OFFICE OF THE CONTROLLER OF BUDGET

REPUBLIC OF KENYA

COUNTY GOVERNMENTS
BUDGET IMPLEMENTATION REVIEW REPORT

FOR THE FINANCIAL YEAR
2023/24

AUGUST, 2024

OFFICE OF THE CONTROLLER OF BUDGET

REPUBLIC OF KENYA

COUNTY GOVERNMENTS
BUDGET IMPLEMENTATION REVIEW REPORT

FOR THE FINANCIAL YEAR
2023/24

AUGUST, 2024

FOREWORD

The FY 2023/24 County Governments Budget Implementation Review Report (CBIRR) provides information on the budget performance of the forty-seven County Governments by analysing receipts into the County Revenue Fund, exchequer issues, expenditure, absorption of funds against approved budget and outlining the key issues that impeded budget implementation during the period. It also provides recommendations to address the issues. It has been prepared per Article 228 (6) of the Constitution, which requires the Controller of Budget to submit to each House of Parliament a report on the implementation of the budgets of the National and County Governments every four months.

The report is also prepared in conformity with Section 9 of the Controller of Budget Act, 2016, which prescribes the content of the budget implementation reports. It is one of the mediums the Controller of Budget uses to publicise information on budget implementation at the County Government level in line with Section 39 (8) of the Public Finance Management Act, 2012. It is based on reviewing financial and non-financial reports submitted to Controller of Budget under Sections 166 and 168 of the Public Finance Management, data extracted from the Integrated Financial Management Information System and the approved budgets for FY 2023/2024. It is further enhanced by continuous monitoring of budget implementation by the Office of the Controller of Budget.

This report will be helpful to the Legislature and Executive arms of the County Governments and the public in creating awareness of budget implementation and improving the management of public funds. I call upon the public and other stakeholders in the public finance management space to use this report to interrogate county governments' use of public funds.

The preparation of this report was made possible through the efforts and devotion to duty of both Controller of Budget and County Governments staff, whom I acknowledge and greatly appreciate.

FCPA Dr. Margaret Nyakang'o, CBS

CONTROLLER OF BUDGET

TABLE OF CONTENT

FOREWORD I
TABLE OF CONTENT II
LIST OF TABLES IV
LIST OF FIGURES XI
ACRONYMS XV
EXECUTIVE SUMMARY XVI
KEY HIGHLIGHTS XVIII
1. INTRODUCTION 1
2. FINANCIAL ANALYSIS OF COUNTY GOVERNMENT BUDGET IMPLEMENTATION IN FY 2023/24 2
3. BUDGET PERFORMANCE BY COUNTY GOVERNMENTS 11
3.1. County Government of Baringo 11
3.2. County Government of Bomet 25
3.3. County Government of Bungoma 36
3.4. County Government of Busia 55
3.5. County Government of Elgeyo Marakwet 69
3.6. County Government of Embu 79
3.7. County Government of Garissa 93
3.8. County Government of Homa Bay 103
3.9. County Government of Isiolo 120
3.10. County Government of Kajiado 132
3.11. County Government of Kakamega 145
3.12. County Government of Kericho 153
3.13. County Government of Kiambu 165
3.14. County Government of Kilifi 176
3.15. County Government of Kirinyaga 189
3.16. County Government of Kisii 201
3.17. County Government of Kisumu 212
3.18. County Government of Kitui 227
3.19. County Government of Kwale 239
3.20. County Government of Laikipia 257
3.21. County Government of Lamu 271
3.22. County Government of Machakos 284
3.23. County Government of Makueni 297
3.24. County Government of Mandera 309
3.25. County Government of Marsabit 318
3.26. County Government of Meru 331
3.27. County Government of Migori 343
3.28. County Government of Mombasa 362
3.29. County Government of Murang'a 373
3.30. Nairobi City County Government 385

3.31. County Government of Nakuru 400
3.32. County Government of Nandi....415
3.33. County Government of Narok....424
3.34. County Government of Nyamira 434
3.35. County Government of Nyandarua 446
3.36. County Government of Nyeri....459
3.37. County Government of Samburu....472
3.38. County Government of Siaya....487
3.39. County Government of Taita Taveta....498
3.40. County Government of Tana River....511
3.41. County Government of Tharaka Nithi 524
3.42. County Government of Trans Nzoia 535
3.43. County Government of Turkana 545
3.44. County Government of Uasin Gishu 562
3.45. County Government of Vihiga 577
3.46. County Government of Wajir 588
3.47. County Government of West Pokot....599
4. KEY CHALLENGES AND RECOMMENDATIONS 611
4.1. Introduction 611
4.2. Failure by the National Treasury to disburse the June 2024 equitable share of revenue to County Governments....611
4.3. Under-Performance of Own-Source Revenue Collection 611
4.4. Low Expenditure on Development Budget....611
4.5. High Pending Bills 612
4.6. High Expenditure on Personnel Emoluments 612
4.7. Delay in Submission of Financial and Non-Financial Reports to the Controller of Budget....612
4.8. Use of Commercial Bank Accounts 613
4.9. Excessive Expenditure on Travelling....613
5. CONCLUSION 614

LIST OF TABLES

Table 2.1: Own Source Revenue Collection in the FY 2023/24 2
Table 2.2: Expenditure by Major Economic Classification in the FY 2023/24....4
Table 2.3: County Budget Allocation, Expenditure and Absorption Rate for the FY 2023/24....6
Table 2.4: MCAs Budget Allocation, Expenditure and Absorption Rate in the FY 2023/24 7
Table 2.5: Pending Bills for the Counties as of 30th June 2024 (In Kshs.)....9
Table 3.1: Baringo County, Revenue Performance in the FY 2023/24 11
Table 3.2: Summary of Budget and Expenditure by Economic Classification 14
Table 3.3: Performance of County Established Funds in the FY 2023/24....15
Table 3.4: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024....16
Table 3.5: Baringo County, List of Development Projects with the Highest Expenditure 17
Table 3.6: Baringo County, Budget Allocation and Absorption Rate by Department 18
Table 3.7: Baringo County, Budget Allocation and Absorption Rate by Department 19
Table 3.8: Bomet County, Revenue Performance in the FY 2023/24Source: Bomet County Treasury 26
Table 3.9: Summary of Budget and Expenditure by Economic Classification 28
Table 3.10: Performance of County Established Funds in the FY 2023/24 29
Table 3.11: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024....30
Table 3.12: Bomet County, List of Development Projects with the Highest Expenditure....31
Table 3.13: Bomet County, Budget Allocation and Absorption Rate by Department 32
Table 3.14: Bomet County, Budget Execution by Programmes and Sub-Programmes 32
Table 3.15: Bungoma County, Revenue Performance in the FY 2023/24 37
Table 3.16: Summary of Budget and Expenditure by Economic Classification....39
Table 3.17: Performance of County Established Funds in the FY 2023/24 40
Table 3.18: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024 42
Table 3.19: Bungoma County, List of Development Projects with the Highest Expenditure 42
Table 3.20: Bungoma County, Budget Allocation and Absorption Rate by Department....42
Table 3.21: Bungoma County, Budget Execution by Programmes and Sub-Programmes 43
Table 3.22: Busia County, Revenue Performance in the FY 2023/24 55
Table 3.23: Summary of Budget and Expenditure by Economic Classification....57
Table 3.24: Performance of County Established Funds in the FY 2023/24 58
Table 3.25: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024....59
Table 3.26: Busia County, List of Development Projects with the Highest Expenditure....60
Table 3.27: Busia County, Budget Allocation and Absorption Rate by Department 60
Table 3.28: Busia County, Budget Execution by Programmes and Sub-Programmes 61
Table 3.29: Elgeyo Marakwet County, Revenue Performance in the FY 2023/24....69
Table 3.30: Summary of Budget and Expenditure by Economic Classification....71
Table 3.31: Performance of County Established Funds in the FY 2023/24 72
Table 3.32: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024....73
Table 3.33: Elgeyo Marakwet County, List of Development Projects with the Highest Expenditure 74
Table 3.34: Elgeyo Marakwet County, Budget Allocation and Absorption Rate by Department....74
Table 3.35: Elgeyo Marakwet County, budget execution by programmes and sub-programmes in the FY 2023/24 ...75
Table 3.36: Embu County, Revenue Performance in the FY 2023/24 80
Table 3.37: Summary of Budget and Expenditure by Economic Classification....82
Table 3.38: Performance of County Established Funds in the FY 2023/24 83
Table 3.39: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024....84
Table 3.40: Embu County, List of Development Projects with the Highest Expenditure 85
Table 3.41: Embu County, Budget Allocation and Absorption Rate by Department 86

Table 3.42: Embu County, Budget Execution by Programmes and Sub-Programmes 87
Table 3.43: Garissa County, Revenue Performance in the FY 2023/24 93
Table 3.44: Summary of Budget and Expenditure by Economic Classification 96
Table 3.45: Performance of County Established Funds in the FY 2023/24 97
Table 3.46: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 98
Table 3.47: Garissa County, List of Development Projects with the Highest Expenditure 98
Table 3.48: Garissa County, Budget Allocation and Absorption Rate by Department 99
Table 3.49: Garissa County, Budget Execution by Programmes and Sub-Programmes 100
Table 3.50: Homa Bay County, Revenue Performance in FY 2023/24 104
Table 3.51: Summary of Budget and Expenditure by Economic Classification 106
Table 3.52: Performance of County Established Funds in the FY 2023/24 107
Table 3.53: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 108
Table 3.54: Homa Bay County, List of Development Projects with the Highest Expenditure 109
Table 3.55: Homa Bay County, Budget Allocation and Absorption Rate by Department 110
Table 3.56: Homa Bay County, Budget Execution by Programmes and Sub-Programmes 111
Table 3.57: Isiolo County, Revenue Performance in the FY 2023/24 120
Table 3.58: Summary of Budget and Expenditure by Economic Classification 122
Table 3.59: Performance of County Established Funds in the FY 2023/24 123
Table 3.60: A breakdown of "Other Operating Expenses" in the above graph. 124
Table 3.61: Isiolo County, List of Development Projects with the Highest Expenditure 125
Table 3.62: Isiolo County, Budget Allocation and Absorption Rate by Department 125
Table 3.63: Isiolo County, Budget Execution by Programmes and Sub-Programmes 126
Table 3.64: Kajiado County, Revenue Performance in the FY 2023/24 132
Table 3.65: Summary of Budget and Expenditure by Economic Classification 135
Table 3.66: Performance of County Established Funds in the FY 2023/24 136
Table 3.67: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 137
Table 3.68: Kajiado County, List of Development Projects with the Highest Expenditure 138
Table 3.69: Kajiado County, Budget Allocation and Absorption Rate by Department 138
Table 3.70: Kajiado County, Budget Execution by Programmes and Sub-Programmes 139
Table 3.71: Kakamega County, Revenue Performance in the FY 2023/24 145
Table 3.72: Summary of Budget and Expenditure by Economic Classification 148
Table 3.73: Performance of County Established Funds in the FY 2023/24 149
Table 3.74: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024 150
Table 3.75: Kakamega County, List of Development Projects with the Highest Expenditure 151
Table 3.76: Kakamega County, Budget Allocation and Absorption Rate by Department 151
Table 3.77: Kericho County, Revenue Performance in the FY 2023/24 154
Table 3.78: Summary of Budget and Expenditure by Economic Classification 156
Table 3.79: Performance of County Established Funds in the FY 2023/24 157
Table 3.80: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 159
Table 3.81: Kericho County, List of Development Projects with the Highest Expenditure 160
Table 3.82: Kericho County, Budget Allocation and Absorption Rate by Department 160
Table 3.83: Kericho County, Budget Execution by Programmes and Sub-Programmes 161
Table 3.84: Kiambu County, Revenue Performance in the FY 2023/24 165
Table 3.85: Summary of Budget and Expenditure by Economic Classification 168
Table 3.86: Performance of County Established Funds in the FY 2023/24 169
Table 3.87: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024 170
Table 3.88: Kiambu County, List of Development Projects with the Highest Expenditure 171
Table 3.89: Kiambu County, Budget Allocation and Absorption Rate by Department 172

Table 3.90: Kiambu County, Budget Execution by Programmes and Sub-Programmes 172
Table 3.91: Kilifi County, Revenue Performance in the FY 2023/24 177
Table 3.92: Summary of Budget and Expenditure by Economic Classification 179
Table 3.93: Performance of County Established Funds in the FY 2023/24 180
Table 3.94: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 181
Table 3.95: Kilifi County, List of Development Projects with the Highest Expenditure 182
Table 3.96: Kilifi County, Budget Allocation and Absorption Rate by Department 182
Table 3.97: Kilifi County, Budget Execution by Programmes and Sub-Programmes 184
Table 3.98: Kirinyaga County, Revenue Performance in the FY 2023/24 189
Table 3.99: Summary of Budget and Expenditure by Economic Classification 191
Table 3.100: Performance of County Established Funds in the FY 2023/24 192
Table 3.101: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 193
Table 3.102: Kirinyaga County, List of Development Projects with the Highest Expenditure 194
Table 3.103: Kirinyaga County, Budget Allocation and Absorption Rate by Department 195
Table 3.104: Kirinyaga County, Budget Execution by Programmes and Sub-Programmes 195
Table 3.105: Kisii County, Revenue Performance in the FY 2023/24 201
Table 3.106: Summary of Budget and Expenditure by Economic Classification 203
Table 3.107: Performance of County Established Funds in the FY 2023/24 204
Table 3.108: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 205
Table 3.109: Kisii County, List of Development Projects with the Highest Expenditure 206
Table 3.110: Kisii County, Budget Allocation and Absorption Rate by Department 207
Table 3.111: Kisii County, Budget Execution by Programmes and Sub-Programmes 208
Table 3.112: Kisumu County, Revenue Performance in the FY 2023/24 212
Table 3.113: Summary of Budget and Expenditure by Economic Classification 215
Table 3.114: Kisumu County, Performance of County Established Funds in the FY 2023/24 216
Table 3.115: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 217
Table 3.116: Kisumu County, List of Development Projects with the Highest Expenditure 217
Table 3.117: Kisumu County, Budget Allocation and Absorption Rate by Department 218
Table 3.118: Kisumu County, Budget Execution by Programmes and Sub-Programmes 219
Table 3.119: Kitui County, Revenue Performance in the FY 2023/24 226
Table 3.120: Summary of Budget and Expenditure by Economic Classification 228
Table 3.121: Performance of County Established Funds in the FY 2023/24 Source: 229
Table 3.122: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 230
Table 3.123: Kitui County, List of Development Projects with the Highest Expenditure 231
Table 3.124: Kitui County, Budget Allocation and Absorption Rate by Department 232
Table 3.125: Kitui County, Budget Execution by Programmes and Sub-Programmes 233
Table 3.126: Kwale County Revenue Performance in the FY 2023/24 238
Table 3.127: Summary of Budget and Expenditure by Economic Classification 241
Table 3.128: Performance of County Established Funds in the FY 2023/24 242
Table 3.129: Summary of Highest Expenditure on Foreign Travel as of 30th Jun 2024 243
Table 3.130: Kwale County, List of Development Projects with the Highest Expenditure 244
Table 3.131: Kwale County, Budget Allocation and Absorption Rate by Department 244
Table 3.132: Kwale County, Budget Execution by Programmes and Sub-Programmes 245
Table 3.133: Laikipia County, Revenue Performance in the FY 2023/24 257
Table 3.134: Summary of Budget and Expenditure by Economic Classification 259
Table 3.135: Performance of County Established Funds in the FY 2023/24 260
Table 3.136: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 261
Table 3.137: Laikipia County, List of Development Projects with the Highest Expenditure 261

Table 3.138: Laikipia County, Budget Allocation and Absorption Rate by Department 262
Table 3.139: Laikipia County, Budget Execution by Programmes and Sub-Programmes 263
Table 3.140: Lamu County, Revenue Performance in the FY 2023/24 271
Table 3.141: Summary of Budget and Expenditure by Economic Classification 273
Table 3.142: Performance of County Established Funds in the FY 2023/24 274
Table 3.143: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 275
Table 3.144: Lamu County, List of Development Projects with the Highest Expenditure 276
Table 3.145: Lamu County, Budget Allocation and Absorption Rate by Department 276
Table 3.146: Lamu County, Budget Execution by Programmes and Sub-Programmes 277
Table 3.147: Machakos County Revenue Performance in the FY 2023/24 283
Table 3.148: Summary of Budget and Expenditure by Economic Classification 285
Table 3.149: Performance of County Established Funds in the FY 2023/24 286
Table 3.150: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024 287
Table 3.151: Machakos County, List of Development Projects with the Highest Expenditure 289
Table 3.152: Machakos County, Budget Allocation and Absorption Rate by Department 290
Table 3.153: Machakos County, Budget Execution by Programmes and Sub-Programmes 290
Table 3.154: Makueni County, Revenue Performance in the FY 2023/24 296
Table 3.155: Summary of Budget and Expenditure by Economic Classification 299
Table 3.156: Performance of County Established Funds in the FY 2023/24 300
Table 3.157: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 301
Table 3.158: Makueni County, List of Development Projects with the Highest Expenditure 302
Table 3.159: Makueni County, Budget Allocation and Absorption Rate by Department 303
Table 3.160: Makueni County, Budget Execution by Programmes and Sub-Programmes 304
Table 3.161: Mandera County, Revenue Performance in the FY 2023/24 308
Table 3.162: Summary of Budget and Expenditure by Economic Classification 311
Table 3.163: Performance of County Established Funds in the FY 2023/24 312
Table 3.164: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 313
Table 3.165: Mandera County, List of Development Projects with the Highest Expenditure 313
Table 3.166: Mandera County, Budget Allocation and Absorption Rate by Department 314
Table 3.167: Mandera County, Budget Execution by Programmes and Sub-Programmes 315
Table 3.168: Marsabit County, Revenue Performance in the FY 2023/24 318
Table 3.169: Summary of Budget and Expenditure by Economic Classification 320
Table 3.170: Performance of County Established Funds in the FY 2023/24 321
Table 3.171: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024 322
Table 3.172: Marsabit County, List of Development Projects with the Highest Expenditure 323
Table 3.173: Marsabit County, Budget Allocation and Absorption Rate by Department 324
Table 3.174: Marsabit County, Budget Execution by Programmes and Sub-Programmes 325
Table 3.175: Meru County, Revenue Performance in the FY 2023/24 331
Table 3.176: Summary of Budget and Expenditure by Economic Classification 334
Table 3.177: Performance of County Established Funds in the FY 2023/24 335
Table 3.178: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 336
Table 3.179: Meru County, List of Development Projects with the Highest Expenditure 337
Table 3.180: Meru County, Budget Allocation and Absorption Rate by Department 338
Table 3.181: Meru County, Budget Execution by Programmes and Sub-Programmes 339
Table 3.182: Migori County, Revenue Performance in the FY 2023/24 343
Table 3.183: Summary of Budget and Expenditure by Economic Classification 345
Table 3.184: Performance of County Established Funds in the FY 2023/24 346
Table 3.185: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 348

Table 3.186: Migori County, List of Development Projects with the Highest Expenditure 348
Table 3.187: Migori County, Budget Allocation and Absorption Rate by Department 349
Table 3.188: Migori County, Budget Execution by Programmes and Sub-Programmes 350
Table 3.189: Mombasa County, Revenue Performance in the FY 2023/24 361
Table 3.190: Summary of Budget and Expenditure by Economic Classification 363
Table 3.191: Performance of County Established Funds in the FY 2023/24 364
Table 3.192: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 365
Table 3.193: Mombasa County, List of Development Projects with the Highest Expenditure 366
Table 3.194: Mombasa County, Budget Allocation and Absorption Rate by Department 367
Table 3.195: Mombasa County, Budget Execution by Programmes and Sub-Programmes 367
Table 3.196: Murang'a County, Revenue Performance in the FY 2023/24 372
Table 3.197: Summary of Budget and Expenditure by Economic Classification 374
Table 3.198: Performance of County Established Funds in the FY 2023/24 375
Table 3.199: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024 376
Table 3.200: Murang'a County, List of Development Projects with the Highest Expenditure 378
Table 3.201: Murang'a County, Budget Allocation and Absorption Rate by Department 378
Table 3.202: Murang'a County, Budget Execution by Programmes and Sub-Programmes 379
Table 3.203: Nairobi City County, Revenue Performance in the FY 2023/24 385
Table 3.204: Summary of Budget and Expenditure by Economic Classification 387
Table 3.205: Performance of County Established Funds in the FY 2023/24 388
Table 3.206: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 389
Table 3.207: Nairobi City County, List of Development Projects with the Highest Expenditure 390
Table 3.208: Nairobi City County, Budget Allocation and Absorption Rate by Department 391
Table 3.209: Nairobi City County, Budget Execution by Programmes and Sub-Programmes 392
Table 3.210: Nakuru County, Revenue Performance in the FY 2023/24 399
Table 3.211: Summary of Budget and Expenditure by Economic Classification 402
Table 3.212: Performance of County Established Funds in the FY 2023/24 403
Table 3.213: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 404
Table 3.214: Nakuru County, List of Development Projects with the Highest Expenditure 405
Table 3.215: Nakuru County, Budget Allocation and Absorption Rate by Department 406
Table 3.216: Nakuru County, Budget Execution by Programmes and Sub-Programmes 407
Table 3.217: Nandi County Revenue Performance in the FY 2023/24 415
Table 3.218: Summary of Budget and Expenditure by Economic Classification 417
Table 3.219: Performance of County Established Funds in the FY 2023/24 418
Table 3.220: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 419
Table 3.221: Nandi County, List of Development Projects with the Highest Expenditure 420
Table 3.222: Nandi County, Budget Allocation and Absorption Rate by Department 421
Table 3.223: Nandi County, Budget Execution by Programmes and Sub-Programmes 422
Table 3.224: Narok County, Revenue Performance in the FY 2023/24 425
Table 3.225: Summary of Budget and Expenditure by Economic Classification 428
Table 3.226: Performance of County Established Funds in the FY 2023/24 429
Table 3.227: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 430
Table 3.228: Narok County, List of Development Projects with the Highest Expenditure 430
Table 3.229: Narok County, Budget Allocation and Absorption Rate by Department. 431
Table 3.230: Narok County, Budget Execution by Programmes and Sub-Programmes. 431
Table 3.231: Nyamira County, Revenue Performance in the FY 2023/24 435
Table 3.232: Summary of Budget and Expenditure by Economic Classification 437
Table 3.233: Performance of County Established Funds in the FY 2023/24 438

Table 3.234: Nyamira County, List of Development Projects with the Highest Expenditure 439
Table 3.235: Nyamira County, Budget Allocation and Absorption Rate by Department..... 440
Table 3.236: Nyamira County, Budget Execution by Programmes and Sub-Programmes 441
Table 3.237: Nyandarua County, Revenue Performance in the FY 2023/24 447
Table 3.238: Summary of Budget and Expenditure by Economic Classification..... 449
Table 3.239: Performance of County Established Funds in the FY 2023/24 450
Table 3.240: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024..... 451
Table 3.241: Nyandarua County, List of Development Projects with the Highest Expenditure 452
Table 3.242: Nyandarua County, Budget Allocation and Absorption Rate by Department 452
Table 3.243: Nyandarua County, Budget Execution by Programmes and Sub-Programmes 453
Table 3.244: Nyeri County, Revenue Performance in the FY 2023/24 459
Table 3.245: Summary of Budget and Expenditure by Economic Classification..... 461
Table 3.246: Performance of County Established Funds in the FY 2023/24 462
Table 3.247: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024..... 463
Table 3.248: Nyeri County, List of Development Projects with the Highest Expenditure 465
Table 3.249: Nyeri County, Budget Allocation and Absorption Rate by Department 466
Table 3.250: Nyeri County, Budget Execution by Programmes and Sub-Programmes 467
Table 3.251: Samburu County, Revenue Performance in the FY 2023/24..... 471
Table 3.252: Summary of Budget and Expenditure by Economic Classification..... 474
Table 3.253: Performance of County Established Funds in the FY 2023/24 475
Table 3.254: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024 476
Table 3.255: Samburu County, List of Development Projects with the Highest Expenditure 477
Table 3.256: Samburu County, Budget Allocation and Absorption Rate by Department..... 478
Table 3.257: Samburu County, Budget Execution by Programmes and Sub-Programmes 478
Table 3.258: Siaya County, Revenue Performance in the FY 2023/24..... 488
Table 3.259: Summary of Budget and Expenditure by Economic Classification..... 490
Table 3.260: Performance of County Established Funds in the FY 2023/24 491
Table 3.261: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024 492
Table 3.262: Siaya County, List of Development Projects with the Highest Expenditure 493
Table 3.263: Siaya County, Budget Allocation and Absorption Rate by Department..... 493
Table 3.264: Siaya County, Budget Execution by Programmes and Sub-Programmes 494
Table 3.265: Taita Taveta County, Revenue Performance in the FY 2023/24..... 498
Table 3.266: Summary of Budget and Expenditure by Economic Classification..... 500
Table 3.267: Performance of County Established Funds in the FY 2023/24 501
Table 3.268: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024..... 502
Table 3.269: Taita Taveta County, List of Development Projects with the Highest Expenditure 503
Table 3.270: Taita Taveta County, Budget Allocation and Absorption Rate by Department..... 503
Table 3.271: Taita Taveta County, Budget Execution by Programmes and Sub-Programmes 504
Table 3.272: Tana River County, Revenue Performance in the FY 2023/24..... 511
Table 3.273: Summary of Budget and Expenditure by Economic Classification..... 514
Table 3.274: Performance of County Established Funds in the FY 2023/24 515
Table 3.275: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024..... 516
Table 3.276: Tana River County, List of Development Projects with the Highest Expenditure 516
Table 3.277: Tana River County, Budget Allocation and Absorption Rate by Department..... 517
Table 3.278: Tana River County, Budget Execution by Programmes and Sub-Programmes 518
Table 3.279: Tharaka Nithi County, Revenue Performance in the FY 2023/24..... 524
Table 3.280: Summary of Budget and Expenditure by Economic Classification..... 526
Table 3.281: Performance of County Established Funds in the FY 2023/24 527

