691,449	110,691,449
Total		-	-	-	212,282,157	212,282,157

Source: Migori County Treasuries

As of 30 June 2025, the revenue arrears were entirely the principal amount of Kshs.212.28 million (100 per cent)). The County is awaiting approvals from the Social Health Authority (SHA) to reimburse the amount outstanding in arrears.

3.27.4 Borrowing by the County

The County Assembly of Migori borrowed Kshs.50 million from the Kenya Commercial Bank Ltd, Migori Branch as a short-term credit facility at an interest rate of 3 per cent payable within one-month period to support its operations. The funds were utilised to pay members and staff allowances in arrears for the FY 2023/24 and disburse some office operations for July 2024. The borrowing was prompted by delayed disbursement of June, 2024 shareable revenues. The amount has since been fully settled down during the year and there was no outstanding amount as of 30 June, 2025

3.27.5 Exchequers Approved

The Controller of Budget approved withdrawals of Kshs.9.71 billion from the CRF account in FY 2024/25, which comprised Kshs.2.38 billion (24 per cent) for development programmes and Kshs.7.33 billion (76 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.74 billion was for employee compensation and Kshs.3.57 billion for operations and maintenance expenditure.

The operations and maintenance exchequer analysis indicates that 9 per cent was for domestic travel and 0.3 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.330.09 million and included Kshs.74.83 million for the County Executive and Kshs.255.26 million for the County Assembly. The foreign exchequer totalled Kshs.11.29 million, comprising Kshs.6.34 million for the County Executive and Kshs.4.95 million for the County Assembly.

As of the closure of FY 2024/25, the County Government's cash balance in the CRF account was Kshs.104.07 million.

3.27.6 County Expenditure Review

The County spent Kshs.10.12 billion on development and recurrent programmes in the reporting period. This expenditure represented 104 per cent of the total funds released by the CoB. It comprised Kshs.2.79 billion for development programmes and Kshs.7.33 billion for recurrent programmes. Expenditure on development programmes

represented an absorption rate of 63 per cent, while recurrent expenditure represented 95 per cent of the annual recurrent expenditure budget.

3.27.7 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.94 billion as of 30 June 2024. This amount included Kshs.1.76 billion from the County Executive and Kshs.184.72 million from the County Assembly. The pending bills from the County Executive consist of Kshs.875.34 million for recurrent expenditures and Kshs.881.38 million for development expenditures.

During the year, the County Executive settled pending bills amounting to Kshs.1.32 billion, comprising Kshs.724.05 million (55 per cent) for recurrent programmes and Kshs.592.82 million (45 per cent) for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.81.91 million, which included Kshs.42.31 million (52 per cent) for recurrent activities and Kshs.39.60 million (48 per cent) for development activities. Table 3.327 provides additional details of pending bills.

Table 3.327: Migori County Pending Bills as of 30 June 2025

	Pending Bills as of 1 July 2024 (Kshs.)	Settled Pending Bills in FY 2024/25 (Kshs.)	Pending bills incurred in FY 2024/25 (Kshs.)	Outstanding pending bills as of 30 June 2025 (Kshs.)
County Executive				
Recurrent	875,336,424	724,048,246	226,129,400	475,866,142
Development	881,380,560	592,817,622	128,013,904	361,359,348
Total	1,756,716,984	1,316,865,868	354,143,304	837,225,490
County Assembly				
Recurrent	127,259,085	42,306,086	34,133,758	184,558,500
Development	57,456,694	39,602,443	-	36,361,670
Total	184,715,779	81,908,530	34,133,758	220,920,170

Source: Migori County Treasury

The County Executive and the Assembly submitted a pending bill payment plan, committing to paying Kshs.1.32 billion and Kshs.182.32 million respectively in FY 2024/25. The County Executive adhered to this payment plan as it cleared Kshs.1.32 billion, while the County Assembly did not comply with the plan as it cleared Kshs.81.91 million only.

Table 3.328 presents the ageing of the total outstanding bills as of 30 June 2025, which was Kshs.1.06 billion.

Table 3.328: Migori County Pending Bill Ageing Analysis as of 30 June 2025

Category	Ageing analysis (Amount in Kshs.)				Total
	Under one year	1-2 years	2-3 years	Over 3 years	
Development Pending Bills	128,013,904	75,308,878	170,920,466	23,477,770	397,721,018
Recurrent Pending Bills (Goods & Services)	247,880,550	93,073,263	170,204,944	96,087,946	607,246,703
Recurrent Pending Bills (Salary Arrears and Statutory Deductions)	9,382,608	24,804,931	1,651,220	-	35,838,759
Recurrent Pending Bills (Staff Claims)	6,400,000	10,939,180	-	-	17,339,180
Total Recurrent Pending Bills	263,663,158	128,817,374	171,856,164	96,087,946	660,424,642
Total Pending Bills	391,677,062	204,126,252	342,776,630	119,565,716	1,058,145,660
Total	37	19	32	11	100

Source: Migori County Treasury

From now on, the County should adopt the IBEC pending bills action plan tracker templates sponsored by KDSP II in managing, tracking and reporting of their pending bills and status

3.27.8 Expenditure by Economic Classification

The County Executive incurred Kshs.3.27 billion for compensation of employees, Kshs.3.11 billion for operations and maintenance, and Kshs.2.74 billion for development activities. Similarly, the County Assembly spent Kshs.476.76 million on compensation of employees, Kshs.474.05 million on operations and maintenance, and Kshs.54.41 million

on development activities, as shown in Table 3.329.

Table 3.329: Migori County Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	6,711,862,052	968,733,221	6,379,008,612	950,808,145	95	98
Compensation of Employees	3,256,875,243	476,758,853	3,266,354,066	476,758,853	100	100
Operations and Maintenance	3,454,986,809	491,974,368	3,112,654,546	474,049,292	90	96
Development Expenditure	4,363,493,347	102,916,959	2,736,201,965	54,410,485	63	53
Total	11,075,355,399	1,071,650,180	9,115,210,577	1,005,218,630	82	94