Table 3.282: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 528
Table 3.283: Tharaka Nithi County, List of Development Projects with the Highest Expenditure 529
Table 3.284: Tharaka Nithi County, Budget Allocation and Absorption Rate by Department 530
Table 3.285: Tharaka Nithi County, Budget Execution by Programmes and Sub-Programmes 531
Table 3.286: Trans Nzoia County, Revenue Performance in the FY 2023/24 535
Table 3.287: Summary of Budget and Expenditure by Economic Classification 537
Table 3.288: Performance of County Established Funds in the FY 2023/24 538
Table 3.289: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 540
Table 3.290: Trans Nzoia County, List of Development Projects with the Highest Expenditure 540
Table 3.291: Trans Nzoia County, Budget Allocation and Absorption Rate by Department 541
Table 3.292: Trans Nzoia County, Budget Execution by Programmes and Sub-Programmes 541
Table 3.293: Turkana County, Revenue Performance in the FY 2023/24 546
Table 3.294: Summary of Budget and Expenditure by Economic Classification 548
Table 3.295: Performance of County Established Funds in the FY 2023/24 549
Table 3.296: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 551
Table 3.297: Turkana County, List of Development Projects with the Highest Expenditure 551
Table 3.298: Turkana County, Budget Allocation and Absorption Rate by Department 552
Table 3.299: Turkana County, Budget Execution by Programmes and Sub-Programmes 553
Table 3.300: Uasin Gishu County, Revenue Performance in the FY 2023/24 562
Table 3.301: Summary of Budget and Expenditure by Economic Classification 564
Table 3.302: Performance of County Established Funds in the FY 2023/24 565
Table 3.303: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 567
Table 3.304: Uasin Gishu County, List of Development Projects with the Highest Expenditure 567
Table 3.305: Uasin Gishu County, Budget Allocation and Absorption Rate by Department 567
Table 3.306: Uasin Gishu County, Budget Execution by Programmes and Sub-Programmes 569
Table 3.307: Vihiga County, Revenue Performance in the FY 2023/24 577
Table 3.308: Table 3.305: Summary of Budget and Expenditure by Economic Classification 580
Table 3.309: Performance of County Established Funds in the FY 2023/24 581
Table 3.310: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 582
Table 3.311: Vihiga County, List of Development Projects with the Highest Expenditure 583
Table 3.312: Vihiga County, Budget Allocation and Absorption Rate by Department 583
Table 3.313: Vihiga County, Budget Execution by Programmes and Sub-Programmes 584
Table 3.314: Wajir County, Revenue Performance in the FY 2023/24 589
Table 3.315: Summary of Budget and Expenditure by Economic Classification 591
Table 3.316: Performance of County Established Funds in the FY 2023/24 592
Table 3.317: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024 593
Table 3.318: Wajir County, List of Development Projects with the Highest Expenditure 593
Table 3.319: Wajir County, budget allocation and absorption rate by department 594
Table 3.320: Wajir County, Budget Execution by Programmes and Sub-Programmes 595
Table 3.321: West Pokot County, Revenue Performance in the FY 2023/24 599
Table 3.322: Summary of Budget and Expenditure by Economic Classification 602
Table 3.323: Performance of County Established Funds in the FY 2023/24 603
Table 3.324: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024 604
Table 3.325: West Pokot County, List of Development Projects with the Highest Expenditure 605
Table 3.326: West Pokot County, Budget Allocation and Absorption Rate by Department. 605
Table 3.327: West Pokot County, Budget Execution by Programmes and Sub-Programmes. 606

LIST OF FIGURES

Figure 1: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 12
Figure 2: Top Streams of Own Source Revenue in the FY 2023/24 13
Figure 3: Percentage of Wage Bill to Total Revenue from FY 2018/19 to FY 2023/24 14
Figure 4: Baringo County, Operations and Maintenance Expenditure by Major Categories 15
Figure 5: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 27
Figure 6: Top Streams of Own Source Revenue in the FY 2023/24 27
Figure 7: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 29
Figure 8: Bomet County, Operations and Maintenance Expenditure by Major Categories 30
Figure 9: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 38
Figure 10: Top Streams of Own Source Revenue in the FY 2023/24 38
Figure 11: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 40
Figure 12: Bungoma County, Operations and Maintenance Expenditure by Major Categories 41
Figure 13: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 56
Figure 14: Top Streams of Own Source Revenue in the FY 2023/24 57
Figure 15: Percentage of Wage Bill to Total Revenue from FY 2018/19 to FY 2023/24 58
Figure 16: Busia County, Operations and Maintenance Expenditure by Major Categories 59
Figure 17: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 70
Figure 18: Top Streams of Own Source Revenue in the FY 2023/24 71
Figure 19: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 72
Figure 20: Elgeyo Marakwet County, Operations and Maintenance Expenditure by Major Categories 73
Figure 21: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 81
Figure 22: Top Streams of Own Source Revenue in the FY 2023/24 81
Figure 23: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 83
Figure 24: Embu County, Operations and Maintenance Expenditure by Major Categories 84
Figure 25: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 94
Figure 26: Top Streams of Own Source Revenue in the FY 2023/24 95
Figure 27: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 96
Figure 28: Garissa County, Operations and Maintenance Expenditure by Major Categories 97
Figure 29: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 105
Figure 30: Top Streams of Own Source Revenue in the FY 2023/24 105
Figure 31: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 107
Figure 32: Homa Bay County, Operations and Maintenance Expenditure by Major Categories 108
Figure 33: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 121
Figure 34: Top Streams of Own Source Revenue in the FY 2023/24 121
Figure 35: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 123
Figure 36: Isiolo County, Operations and Maintenance Expenditure by Major Categories 124
Figure 37: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 133
Figure 38: Top Streams of Own Source Revenue in the FY 2023/24 134
Figure 39: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 135
Figure 40: Kajiado County, Operations and Maintenance Expenditure by Major Categories 137
Figure 41: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 146
Figure 42: Top Streams of Own Source Revenue in the FY 2023/24 147
Figure 43: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 148
Figure 44: Kakamega County, Operations and Maintenance Expenditure by Major Categories 150
Figure 45: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 155
Figure 46: Top Streams of Own Source Revenue in the FY 2023/24 155
Figure 47: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 157

Figure 48: Kericho County, Operations and Maintenance Expenditure by Major Categories 158
Figure 49: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24..... 166
Figure 50: Kiambu County, Top Streams of Own Source Revenue in the FY 2023/24..... 167
Figure 51: Kiambu County, Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 169
Figure 52: Kiambu County, Operations and Maintenance Expenditure by Major Categories 170
Figure 53: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24..... 178
Figure 54: Kilifi County, Top Streams of Own Source Revenue in the FY 2023/24 178
Figure 55: Kilifi County, Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 180
Figure 56: Kilifi County, Operations and Maintenance Expenditure by Major Categories 181
Figure 57: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24..... 190
Figure 58: Kirinyaga County, Top Streams of Own Source Revenue in the FY 2023/24 191
Figure 59: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 192
Figure 60: Kirinyaga County, Operations and Maintenance Expenditure by Major Categories 194
Figure 61: Kisii County, Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24..... 203
Figure 62: Kisii County , Top Streams of Own Source Revenue in the FY 2023/24 203
Figure 63: Kisii County ,Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 205
Figure 64: Kisii County, Operations and Maintenance Expenditure by Major Categories..... 206
Figure 65: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24..... 214
Figure 66: Top Streams of Own Source Revenue in the FY 2023/24..... 215
Figure 67: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 216
Figure 68: Kisumu County, Operations and Maintenance Expenditure by Major Categories 217
Figure 69: Kitui County, Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24..... 228
Figure 70: County, Top Streams of Own Source Revenue in the FY 2023/24 228
Figure 71: Kitui County, Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 230
Figure 72: Kitui County, Operations and Maintenance Expenditure by Major Categories 231
Figure 73: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24..... 240
Figure 74: Kitui County, Top Streams of Own Source Revenue in the FY 2023/24 241
Figure 75: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 242
Figure 76: Kwale County, Operations and Maintenance Expenditure by Major Categories 244
Figure 77: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24..... 259
Figure 78: Top Streams of Own Source Revenue in the FY 2023/24 259
Figure 79: Laikipia County ,Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 261
Figure 80: Laikipia County, Operations and Maintenance Expenditure by Major Categories 262
Figure 81: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24..... 272
Figure 82: Top Streams of Own Source Revenue in the FY 2023/24 273
Figure 83: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 275
Figure 84: Lamu County, Operations and Maintenance Expenditure by Major Categories 276
Figure 85: Machakos County,Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24.... 285
Figure 86: Top Streams of Own Source Revenue in the FY 2023/24..... 286
Figure 87: Percentage of Wage Bill to Total Revenue from FY 2018/19 to FY 2023/24..... 287
Figure 88: Machakos County, Operations and Maintenance Expenditure by Major Categories 288
Figure 89: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24..... 299
Figure 90: Makueni County ,Top Streams of Own Source Revenue in the FY 2023/24 299
Figure 91: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 301
Figure 92: Makueni County, Operations and Maintenance Expenditure by Major Categories 302
Figure 93: Mandera County,Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24..... 310
Figure 94: Top Streams of Own Source Revenue in the FY 2023/24 311
Figure 95: Mandera County,Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 312

Figure 96: Mandera County, Operations and Maintenance Expenditure by Major Categories 313
Figure 97: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24..... 320
Figure 98: Top Streams of Own Source Revenue in the FY 2023/24 320
Figure 99: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 322
Figure 100: Marsabit County, Operations and Maintenance Expenditure by Major Categories 323
Figure 101: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 333
Figure 102: Top Streams of Own Source Revenue in the FY 2023/24 333
Figure 103: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 335
Figure 104: Meru County, Operations and Maintenance Expenditure by Major Categories 336
Figure 105: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 345
Figure 106: Top Streams of Own Source Revenue in the FY 2023/24 345
Figure 107: Migori County, Operations and Maintenance Expenditure by Major Categories..... 348
Figure 108: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 363
Figure 109: Top Streams of Own Source Revenue in the FY 2023/24 363
Figure 110: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 365
Figure 111: Mombasa County, Operations and Maintenance Expenditure by Major Categories 366
Figure 112: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 374
Figure 113: Top Streams of Own Source Revenue in the FY 2023/24 374
Figure 114: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 376
Figure 115: Murang'a County, Operations and Maintenance Expenditure by Major Categories 377
Figure 116: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 387
Figure 117: Top Streams of Own Source Revenue in the FY 2023/24..... 387
Figure 118: Nairobi City County, Operations and Maintenance Expenditure by Major Categories 390
Figure 119: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 401
Figure 120: Top Streams of Own Source Revenue in the FY 2023/24 402
Figure 121: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 403
Figure 122: Nakuru County, Operations and Maintenance Expenditure by Major Categories 404
Figure 123: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 416
Figure 124: Top Streams of Own Source Revenue in the FY 2023/24 (Kshs) 417
Figure 125: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 418
Figure 126: Nandi County, Operations and Maintenance Expenditure by Major Categories 419
Figure 127: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24. 426
Figure 128: Top Streams of Own Source Revenue in the FY 2023/24..... 427
Figure 129: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 428
Figure 130: Narok County, Operations and Maintenance Expenditure by Major Categories 429
Figure 131: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 436
Figure 132: Top Streams of Own Source Revenue in the FY 2023/24 436
Figure 133: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 438
Figure 134: Nyamira County, Operations and Maintenance Expenditure by Major Categories 439
Figure 135: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 448
Figure 136: Top Streams of Own Source Revenue in the FY 2023/24 449
Figure 137: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 450
Figure 138: Nyandarua County, Operations and Maintenance Expenditure by Major Categories 451
Figure 139: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 460
Figure 140: Top Streams of Own Source Revenue in the FY 2023/24 460
Figure 141: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 462
Figure 142: Nyeri County, Operations and Maintenance Expenditure by Major Categories 463
Figure 143: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 473

Figure 144: Top Streams of Own Source Revenue in the FY 2023/24 474
Figure 145: Samburu County, Operations and Maintenance Expenditure by Major Categories 476
Figure 146: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 489
Figure 147: Top Streams of Own Source Revenue in the FY 2023/24 489
Figure 148: Percentage of Wage Bill to Total Revenue from FY 2018/19 to FY 2023/24..... 491
Figure 149: Siaya County, Operations and Maintenance Expenditure by Major Categories 492
Figure 150: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 499
Figure 151: Top Streams of Own Source Revenue in the FY 2023/24. 500
Figure 152: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 501
Figure 153: Taita Taveta County, Operations and Maintenance Expenditure by Major Categories 502
Figure 154: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 512
Figure 155: Top Streams of Own Source Revenue in the FY 2023/24 513
Figure 156: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 514
Figure 157: Tana River County, Operations and Maintenance Expenditure by Major Categories 516
Figure 158: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 525
Figure 159: Top Streams of Own Source Revenue in the FY 2023/24 526
Figure 160: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 527
Figure 161: Tharaka Nithi County, Operations and Maintenance Expenditure by Major Categories 528
Figure 162: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 536
Figure 163: Top Streams of Own Source Revenue in the FY 2023/24 537
Figure 164: Trans Nzoia County, Operations and Maintenance Expenditure by Major Categories 539
Figure 165: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 547
Figure 166: Top Streams of Own Source Revenue in the FY 2023/24..... 547
Figure 167: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 549
Figure 168: Turkana County, Operations and Maintenance Expenditure by Major Categories 550
Figure 169: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 563
Figure 170: Top Streams of Own Source Revenue in the FY 2023/24 563
Figure 171: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 565
Figure 172: Uasin Gishu County, Operations and Maintenance Expenditure by Major Categories 566
Figure 173: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 578
Figure 174: Top Streams of Own Source Revenue in the FY 2023/24 579
Figure 175: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24 580
Figure 176: Vihiga County, Operations and Maintenance Expenditure by Major Categories 582
Figure 177: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 589
Figure 178: Top Streams of Own Source Revenue in the FY 2023/24 590
Figure 179: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 591
Figure 180: Wajir County, Operations and Maintenance Expenditure by Major Categories 592
Figure 181: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24 600
Figure 182: Top Streams of Own Source Revenue in the FY 2023/24..... 601
Figure 183: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24..... 602
Figure 184: West Pokot County, Operations and Maintenance Expenditure by Major Categories 604

ACRONYMS

ASDSP	Agriculture Sector Development Support Programme
CARA	County Allocation Revenue Act
CBIRR	County Budget Implementation Review Report
CECMF	County Executive Committee Member for Finance
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
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
Kshs.	Kenya Shillings
KUSP	Kenya Urban Support Project
MCA	Member of County Assembly
NARIGP	National Agricultural and Rural Inclusive Growth 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
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 Annual County Budget Implementation Review Report (CBIRR) for FY 2023/24, which covers July 2023 to June 2024. The report is prepared in compliance with Article 228(6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016. It assesses the budget implementation status of each of the 47 County Governments during the review period through analyses of revenue and expenditure performance while highlighting the challenges faced during budget implementation in the period under review. It offers recommendations to address them moving forward.

The combined County governments' budgets approved by the County Assemblies in FY 2023/24 amounted to Kshs.562.75 billion, with Kshs.189.93 billion (33.8 per cent) being allocated to development expenditure and Kshs.372.82 billion (66.2 per cent) allocated to recurrent expenditure. The allocation for development expenditure complied with the requirement of allocating at least 30 per cent of the budget to development expenditure as stipulated by the PFM Act, 2012.

To finance the FY 2023/24 budget, the County Governments expected to receive Kshs.385.42 billion as the equitable share of revenue raised nationally, receive Kshs.46.36 billion as additional allocations/conditional grants from the National Government and Development Partners, raise Kshs.80.94 billion from ordinary own sources of revenue and Facility Improvement Fund (FIF)/Appropriation in Aid (A-I-A), utilise Kshs.42.96 billion of unspent funds carried forward from FY 2022/23 and utilise Kshs.7.07 billion balances in their Special Purpose Accounts.

The total available funds to the forty-seven County governments in FY 2023/24 amounted to Kshs.492.47 billion. This comprised Kshs.354.59 billion as the equitable share of revenue raised nationally, Kshs.35.97 billion received as additional allocations/conditional grants disbursements from various Development Partners, Kshs.42.96 billion in cash balances from FY 2022/23, and Kshs.58.95 billion mobilized from own-source revenue streams.

In the FY 2023/24, the County Governments managed to raise Kshs.58.95 billion from local revenue sources, which accounted for 72.8 per cent of the cumulative annual local revenue target of Kshs.80.94 billion. This represented an increase of 55.9 per cent compared to the Kshs.37.81 billion reported in FY 2022/23. Counties that outperformed their annual revenue targets included Turkana at 241.2 per cent, Vihiga at 136.3 per cent, Kirinyaga at 118.4 per cent, Lamu at 116.2 per cent, Nandi at 113 per cent, Wajir at 110 per cent, Garissa at 108.2 per cent, Nyeri at 106.1 per cent, Samburu at 104.1 per cent, and Murang'a at 100.2 per cent. On the other hand, the Counties that recorded the lowest performance of their own source revenue included Nyandarua at 42.1 per cent, Machakos at 46.5 per cent, Mandera at 50.8 per cent, Nyamira at 53.8 per cent, Bungoma at 55.8 per cent, Kajiado at 56.1 per cent, and Busia at 56.9 per cent of annual targets.

The Controller of Budget authorised withdrawals of Kshs.451.21 billion from the County Revenue Funds (CRF) accounts to the County Operational Accounts for the County Governments per Article 207(3) of the Constitution. The authorised amount consisted of Kshs.339.39 billion (75.2 per cent) for recurrent activities and Kshs.111.82 billion (24.8 per cent) for development activities.

The cumulative expenditure for the forty-seven County governments amounted to Kshs.446.76 billion. It accounted for 99.0 per cent of the total funds authorised for withdrawal by the Controller of Budget. This expenditure comprised of Kshs.337.53 billion (75.6 per cent) for recurrent activities and Kshs.109.23 billion (24.4 per cent) for development activities. The aggregate expenditure represented an absorption of 79.5 per cent of the annual County Government budget and a decline from an absorption rate of 83.3 per cent realised in FY 2022/23 when the cumulative expenditure was Kshs.428.90 billion. County governments that achieved the highest overall absorption rates of their respective approved aggregate annual budgets were Wajir at 90.8 per cent, Narok at 90.3 per cent, Mandera at 90.0 per cent, Meru at 89.6 per cent, Nyeri at 88.4 per cent, and Bomet at 87.4 per cent. On the other hand, Bungoma, Kwale, Nakuru, Kisii, Garissa, and Kisumu recorded the lowest aggregate absorption rates at 72.5 per cent, 71.1 per cent, 70.5 per cent, 69.6 per cent, 67.2 per cent and 64.7 per cent, respectively.

The total development expenditure for the forty-seven County Governments amounted to Kshs.109.23 billion, translating to an absorption rate of 57.5 per cent of the cumulative annual FY 2023/24 development budget of Kshs.189.93 billion, indicating a decline from an absorption rate of 61.0 per cent realised in FY 2022/23 when the cumulative development expenditure was Kshs.97.98 billion. Narok, Homa Bay, Wajir, Mandera, Meru, and Bomet Counties achieved the highest absorption rates of their respective approved development budgets at 90.3 per cent, 86.3 per cent, 83.4 per cent, 82.6 per cent, 79.3 per cent and 76.2 per cent respectively. County governments that had the lowest absorption rates of their respective approved development budgets included Nyandarua at 45.9 per cent, Garissa at 44.8 per cent, Mombasa at 43.4 per cent, Nairobi City at 38.7 per cent, Kisumu at 37.0 per cent, and Kisii at 29.2 per cent.

The overall recurrent expenditure during the period under review amounted to Kshs.337.53 billion, accounting for 90.5 per cent of the cumulative annual County government's budget for recurrent activities and a decline from 93.3 per cent recorded in the FY 2022/23 when expenditure was Kshs.330.92 billion. The expenditure included Kshs.209.84 billion (62.2 per cent) for personnel emoluments and Kshs.127.69 billion (37.8 per cent) for operations and maintenance.

The Controller of Budget identified several challenges that hindered effective budget execution, including the National Treasury's failure to disburse the June 2024 equitable share of revenue to county governments, High expenditures on personnel emoluments, low expenditures on the development budget using Commercial Bank accounts, underperformance in own-source revenue collection, high pending bills, delays in submitting financial and non-financial reports to the Controller of Budget all contributed to poor budget implementation, and excessive expenditure on traveling which amounted to Kshs.17.60 billion.

Based on the preceding findings, the Controller of Budget recommends the following actions to improve budget implementation:

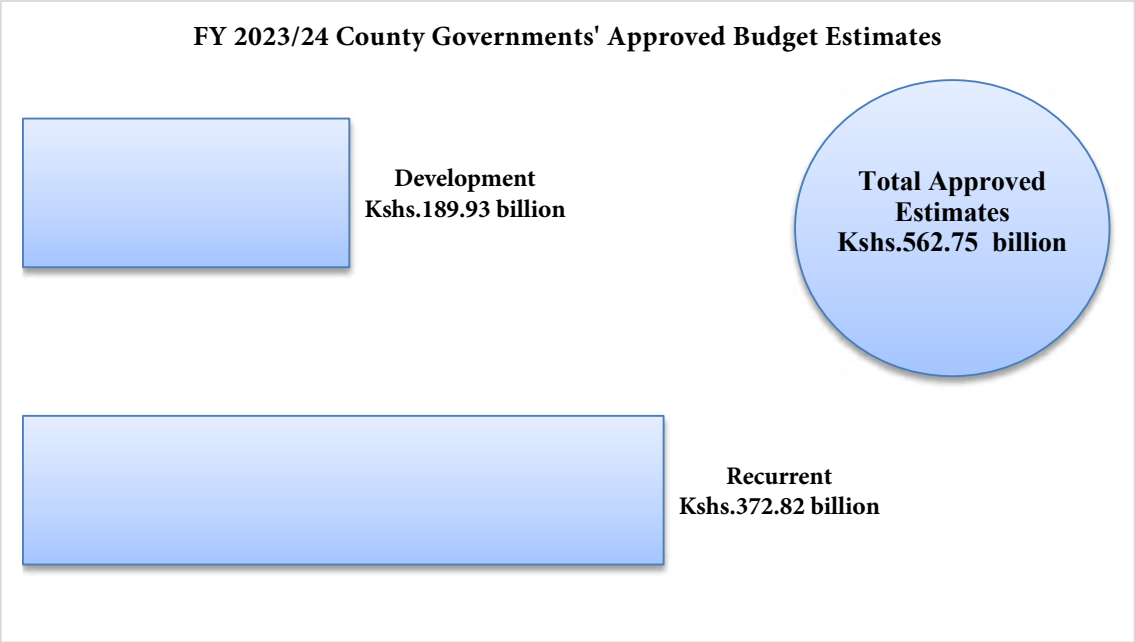
The National Government should develop and implement revenue-raising measures to ensure timely disbursements to county governments according to the approved disbursement schedules. Further, the county governments should ensure that expenditure on personnel emoluments is contained at sustainable levels and in compliance with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015. Further, the county governments should fast-track the acquisition of Unified Personnel Numbers for their staff and ensure that payroll is processed through the prescribed government system. The county governments should develop and implement strategies to increase expenditures on the development budget, achieving the 30 per cent threshold provided in law and improving their citizens' living standards.