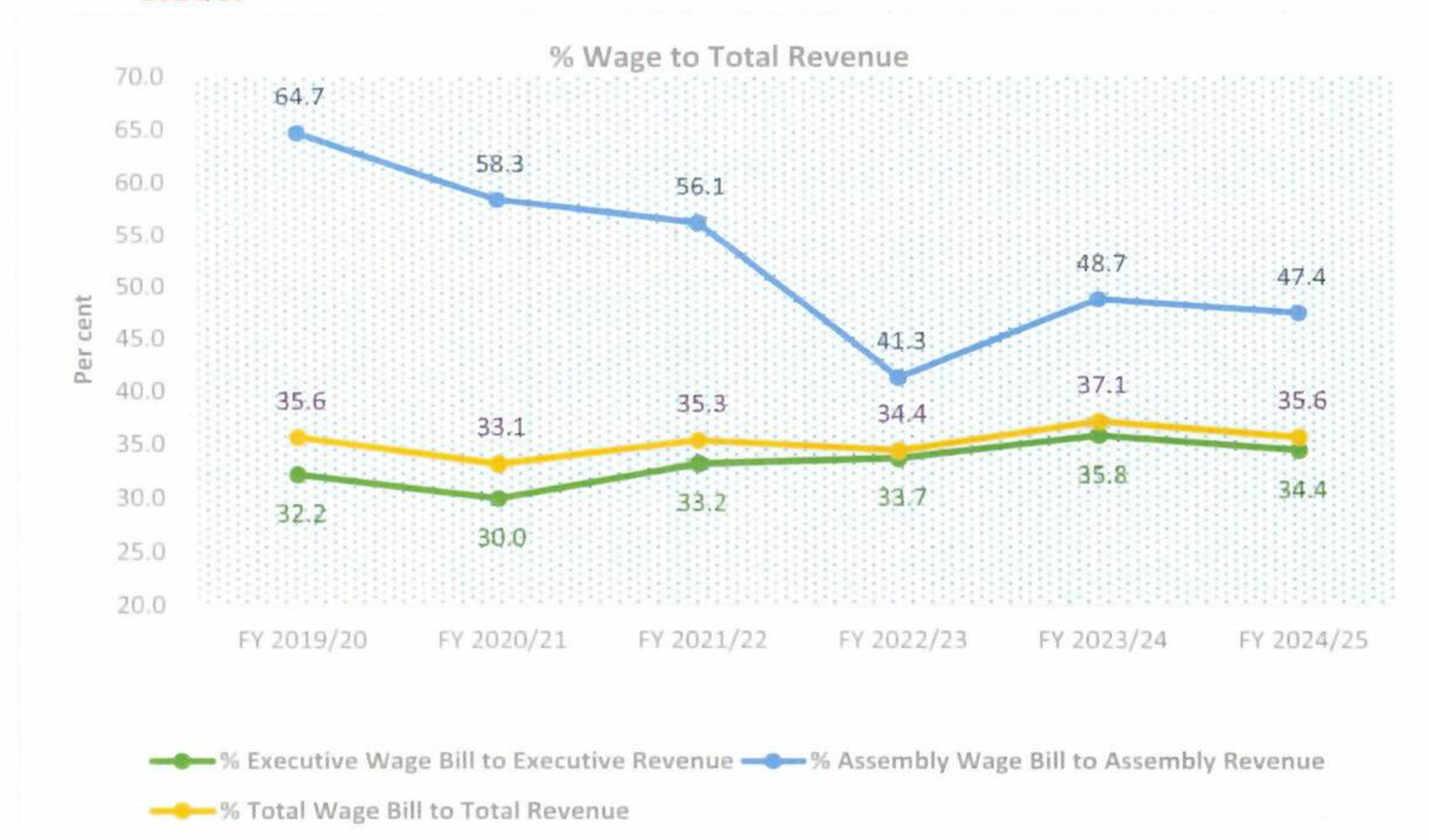
Source: Migori County Treasury

3.27.9 Expenditure on Compensation of Employees

During the period under review, the expenditure on employee compensation totalled Kshs.3.74 billion. Therefore, the percentage of compensation of employees to adjusted revenue, excluding the earnings from extractive revenue of Kshs.10.50 billion in line with Regulation 25(1)(c) of the PRM (County Governments) Regulations 2015, was 36 per cent. This expenditure on employee compensation shows an increase of 4 per cent compared to the Kshs.3.60 billion reported in FY 2023/24. Of this total, Kshs.1.49 billion related to the Health Sector employees, which accounted for 40 per cent of the overall employees' compensation.

Figure 107 shows the compensation trend of employees' expenditures as a percentage of total revenue received from FY 2019/20 to FY 2024/25.

Figure 107: Percentage of Employee Compensation to Total Revenue Received from FY 2019/20 to FY 2024/25



Source: Migori County Treasury

Further analysis indicated that PE costs amounting to Kshs.3.60 billion were processed through the Human Resource Information System (HRIS), while Kshs.147.39 million was processed through manual payrolls, which accounted for 4 per cent of the total PE cost.

The manual payrolls, as shown in Table 3.330, comprised salaries for 713 casuals and stipends for 3,388 Community Health Promoters /Volunteers (CHVs).

Table 3.330: Breakdown of Migori County Manual Payroll

S/no.	Description of Manual Payroll	Amount Kshs.
1.	Salaries/Wages for casual staff	121,978,187
2.	Community Health Workers/Promoters/Volunteers (CHVs)	25,410,000
	Total	147,388,187

Source: Migori County Treasury

The County Assembly spent Kshs.30.27 million on committee sitting allowances for the 60 MCAs against the annual budget allocation of Kshs.30.52 million. The average monthly sitting allowance was Kshs.42,048 per MCA. The County Assembly has 27 House Committees.

3.27.10 County-Established Funds

Section 116 of the PFM Act 2012 allows County Governments to establish other public funds, subject to approval from the County Executive Committee and the County Assembly. The County allocated Kshs.20 million to County-Established funds in FY 2024/25, or less than 1 per cent of the County's overall budget. Further, the County had no allocation to the Emergency Fund despite the provision of Section 110 of the PFM Act, 2012. Table 3.331 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.331: Performance of Migori County Established Funds in FY 2024/25

S/No	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the FY 2024/25 (Kshs.)	Actual Expenditure in the FY 2024/25 (Kshs.)	Cumulative Disbursements to the Fund (Kshs.)	Submission of Financial Statements (Yes/No)
County Executive Established Funds							
1.	Migori County Executive Car loans & House Mortgage Fund Scheme	December,2018	-	-	-	247,500,000	Yes
2.	Migori County Education Bursary Fund	January,2014	-	-	-	840,000,000	Yes
3.	Migori County Scholarships & Educational Benefits Fund	January,2014	-	-	-	279,000,000	Yes
4.	Migori County Alcoholic Drink Fund	September,2016	-	-	-	2,250,318	Yes
6.	Migori County SMEs Trade Development - INUA BIASHARA	March,2024	20,000,000	-	-	54,000,000	Yes
County Assembly Established Funds							
7.	Migori County Assembly Car loans & House Mortgage Fund Scheme	October, 2015	-	-	-	236,000,000	Yes
	Total		20,000,000	-	-	1,658,750,318	