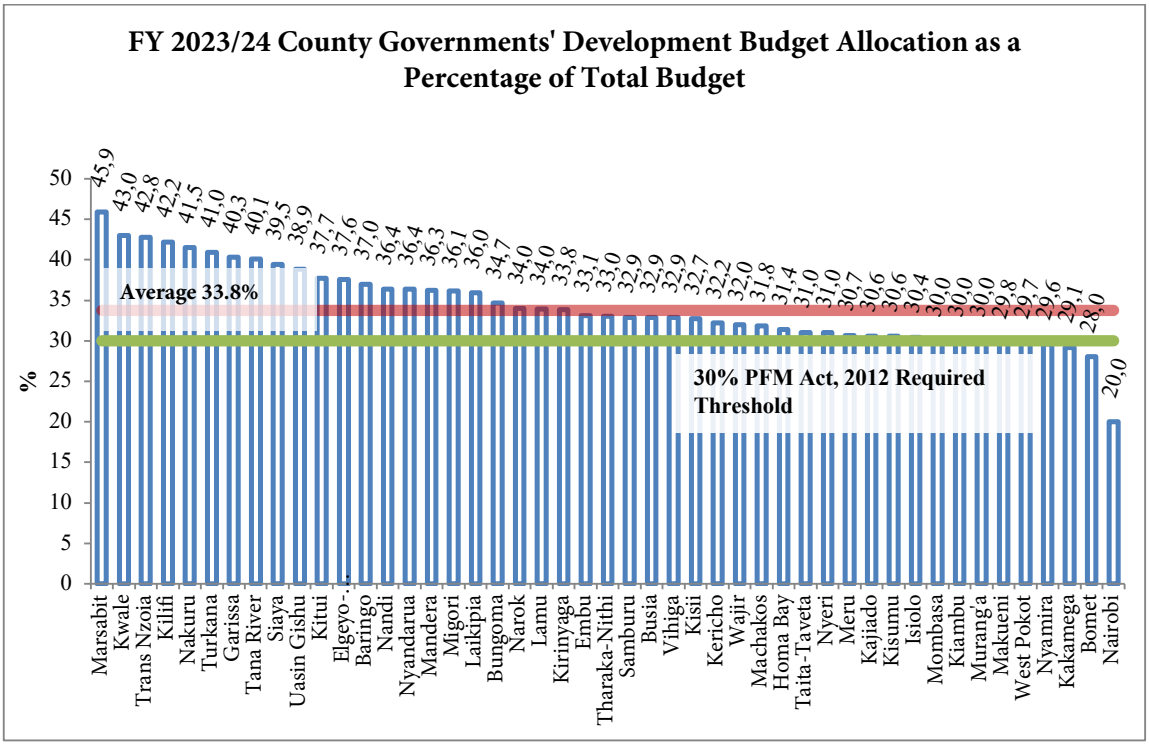
The County Executive Committee Members are responsible for finance follow-up and ensuring compliance with the law by maintaining bank accounts at the Central Bank of Kenya for accountable spending. The County governments should develop revenue enhancement strategies and set realistic and achievable targets in the next financial year (FY 2024/25) to avoid accumulating pending bills. The CoB further recommends that County Governments settle the eligible pending bills as a first charge on the budget in line with the law and prepare credible budgets with realistic revenue targets. Similarly, the National Treasury should promptly transfer the equitable revenue share to county governments per the Approved Disbursement Schedule.

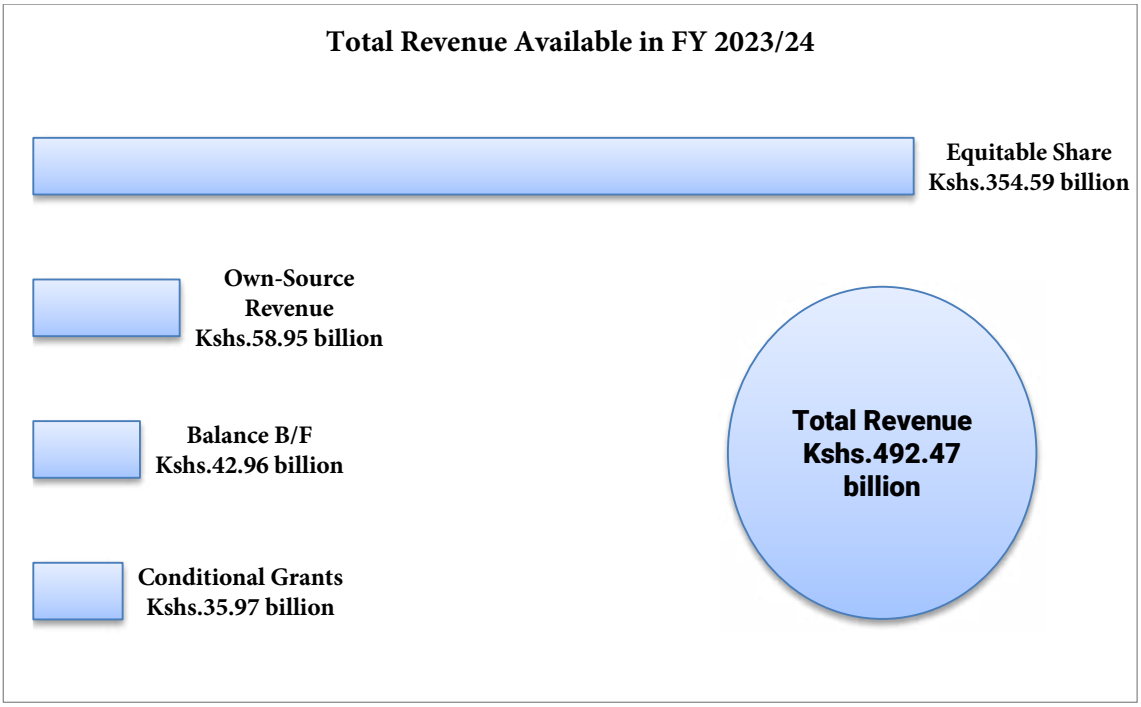
The county governments should implement mechanisms to ensure adherence to the legal provisions for submitting quarterly financial and non-financial reports as provided in law. On excessive expenditure on travel, the CoB advises county governments to minimize traveling costs by holding activities within the county headquarters.

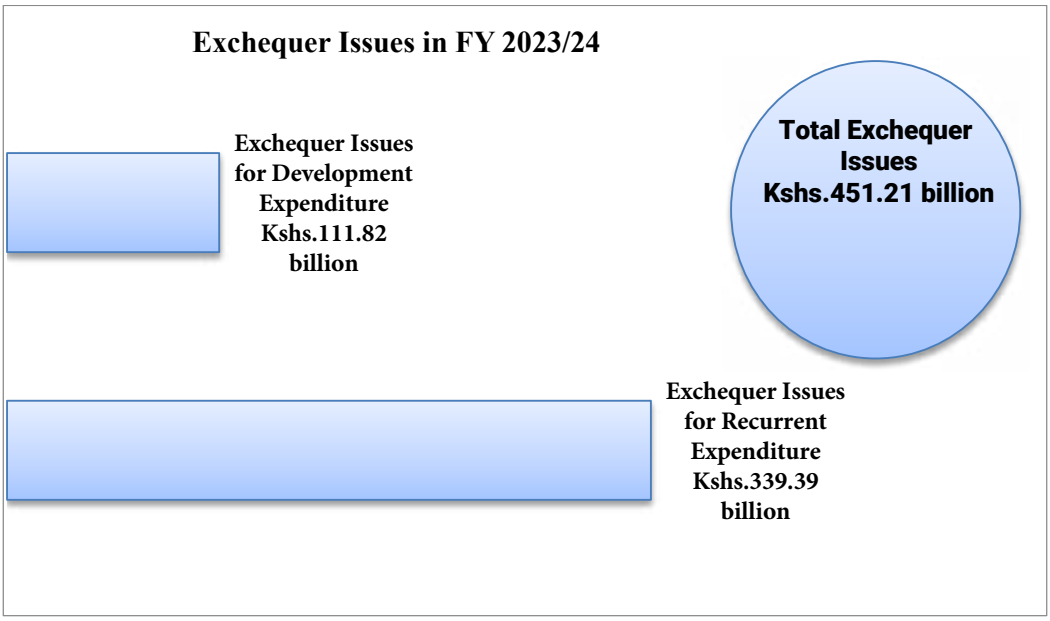
KEY HIGHLIGHTS

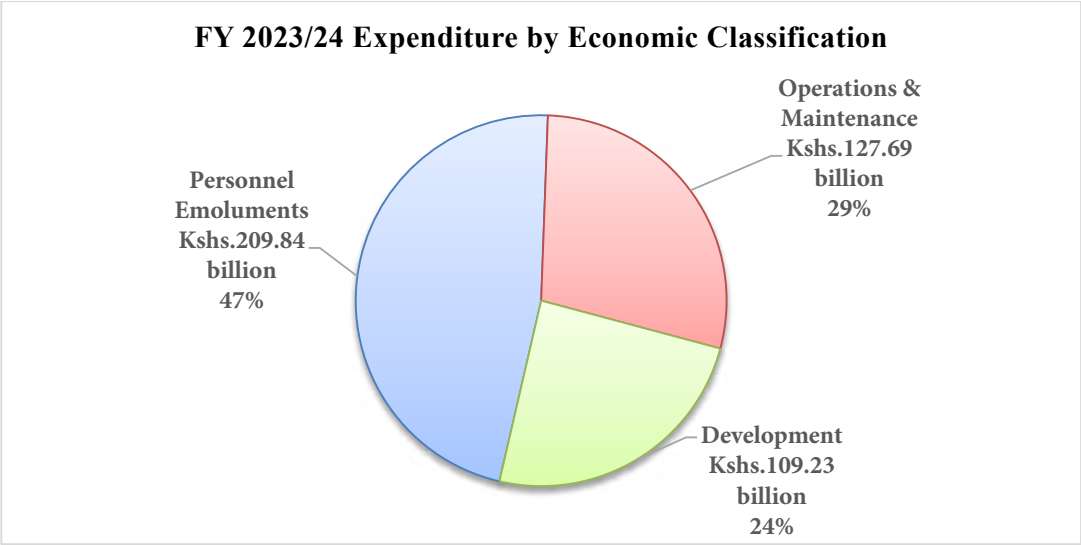
KEY HIGHLIGHTS

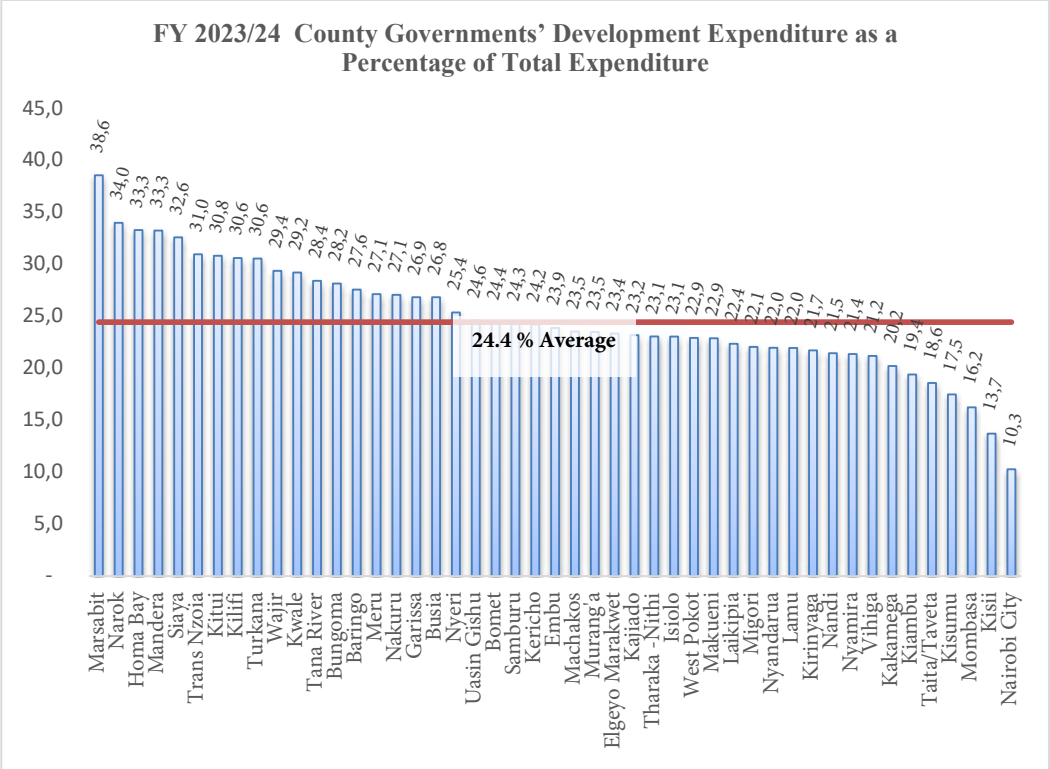





Total Revenue Available in FY 2023/24
Equitable Share Kshs.354.59 billion
Own-Source Revenue Kshs.58.95 billion
Balance B/F Kshs.42.96 billion
Conditional Grants Kshs.35.97 billion
Total Revenue Kshs.492.47 billion


Exchequer Issues in FY 2023/24
Exchequer Issues for Development Expenditure Kshs.111.82 billion
Total Exchequer Issues Kshs.451.21 billion
Exchequer Issues for Recurrent Expenditure Kshs.339.39 billion


FY 2023/24 Expenditure by Economic Classification
Operations & Maintenance Kshs.127.69 billion 29%
Personnel Emoluments Kshs.209.84 billion 47%
Development Kshs.109.23 billion 24%


FY 2023/24 County Governments' Development Expenditure as a Percentage of Total Expenditure
45,0
40,0
35,0
30,0
25,0
20,0
15,0
10,0
5,0
-
24.4 % Average
38,6
34,0
33,3
33,3
32,6
31,0
30,8
30,6
30,6
29,4
29,2
28,4
28,2
27,6
27,1
27,1
26,9
26,8
25,4
24,6
24,4
24,3
24,2
23,9
23,5
23,5
23,4
23,2
23,1
23,1
22,9
22,9
22,4
22,1
22,0
22,0
21,7
21,5
21,4
21,2
20,2
19,4
18,6
17,5
16,2
13,7
10,3
Marsabit
Narok
Homa Bay
Mandera
Siaya
Trans Nzoia
Kitui
Kilifi
Turkana
Wajir
Kwale
Tana River
Bungoma
Baringo
Meru
Nakuru
Garissa
Busia
Nyeri
Uasin Gishu
Bomet
Samburu
Kericho
Embu
Machakos
Murang'a
Elgeyo Marakwet
Kajiado
Tharaka -Nithi
Isiolo
West Pokot
Makueni
Laikipia
Migori
Nyandarua
Lamu
Kirinyaga
Nandi
Nyamira
Vihiga
Kakamega
Kiambu
Taita/Taveta
Kisumu
Mombasa
Kisii
Nairobi City

1. INTRODUCTION

The Office of the Controller of Budget (OCoB) is an oversight institution established under Article 228 of the Constitution of Kenya, 2010, to oversee and report on the implementation of the budgets of the National and County Governments. Article 228 (6) of the Constitution and Section 9 of the Controller of Budget (COB) Act, 2016 require the Controller of Budget to submit to each house of Parliament a report on the implementation of the budgets of the National and County Governments every four months.

This Annual County Budget Implementation Review Report (CBIRR) is prepared per the above legal requirements and covers the twelve months of FY 2023/24, from July 2023 to June 2024. The CBIRR presents the status of budget execution by county governments. The report analyses information on own source revenue, transfers received from the National Government and Development Partners, and the total expenditure of the financial year (FY) 2023/24. The (CBIRR) is based on quarterly financial reports submitted to the OCoB by County Treasuries in line with Sections 166 and168 of the Public Finance Management (PFM) Act 2012, data obtained from the Integrated Financial Management System (IFMIS), and information obtained by the OCoB in the course of overseeing budget implementation. This report uses an absorption rate to measure performance, which is computed as a percentage of actual expenditure against the approved annual budget estimates.

The reporting structure of this CBIRR is as follows: Chapter One captures the introduction, and Chapter Two analyses the counties' budget performance during FY2023/24. The Chapter details the performance of the county government's own-source revenue, and actual expenditure against the set budget estimates for both recurrent and development expenditures are discussed. Further recurrent expenditures have been categorized into Personal Emoluments (PE) and Operations and Maintenance (O&M). A summary report on the County governments' pending bills as of 30th June 2024 is provided in this chapter.

A detailed report by individual counties is provided in Chapter Three. Information on budget performance and the allocations for recurrent and development expenditures, exchequer issues, and actual spending (classified into Employee Compensation, Operation and Maintenance, and Development Expenditure) are discussed in the Chapter. Programmes and sub-programmes budget execution for each department is analysed, and information on development projects undertaken in the FY 2023/24 is also covered here.

Chapter four summarises the critical challenges observed in each County's budget implementation in FY 2023/24. The report further provides recommendations to ensure effective and efficient budget implementation and to promote best practices. The Conclusion of this report is provided in the last chapter.

2. FINANCIAL ANALYSIS OF COUNTY GOVERNMENT BUDGET IMPLEMENTATION IN FY 2023/24

2.1. Introduction

This chapter presents the financial analysis of aggregated County budget implementation for FY 2023/24, covering the period from July 2023 to June 2024.

2.2. Revenue Analysis

The combined County governments' budgets approved by the County Assemblies amounted to Kshs.562.75 billion. Kshs.189.93 billion (33.8 per cent) was allocated to development expenditures, and Kshs.372.82 billion (66.2 per cent) was allocated to recurrent expenditures.

To finance the budgets, County governments expect to receive Kshs.385.42 billion as the equitable share of revenue raised nationally, generate Kshs.80.94 billion from their revenue sources, receive Kshs.46.36 billion as additional allocations from the National government and Development Partners while utilizing Kshs.42.96 billion unspent cash balance from the previous financial year, and Kshs.7.07 billion balances in their Special Purpose Accounts. The own source revenue target includes Kshs.18.28 billion for the Facility Improvement Fund and Appropriations in Aid.

2.3. Revenue Out-turn

The total funds available to the County Governments in the FY 2023/24 amounted to Kshs.492.47 billion, comprised of Kshs.354.59 billion as the equitable share of revenue raised nationally, Kshs.42.96 billion cash balance from FY 2022/23, Kshs.58.95 billion raised from own revenue sources, and Kshs.35.97 billion as additional allocations/conditional grants.

2.4. Own-Source Revenue

During the reporting period, County governments generated a total of Kshs.58.95 billion from their own-source revenue (OSR), which was 72.8 per cent of the annual target of Kshs.80.94 billion. The realized OSR is an improvement compared to Kshs.37.81 billion generated in FY 2022/23. Analysis of own-source revenue collection for July 2023 to June 2024 is shown in Table 2.1

Table 2.1: Own Source Revenue Collection in the FY 2023/24

County	Ordinary OSR Target (Kshs.)	FIF/AIA Target (Kshs.)	Total Revenue Target (Kshs.)	OSR Actual realized (Kshs.)	FIF/AIA Actual (Kshs.)	Actual Revenue (Kshs.)	Performance (%)
	A	B	C=A+B	D	E	F=D+E	G=F/C*100
Baringo	300,719,215	149,378,181	450,097,396	196,579,016	181,622,619	378,201,635	84.0
Bomet	187,592,587	144,449,243	332,041,830	158,317,549	80,612,871	238,930,420	72.0
Bungoma	868,201,470	1,142,218,266	2,010,419,736	439,484,834	681,424,515	1,120,909,349	55.8
Busia	396,793,350	252,222,283	649,015,633	233,065,731	136,138,244	369,203,975	56.9
Elgeyo-Marakwet	73,806,633	197,500,000	271,306,633	80,841,506	177,663,632	258,505,138	95.3
Embu	382,801,875	367,198,125	750,000,000	416,744,407	329,749,667	746,494,074	99.5
Garissa	139,000,000	91,000,000	230,000,000	97,056,232	151,912,817	248,969,049	108.2
Homa Bay	341,139,710	1,051,066,642	1,392,206,352	359,263,180	841,232,651	1,200,495,831	86.2
Isiolo	267,634,395	88,573,785	356,208,180	190,715,416	94,481,928	285,197,344	80.1
Kajiado	1,621,247,688	247,219,297	1,868,466,985	678,403,673	369,952,762	1,048,356,435	56.1
Kakamega	1,359,000,000	841,000,000	2,200,000,000	801,322,586	546,510,693	1,347,833,279	61.3
Kericho	530,071,600	536,355,000	1,066,426,600	359,664,618	482,263,360	841,927,978	78.9
Kiambu	5,459,066,235	1,536,300,000	6,995,366,235	3,378,069,561	1,197,762,046	4,575,831,607	65.4
Kilifi	1,588,634,222	200,000,000	1,788,634,222	736,398,329	472,221,668	1,208,619,997	67.6
Kirinyaga	349,000,000	201,000,000	550,000,000	417,543,467	233,562,098	651,105,565	118.4

County	Ordinary OSR Target (Kshs.)	FIF/AIA Target (Kshs.)	Total Revenue Target (Kshs.)	OSR Actual realized (Kshs.)	FIF/AIA Actual (Kshs.)	Actual Revenue (Kshs.)	Performance (%)
	A	B	C=A+B	D	E	F=D+E	G=F/C*100
Kisii	650,000,000	1,193,892,198	1,843,892,198	496,943,902	683,218,135	1,180,162,037	64.0
Kisumu	1,682,844,694	600,000,000	2,282,844,694	840,231,049	603,376,939	1,443,607,988	63.2
Kitui	585,000,000	-	585,000,000	517,049,816	-	517,049,816	88.4
Kwale	334,245,200	265,754,800	600,000,000	257,844,508	169,533,420	427,377,928	71.2
Laikipia	842,500,000	602,500,000	1,445,000,000	499,999,607	561,020,491	1,061,020,098	73.4
Lamu	120,000,000	60,000,000	180,000,000	123,262,548	85,840,210	209,102,758	116.2
Machakos	2,324,286,060	1,008,000,000	3,332,286,060	1,344,939,101	204,409,376	1,549,348,477	46.5
Makueni	870,000,000	370,000,000	1,240,000,000	490,586,795	554,088,153	1,044,674,948	84.2
Mandera	278,748,838	51,785,008	330,533,846	142,498,606	25,548,681	168,047,287	50.8
Marsabit	120,000,000	70,000,000	190,000,000	54,869,460	90,223,090	145,092,550	76.4
Meru	550,000,000	500,000,000	1,050,000,000	381,805,168	580,129,111	961,934,279	91.6
Migori	480,000,000	145,474,299	625,474,299	337,154,048	175,412,262	512,566,310	81.9
Mombasa	5,856,356,997	1,521,576,230	7,377,933,227	4,457,758,296	1,127,265,714	5,585,024,010	75.7
Murang'a	876,181,883	238,818,117	1,115,000,000	734,257,887	382,537,843	1,116,795,730	100.2
Nairobi	19,419,630,278	270,000,000	19,689,630,278	11,469,860,349	1,072,234,069	12,542,094,418	63.7
Nakuru	2,400,000,000	1,700,000,000	4,100,000,000	1,852,802,262	1,468,498,216	3,321,300,479	81.0
Nandi	360,098,158	198,231,711	558,329,869	392,103,573	238,623,583	630,727,156	113.0
Narok	4,858,121,756	120,951,908	4,979,073,664	4,694,190,690	59,479,796	4,753,670,486	95.5
Nyamira	457,000,000	230,000,000	687,000,000	148,981,607	220,814,736	369,796,343	53.8
Nyandarua	793,435,975	431,564,025	1,225,000,000	309,994,465	205,746,307	515,740,772	42.1
Nyeri	800,000,000	526,000,000	1,326,000,000	667,120,607	740,425,500	1,407,546,107	106.1
Samburu	239,027,400	17,000,000	256,027,400	255,453,581	11,130,343	266,583,924	104.1
Siaya	434,494,994	325,505,006	760,000,000	222,110,969	388,626,776	610,737,745	80.4
Taita-Taveta	426,985,000	201,682,445	628,667,445	251,061,302	210,125,350	461,186,652	73.4
Tana River	92,673,773	3,956,827	96,630,600	88,783,403	3,785,117	92,568,520	95.8
Tharaka-Nithi	300,870,000	149,800,000	450,670,000	256,362,512	160,983,523	417,346,035	92.6
Trans Nzoia	342,000,000	301,700,000	643,700,000	266,785,779	209,852,393	476,638,172	74.0
Turkana	220,000,000	-	220,000,000	435,271,212	95,373,844	530,645,056	241.2
Uasin Gishu	1,578,147,614	-	1,578,147,614	1,361,941,353	59,386,598	1,421,327,951	90.1
Vihiga	248,083,481	-	248,083,481	166,311,404	171,745,774	338,057,178	136.3
Wajir	150,000,000	-	150,000,000	164,953,671	-	164,953,671	110.0
West Pokot	97,200,000	132,800,000	230,000,000	65,447,701	119,847,000	185,294,701	80.6
Total	**62,652,641,082**	**18,282,473,396**	**80,935,114,477**	**42,292,207,336**	**16,656,393,920**	**58,948,601,257**	**72.8**

***Source**: County Treasuries*

An analysis of own-source revenue as a proportion of the annual revenue target indicated that ten counties outperformed their annual targets, namely Turkana at 241.2 per cent, Vihiga at 136.3 per cent, Kirinyaga at 118.4 per cent, Lamu at 116.2 per cent, Nandi at 113 per cent, Wajir at 110 per cent, Garissa at 108.2 per cent, Nyeri at 106.1 per cent, Samburu at 104.1 per cent, and Murang'a at 100.2 per cent. County governments which recorded low performance of own source revenue were Nyandarua at 42.1 per cent, Machakos at 46.5 per cent, Mandera at 50.8 per cent, Nyamira at 53.8 per cent, Bungoma at 55.8 per cent, Kajiado at 56.1 per cent, and Busia at 56.9 of annual targets. Detailed analysis of Own Source Revenue by stream for each County is provided in Chapter Three.

The Controller of Budget advises county governments with recorded performance below 70 per cent of their annual target to develop revenue enhancement strategies and set realistic and achievable targets in the next financial year to avoid accumulating pending bills in the coming financial year.

2.5. Funds Released to the Counties

2.5.1 Funds Released from the Consolidated Fund to the Counties

In the FY 2023/24, the Controller of Budget (COB) approved the transfer of Kshs.354.59 billion as the equitable share of revenue raised nationally from the Consolidated Fund to the various County Revenue Funds (CRFs) per Article 206 (4) of the Constitution. The transferred amount represented 92 per cent of the allocated equitable share of Kshs.385.42 billion.

During the period, county governments received additional conditional grants, namely, Kshs.6.19 billion from the Wank Credit for Financing Locally Led climate programme (FLLoCA)1 CCRG, Kshs.1.2 billion as a conditional grant from the Government of Germany KfW for Financing Locally Led-Climate Action Programme (CCRIG), Kshs.6.17 billion for the National Agricultural Value Chain Development Project (NAVCDP), Kshs.304.16 million for the National Agricultural and Rural Inclusive Growth Project (NARIGP), Kshs.451 million as County Climate Institutional Support 9CCIS) Grant under FLLoCA, Kshs.58.41 million for the Agricultural Sector Development Support Programme Phase (ASDSP) II, Kshs.1.65 billion for the Kenya Emergency Locust Response Programme, Kshs.160.96 million for the Kenya Livestock Commercialization Program, and Kshs.1.02 billion for the Second Informal Improvement Project (KISIP II). A detailed analysis of the released equitable share to each County is provided in chapter three.

2.5.2 Funds Released to the County Operational Accounts

The CoB authorised withdrawals of Kshs.451.21 billion from the County Revenue Funds to the County Operational Accounts comprised of Kshs.111.82 billion (24.8 per cent) for development expenditure and Kshs.339.39 billion (75.2 per cent) for recurrent expenditure, an improvement from the Kshs.430.48 billion authorised in the FY 2022/23. A detailed analysis of the funds released to each County is provided in chapter three.

2.6. Expenditure Analysis

The total expenditure by county governments in the FY 2023/24 was Kshs.446.76 billion, representing an absorption rate of 79.5 per cent of the total annual county governments' budget of Kshs.562.75 billion, a decline from an absorption rate of 83.3 per cent reported in the FY 2022/23, when the total expenditure was Kshs.428.90 billion.

Recurrent expenditure was Kshs.337.53 billion, representing 90.5 per cent of the annual recurrent budget, a decrease from 93.3 per cent reported in the FY 2022/23. Development expenditure amounted to Kshs.109.23 billion, representing an absorption rate of 57.5 per cent and a decline from 61 per cent attained in the FY 2022/23 when total development expenditure was Kshs.97.98 billion. The analysis of expenditure by economic classification in the FY 2023/24 is provided in Table 2.2.

Table 2.2: Expenditure by Major Economic Classification in the FY 2023/24

County	Recurrent Expenditure (Kshs.)			Development Expenditure (Kshs.)	Total Expenditure (Kshs.)
	Personnel Emoluments	Operations & Maintenance	Total Recurrent Expenditure		
	A	B	C=A+B	D	E=C+D
Baringo	3,647,717,618	1,907,335,675	5,555,053,292	2,115,947,305	7,671,000,597
Bomet	3,644,313,019	1,985,963,487	5,630,276,506	1,819,861,704	7,450,138,210
Bungoma	6,047,938,710	1,892,331,460	7,940,270,170	3,113,594,504	11,053,864,675
Busia	2,843,402,795	2,608,413,062	5,451,815,857	2,001,101,575	7,452,917,432

County	Recurrent Expenditure (Kshs.)			Development Expenditure (Kshs.)	Total Expenditure (Kshs.)
	Personnel Emoluments	Operations & Maintenance	Total Recurrent Expenditure		
	A	B	C=A+B	D	E=C+D
Elgeyo Marakwet	2,734,284,609	1,398,028,889	4,132,313,498	1,259,358,160	5,391,671,658
Embu	3,510,170,866	1,542,341,193	5,052,512,058	1,586,442,702	6,638,954,760
Garissa	4,032,325,941	1,230,232,195	5,262,558,136	1,931,670,888	7,194,229,024
Homa Bay	4,390,497,183	1,664,498,534	6,054,995,717	3,025,193,357	9,080,189,074
Isiolo	2,114,790,842	1,156,740,987	3,271,531,829	980,536,771	4,252,068,600
Kajiado	4,428,825,338	2,320,351,348	6,749,176,686	2,038,297,018	8,787,473,704
Kakamega	7,082,912,639	3,973,549,017	11,056,461,656	2,803,243,867	13,859,705,524
Kericho	3,547,832,029	1,723,363,872	5,271,195,901	1,685,940,359	6,957,136,260
Kiambu	7,919,938,728	6,411,497,687	14,331,436,415	3,451,247,485	17,782,683,900
Kilifi	4,197,974,928	6,482,240,888	10,680,215,816	4,714,268,937	15,394,484,753
Kirinyaga	2,918,859,750	1,805,013,652	4,723,873,403	1,311,475,981	6,035,349,384
Kisii	6,291,768,197	1,672,601,884	7,964,370,081	1,265,912,877	9,230,282,958
Kisumu	5,044,039,255	2,270,877,578	7,314,916,833	1,550,461,667	8,865,378,500
Kitui	5,466,239,616	3,124,242,785	8,590,482,401	3,830,886,978	12,421,369,379
Kwale	3,805,385,082	3,368,029,326	7,173,414,408	2,962,485,633	10,135,900,041
Laikipia	3,279,467,046	1,422,290,264	4,701,757,310	1,354,477,020	6,056,234,329
Lamu	1,850,473,538	1,009,935,491	2,860,409,029	805,040,679	3,665,449,708
Machakos	6,804,374,451	2,777,702,094	9,582,076,545	2,949,927,140	12,532,003,685
Makueni	4,430,369,922	2,546,458,606	6,976,828,528	2,071,731,472	9,048,560,000
Mandera	4,461,668,887	3,348,927,938	7,810,596,825	3,894,111,022	11,704,707,847
Marsabit	3,320,044,558	1,377,473,830	4,697,518,387	2,952,175,688	7,649,694,075
Meru	5,056,918,452	2,925,029,533	7,981,947,985	2,974,299,267	10,956,247,252
Migori	3,598,207,725	3,331,455,643	6,929,663,368	1,962,068,868	8,891,732,236
Mombasa	6,860,432,093	3,874,283,948	10,734,716,041	2,082,324,221	12,817,040,262
Murang'a	4,463,761,137	2,196,174,373	6,659,935,510	2,046,320,340	8,706,255,850
Nairobi City	18,270,031,113	10,250,570,505	28,520,601,618	3,268,531,845	31,789,133,463
Nakuru	6,751,624,968	5,230,421,328	11,982,046,296	4,449,307,915	16,431,354,211
Nandi	4,434,481,282	2,098,380,515	6,532,861,797	1,784,821,431	8,317,683,228
Narok	4,371,927,791	4,556,434,729	8,928,362,520	4,602,346,814	13,530,709,334
Nyamira	3,424,464,524	1,423,857,202	4,848,321,726	1,318,345,308	6,166,667,034
Nyandarua	2,773,112,431	2,405,791,570	5,178,904,001	1,458,882,689	6,637,786,690
Nyeri	4,238,879,775	1,688,244,799	5,927,124,574	2,016,016,681	7,943,141,255
Samburu	2,622,533,913	2,062,936,500	4,685,470,413	1,506,454,193	6,191,924,606
Siaya	3,194,896,496	1,943,776,673	5,138,673,169	2,487,195,478	7,625,868,647
Taita Taveta	3,186,843,682	1,596,495,327	4,783,339,009	1,092,405,795	5,875,744,804
Tana River	2,291,072,212	2,888,723,281	5,179,795,493	2,057,332,063	7,237,127,556
Tharaka Nithi	2,709,477,696	1,206,078,415	3,915,556,111	1,174,224,530	5,089,780,640
Trans Nzoia	3,360,815,443	2,437,026,697	5,797,842,140	2,602,683,818	8,400,525,959
Turkana	5,575,119,332	4,533,636,914	10,108,756,246	4,451,724,943	14,560,481,189
Uasin Gishu	4,547,774,033	3,185,866,172	7,733,640,206	2,522,399,282	10,256,039,488
Vihiga	2,614,121,719	1,541,100,914	4,155,222,633	1,117,642,927	5,272,865,560
Wajir	4,729,755,862	3,052,886,632	7,782,642,494	3,239,068,838	11,021,711,332
West Pokot	2,946,853,743	2,241,448,921	5,188,302,664	1,543,616,160	6,731,918,825
Total	**209,838,720,968**	**127,691,062,334**	**337,529,783,302**	**109,233,404,194**	**446,763,187,496**

***Source**: OCoB and County Treasuries*

A review of cumulative expenditure by economic classification showed that Kshs.209.84 billion (47 per cent) was spent on Personnel Emoluments, Kshs.127.69 billion (28.6 per cent) on Operations and Maintenance, and Kshs.109.23 billion (24.4 per cent) on Development Expenditure.

2.6.1 Development Expenditure

The County governments spent Kshs.109.23 billion on development activities, representing an absorption rate of 57.5 per cent of the annual development budget of Kshs.189.93 billion. This decreased from an absorption rate of 61 per cent reported in FY 2022/23 when development expenditure was Kshs.97.98 billion. Analysis of County budget allocations, expenditures, and absorption rates in the period under review is provided in Table 2.3.

Table 2.3: County Budget Allocation, Expenditure and Absorption Rate for the FY 2023/24

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	5,606.31	3,286.70	8,893.01	5,555.05	2,115.95	7,671.00	99.1	64.4	86.3
Bomet	6,134.31	2,386.79	8,521.10	5,630.28	1,819.86	7,450.14	91.8	76.2	87.4
Bungoma	9,959.34	5,284.31	15,243.65	7,940.27	3,113.59	11,053.86	79.7	58.9	72.5
Busia	6,847.62	3,355.41	10,203.03	5,451.82	2,001.10	7,452.92	79.6	59.6	73.0
Elgeyo/ Marakwet	4,241.23	2,552.88	6,794.10	4,132.31	1,259.36	5,391.67	97.4	49.3	79.4
Embu	5,321.13	2,631.46	7,952.60	5,052.51	1,586.44	6,638.95	95.0	60.3	83.5
Garissa	6,389.15	4,311.27	10,700.42	5,262.56	1,931.67	7,194.23	82.4	44.8	67.2
Homa Bay	7,659.93	3,507.30	11,167.23	6,055.00	3,025.19	9,080.19	79.0	86.3	81.3
Isiolo	4,036.59	1,767.22	5,803.81	3,271.53	980.54	4,252.07	81.0	55.5	73.3
Kajiado	8,040.79	3,546.70	11,587.49	6,749.18	2,038.30	8,787.47	83.9	57.5	75.8
Kakamega	11,895.11	4,891.32	16,786.43	11,056.46	2,803.24	13,859.71	92.9	57.3	82.6
Kericho	5,753.58	2,731.19	8,484.77	5,271.20	1,685.94	6,957.14	91.6	61.7	82.0
Kiambu	16,249.46	6,965.40	23,214.86	14,331.44	3,451.25	17,782.68	88.2	49.5	76.6
Kilifi	11,593.76	8,450.03	20,043.78	10,680.22	4,714.27	15,394.48	92.1	55.8	76.8
Kirinyaga	4,791.44	2,449.10	7,240.55	4,723.87	1,311.48	6,035.35	98.6	53.5	83.4
Kisii	8,923.23	4,336.90	13,260.12	7,964.37	1,265.91	9,230.28	89.3	29.2	69.6
Kisumu	9,511.31	4,186.55	13,697.87	7,314.92	1,550.46	8,865.38	76.9	37.0	64.7
Kitui	8,881.66	5,375.48	14,257.14	8,590.48	3,830.89	12,421.37	96.7	71.3	87.1
Kwale	8,131.34	6,128.33	14,259.67	7,173.41	2,962.49	10,135.90	88.2	48.3	71.1
Laikipia	4,947.91	2,778.56	7,726.47	4,701.76	1,354.48	6,056.23	95.0	48.7	78.4
Lamu	2,998.79	1,542.05	4,540.84	2,860.41	805.04	3,665.45	95.4	52.2	80.7
Machakos	10,774.24	5,034.22	15,808.45	9,582.08	2,949.93	12,532.00	88.9	58.6	79.3
Makueni	7,850.60	3,331.74	11,182.34	6,976.83	2,071.73	9,048.56	88.9	62.2	80.9
Mandera	8,285.92	4,714.91	13,000.83	7,810.60	3,894.11	11,704.71	94.3	82.6	90.0
Marsabit	5,100.31	4,324.34	9,424.65	4,697.52	2,952.18	7,649.69	92.1	68.3	81.2
Meru	8,482.05	3,749.12	12,231.18	7,981.95	2,974.30	10,956.25	94.1	79.3	89.6
Migori	7,329.03	4,144.01	11,473.04	6,929.66	1,962.07	8,891.73	94.6	47.3	77.5
Mombasa	11,192.29	4,797.71	15,990.00	10,734.72	2,082.32	12,817.04	95.9	43.4	80.2
Murang'a	7,287.71	3,120.66	10,408.37	6,659.94	2,046.32	8,706.26	91.4	65.6	83.6
Nairobi City	33,832.05	8,454.89	42,286.94	28,520.60	3,268.53	31,789.13	84.3	38.7	75.2
Nakuru	13,628.90	9,681.63	23,310.53	11,982.05	4,449.31	16,431.35	87.9	46.0	70.5
Nandi	6,264.57	3,586.09	9,850.67	6,532.86	1,784.82	8,317.68	104.3	49.8	84.4

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
Narok	9,887.48	5,097.72	14,985.21	8,928.36	4,602.35	13,530.71	90.3	90.3	90.3
Nyamira	5,126.96	2,155.21	7,282.18	4,848.32	1,318.35	6,166.67	94.6	61.2	84.7
Nyandarua	5,567.05	3,181.10	8,748.15	5,178.90	1,458.88	6,637.79	93.0	45.9	75.9
Nyeri	6,196.98	2,785.43	8,982.40	5,927.12	2,016.02	7,943.14	95.6	72.4	88.4
Samburu	5,048.02	2,476.83	7,524.85	4,685.47	1,506.45	6,191.92	92.8	60.8	82.3
Siaya	5,909.25	3,851.88	9,761.12	5,138.67	2,487.20	7,625.87	87.0	64.6	78.1
Taita/Taveta	5,172.40	2,328.99	7,501.39	4,783.34	1,092.41	5,875.74	92.5	46.9	78.3
Tana River	5,311.56	3,557.94	8,869.50	5,179.80	2,057.33	7,237.13	97.5	57.8	81.6
Tharaka -Nithi	4,365.63	2,153.16	6,518.80	3,915.56	1,174.22	5,089.78	89.7	54.5	78.1
Trans Nzoia	5,830.72	4,354.44	10,185.16	5,797.84	2,602.68	8,400.53	99.4	59.8	82.5
Turkana	10,168.88	7,053.14	17,222.01	10,108.76	4,451.72	14,560.48	99.4	63.1	84.5
Uasin Gishu	8,124.51	5,162.11	13,286.62	7,733.64	2,522.40	10,256.04	95.2	48.9	77.2
Vihiga	4,483.63	2,196.22	6,679.84	4,155.22	1,117.64	5,272.87	92.7	50.9	78.9
Wajir	8,260.49	3,882.53	12,143.02	7,782.64	3,239.07	11,021.71	94.2	83.4	90.8
West Pokot	5,422.92	2,292.05	7,714.97	5,188.30	1,543.62	6,731.92	95.7	67.3	87.3
Total	**372,818.14**	**189,932.97**	**562,751.11**	**337,529.78**	**109,233.40**	**446,763.19**	**90.5**	**57.5**	**79.4**

***Source**: OCoB and County Treasuries*

The analysis of development expenditure shows that counties with the lowest absorption rates were Kisii at 29.2 per cent, Kisumu at 37 per cent, Nairobi City at 38.7 per cent, Mombasa at 43.4 per cent, and Garissa at 44.8 per cent of annual development expenditure budget allocations. Counties that reported the highest absorption rate for development expenditure budget were Narok at 90.3 per cent, Homa Bay at 86.3 per cent, Wajir at 83.4 per cent, Mandera at 82.6 per cent and Meru at 79.3 per cent. An analysis of the development expenditure implemented by Counties is provided in chapter three.

2.6.2 Recurrent Expenditure

The Counties spent an aggregate of Kshs.337.53 billion, or 75.6 per cent of the total expenditure, on recurrent activities. This expenditure represented 90.5 per cent of the annual County government's budget for recurrent activities and was a decline from 93.3 per cent recorded in FY 2022/23 when expenditure stood at Kshs.330.92 billion.

The recurrent expenditure comprised Kshs.209.84 billion (62.2 per cent) on Personnel Emoluments and Kshs.127.69 billion (37.8 per cent) on Operations and Maintenance (O&M) expenditure. An analysis of the recurrent expenditure by Counties is provided in chapter three.

2.6.3 Review of MCA Sitting Allowances

The County Assemblies spent Kshs.1.59 billion on MCA's Sitting allowances against an approved budget allocation of Kshs.1.85 billion during the reporting period. This expenditure translated to 85.5 per cent of the approved MCA sitting allowance budget, an increase from 79.9 per cent in the FY 2022/23 when Kshs.1.34 billion was spent. Table 2.4 shows the budgetary allocation and expenditure on MCAs and Speakers' sitting allowances in the FY 2023/24.

Table 2.4: MCAs Budget Allocation, Expenditure and Absorption Rate in the FY 2023/24

County	Budget	Expenditure	Absorption	No. of MCA's	Average monthly sitting allowance per MCA
	(Kshs.)	(Kshs.)	(%)		(Kshs.)
	A	B	C=B/A*100	D	E=B/D/3
Baringo	50,000,000	47,710,703	95.4	45	88,353

County	Budget	Expenditure	Absorption	No. of MCA's	Average monthly sitting allowance per MCA
	(Kshs.)	(Kshs.)	(%)		(Kshs.)
	A	B	C=B/A*100	D	E=B/D/3
Bomet	20,048,960	20,048,960	100.0	39	42,840
Bungoma	61,334,400	54,551,591	88.9	63	72,158
Busia	61,846,600	46,308,580	74.9	54	71,464
Elgeyo Marakwet	29,021,429	29,020,362	100.0	34	71,128
Embu	31,055,900	29,052,600	93.5	31	78,098
Garissa	30,832,000	22,396,300	72.6	49	38,089
Homa Bay	39,959,200	39,959,200	100.0	55	60,544
Isiolo	12,503,758	10,133,004	81.0	18	46,912
Kajiado	47,471,000	47,471,000	100.0	42	94,188
Kakamega	134,676,600	129,437,126	96.1	89	121,196
Kericho	34,669,600	28,513,714	82.2	48	49,503
Kiambu	74,000,000	74,000,000	100.0	89	69,288
Kilifi	36,000,000	34,452,600	95.7	56	51,269
Kirinyaga	68,232,944	23,072,900	33.8	34	56,551
Kisii	64,396,800	64,396,800	100.0	71	75,583
Kisumu	38,892,520	38,032,518	97.8	48	66,029
Kitui	20,992,000	20,061,292	95.6	61	27,406
Kwale	26,967,600	24,483,500	90.8	31	65,816
Laikipia	21,189,600	9,223,500	43.5	22	34,938
Lamu	16,384,000	15,153,300	92.5	20	63,139
Machakos	43,000,000	42,908,000	99.8	61	58,617
Makueni	33,575,947	33,291,000	99.2	49	56,617
Mandera	15,214,600	15,205,000	99.9	51	24,845
Marsabit	34,714,469	26,497,500	76.3	33	66,913
Meru	71,355,600	71,355,600	100.0	69	86,178
Migori	49,896,000	32,081,400	64.3	60	44,558
Mombasa	39,391,000	29,174,900	74.1	42	57,887
Murang'a	34,500,000	34,500,000	100.0	48	59,896
Nairobi City	72,086,300	59,932,200	83.1	125	39,955
Nakuru	38,981,000	38,469,094	98.7	74	43,321
Nandi	30,888,000	19,444,100	63.0	45	36,008
Narok	34,813,760	31,678,400	91.0	50	52,797
Nyamira	12,314,820	7,036,258	57.1	38	15,430
Nyandarua	35,100,000	34,369,200	97.9	42	68,193
Nyeri	20,200,000	19,936,700	98.7	43	38,637
Samburu	31,200,000	16,453,908	52.7	25	54,846
Siaya	24,740,339	24,740,271	100.0	43	47,946
Taita Taveta	40,000,000	40,752,011	101.9	32	106,125
Tana River	8,400,000	6,797,400	80.9	27	20,980
Tharaka Nithi	26,106,813	18,277,982	70.0	23	66,225
Trans Nzoia	45,610,635	24,547,800	53.8	34	60,166
Turkana	44,965,952	12,452,300	27.7	48	21,619
Uasin Gishu	40,000,000	31,694,000	79.2	45	58,693

County	Budget	Expenditure	Absorption	No. of MCA's	Average monthly sitting allowance per MCA
	(Kshs.)	(Kshs.)	(%)		(Kshs.)
	A	B	C=B/A*100	D	E=B/D/3
Vihiga	30,680,000	31,047,336	101.2	37	69,926
Wajir	47,600,800	47,600,800	100.0	46	86,233
West Pokot	29,184,000	29,000,000	99.4	33	73,232
Total	**1,854,994,946**	**1,586,722,709**	**85.5**	**2,222**	**59,508**

***Source**: OCoB and County Treasuries*

Taita Taveta and Vihiga County Assemblies reported expenditures above approved budget allocations, which should be investigated by an appropriate committee of the Assembly and action taken by the County Assembly leadership.