Source: Migori County Treasury

During the reporting period, the CoB received all the quarterly financial reports from Fund Administrators, as indicated in Table 3.331, in line with the requirement of Section 168 of the PFM Act, 2012. The administration costs of the Funds are pegged at a 3 per cent limit of the funded budget as set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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

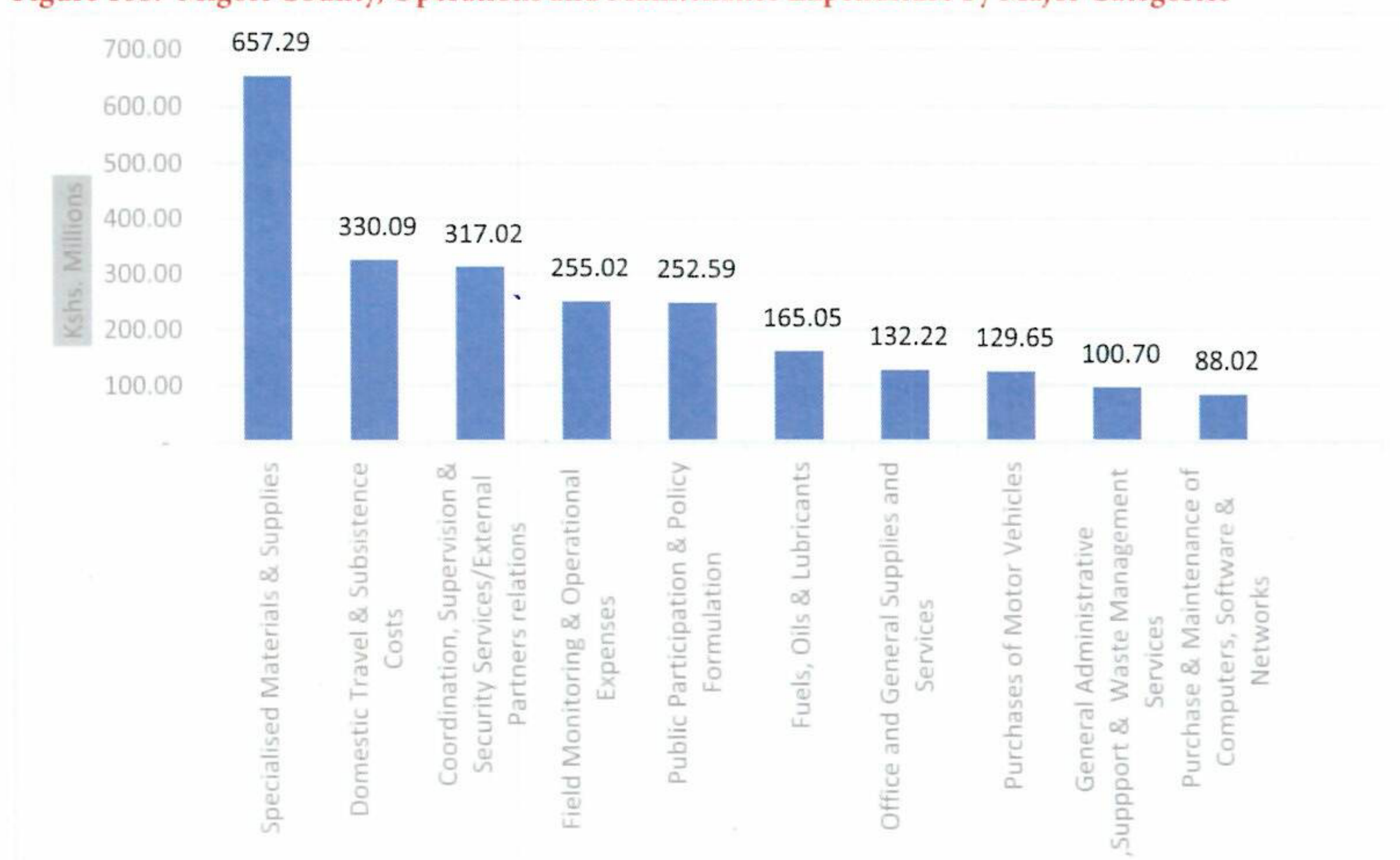
3.27.11 County Corporations

The County has not established any corporation but owns only 20 per cent of the shares at Migori Water & Sanitation Company Limited. During the financial year 2024/25, no budget was appropriated to support the company's operations.