2.6.4 Pending Bills as of 30th June 2024

As of 30th June 2024, counties reported outstanding pending bills of Kshs.181.98 billion, comprised of Kshs.179.87 billion by the County Executive and Kshs.2.11 billion by County Assemblies, as shown in Table 2.5.

Table 2.5: Pending Bills for the Counties as of 30th June 2024 (In Kshs.)

County	County Executive			County Assembly			Grand Total
	Recurrent	Development	Sub Total	Recurrent	Development	Sub Total	
Baringo	243,387,349	125,863,182	369,250,531	-	-	-	369,250,531
Bomet	88,008,922	360,758,925	448,767,847	-	-	-	448,767,847
Bungoma	1,978,302,057	1,528,214,428	3,506,516,486	14,700,000	-	14,700,000	3,521,216,486
Busia	1,310,232,841	110,359,586	1,420,592,427	-	-	-	1,420,592,427
Elgeyo-Marakwet	1,492,200	-	1,492,200	-	-	-	1,492,200
Embu	923,910,054	888,655,736	1,812,565,790	3,725,140	-	3,725,140	1,816,290,930
Garissa	17,031,929	360,167,253	377,199,182	741,066	-	741,066	377,940,248
Homa Bay	93,107,438	600,604,237	693,711,674	37,182,349	8,226,489	45,408,838	739,120,512
Isiolo	671,996,503	437,765,312	1,109,761,816	5,812,806	8,094,676	13,907,481	1,123,669,297
Kajiado	890,814,132	1,455,782,205	2,346,596,337	61,824,457	34,552,896	96,377,352	2,442,973,689
Kakamega	543,846,663	1,109,793,717	1,653,640,381	104,315,256	61,710,217	166,025,472	1,819,665,853
Kericho	181,301,858	953,411,837	1,134,713,695	-	-	-	1,134,713,695
Kiambu	4,069,015,330	2,318,872,476	6,387,887,806	77,228,246	23,153,446	100,381,692	6,488,269,498
Kilifi	620,073,974	586,137,042	1,206,211,016	12,346,776	-	12,346,776	1,218,557,792
Kirinyaga	415,041,433	166,204,622	581,246,055	-	-	-	581,246,055
Kisii	485,084,888	1,828,433,549	2,313,518,437	1,555,210	55,431,914	56,987,124	2,370,505,561
Kisumu	1,661,420,756	1,340,669,158	3,002,089,914	143,210,851	2,099,049	145,309,900	3,147,399,814
Kitui	100,133,497	293,843,290	393,976,787	-	-	-	393,976,787
Kwale	1,117,867,909	1,015,720,218	2,133,588,127	-	-	-	2,133,588,127
Laikipia	883,462,160	760,607,838	1,644,069,998	3,979,393	-	3,979,393	1,648,049,391
Lamu	21,198,181	18,336,383	39,534,564	-	-	-	39,534,564
Machakos	1,730,056,963	2,388,349,707	4,118,406,670	81,073,515	-	81,073,515	4,199,480,185
Makueni	364,448,192	170,410,250	534,858,442	135,155,753	2,030,000	137,185,753	672,044,195
Mandera	-	2,226,355,164	2,226,355,164	-	-	-	2,226,355,164
Marsabit	-	700,000,000	700,000,000	910,432	425,135,347	426,045,779	1,126,045,779
Meru	133,999,742	452,824,205	586,823,947	-	-	-	586,823,947
Migori	360,712,911	379,244,575	739,957,485	84,427,109	40,005,433	124,432,542	864,390,028
Mombasa	2,738,362,340	1,702,209,902	4,440,572,242	-	-	-	4,440,572,242
Murang'a	1,183,396,100	205,092,392	1,388,488,492	72,106,370	-	72,106,370	1,460,594,862

County	County Executive			County Assembly			Grand Total
	Recurrent	Development	Sub Total	Recurrent	Development	Sub Total	
Nairobi	112,563,910,799	5,751,842,791	118,315,753,590	124,529,058	-	124,529,058	118,440,282,648
Nakuru	966,040,527	55,227,446	1,021,267,973	81,210,672	-	81,210,672	1,102,478,645
Nandi*	96,463,404	81,506,757	177,970,161	-	-	-	177,970,161
Narok	-	764,639,834	764,639,834	-	-	-	764,639,834
Nyamira	43,333,294	62,718,867	106,052,161	-	36,179,261	36,179,261	142,231,422
Nyandarua	79,081,025	158,447,942	237,528,967	57,634,740	-	57,634,740	295,163,707
Nyeri	1,986,059	5,406,954	7,393,013	-	-	-	7,393,013
Samburu	84,901,048	126,077,450	210,978,498	-	-	-	210,978,498
Siaya	202,659,007	101,250,773	303,909,780	-	-	-	303,909,780
Taita-Taveta	921,955,832	708,347,293	1,630,303,125	126,221,996	-	126,221,996	1,756,525,121
Tana River	1,170,296,619	951,046,432	2,121,343,051	-	3,774,893	3,774,893	2,125,117,944
Tharaka-Nithi	408,829,599	218,502,579	627,332,178	113,631,682	-	113,631,682	740,963,860
Trans Nzoia	483,133,403	799,226,738	1,282,360,141	-	-	-	1,282,360,141
Turkana	7,555,965	742,302,496	749,858,462	-	-	-	749,858,462
Uasin Gishu	250,098,396	449,140,094	699,238,490	52,583,699	-	52,583,699	751,822,188
Vihiga	577,909,066	888,370,981	1,466,280,047	-	-	-	1,466,280,047
Wajir	1,322,376,590	1,007,941,081	2,330,317,671			-	2,330,317,671
West Pokot	335,407,919	168,037,969	503,445,888	261,592	14,373,500	14,635,092	518,080,980
Total	**142,343,644,876**	**37,524,721,665**	**179,868,366,542**	**1,396,368,166**	**714,767,119**	**2,111,135,285**	**181,979,501,827**

Source: County Treasuries

Nairobi City County Executive reported the highest outstanding pending bills of Kshs.118.44 billion, which represents 65.1 percent of the entire stock of pending bills. Other counties with the highest outstanding pending bills were Kiambu at Kshs.6.49 billion, Mombasa at Kshs.4.44 billion, Machakos at Kshs.4.20 billion, Bungoma at Kshs.3.52 billion, and Kisumu at Kshs.3.15 billion. Nandi County provided a status report as of 31 March 2024.

The OCoB recommends that all eligible pending bills be budgeted as a first charge in the budget per Regulation 55 (2) b of the Public Finance Management (County Governments) Regulations, 2015.

3. BUDGET PERFORMANCE BY COUNTY GOVERNMENTS

3.1. County Government of Baringo

3.1.1 Overview of FY 2023/24 Budget

The County's approved first supplementary budget for FY 2023/24 was Kshs.8.89 billion, comprising Kshs.3.29 billion (37.0 per cent) and Kshs.5.61 billion (63.0 per cent) allocation for development and recurrent programmes. The approved supplementary budget estimates represented a decrease of 3.9 per cent compared to the previous financial year when it was Kshs.9.26 billion, comprised of Kshs.3.89 billion for development expenditure and Kshs.5.37 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.6.65 billion (74.8 per cent) as the equitable share of revenue raised nationally, Kshs.1.01 billion (11.4 per cent) as additional allocations/conditional grants, a cash balance of Kshs.784.98 million (8.8 per cent) brought forward from FY 2022/23, and generate Kshs.450.10 million (4.0 per cent) as gross own source revenue. The own-source revenue included Kshs.149.38 million (33.2 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.300.72 million (66.8 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.1

3.1.2 Revenue Performance

In the FY 2023/24, the County received Kshs.6.15 billion as an equitable share of the revenue raised nationally, Kshs.215.52 million as additional allocations/conditional grants, a cash balance of Kshs.784.98 million from FY 2022/23 and raised Kshs.378.20 million as own-source revenue (OSR). The raised OSR includes Kshs.181.62 million as FIF and Kshs.196.58 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.7.53 billion, as shown in Table 3.1.

Table 3.1: Baringo County, Revenue Performance in the FY 2023/24

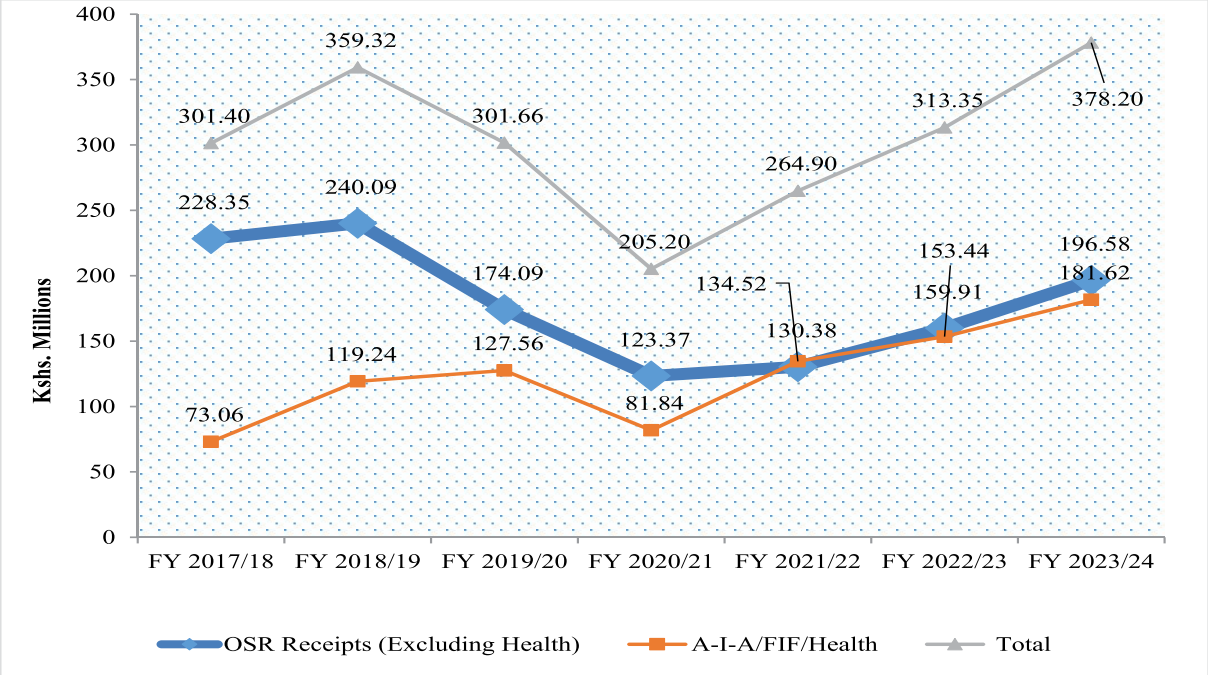
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	6,647,771,186	6,149,188,347	92.5
Sub Total		**6,647,771,186**	**6,149,188,347**	**92.5**
B	**Conditional Grants**			
1	Transfer of Library Services	16,949,087	-	-
2	Kenya Livestock Commercialization Project (KELCLOP) II	36,500,000	36,881,104	101.0
3	Local Revenue -FIF	40,710,631	-	-
4	KDSP Grant Phase I	11,749,454	17,244,608	146.8
5	Livestock Value Chain Support Project	28,647,360	-	-
6	De-Risking and Value Enhancement (DRIVE)	63,341,980	-	-
7	KDSP Grant Phase II	178,654,264	-	-
8	Universal Care Project - THS	407,379	-	-
9	EU grant for Devolution Advisory	-	-	-
10	Compensation for use fees forgone	13,191,000	9,297,750.00	70.5
11	DANIDA Grant Primary Health Care	9,297,750	-	-
12	COVID Emergency - Rollover	4,220,366	-	-
13	GOK/UNFPA 10th Country Programme	9,100,000	-	-
14	Conditional Grants for provision of Fertilizer subsidy programme	75,977,677	-	-
15	Road Maintenance Fuel Levy- Roll Over	844,546	-	-
16	Rehabilitation of Youth Polytechnics	27,226,192	-	-
17	IDA World Bank (KCSAP)	90,000,000	-	-
18	IDA (World Bank) credit (FLLoCA) climate	11,000,000	-	-

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
19	IDA (World Bank) credit (FLLoCA) climate	1,000,000	1,000,000.00	100.0
20	SWEDEN: Agricultural Sector Development Support Programme (ASDSP) II	1,733,647	125,431,310	-
21	SWEDEN: Agricultural Sector Development Support Programme (ASDSP) II	5,012,391	-	-
22	Court Fines and Minerals Royalties	20,355	-	-
23	World Bank Emergency Locusts Project	126,616,044	-	-
24	World Bank Emergency Locusts Project	90,000	90,000	-
	Leasing of Medical Equipment	124,723,404	-	-
Sub-Total		**1,010,157,824**	**215,516,886**	**21.3**
C	Other Sources of Revenue			
1	Ordinary Own Source Revenue	300,719,215	196,579,016	65.4
2	Balance b/f from FY2022/23	784,979,319	784,979,319	100.0
3	Facility Improvement Fund (FIF)	149,378,181	181,622,619	121.6
Sub Total		**1,235,076,715**	**1,163,180,954**	**94.2**
Grand Total		**8,893,005,725**	**7,527,886,187**	**84.6**

Source: *Baringo County Treasury*

Figure 1 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 1: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24

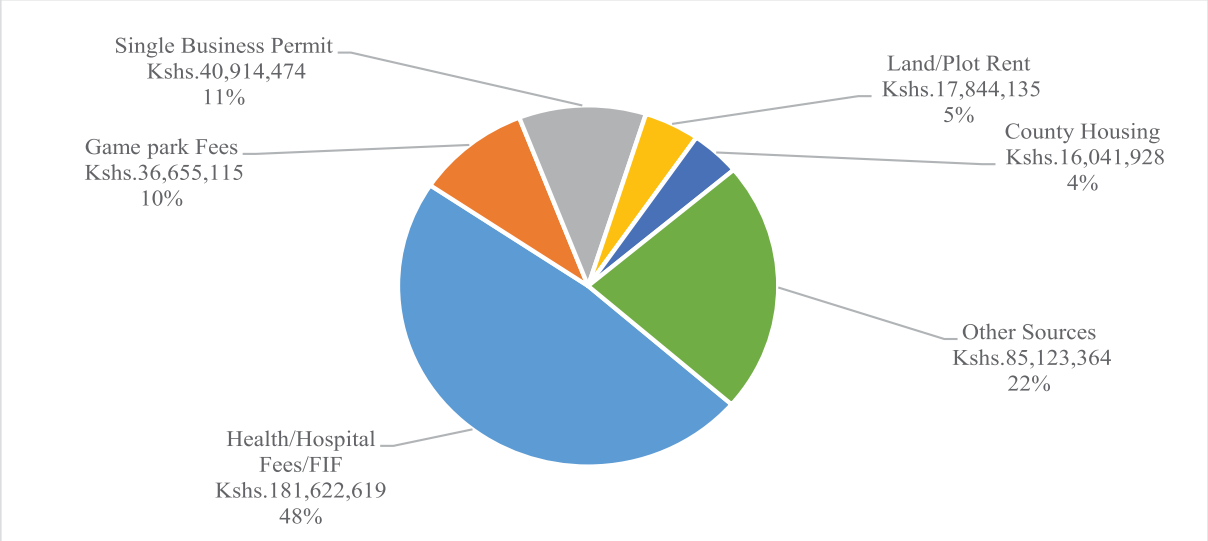


Source: *Baringo County Treasury*

In FY 2023/24, the County generated a total of Kshs.378.20 million from its sources of revenue, including FIF. This amount represented an increase of 20.7 per cent compared to Kshs.313.35 million realized in a similar period in FY 2022/23. It was 84 per cent of the annual target and 5.0 per cent of the equitable revenue share disbursed during the period. The decrease is primarily attributed to the non-automation of some revenue streams, such as single business permits and enforcement of tax laws

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

Figure 2: Top Streams of Own Source Revenue in the FY 2023/24



***Source**: Baringo County Treasury*

The highest revenue stream of Kshs.83.87 million was from F.I.F from Health facilities contributing to 49 per cent of the total OSR receipts during the reporting period.

3.1.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.7.53 billion from the CRF account comprised Kshs.2.16 billion (28.7 per cent) for development programmes and Kshs.5.37 billion (71.3 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.3.60 billion was released towards Employee Compensation and Kshs.3.90 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.784.98 million.

3.1.4 County Expenditure Review

The County spent Kshs.7.67 billion on development and recurrent programmes in the reporting period. The expenditure represented 101.9 per cent of the total funds released by the CoB and comprised Kshs.2.12 billion and Kshs.5.55 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 64.4per cent, while recurrent expenditure represented 99.1 per cent of the annual recurrent expenditure budget.

3.1.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.178.43 million, comprising Kshs.133.19 million for recurrent expenditure and Kshs.45.24 million for development activities. In FY 2023/24, the county settled all pending bills amounting to Kshs.178.43 million. During the year, the County recorded an outstanding pending bill consisting of Kshs.243.39 million for recurrent expenditure and Kshs.125.86 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.368.23 million.

The County Assembly reported outstanding pending bills of Kshs.8.87 million as of 30th June. 2024.

3.1.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.22 billion on employee compensation, Kshs.1.52 billion on operations and maintenance, and Kshs.2.06 billion on development activities. Similarly, the County Assembly spent Kshs.430.25 million on employee compensation, Kshs.388.05 million on operations and maintenance, and Kshs.54.70 million on development activities, as shown in Table 3.2

Table 3.2: 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	**4,777,347,310**	**828,962,651**	**4,736,751,234**	**818,302,058**	**99**	**99**
Compensation to Employees	3,217,510,040	430,387,033	3,217,466,232	430,251,386	100	100
Operations and Maintenance	1,559,837,270	398,575,618	1,519,285,003	388,050,672	97	97
Development Expenditure	**3,207,869,538**	**78,826,227**	**2,061,246,236**	**54,701,069**	**64**	**69**
Total	**7,985,216,848**	**907,788,878**	**6,797,997,470**	**873,003,127**	**85**	**96**

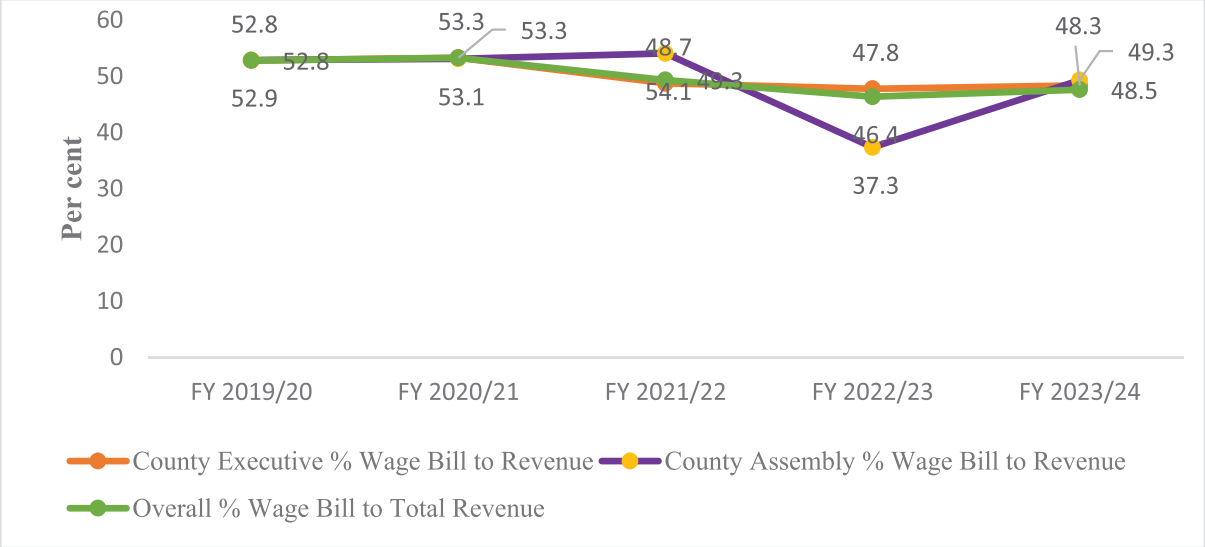
***Source**: Baringo County Treasury*

3.1.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.3.65 billion, or 47.6 per cent of the available revenue, which amounted to Kshs.7.67 billion. This expenditure represented an increase of 6.4 per cent from Kshs.3.43 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.1.94 billion paid to health sector employees, translating to 53.3 per cent of the total wage bill.

The trend of personnel expenditure as a percentage of total revenue from FY 2018/19 to FY 2023/24 is shown in Figure 3.

Figure 3: Percentage of Wage Bill to Total Revenue from FY 2018/19 to FY 2023/24



***Source**: Baringo County Treasury*

Further analysis indicates that PE costs amounting to Kshs.3.52 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.129.84 million was processed through manual payrolls. The manual payrolls accounted for 3.5 per cent of the total PE cost.

The County Assembly spent Kshs.47.71 million on committee sitting allowances for the 45 MCAs against the annual budget allocation of Kshs.49.90 million. The average monthly sitting allowance was Kshs.88,353 per MCA. The County Assembly has established 25 Committees.

3.1.8 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.176.45 million to county-established funds in FY 2023/24, constituting 2.3 per cent of the County's overall budget. Further, the County allocated Kshs.77 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.3 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.3: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24(Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Submission of Annual Financial Statements (Yes/No.)
1.	Baringo Executive Car Scheme Fund	-	-	-	Yes
2.	Youth and Women Fund	12,650,000	12,650,000	17,147,506.60	Yes
3.	Baringo Executive Mortgage Scheme fund	-	-	-	Yes
4.	Baringo County Emergency Fund	77,000,000	76,540,000	76,540,000	Yes
5.	Bursary and Scholarship Fund	67,600,000	60,594,120	60,594,120	Yes
6.	Community Conservancy Fund	-	-	-	Yes
7.	Baringo County Lake Bogoria Community Grant	-	-	-	Yes
8	Baringo County Older persons and Persons with Disability Fund	5,200,000	5,200,000	5,200,000	Yes
9	County Assembly Car and Mortgage Fund	14,000,000	14,000,000	14,000,000	Yes
	Totals	**176,450,000.00**	**168,984,120.00**	**173,481,626.60**	

Source: *Baringo County Treasury*

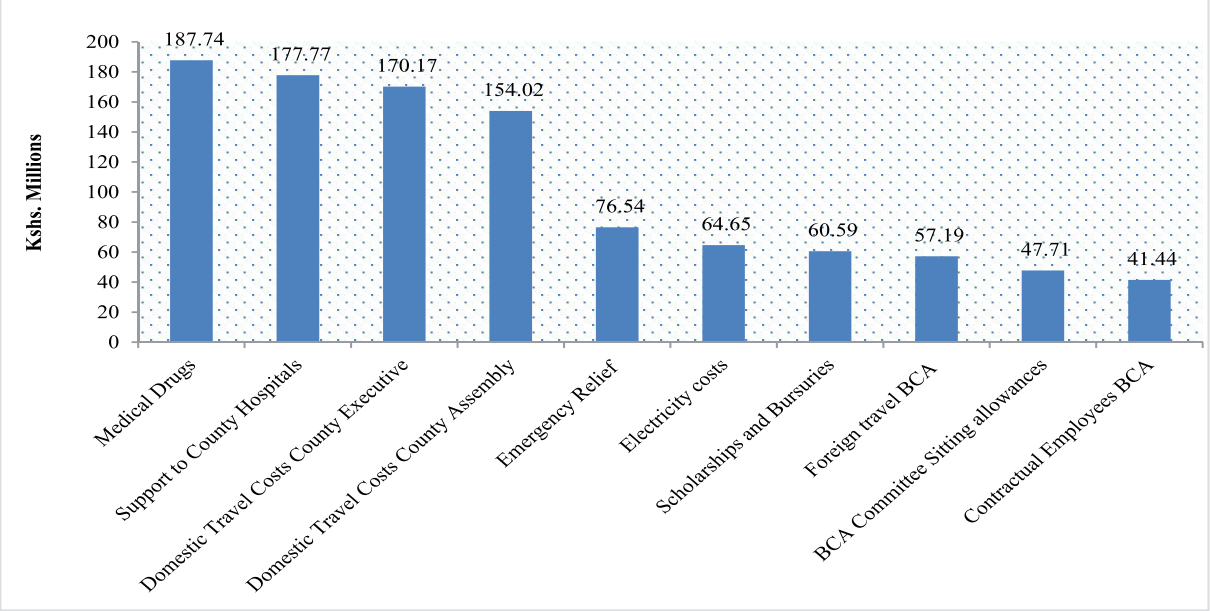
During the reporting period, the CoB received all end-year financial returns from the Fund Administrators indicated in Table 3, as required by Section 168 of the PFM Act, 2012.

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.

3.1.9 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.324.19 million and comprised Kshs.154.02 million spent by the County Assembly and Kshs.170.17 million by the County Executive. Expenditure on foreign travel amounted to Kshs.46.41 million and is summarized in Table 3.4 below;-

Table 3.4: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Department	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Amount (Kshs)
County Executive	1	28th-31st Aug. to 6th Sept. 2023	Travel cost to South Korea from	South Korea	488,468.75
	1		Facilitation cost to Shandong China. Imp. 4631982	China	514,562.40
	1		Reimbursement of expenses incurred during leadership conference and partners in Korea.	South Korea	376,635.00
	1		Facilitation costs incurred while going to Shandong, China. Imp. 4631983	China	433,098.00
	1	7-Sep-23	Travel Cost to South Korea	South Korea	438,068.75
	1		Facilitation costs while to Istanbul Turkey for Africa Business and Economic Forum.	Turkey	710,018.00
	1		Travel cost to Turkey for Africa Business and Economic Forum.	Turkey	1,088,767.00
	1	23-Sep-23	Travel cost to China	China	425,155.00
	1	28-Aug-23	Travel cost to South Korea	South Korea	475,453.75
	1		Reimbursement of costs incurred during the Governor's official trip to Ghana.	Ghana	335,897.50
	1		Facilitation cost for Governor Air ticket to South Korea.	South Korea	838,230.00
	1		Costs incurred on air ticket to South Korea.	South Korea	770,830.00
	1	16-Oct-23	Travel cost to Arusha	Arusha	500,699.00
	1		Travel cost to Dubai UAE attending COP 28 summit	Dubai	1,049,292.40
County Assembly					
	6	26thJune-3rd Jul 2023	Attending training on public finance management budgeting and public participation	Arusha	1,961,505.00
	1	16th-24th Jul 2023	Attending ICRN Conference	USA	483,994.00
	7	10th-17th Sept 2023	Attending training on main streaming ethics and ICT	UAE	4,712,441.00
	6	10th-17th Sept 2023	Attending training on international trade and economic development	Singapore	4,195,968.00
	7	6TH -14th Sept 2023	Attending Adoptable Leadership and Decision-Making Workshop	Singapore	4,904,655.00
	6	11-18th Sept 2023	Attending training on building smart cities and urban planning	Singapore	4,787,923.00
	1	26th May-4th June 2023	Attending Speakers Conference	Dubai	568,090.00
	5	19th-29th Sept 2023	Attending Board member's executive training	Turkey	4,137,667.00
	3	20th -30th Oct 2023	Attending training on best practices in trade and tourism	Arusha	1,137,700.00
	1	20th -30th Sept 2023	Attending World Leaders Summit	China	658,710.00
	7	13th-21st Jan 2024	Attending board Training on Management of the Public Sector	Arusha	2,963,639.00
	1	2nd-10th March 2024	Attending ICPAK Training	Dubai	574,247.00

Department	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Amount (Kshs)
	6	13th-20th Jan 2024	Attending a conference on emerging technologies in health Care	Singapore	4,647,588.00
	6	14th-20th Jan 2024	Taking Hon Speaker to attend Human Capital Performance Appraisal meeting	Arusha	1,137,700.00
	1	30th Oct-9th Nov 2023	Attending Training on Performance Management	UK	644,546.00
	12	17-24th Jan 2024	Global Financial Budget	Arusha	4,820,088.00
	3	21st-27th Nov 2023	East Africa Law Summit	Burundi	910,992.00

Source: *Baringo County Treasury*

Included in the operations and maintenance costs includes an expenditure of Kshs.41.44 million on contractual employees of the County Assembly and Kshs.76.54 million on Emergency relief for the County Executive

3.1.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.2.12 billion on development programmes, a decrease of 12.7 per cent compared to FY 2022/23, when the County spent Kshs.2.39 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.5: Baringo County, List of Development Projects with the Highest Expenditure

	Sector	Project Name	Project Location	Contract Sum (Kshs)	Amount paid to date (Kshs)	Implementation Status (%)
1	County Assembly	Supply, Installation, and Commissioning of Hansard System and Equipment for the Assembly Chambers.	County Assembly Premises	50,204,385	50,204,385	55
2	Health Services	Purchase of (1) CT scan Machine and Echo Machines	Kabarnet County Hospital	50,000,000	42,912,069	84
3	Health Services	Completion of BCRH surgical block	Kabarnet County Hospital	63,273,797	42,282,219	67
4	Roads, Transport, Public Works & Infrastructural Development	Acquisition & Delivery of 1-unit Crawler Excavator	Suna Central	36,018,000	36,018,000	100
5	Agriculture	Kenya Livestock Commercialization Project (KELCLOP) II	Countywide	36,500,000	16,095,837	68
6	Health Services	1. Construction of outpatient Block (MCH/FP unit, Pharmacy, Consultation Room, Clinician(injection room), Laboratory Unit, Stores, Health Office and waiting bay 2. Maternity Block (Wards, Male, Female and Children) Kitchen, Sanitary facilities, Water storage tank, Incinerator (waste disposal), two-unit staff house, Fence and Gate).	Baringo South	13,450,803	13,450,803	100
7	Health Services	Construction of Ward block & equipping of casualty block at Eldama Ravine Hospital	Eldama Ravine	6,807,977	6,807,977	100
8	Roads, Transport, Public Works & Infrastructural Development	Relocation and Construction of Kampi ya Samaki Health Centre	Baringo South	5,190,542	5,190,542	100
9	Trade and Commerce	Makutano market stall	Eldama Ravine	3,991,780	3,991,780	100
10	Agriculture	Purchase of Goats to support the Kitoo Pass Cooperative Society	Kolowa/ Loiwat	3,000,000	2,998,665	100

Source*: Baringo County Treasury*

3.1.11 Budget Performance by Department

Table 3.6 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.6: 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	828.96	78.83	818.30	55	818	54.70	100.0	100.0	-	1.5
The Governors Office	3,603	23	3,594	11	3,596	20.36	100.1	181.8	99.8	87.2
County Finance and Economic Planning	235	190	226	-	235	182.07	103.7	-	100.0	95.7
Roads, Transport, Energy and Public Works	37	513	36	362	36	406.04	101.8	112.3	97.2	79.1
Trade, Cooperatives and Industrialization	-	-	-	-	-	194.64	72.6	91.6	72.6	99.6
Education and Vocational training	92	160	85	143	85	126.21	99.4	88.1	91.9	78.8
Health Services	508	449	329	314	501	203.17	152.1	64.7	98.5	45.3
Lands, Housing & Urban Development	-	-	-	-	-	49.34	105.2	97.8	96.6	75.3
Agriculture, Livestock, and Fisheries Management	-	-	-	-	-	216.53	118.9	88.2	89.5	37.1
Youth Affairs, Sports, Culture,Gender and Social services	-	-	-	-	-	79.33	103.9	130.3	94.1	90.8
Water and Irrigation	95	810	94	618	95	582.36	101.2	94.3	100.0	71.9
Environment, Tourism, Wildlife Management , Natural Resources and Mining	-	-	-	-	-	1.20	99.9	1.4	99.9	0.9
Total	**5,606**	**3,287**	**5,371**	**2,157**	**5,555**	**2,116**	**103.4**	**98.1**	**99.1**	**64.4**

***Source**: Baringo County Treasury*

Analysis of expenditure by departments shows that the Trade, Cooperatives and Industrialization recorded the highest absorption rate of development budget at 99.6 per cent, followed by the County Finance and Economic Planning at 95.7 per cent. Two Departments, namely, the Department of County Finance and Economic Planning and the Department of Water and Irrigation, posted the highest percentage of recurrent expenditure to budget at 100 per cent each, while the Department of Trade, Cooperatives and Industrialization had the lowest at 72.6 per cent.

3.1.12 Budget Execution by Programmes and Sub-Programmes

Table 3.7 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.7: Baringo County, Budget Allocation and Absorption Rate by Department

Budget Execution by Programmes and Sub-Programmes							
Programme	**Sub-Programme**	**Approved Estimates**		**Actual Expenditure as of 30th June 2024**		**Absorption Rate (%)**	
		Recurrent Expenditure	**Development Expenditure**	**Recurrent Expenditure**	**Development Expenditure**	**Recurrent Expenditure**	**Development Expenditure**
County Assembly							
Office of the clerk		-	-	-	-	-	-
	General administration	-	-	-	-	-	-
	General Administration / Support Services	828,962,651	-	818,302,058	-	99	
	Landscaping and beautification of Speakers residential buildings	-	19,000,000.00	-	-	-	-
	Drilling and equipping of 2No. Water boreholes at County Assembly and Speaker residence	-	10,000,000.00	-	-	-	-
	Proposed Installation of Electric, Razor wires and CCTV at the speaker's residence	-	10,100,000.00	-	-	-	-
	Supply, Installation, and Commissioning of Hansard System and Equipment for the Assembly Chambers.	-	74,300,000.00	-	50,204,385.28	-	68
	Purchase and Installation of interior designs of County Assembly chambers	-	4,526,227.00	-	4,496,684.00	-	99
	Feasibility studies on Project preparation and design for CCTV, Boreholes and Landscaping	-	9,000,000.00	-	-	-	-
					-		
Office of the Governor and Deputy Governor	General Administration	-	-	-	-	-	-
	P3 Governors Office	75,883,100	-	87,157,472	-	115	-
	Office of County Secretary	196,226,377.00	-	180,730,092.95	-	92	-
	P4 Acquisition of Assets	6,500,000	-	-	-	-	-
	Office of the Deputy Governor	26,409,339		33,013,751		125	
Public Services, Administration, Devolution, & ICT	General Administration, Salaries and Operations	3,248,972,658	-	3,249,368,207	-	100	-
	Tiaty sub-county-West (Administration)	3,679,080	-	2,048,714	-	56	-
	Tiaty sub-county East (Administration)	3,271,000	-	4,272,873	-		-
	Baringo North sub-county	3,986,222	-	3,627,787	-	91	-
	Baringo Central sub-county	4,118,027	-	3,386,200	-	82	-
	Baringo South sub-county	3,784,000	-	2,061,319	-	54	-
	Mogotio sub-county	3,884,000	-	3,538,943	-	91	-
	Eldama Ravine sub-county	3,752,412	-	2,998,745.75	-	80	-
	Infrastructure Development - Ward offices	-	33,548,807.00	-	-	-	-

Budget Execution by Programmes and Sub-Programmes							
Programme	**Sub-Programme**	**Approved Estimates**		**Actual Expenditure as of 30th June 2024**		**Absorption Rate (%)**	
		Recurrent Expenditure	**Development Expenditure**	**Recurrent Expenditure**	**Development Expenditure**	**Recurrent Expenditure**	**Development Expenditure**
	Acquisition of Kabarnet Hotel	-	20,000,000.00	-	-	-	-
	Acquisition of land for Deputy Governor's Residence	-	5,000,000.00	-	-	-	-
	Support to Baringo ICT Centre	-	1,000,000.00	-	-	-	-
	Support to ELIAS ICT Centre	-	3,000,000.00	-	-	-	-
	Ajira Centre Connectivity	-	30,743.00	-	-	-	-
	Installation of LAN at Mogotio and Marigat sub-county hospital	-	3,000,000.00	-	-	-	-
	Installation of CIMES Operationalization	-	1,000,000.00	-	-	-	-
	Redesign of County website to include online recruitment, tourism, Town and hospital portals	-	71,079,550.00	-	20,364,322.75	-	29
Finance & Economic Planning	Finance Administration	159,975,000	-	156,091,361	-	98	-
	Economic Planning	74,696,129	-	78,530,910	-	105	-
	Infrastructural Development	-	-	-	-	-	-
	Infrastructural Development- Boda boda shades	-	4,000,000.00	-	-	-	-
	KDS Programme	-	179,001,764.00	-	177,482,594.00	99	99
	Revenue Services Development Services	-	5,020,355.00	-	4,587,244.00	91	91
	Treasury Accounts	-	-	-	-	-	-
	Purchase of Utility Project Vehicles	-	-	-	-	-	-
Revenue Department	KDSP programme project (Level II grant)	-	-	-	-	-	-
	Eldama Ravine sub-county	-	-	-	-	-	-
Monitoring and Evaluation	Economic Planning, Budget, Monitoring and Evaluation Services	-	-	-	-	-	-
Transport and Infrastructure	General Administration	37,400,173	-	36,335,812	-	97	-
	Urban Infrastructure Development	-	-	-	-	-	-
	Rural Infrastructure Development and Footbridges	-	114,709,057.00	-	112,088,738.30	-	98
	New and maintenance of roads County-wide	-	331,424,045.00	-	237,133,666.72	-	72
	Installation of Floodlights	-		-	-	-	-
	Complete Construction of Public Works Office Block	-	23,000,000.00	-	-	-	-
	RMLF Funds	-	43,652,008.00	-	15,000,000.00	-	
	Culverts and Bridges	-	17,100,000.00	-		-	-

Budget Execution by Programmes and Sub-Programmes							
Programme	**Sub-Programme**	**Approved Estimates**		**Actual Expenditure as of 30th June 2024**		**Absorption Rate (%)**	
		Recurrent Expenditure	**Development Expenditure**	**Recurrent Expenditure**	**Development Expenditure**	**Recurrent Expenditure**	**Development Expenditure**
Industry, Commerce, Tourism, Cooperatives and Enterprise Development	General Administration	30,864,989	-	22,412,173	-	-	-
	Co-operative services Development	-	82,234,780.00	-	70,470,426.80	-	86
	Tourism Development & Marketing	-	46,320,101.25	-	45,948,608.00	-	99
	Infrastructure and Trade Development	-	-	-	-	-	-
	Development of Aggregated industrial park at Kimose	-	350,000,000.00	-	78,217,376.00	-	86
Trade Development and Management Services	General administration	-	-	-	-	-	-
	Trade Development	-	2,000,000.00	-	-	-	-
Education	General Administration, Planning and support services	92,290,000	-	84,776,487	-	92	-
Early Childhood Development	Infrastructure development	-	73,906,666.00	-	44,412,035.60	-	60
Early Childhood Development Education	Curriculum Development and Equipment	-	2,500,000.00	-	-	-	0
Vocational Training development	Infrastructure Development	-	25,948,249.25	-	20,000,000.00	-	77
Vocational Training development	Bursary and Scholarship Programme	-	61,796,277.75	-	61,796,277.75	-	100
County Health Services	General Administration	508,042,758	-	502,261,436	-	99	-
Curative and Rehabilitative Services	Infrastructure development	-	222,743,501.90	-	203,168,023.55	-	91
Preventive and Promotive Health Services	Infrastructure development	-	-	-	-	-	-
	Health/preventive services	-	-	-	-	-	-
	Medical Drugs	-	-	-	-	-	-
Promotion of primary healthcare	General administration	-	-	-	-	-	
Lands and Urban Development	General administration	33,363,832	-	36,040,927	-	108	-
Land use planning and Information management	Land Policy and Planning Services	-	5,500,000.00	-	-	-	-
Land use planning and Information management	Land Survey Services	-	11,100,000.00	-	-	-	-
Eldama Ravine Town- Urban Development	Infrastructure development	6,754,129	-	7,240,121	-	107	-
Kabarnet Municipality Services	Infrastructure development	9,099,072	42,353,000.00	4,264,673	49,336,113.40	47	116
Housing Development and Management	Housing development	-	1,200,000.00	-	-	-	-

Budget Execution by Programmes and Sub-Programmes							
Programme	**Sub-Programme**	**Approved Estimates**		**Actual Expenditure as of 30th June 2024**		**Absorption Rate (%)**	
		Recurrent Expenditure	**Development Expenditure**	**Recurrent Expenditure**	**Development Expenditure**	**Recurrent Expenditure**	**Development Expenditure**
Land use planning and Information management	Land Adjudication Services	-	17,500,000.00	-	-	-	-
Land use planning and Information management	Land adjudication and demarcation	-	1,500,000.00	-	-	-	-
Land use planning and Information management	Land Policy and Planning Services	-	25,237,350.00	-	-	-	-
General Administration, Planning and Support Services	Infrastructure Development	-	6,000,000.00	-	-	-	-
Kabarnet Municipality Services	Sanitation & waste management	-	8,500,000.00	-	7,600,500.00	-	89
	Urban Safety and Disaster Control Services	-	2,000,000.00	-	-	-	-
	Infrastructure development	-	15,100,000.00	-	13,959,386.00	-	92
	Urban Infrastructure Development and Management	-	-	-	-	-	-
Agricultural Services	General Administration and Planning	39,599,781		35,454,368		90	-
Livestock resources management and development	Livestock upgrading	-	149,789,340.00	-	-	-	-
Milk Processing Plant-Eldama Ravine	Completion of Milk Processing Plant	-	-	-	-	-	-
Kabartonjo Milk Cooling Plant	Construction of Ossen Milk Cooling Plant	-	3,500,000.00	-	-	90	-
Livestock Sale yards	Maintenance of Livestock Sale Yards- Emining, Loruk and Loitip	-	1,500,000.00	-	-	-	-
Slaughter houses Maintenance	Maintenance of slaughterhouses and slabs	-	1,000,000.00	-	-	-	-
Maoi Slaughter House	Slaughterhouses and slabs:	-	10,000,000.00	-	-	-	-
Loruk Slaughter House	Completion of Loruk Slaughter House	-	3,000,000.00	-	-	-	-
Barwessa Slaughter House	Completion of Barwessa Slaughter House	-	3,000,000.00	-	-	-	-
Ngentalel Slaughter House	Completion of Ngentalel Slaughter House	-	4,000,000.00	-	-	-	-
Cattle Dips and Animal Vaccinations	Dips and Vaccines	-	18,000,000.00	-	-	-	-
Bee Keeping	Bee hives	-	9,000,000.00	-	-	-	-
Hay stores, purchase of pasture seeds and climate change	Hay stores, purchase of pasture seed sand, climate change	-	10,000,000.00	-	-	-	-
Support to ATC Services	Support to ATC Services	-	7,000,000.00	-	-	-	-

Budget Execution by Programmes and Sub-Programmes							
Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Agricultural Machinery	Purchase of Tractor	-	4,500,000.00	-	-	-	-
Conditional Grants for provision of Fertilizer subsidy programme	Conditional Grants for provision of Fertilizer subsidy programme	-	-	-	-	-	-
IDA World Bank (KCSAP)	IDA World Bank (KCSAP)	-	-	-	-	-	-
Matching fund to IDA World Bank (KCSAP)	Matching fund to IDA World Bank (KCSAP)	-	1,200,000.00	-	-	-	-
SWEDEN: Agricultural Sector Development Support Programme (ASDSP) II	SWEDEN: Agricultural Sector Development Support Programme (ASDSP) II	-	10,541,213.00	-	10,541,213.00	-	100
World Bank Emergency Locusts Project	World Bank Emergency Locusts Project	-	90,464,472.30	-	90,464,472.30	-	100
Certified pasture and maize	Provision of pastures and maize seeds	-	4,000,000.00	-	-	-	
Purchase of Mangoes, Macadamia and Coffee Seedlings	Purchase of Mangoes, Macadamia and Coffee Seedlings for Mochongoi	-	19,900,000.0-	-	-	-	-
Cattle Dips and Animal Vaccinations	Renovations of Cattle Dips	-	41,046,396.00	-	-	-	-
Cooperative stores	Construction of Cooperative stores	-	21,746,057.00	-	-	-	-
Motor Boats	Purchase of motorboats	-	-	-	-	-	-
Fisheries Development and Management	Fisheries Development and Management	-	115,523,268.55	-	115,523,268.55	-	100
Culture, Youth and Gender	General Administration	48,993,847	-	46,088,218	-	94	-
Social Services and Safety nets	Affirmative Action Initiatives	-	28,952,631.00	-	-	-	-
Social Services and Safety nets	Infrastructure Development	-	8,097,229.00	-	-	-	-
Cultural and Creative Arts Development	Infrastructural development	-	4,500,000.00	-	-	-	
Gender Development and Management	Gender Initiatives	-	1,000,000.00	-	-	-	-
Youth Development and Management	Infrastructure Development	-	11,000,000.00	-	10,000,000.00	-	91
Sports Development and Management	Infrastructural development	-	26,988,728.00	-	79,334,578.65	-	294
Culture and Creative Arts Development	Cultural Promotion Initiative	-	3,100,000.00	-	-	-	-
Culture and Creative Arts Development	Infrastructural development-social Halls	-	13,950,419.00	-	11,458,023.45	-	82

Budget Execution by Programmes and Sub-Programmes							
Programme	**Sub-Programme**	**Approved Estimates**		**Actual Expenditure as of 30th June 2024**		**Absorption Rate (%)**	
		Recurrent Expenditure	**Development Expenditure**	**Recurrent Expenditure**	**Development Expenditure**	**Recurrent Expenditure**	**Development Expenditure**
Gender Development and Management	Gender Initiatives- Women Empowerment	-	3,600,000.00	-	-	-	-
Youth Development and Management	Youth Initiatives- Youth Empowerment	-	7,900,000.00	-	-	-	-
Youth Development and Management	Infrastructural development-Playing Grounds	-	8,573,985.00	-	-	-	-
Water and Irrigation Department	General Administration	94,855,512.00	-	94,845,904	-	100	-
Water resource development and supplies management	Water resource management and storage	-	614,914,244.00	-	582,359,366.90	-	95
Irrigation infrastructure development	Irrigation Infrastructure	-	-	-	-	-	-
Environment Administration and Planning	Planning and Administration	38,223,843	-	38,170,930	-	100	95
Environmental Conservation and Management	Environmental conservation and protection	-	11,300,000.00	-	-	-	-
Natural Resources Conservation, Exploitation and Management	Forestry and Wildlife Conservation and Management	-	3,500,000.00	-	-	-	-
Environmental Conservation and Management	Solid Waste management	-	9,350,400.00	-	-	-	-
Environmental Conservation and Management	Environmental conservation and protection	-	14,024,900.00	-	-	-	-
Natural Resources Conservation, Exploitation and Management	Forestry and Wildlife Conservation and Management	-	1,300,000.00	-	-	-	-
Climate Change Fund Projects	Water resource/ pasture development and supplies management	-	-	-	-	-	-
	Protection of rivers and streams	-	-	-	-	-	-
County Public Service Board	Administration and Planning	22,722,030.00	-	22,033,812	-	97	-
Grand Total		**5,606,309,961**	**3,286,695,765**	**5,555,053,292**	**2,115,947,305**	**99**	**64**

***Source**: Baringo County Treasury*

Analysis of expenditure by departments shows that the Trade, Cooperatives and Industrialization recorded the highest absorption rate of development budget at 99.6 per cent, followed by the County Finance and Economic Planning at 95.7 per cent. Two Departments, namely, the Department of County Finance and Economic Planning and the Department of Water and Irrigation, posted the highest percentage of recurrent expenditure to budget at 100 per cent each, while the Department of Trade, Cooperatives and Industrialization had the lowest at 77.5 per cent.

Sub-programmes with the highest levels of implementation based on absorption rates were Purchase and Interior design at the County assembly Chambers at 99 per cent, KDS Programme at 99 per cent, Tourism Development and Marketing at 99 per cent, and Bursary and Scholarship programme at the Department of Education and Vocational training 100 per cent of budget allocation.

3.1.13 Accounts Operated Commercial Banks

The County government operated 283 accounts with commercial banks. 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.

3.1.14 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;

1. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the annual budget implementation report. The final reports were received on 5th August 2024 against a stipulated timeline of 15th Jul. 2024
2. The County Treasury managed inter-departmental vote books poorly and used weak budgeting practices, as shown in Table 3.6. The county incurred expenditures above the approved exchequer issues and diverted funds.
3. High wage bills accounted for 47.6 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided in law.
4. 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 and for various departments' office operations and activities.
5. Low expenditure on development which was 27.6 per cent of total expenditure

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *The County Treasury should improve the Vote book and budgetary controls to ensure expenditure is within the approved budget and exchequer releases.*
3. *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.*
4. *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.*
5. *The County should ensure expenditure on development is within the 30% threshold in law*
6. *High expenditure on domestic travel at Kshs.324.19 million*
7. *The Country shall minimize expenditure on travelling by holding activities within the county.*

3.2. County Government of Bomet

3.2.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.8.52 billion, comprising of Kshs.2.39 billion (28 per cent) and Kshs.6.13 billion (72 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 2.8 per cent compared to the previous financial year when it was Kshs.8.29 billion and comprised of Kshs.2.44 billion towards development expenditure and Kshs.5.85 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.6.98 billion (81.9 per cent) as the equitable share of revenue raised nationally, Kshs.570.26 million (6.7 per cent) as additional allocations/conditional grants, a cash balance of Kshs.640.88 million (7.5 per cent) brought forward from FY 2022/23 and generate Kshs.332.04 million (3.9 per cent) as gross own source revenue. The own-source revenue includes Kshs.144.45 million (1.7 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.187.59 million (2.2 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.8.