3.27.12 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.330.09 million and comprised Kshs.255.26 million spent by the County Assembly and Kshs.74.83 million by the County Executive. Expenditure on foreign travel amounted to Kshs.11.29 million and comprised Kshs.4.95 million by the County Assembly and Kshs.6.34 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.332.

Table 3.332: Summary of Expenditure on Foreign Travel in FY 2024/25

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	5	26 th October to 3 rd November, 2024	Attending & Participating in the 24 th EAC MSMES Trade Fair and Exhibition	South Sudan	3,171,893
County Assembly	7	15 th -20 th September, 2023	Attending the CAF Corporate Leadership Conference 2023 Workshop	Arusha-Tanzania	2,358,860
County Executive	5	26 th February- to -2 nd March, 2025	Attending & Participating in EAL-ASCA Games	Uganda	1,459,504
County Executive	1	9 th March -to-23 rd March, 2025	Attending & Participating in the 69 th Session of the United Nations Commission on the Status of Women Conference	New York, USA	1,310,670
County Assembly	3	18 th -24 th May, 2024	Attending the 21st Annual Conference Meeting of the Association of APLESA	Mozambique	1,159,100
County Assembly	1	20 th -26 th January, 2025	Attending Training on the Parliamentary Leadership Conference of the Majority	Singapore	766,780

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	1	23 rd to 26 th October, 2024	Attending & Participating During the African Urbanisms Conference Workshop	South Africa	402,934
County Assembly	1	20 th -28 th November, 2023	Attending and Participating in Paralympic East African Games	Kigali-Rwanda	396,224
County Assembly	1	22 nd -30 th April 2024	Attending Workshop Training on County Assemblies Deputy Speakers on Effective Leadership of Assemblies Committees	Dubai	267,200

Source: Migori County Treasury and Migori County Assembly

Other types of expenditure under the operations and maintenance costs include Kshs.16.74 million on garbage collection and Kshs.75.98 million related to legal fees, dues, arbitration, and compensation payments.

3.27.13 Facility Improvement Financing

In FY 2024/25, the County reported collections of Kshs.354.19 million as FIF, which was 142 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.

During the reporting period, health facilities were owed a total of Kshs.212.28 million. This debt includes amounts owed from two sources: the Social Health Insurance Fund (SHIF) and outstanding debts from the now-defunct National Health Insurance Fund (NHIF). Table 3.333 presents a breakdown of the claims.

Table 3.333: Migori County Health Facilities FIF Performance in FY2024/25

S/no	Level of Health Facility	No of Health Facilities	SHIF/ SHA (Kshs.)			Defunct NHIF (Kshs.)
			Approved Claims	Claims Paid	Outstanding Claims	Outstanding Claims
1	Level 5 Health Hospitals	1	110,633,759	86,469,249	24,164,510	57,189,790
2	Level 4 Health Hospitals	15	125,698,063	48,271,865	77,426,198	53,501,659
3	Level 2 & 3 Health Hospitals	138	5,816,140	5,816,140	-	-
	Total	154	242,147,962	140,557,254	101,590,708	110,691,449

Source: County Treasury

In FY 2024/25, health facilities recorded approved claims from the SHIF amounting to Kshs.242.15 million. Of this, only Kshs.140.56 million was disbursed occasioning a pending balance of Kshs.101.59 million. Further, the defunct NHIF still owes health facilities Kshs.110.69 million.

The expenditure by the health facilities amounted to Kshs.180.95 million as shown in Table 3.334.

Table 3.334: Migori County Health Facilities Expenditure Performance in FY 2024/25

No.	Level of Health Facility	Number of Health Facilities	Approved Budget for the Facilities (Kshs.)	Actual Expenditure of the Facilities (Kshs.)	Absorption rate (%)
1.	Level 5 Health Hospitals	1	-	108,453,800	-
2.	Level 4 Health Hospitals	15	-	70,883,346	-
3.	Level 2 & 3 Health Facilities	138	-	1,611,474	-
	Total	154	250,000,000	180,948,621	72

Source: Migori County Treasury

3.27.14 Development Expenditure

In the review period, the County reported spending Kshs.2.79 billion on development programmes, representing an increase of 42 per cent compared to FY 2023/24 when the County spent Kshs.1.96 billion. Table 3.335 summarises the development projects with the highest expenditure in the reporting period.

The increase in development expenditure was attributed mainly to projects and programs executed from the additional allocations (Conditional grants) brought forward at the beginning of the financial year, which included NAVCDP programs, Climate Change Fund (FLLoCCA) funded projects, and County Industrial Aggregation Park (CIAPs), amongst others.

Table 3.335: Migori County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract Sum (Kshs)	Amount paid in FY 2024/25 (Kshs.)	Cumulative Expenditure as of 30 June 2025	Implementation status ()
1	Roads, Transport, Public Works and Infrastructural Development	Upgrading to Bitumen Standard of C727 Junction-Kanyimach Junction-Chamgi Wadu Road	South Sakwa	31 January, 2026	700,000,000	351,179,324	502,109,463	80
2	Trade, Tourism, Industry, Market and Cooperative, and Cooperative Development	Proposed Construction of Industrial Aggregation Park	Macalder Kanyarwanda Ward	30 August, 2025	500,000,000	166,978,804	346,184,734	81
3	County Executive	Construction of County Headquarters Offices	Suna East	30 June 2026	500,000,000	109,225,600	204,713,935	60
4	Roads, Transport, Public Works and Infrastructural Development	Construction and Completion of Osiri Footbridge	Macalder Kanyarwanda ward	Completed	24,494,034	24,494,034	24,494,034	100
5	County Assembly	Construction of Storey Building for Committee Rooms and Offices PHASE 1	Suna East	Completed	16,182,645	16,182,645	16,182,645	100
6	Finance and Economic Planning	Proposed Construction of County Treasury and Finance Complex Offices	Suna East	30 June, 2027	87,354,402	15,975,250	15,975,250	32
7	Finance and Economic Planning	Development and Installation of County Revenue System	Suna East	Completed	15,000,000	15,000,000	15,000,000	100
8	Environment, Natural Resources, Climate Change and Disaster Management	Construction and Completion of Sare Box Culvert & Access Road-Flocca Led	South Sakwa	Completed	14,997,988	14,997,988	14,997,988	100
9	Environment, Natural Resources, Climate Disaster Management	Construction & Completion of Kenyaboni Box Culvert and Access Road -FFLoCA Led	Tagare	Completed	14,995,009	14,995,009	14,995,009	100
10	Environment, Natural Resources, Climate Change and Disaster Management	Construction and Completion of Obware -Kayara Culvert -FLoCCA led	Kanyasa	Completed	14,970,728	14,970,728	14,970,728	100

Source: Migori County Treasury

The County did not report on any stalled development projects as of 30 June 2025.

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, Climate Change & Disaster Management at 841 per cent and County Executive at 108 per cent were attributed to unspent cash balances for conditional grants brought forward from the FY 2023/24 transferred to Special purposes operational accounts for NAVCDP, Locally led Flocca and KDSP 11 grants and re-appropriated in the period under review

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. Unspent funds from FY 2023/24 were not refunded into the CRF account, resulting in actual expenditures exceeding the approved exchequer issues in four departments, as shown in Table 3.336 on development budget.
- ii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of the County Education Bursary Fund and the County Scholarships & Educational Benefits Fund had expired, making them ineligible for further withdrawals.
- iii. Use of manual payroll. Personnel emoluments amounting to Kshs.147.39 million for 713 casual staff and 3,388 Community Health Promoters (CHVs) were processed through manual payroll accounting for 4 per cent of the total payroll cost. Manual payroll is prone to abuse and may result in the loss of public funds.
- iv. During FY2024/25, health facilities were owed a combined total of Kshs.212.28 million across the two schemes—SHIF and the defunct NHIF.

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

- i. *The County Treasury should ensure unspent funds from the previous financial year are deposited into the CRF Account in line with Section 136 of the PFM Act 2012.*
- ii. *The County should ensure the timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to re-establish or wind up such funds in compliance with the Public Finance Management Act.*
- iii. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their casual 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.*
- iv. *The County Leadership should liaise with the Social Health Authority for the settlement of outstanding claims.*