3.2.2 Revenue Performance

In the FY 2023/24, the County received Kshs.6.42 billion as an equitable share of the revenue raised nationally, Kshs.418.29 million as additional allocations/conditional grants, a cash balance of Kshs.640.88 million from FY 2022/23 and raised Kshs.238.93 million as own-source revenue (OSR). The raised OSR includes Kshs.80.61 million as FIF and Kshs.158.32 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.7.72 billion, as shown in Table 3.8

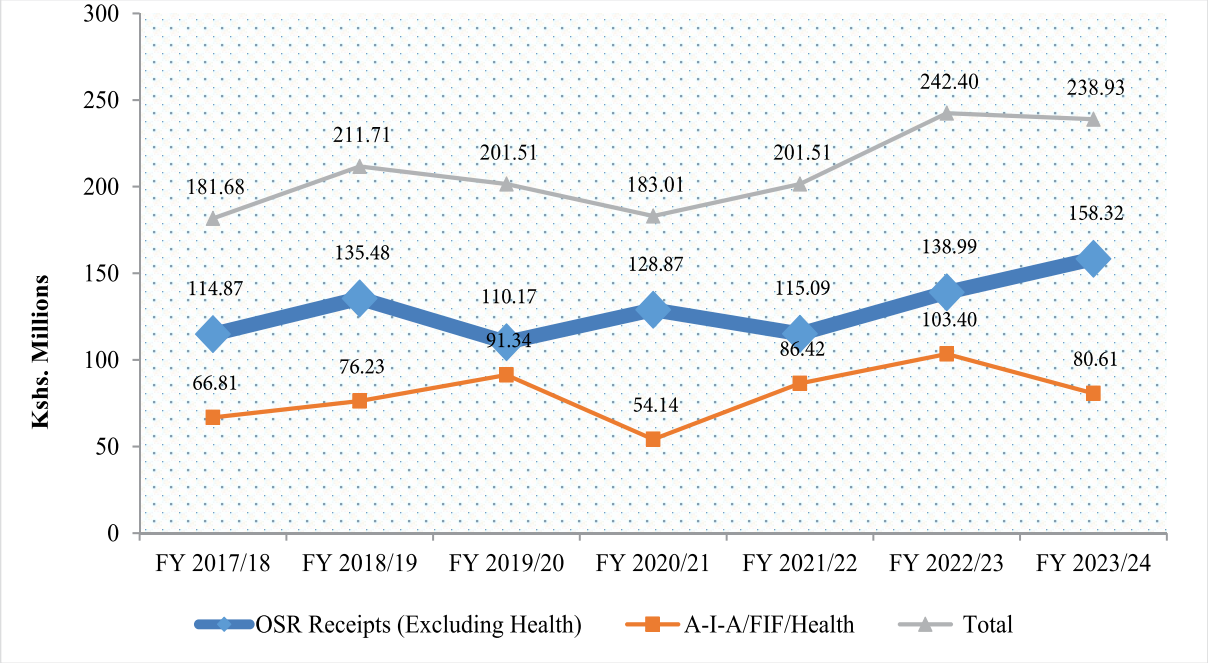
Table 3.8: Bomet County, Revenue Performance in the FY 2023/24

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**	6,977,924,070.00	6,419,690,145.00	92.0
Subtotal		**6,977,924,070.00**	**6,419,690,145.00**	**92.0**
B	**Additional Allocations/Conditional Grants**			
	KDSP (Level 1) B/F-Recurrent	3,622,576.00	-	-
	KDSP (Level 2 Grant) B/F-Development	28,000,000.00	-	-
	WASH - Health & Water - Dig Deep Africa (DDA)	41,552,260.00	1,108,205.00	2.7
	Nutritional International	22,884,446.00	10,498,200.00	45.9
	IDA Kenya/Climate Change Resilience Invest (CCRI)	136,000,000.00	193,583,212.00	142.3
	IDA (World Bank) Credit (Financing Locally – Led Climate Action (FLLoCA) Program County Climate Institutional Support (CCIS) Grant	11,000,000.00	11,000,000.00	100.0
	IDA (World Bank) Credit Agricultural Value Chain Development Project (NAVCDP)	327,200,000.00	199,379,687.00	60.9
	Sweden - Agricultural Sector Development Support Programme (ASDSP)	-	2,716,655.00	-
Subtotal		**570,259,282.00**	**418,285,959.00**	**73.4**
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	187,592,587.00	158,317,549.00	84.4
	Facility Improvement Fund (FIF)	144,449,243.00	80,612,871.00	55.8
Subtotal		**332,041,830.00**	**238,930,420.00**	**72.0**
D	**Other Sources of Revenue**			
	Unspent balance from FY 2022/23	640,875,126.00	640,875,126.00	100.0
Sub total		**640,875,126.00**	**640,875,126.00**	**100.0**
Grand Total		**8,521,100,308.00**	**7,717,781,650.00**	**90.6**

Source: *Bomet County Treasury*

Figure 5 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

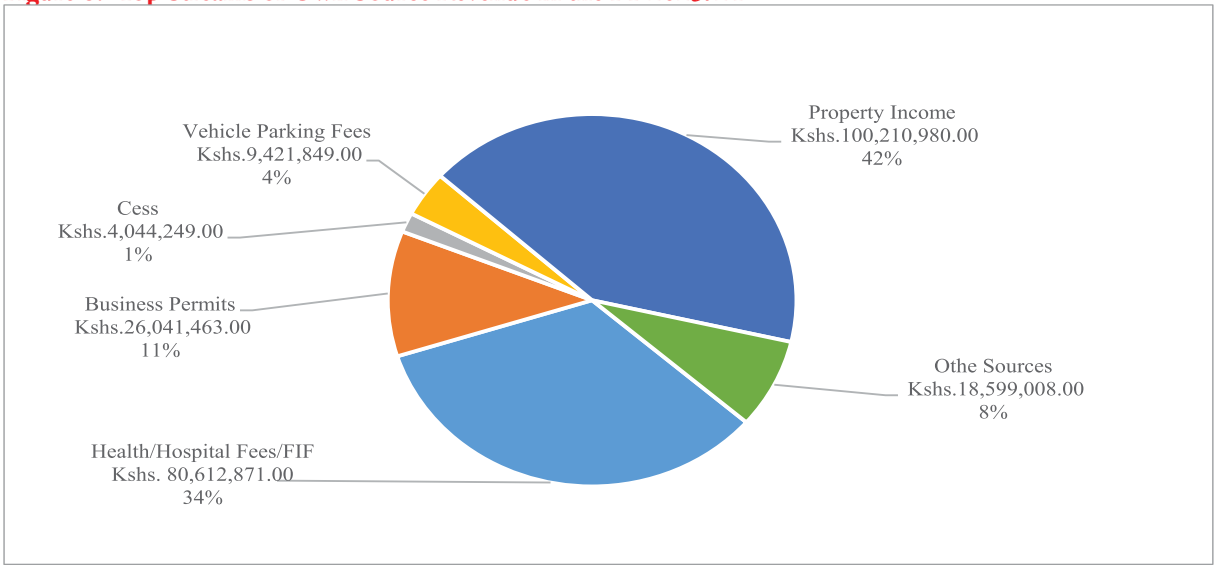
Figure 5: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Bomet County Treasury*

In FY 2023/24, the County generated a total of Kshs.238.93 million from its sources of revenue, including FIF. This amount represented a decrease of 1.4 per cent compared to Kshs.242.40 million realized in FY 2022/23. It was 72.0 per cent of the annual target and 3.7 per cent of the equitable revenue share disbursed during the period. The decrease in OSR can be attributed to the delayed disbursement of the NHIF remittances amounting to Kshs.47 million that was supposed to be paid to the County Government of Bomet health facilities before the close of the financial year. The revenue streams which contributed the highest OSR receipts are shown in Figure 6.

Figure 6: Top Streams of Own Source Revenue in the FY 2023/24



Source: Bomet County Treasury

TThe highest revenue stream, Kshs.100.21 million, was Property Income, which contributed 42 per cent of the total OSR receipts during the reporting period.

3.2.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.7.45 billion from the CRF account during the reporting

period, which comprised Kshs.1.82 billion (24.4 per cent) for development programmes and Kshs.5.63 billion (75.6 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY2023/24 indicates that Kshs.3.64 billion was released towards Employee Compensation and Kshs.1.99 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund account at the end of FY 2023/24 was Kshs.267.67 million.

3.2.4 County Expenditure Review

The County spent Kshs.7.45 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 of Kshs.1.82 billion and Kshs.5.63 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 76.2 per cent, while recurrent expenditure represented 91.8 per cent of the annual recurrent expenditure budget.

3.2.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.897.93 million, comprising Kshs.156.24 million for recurrent expenditure and Kshs.741.69 million for development activities. In FY 2023/24, the County settled pending bills amounting to Kshs.449.16 million, which consisted of Kshs.68.23 million for recurrent expenditure and Kshs.380.93 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.448.77 million.

The County Assembly did not report any outstanding pending bills as of 30th June 2024.

3.2.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.28 billion on employee compensation, Kshs.1.50 billion on operations and maintenance, and Kshs.1.70 billion on development activities. Similarly, the County Assembly spent Kshs.368.30 million on employee compensation, Kshs.486.90 million on operations and maintenance, and Kshs.118.57 million on development activities, as shown in Table 3.9.

Table 3.9: 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	**5,232,409,922.00**	**901,903,256.00**	**4,775,087,751.00**	**855,188,755.00**	**91.3**	**94.8**
Compensation to Employees	3,309,801,636.00	355,747,263.00	3,276,017,791.00	368,295,228.00	99.0	103.5
Operations and Maintenance	1,922,608,286.00	546,155,993.00	1,499,069,960.00	486,893,527.00	78.0	89.1
Development Expenditure	**2,218,787,130.00**	**168,000,000.00**	**1,701,296,167.00**	**118,565,537.00**	**76.7**	**70.6**
Total	**7,451,197,052.00**	**1,069,903,256.00**	**6,476,383,918.00**	**973,754,292.00**	**86.9**	**91.0**

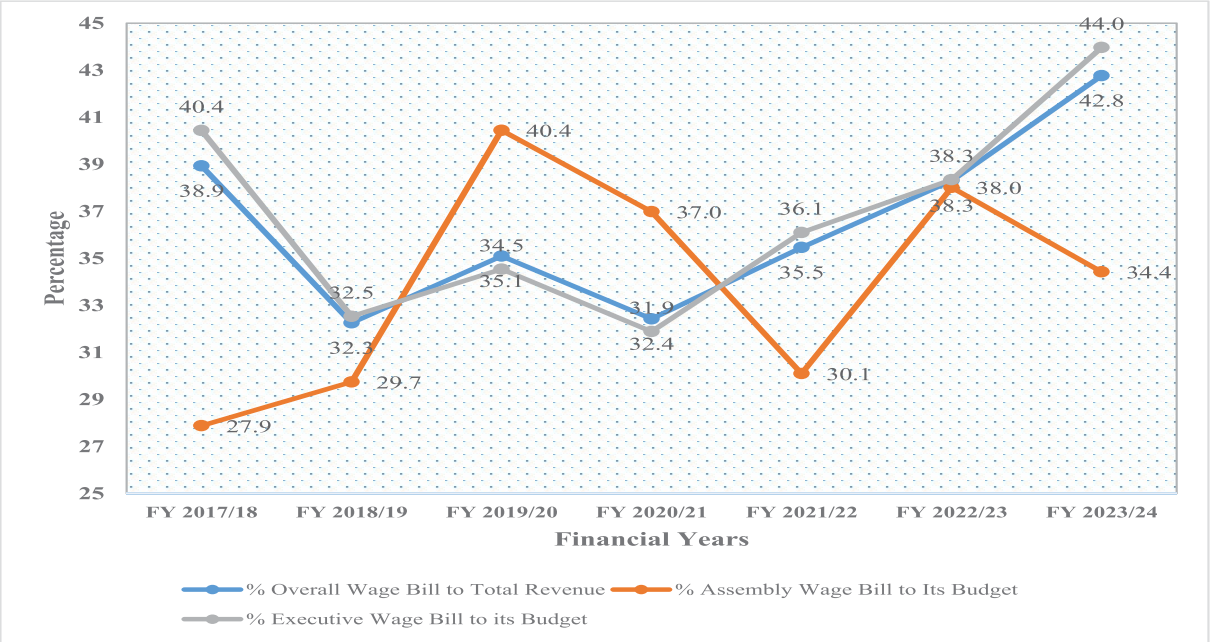
***Source**: Bomet County Treasury*

3.2.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.3.64 billion, or 47.2 per cent of the available revenue, which amounted to Kshs.7.72 billion. This expenditure represented an increase from Kshs.3.17 billion reported in FY 2022/23. The wage bill included Kshs.1.04 billion paid to health sector employees, translating to 28.6 per cent of the total wage bill. The more than 10 per cent increase in Personnel Emoluments compared to the previous financial year is attributed to, among other factors - the recruitment of 323 critical staff in all the county departments, settlement of arrears for staff who did not have personnel numbers in the previous financial year and 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 expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 7: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: *Bomet County Treasury*

****Revenue is as per the approved budget estimates***

Further analysis indicates that PE costs amounting to Kshs.3.25 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.394.03 million was processed through manual payrolls. The manual payrolls accounted for 10.8 per cent of the total PE cost. The County Assembly spent Kshs.20.05 million on committee sitting allowances for the 38 MCAs and the Speaker against the annual budget allocation of Kshs.20.05 million. The average monthly sitting allowance was Kshs.42,840 per MCA. The County Assembly has established 21 Committees.

3.2.8 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.216 million to county-established funds in FY 2023/24, constituting 2.5 per cent of the County's overall budget. Further, the County allocated Kshs.7.90 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 3.10 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.10: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund in FY (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
	Bursary Fund	141,000,000.00	141,000,000.00	141,000,000.00	478,585,040.00	Yes
	Car and Mortgage	-	-	33,900,000.00	124,813,880.00	Yes
	County Assembly Established Funds					
	Car and Mortgage	75,000,000.00	75,000,000.00	75,000,000.00	461,000,000.00	Yes
	Total	**216,000,000.00**	**216,000,000.00**	**249,900,000.00**	**1,064,398,920.00**	

Source: *Bomet County Treasury*

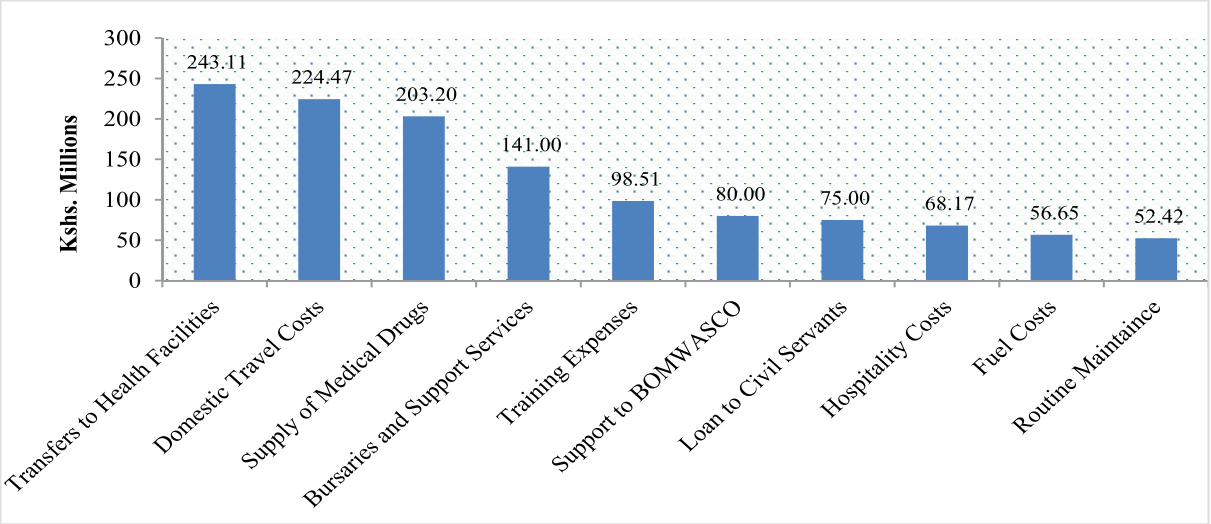
During the reporting period, the CoB received quarterly financial returns from Fund Administrators of the three funds, as indicated in Table 3, as per the requirement of Section 168 of the PFM Act, 2012. The administration costs of the Funds were within the 3 per cent limit of the Fund budget set in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

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.

3.2.9 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*

Expenditure on domestic travel amounted to Kshs.224.47 million and comprised Kshs.130.53 million spent by the County Assembly and Kshs.93.94 million by the County Executive. Expenditure on foreign travel amounted to Kshs.50.00 million and comprised Kshs.36.91 million by the County Assembly and Kshs.13.09 million by the County Executive. Spending on foreign travel is summarized in Table 3.11 below;-

Table 3.11: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	9	3rd - 10th February, 2024	Training on Trade, Tourism and Industrialization programme	UAE	10,814,366.00
County Assembly	14	16th - 22nd December, 2023	Integration of Mental Health into Primary Health Care	UAE	9,397,964.00
County Assembly	9	3rd - 10th February, 2024	International Conference on Agriculture and Value Addition Engagement	Uganda	4,433,613.00
County Executive	3	11th - 17th September, 2023	IPAC's Annual Public Sector Leadership Conference	Canada	3,452,251.00
County Assembly	7	16th June - 23rd June,2024	Strategic Leadership Management in Public Sector Conference	Tanzania	2,945,570.00
County Assembly	9	08th June - 15th June, 2024	International Conference on Labour Law Reforms	Uganda	2,930,895.00
County Assembly	8	01st June - 07th June, 2024	Training Forum on Environment, Green Energy and Sustainable Development	Tanzania	2,861,910.00
County Executive	4	10th - 23rd September, 2023	Collaborative Business Endeavour between Norway and Kenya through the County Government of Bomet	Norway	2,829,334.00

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	6	14th - 18th August, 2023	Induction Workshop for Audit Committees & Boards organized by ICPAK	Singapore	3,859,140.00
County Assembly	1	25th October - 6th November, 2023	Performance Management systems and localization of SDGs	United Kingdom	1,498,574.00

Source: *Bomet County Treasury and Bomet County Assembly*

The operations and maintenance costs include an expenditure of Kshs.19.5 million on garbage collection and Kshs.5.51 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.2.10 Development Expenditure

In FY 2023/24, the County reported expenditure of Kshs.1.82 billion on development programmes, representing an increase of 18.7 per cent compared to FY 2022/23 when the County spent Kshs.1.53 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.12: 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 Roads Maintenance	Countywide	472,104,426.00	472,104,426.00	100
2	Finance, Economic Planning & ICT	Construction of Dr Joyce Laboso Memorial Mother and Child Wellness Centre	Longisa	286,847,543.10	286,847,543.10	97
3	Roads, Public Works and Transport	Acquisition of Heavy Earth Moving Machines & Tippers	Bomet Township	122,428,410.00	122,428,410.00	100
4	Lands, Housing and Urban Planning	Acquisition of Land for development	Mulot Bus Park, Stadium, ICT Hub, Kapkimolwa VTC, Silibwet	120,698,000.00	120,698,000.00	100
5	County Assembly	Construction of the Main County Assembly Chambers	Bomet Township	473,470,000.00	86,103,369.00	94
6	Water Sanitation and Environment	Desilting of water pans	Countywide	75,482,277.00	75,482,277.00	100
7	Water Sanitation and Environment	Supply, delivery and installation of water tanks	Countywide	62,849,121.00	62,849,121.00	100
8	Education, Vocational Training, Youth & Sports	Construction of ECDE classrooms and pit latrines	Countywide	51,161,046.05	51,161,046.05	100
9	Agriculture, Livestock and Cooperatives	Supply of farm implements, Vaccines, Cooling Plants & Seedlings	Countywide	49,981,964.40	49,981,964.40	100
10	Medical Services and Public Health	Renovation/completion of Dispensaries/pit latrines	Countywide	69,051,423.00	69,051,423.00	100

Source: *Bomet County Treasury*

3.2.11 Budget Performance by Department

Table 3.13 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.13: Bomet 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 Public Service	2,385.23	31.00	2,270.14	23.33	2,270.14	23.33	100.0	100.0	95.2	75.2
Finance, Economic Planning & ICT	241.47	162.60	211.63	119.56	211.37	119.56	99.9	100.0	87.5	73.5
Lands, Housing and Urban Planning	114.85	173.50	53.23	143.05	53.19	143.05	99.9	100.0	46.3	82.5
Gender, Culture and Social Services	20.26	13.00	15.83	-	15.73	-	99.4	-	77.7	-
Medical Services and Public Health	1,888.43	125.60	1,798.17	75.86	1,798.13	75.86	100.0	100.0	95.2	60.4
Agriculture, Livestock and Cooperatives	126.51	432.20	40.25	295.20	40.24	295.20	100.0	100.0	31.8	68.3
Water Sanitation and Environment	102.37	427.86	87.97	364.33	87.97	364.33	100.0	100.0	85.9	85.2
Education, Vocational Training, Youth & Sports	298.93	138.75	257.99	88.61	257.99	88.61	100.0	100.0	86.3	63.9
Roads, Public Works and Transport	43.14	603.77	30.16	557.36	30.16	557.36	100.0	100.0	69.9	92.3
Trade, Energy, Tourism and Industry	11.23	110.50	10.15	34.00	10.15	34.00	100.0	100.0	90.4	30.8
County Assembly	901.90	168.00	855.22	118.61	855.19	118.57	100.0	100.0	94.8	70.6
Total	**6,134.31**	**2,386.79**	**5,630.75**	**1,819.90**	**5,630.28**	**1,819.86**	**100.0**	**100.0**	**91.8**	**76.2**

***Source**: Bomet County Treasury*

Analysis of expenditure by department shows that the Department of Roads, Public Works and Transport recorded the highest absorption rate of development budget at 92.3 per cent, followed by the Department of Water Sanitation and Environment at 85.2 per cent. The Department of Gender, Culture and Social Services did not record any expenditure on development activities. The Department of Medical Services and Public Health had the highest percentage of recurrent expenditure to budget at 95.2 per cent. In contrast, the Department of Agriculture, Livestock and Cooperatives had the lowest at 31.8 per cent.

3.2.12 Budget Execution by Programmes and Sub-Programmes

Table 3.14 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.14: Bomet County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure as of 30th June, 2024 (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Administration and Public Service							
Administration and Public Service	County Executive	156,785,227.00	-	139,827,354.00	-	89.2	-
	County PSB	30,377,376.00	-	17,425,289.00	-	57.4	-
	Administration/ Governance	11,490,000.00	31,000,000.00	8,229,300.00	23,325,655.00	71.6	75.2
	Public Service	2,186,580,089.00	-	2,104,658,672.00	-	96.3	-
	Sub-Total	**2,385,232,692.00**	**31,000,000.00**	**2,270,140,615.00**	**23,325,655.00**	**95.2**	**75.2**
Finance, Economic Planning and ICT							
Finance	Financial Management Services	132,441,082.00	-	126,417,767.00	-	95.5	-
	Sub-Total	**132,441,082.00**	-	**126,417,767.00**	-	**95.5**	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure as of 30th June, 2024 (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Economic Planning	Administration	40,293,033.00	148,000,000.00	38,754,708.00	106,428,124.00	96.2	71.9
	Budget Preparation & Management	6,666,509.00	-	6,607,930.00	-	99.1	-
	Monitoring & Evaluation Services	6,970,000.00	-	6,963,731.00	-	99.9	-
	Planning & Statistics	13,223,034.00	-	13,136,605.00	-	99.3	-
	Sub-Total	**67,152,576.00**	**148,000,000.00**	**65,462,974.00**	**106,428,124.00**	**97.5**	**71.9**
ICT	Administration	41,878,654.00	14,600,000.00	19,489,575.00	13,128,881.00	46.5	89.9
	Sub-Total	**41,878,654.00**	**14,600,000.00**	**19,489,575.00**	**13,128,881.00**	**46.5**	**89.9**
Lands, Housing and Urban Planning							
Lands, Housing and Urban Planning	Lands	14,410,000.00	145,000,000.00	7,146,368.00	132,173,826.00	49.6	91.2
	Urban Management	50,220,000.00	26,000,000.00	30,745,422.00	10,878,288.00	61.2	41.8
	Housing Development	4,650,000.00	-	1,078,506.00	-	23.2	-
	Municipality	45,565,000.00	2,500,000.00	14,222,400.00	-	31.2	-
	Sub-Total	**114,845,000.00**	**173,500,000.00**	**53,192,696.00**	**143,052,114.00**	**46.3**	**82.5**
Gender, Culture and Social Services							
Gender and Culture	Policy Development and Administrative Services	20,256,300.00	13,000,000.00	15,734,447.00	-	77.7	-
	Sub-Total	**20,256,300.00**	**13,000,000.00**	**15,734,447.00**	**-**	**77.7**	**-**
Medical Services and Public Health							
Medical Services and Public Health	Administration, Planning and Support Services	1,231,650,426.00	-	1,216,147,943.00	-	98.7	-
	Policy Development	2,500,000.00	-	1,495,450.00	-	59.8	-
	Health Care Financing – Transfers to Health Facilities	243,413,421.00	-	243,108,040.00	-	99.9	-
	Curative Services	299,149,570.00	-	281,470,362.00	-	94.1	-
	Preventive and Promotive Services	100,713,081.00	-	53,626,100.00	-	53.2	-
	Reproductive Health Services	11,000,000.00	-	2,280,400.00	-	20.7	-
	Health Infrastructure Development	-	125,599,570.00	-	75,860,046.00	-	60.4
	Sub-Total	**1,888,426,498.00**	**125,599,570.00**	**1,798,128,295.00**	**75,860,046.00**	**95.2**	**60.4**
Agriculture, Livestock and Cooperatives							
Agriculture	Administration	116,810,229.00	-	31,575,708.00	-	27.0	-
	Crop Management	-	284,397,080.00	-	218,287,999.00	-	76.8
	Food & Nutrition Security	-	35,000,000.00	-	28,913,432.00	-	82.6
	Sub-Total	**116,810,229.00**	**319,397,080.00**	**31,575,708.00**	**247,201,431.00**	**27.0**	**77.4**

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure as of 30th June, 2024 (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Livestock, Fisheries & Veterinary Services	Livestock Development	-	15,500,000.00	-	5,897,626.00	-	38.0
	Fisheries Development	-	4,700,000.00	-	1,255,000.00	-	26.7
	Veterinary Services	-	66,000,000.00	-	20,646,027.00	-	31.3
	Sub-Total	**-**	**86,200,000.00**	**-**	**27,798,653.00**	**-**	**32.2**
Co-operative & Enterprise Development	Administration	9,697,080.00	26,602,920.00	8,667,565.00	20,201,260.00	89.4	75.9
	Sub-Total	**9,697,080.00**	**26,602,920.00**	**8,667,565.00**	**20,201,260.00**	**89.4**	**75.9**
Water Sanitation and Environment							
Water and Irrigation	Administration	87,783,221.00	-	85,249,858.00	-	97.1	-
	Development of Water Supply for Domestic and Commercial purposes	-	213,262,724.00	-	183,522,667.00	0.0	86.1
	Irrigation Development	-	2,000,000.00	-	-	-	-
	Sub-Total	**87,783,221.00**	**215,262,724.00**	**85,249,858.00**	**183,522,667.00**	**97.1**	**85.3**
Waste Water management	Waste Water management	-	10,000,000.00	-	2,280,153.00	-	22.8
	Sub-Total	**-**	**10,000,000.00**	**-**	**2,280,153.00**	-	22.8
Environment & Natural resources	Administration	14,584,200.00	-	2,722,074.00	-	18.7	-
	Environmental and Natural Resources Protection and Conservation	-	202,600,000.00	-	178,531,082.00	-	88.1
	Sub-Total	**14,584,200.00**	**202,600,000.00**	**2,722,074.00**	**178,531,082.00**	**18.7**	**88.1**
Education and Vocational Training							
Education and Vocational Training	Policy Planning & General Administration	273,232,880.00	-	233,510,092.00	-	85.5	-
	Early Childhood Development and Education	-	118,450,000.00	-	74,079,870.00	-	62.5
	Youths & Sports	25,700,000.00	20,300,000.00	24,482,850.00	14,527,943.00	95.3	71.6
	Sub-Total	**298,932,880.00**	**138,750,000.00**	**257,992,942.00**	**88,607,813.00**	**86.3**	**63.9**
Roads, Public Works and Transport							
Roads, Public Works and Transport	Policy Planning and Administrative Services	43,142,772.00	1,500,000.00	30,162,147.00	1,500,000.00	69.9	100.0
	Roads Construction & Maintenance	-	408,000,000.00	-	375,059,061.00	-	91.9
	Development and Maintenance of other Public works	-	58,274,836.00	-	56,649,589.00	-	97.2
	County Transport Infrastructure	-	136,000,000.00	-	124,149,126.00	-	91.3
	Sub-Total	**43,142,772.00**	**603,774,836.00**	**30,162,147.00**	**557,357,776.00**	**69.9**	**92.3**

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure as of 30th June, 2024 (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Trade, Energy, Tourism and Industry							
Trade, Energy, Tourism and Industry	Administration	11,226,738.00	-	10,151,089.00	-	90.4	-
	Trade Development	-	27,500,000.00	-	13,888,989.00	-	50.5
	Energy Development	-	26,000,000.00	-	18,142,505.00	-	69.8
	Tourism Development	-	5,000,000.00	-	1,169,039.00	-	23.4
	Industry	-	50,000,000.00	-	-	-	-
	Investment	-	2,000,000.00	-	799,979.00	-	40.0
	Sub-Total	**11,226,738.00**	**110,500,000.00**	**10,151,089.00**	**34,000,512.00**	**90.4**	**30.8**
The County Assembly							
County Assembly	General Administration, Human Resource and Administrative Services	524,171,121.00	168,000,000.00	477,456,620.00	118,565,537.00	91.1	70.6
	Legislative Services	302,622,156.00	-	302,622,156.00	-	100.0	-
	Oversight and Representation	75,109,979.00	-	75,109,979.00	-	100.0	-
	Sub-Total	**901,903,256.00**	**168,000,000.00**	**855,188,755.00**	**118,565,537.00**	**94.8**	**70.6**
Grand Total		**6,134,313,178.00**	**2,386,787,130.00**	**5,630,276,507.00**	**1,819,861,704.00**	**91.8**	**76.2**

***Source**: Bomet County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were; Legislative Services and Oversight and Representation in the County Assembly at 100 per cent, Monitoring & Evaluation Services in the Department of Economic Planning at 99.9 per cent, Health Care Financing in the Department of Medical Services and Public Health at 99.9 per cent, and Planning & Statistics in the Department of Economic Planning at 99.3 per cent of budget allocation.

3.2.13 Accounts Operated Commercial Banks

The County government operated a total of 17 accounts with commercial banks. 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.

3.2.14 Key Observations and Recommendations

While overseeing and reporting on the county budget implementation, the COB identified the following challenges that hampered effective budget implementation.

1. The under performance of own-source revenue at Kshs.238.93 million against an annual target of Kshs.332.04 million, representing 72.0 per cent of the annual target.

2. High level of pending bills, which amounted to Kshs.448.77 million as of 30th June 2024.

3. The County Executive's high wage bill accounted for 47.2 per cent of the County's total approved revenue in FY 2023/24, which is above the ceiling provided in law.

4. Use of manual payroll. Personnel Emoluments amounting to Kshs.394.03 million were processed through the manual payroll, accounting for 10.8 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.

5. 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. Out of the 17 operational commercial bank accounts, 15 are for the County Established Funds and the Conditional Grants, and the standing imprests are for the two arms of the county.

6. Low expenditure on development programmes which accounted for 24.7 per cent of total expenditure

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

1. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. The County Treasury should ensure that the setting of annual OSR is realistic and take appropriate austerity measures during the year to ensure expenditure commitments are aligned with available revenue.*
2. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the financial year 2024/25.*
3. *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.*
4. *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.*
5. *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.*
6. *The County should prioritize expenditure on development programme to acheive 30% thresdhold in law.*

3.3. County Government of Bungoma

3.3.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.15.23 billion, comprising of Kshs.5.28 billion (34.7 per cent) and Kshs.9.95 billion (65.3 per cent) allocation for development and recurrent programmes respectively. The approved budget estimates represented an increase 2.8 per cent compared to the previous financial year when it was Kshs.14.82 billion, and comprised of Kshs.4.45 billion towards development expenditure and Kshs.10.38 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs11.11 billion (72.9 per cent) as the equitable share of revenue raised nationally, Kshs.1.46 billion (9.6 per cent) as conditional grants, a cash balance of Kshs.425.35 million (2.8 per cent) brought forward from FY 2022/23, and generate Kshs.2.24 billion (14.7 per cent) as gross own source revenue. The own source revenue includes Kshs.19.85 million (0.9 per cent) as Appropriations-in-Aid (A-I-A), Kshs.1.14 billion (50.9 per cent) as Facility Improvement Fund (revenue from health facilities), Kshs.868.20 million (38.7 per cent) as ordinary own-source revenue and Kshs.213.02 million (9.5 per cent) as other Revenues. A breakdown of the additional allocations/conditional grants is provided in Table 3.15.

3.3.2 Revenue Performance

In the FY 2023/24, the County received Kshs.10.23 billion as an equitable share of the revenue raised nationally, Kshs.817.92 million as conditional grants, had a cash balance of Kshs.402.11 million from FY 2022/23 and raised Kshs.1.19 billion as own-source revenue (OSR). The raised OSR includes Kshs.9.85 million as A-I-A, Kshs.681.42 million as FIF, Kshs.55.36 million as other revenues and Kshs.439.48 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.12.63 billion, as shown in Table 3.15.

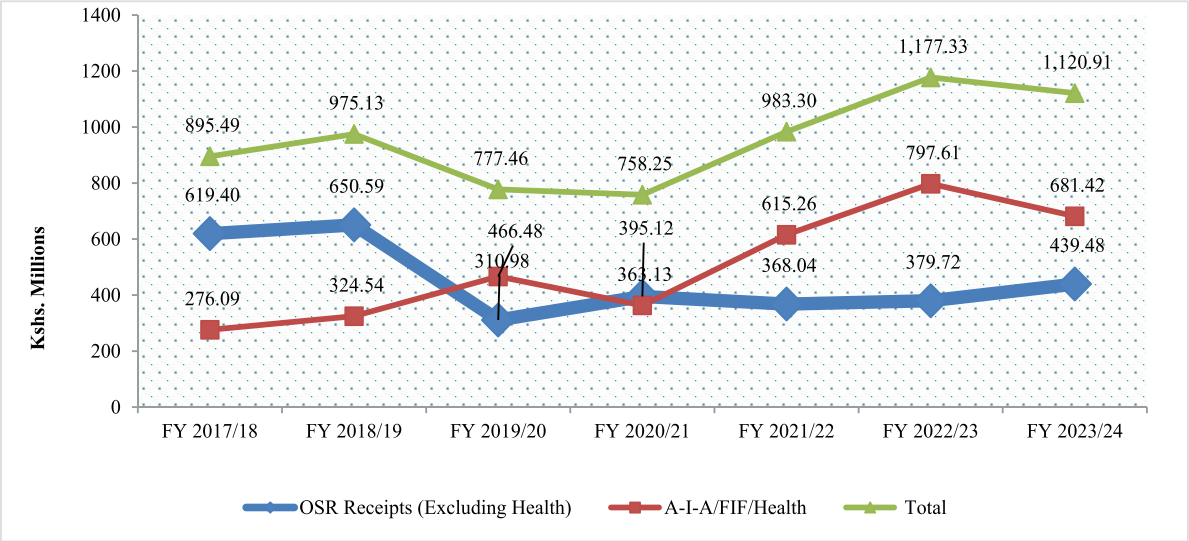
Table 3.15: Bungoma County, Revenue Performance in the FY 2023/24

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**	11,111,983,608	10,223,024,920	92.0
Sub Total		**11,111,983,608**	**10,223,024,920**	**92.0**
B	**Conditional Grants**			
1	Equalization Fund	58,779,835	-	-
2	Aggregated Industrial Park Grant	250,000,000	-	-
3	Rural Electrification and Renewable Energy Corporation (REREC)	45,000,000	-	-
4	Fertilizer Subsidy Programme	242,962,800	62,500,000	25.7
5	UNICEF	1,571,000		0.0
6	Danish International Development Agency (DANIDA)	44,837,065	16,237,545	36.2
7	World bank Agricultural and Rural Growth Projects	121,681,141	66,411,038	54.6
8	National Agricultural Value Chain Development Project (NAVCDP)	235,809,200	195,112,952	82.7
9	Kenya Livestock Commercialization Project (KELCLOP)	34,500,000	31,650,142	91.7
10	Sweden Agricultural Sector Development Sector Development Support Program Programme (ASDSP II)	593,849	6,144,293	1,034.7
11	Kenya Devolution Support Programme- Level 11	12,792,823	12792822.95	84.7
12	KISP II (Kenya Informal Settlement Improvement Project)	82,599,830	70,000,000	0.0
13	Kenya Urban Support Programme Development	0	23,593,832	0.0
14	Finance Locally Led Climate Action Program (FLLOCA)- Water	11,110,884	11,000,000	99.0
15	Climate Change Grant	320,781,943	322,476,433	100.5
Sub-Total		**1,463,020,371**	**817,919,059**	**55.9**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	868,201,470	439,484,834	50.6
2	Balance b/f from FY2022/23	425,350,297	402,109,678	94.5
3	Facility Improvement Fund (FIF)	1,142,218,266	681,424,515	59.7
4	Other Revenues	213,023,948	55,357,076	26.0
5	Appropriation in Aid (AIA)	19,853,117	9,853,117	49.6
Sub Total		**2,668,647,098**	**1,588,229,220**	**59.5**
Grand Total		**15,243,651,077**	**12,629,173,199**	**82.8**

Source: *Bungoma County Treasury*

Figure 9 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 9: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24

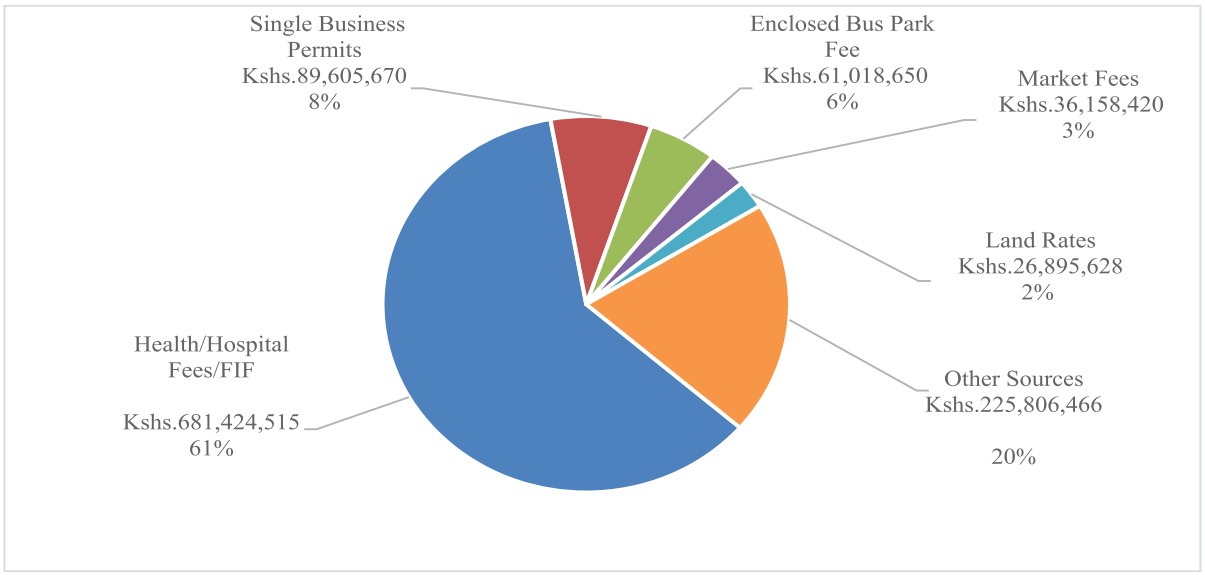


Source: *Bungoma County Treasury*

In the FY 2023/24, the County generated a total of Kshs.1.12 billion from its sources of revenue, inclusive of FIF and AIA. This amount represented a decrease of 4.2 per cent compared to Kshs.1.18 billion realized in FY 2022/23 and was 55.8 per cent of the annual target and 4.3 per cent of the equitable revenue share disbursed during the period.

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

Figure 10: Top Streams of Own Source Revenue in the FY 2023/24



Source: Bungoma County Treasury

Revenue from the health sector amounted to Kshs.681.42 million, representing 61 per cent of the overall revenue collection in FY 2023/24. The Single Business Permit had a collection of Kshs.89.61 million, contributing to 8 per cent of the total receipts during the reporting period.

3.3.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.11.96 billion from the CRF account during the reporting period, which comprised Kshs.3.5 billion (29.3 per cent) for development programmes and Kshs.8.46 bil-

lion (70.7 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.5.51 billion was released towards Employee Compensation and Kshs.2.95 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.1.22 billion.

3.3.4 County Expenditure Review

The County spent Kshs.10.95 billion on development and recurrent programmes in the reporting period. The expenditure represented 91.6 per cent of the total funds released by the CoB and comprised of Kshs.3.08 billion and Kshs.7.87 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 55.2 per cent, while recurrent expenditure represented 79.7 per cent of the annual recurrent expenditure budget.

3.3.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.28 billion, comprising Kshs.684.85 million for recurrent expenditure and Kshs.593.83 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.434.07 million which comprised Kshs.143.38 million for recurrent expenditure and Kshs.270.82 million for development programmes. As of the end of FY 2023/24, the outstanding amount was Kshs.3.51 billion inclusive of bills of FY 2023/24.

The County Assembly reported outstanding pending bills of Kshs.14.7 million as of 30 June 2024.

3.3.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.5.69 billion on employee compensation, Kshs.1.17 billion on operations and maintenance, and Kshs.3.02 billion on development activities. Similarly, the County Assembly spent Kshs.409.91 million on employee compensation, Kshs.722.33 million on operations and maintenance, and Kshs.93.01 million on development activities, as shown in Table 3.16.

Table 3.16: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**9,959,343,755**	**1,132,238,233**	6,808,031,904	1,132,238,267	**68.4**	**100.0**
Compensation to Employees	6,197,444,744	564,098,470	5,638,030,439	409,908,272	91.0	72.7
Operations and Maintenance	3,761,899,011	568,139,763	1,170,001,465	722,329,995	31.1	127.1
Development Expenditure	5,284,307,323	207,575,568	3,020,584,389	93,010,115	57.2	44.8
Total	**15,243,651,077**	**1,339,813,801**	**9,828,616,293**	**1,225,248,382**	**64.5**	**91.4**

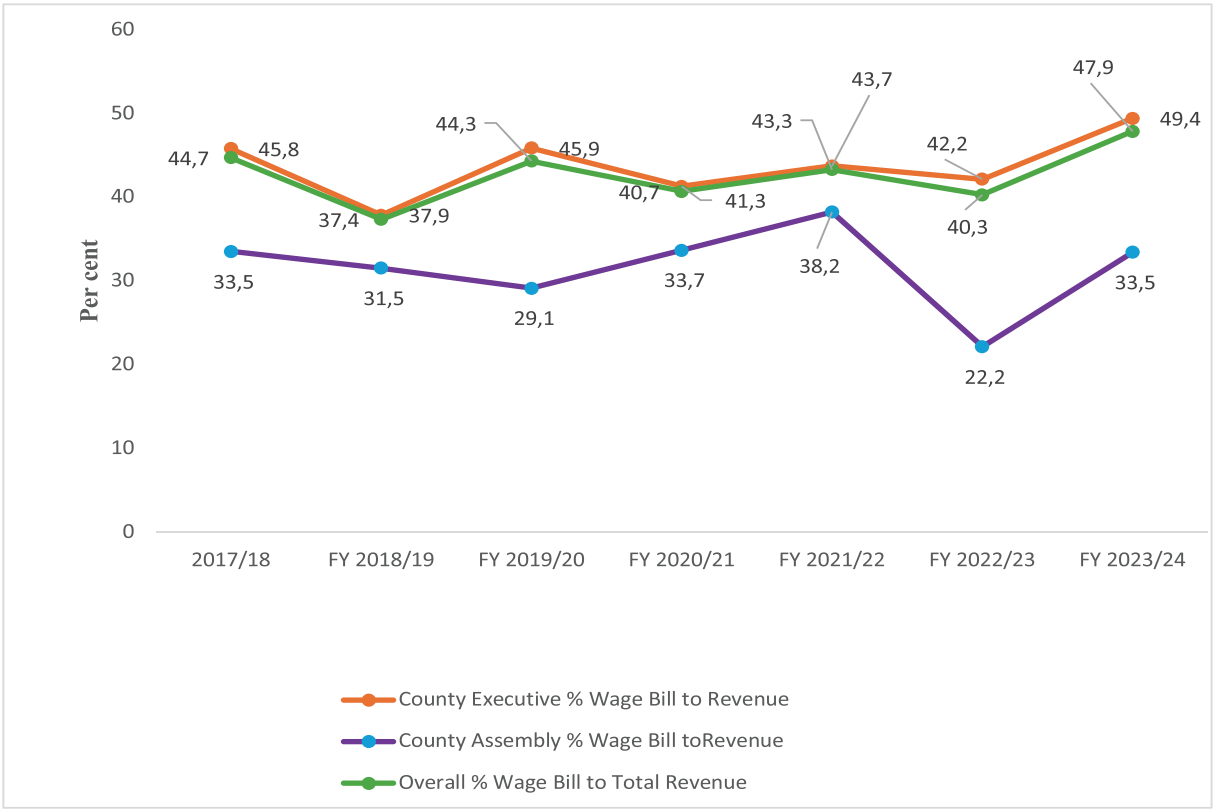
***Source**: Bungoma County Treasury*

3.3.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.6.05 billion, or 47.9 per cent of the available revenue, which amounted to Kshs.12.63 billion. This expenditure represented an increase from Kshs.5.39 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.2.23 billion paid to health sector employees, translating to 36.8 per cent of the total wage bill.

The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 11.

Figure 11: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Bungoma County Treasury

Further analysis indicates that PE costs amounting to Kshs.5.82 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.231.32 million was processed through manual payrolls. The manual payrolls accounted for 3.8 per cent of the total PE cost.

The County Assembly spent Kshs.54.55 million on committee sitting allowances for the 63 MCAs against the annual budget allocation of Kshs.61.33 million. The average monthly sitting allowance was Kshs.72,158 per MCA. The County Assembly has established 24 Committees.

3.3.8 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.489.98 million to county-established funds in FY 2023/24, constituting 3.2 per cent of the County's overall budget. Further, the County allocated Kshs.100 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.17 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.17: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1	Scholarships and other Educational Benefits	321,700,000	195,000,000	191,312,575	1,649,000,000	Yes
2	Trade Loan	10,000,000	10,000,000	2,030,568	129,190,287	Yes
3	Women Empowerment Fund	17,526,343	-	-	-	No
4	Disability Empowerment Fund	11,064,483	-	-	-	No
5	Youth Empowerment Fund	29,684,326	-	-	-	No
6	Emergency Fund	100,000,000	10,000,000	57,763,618	-	No

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Assembly Established Funds					
1	Employees' Car Loan and Mortgage Scheme Fund	-	-	2,266,992	255,206,023	Yes
2	MCAs' Car Loan and Mortgage Scheme Fund	-	-	2,311,397	314,606,924	Yes
	Total	**489,975,152**	**215,000,000**	**255,685,150**	**2,348,003,234**	

Source: *Bungoma County Treasury*

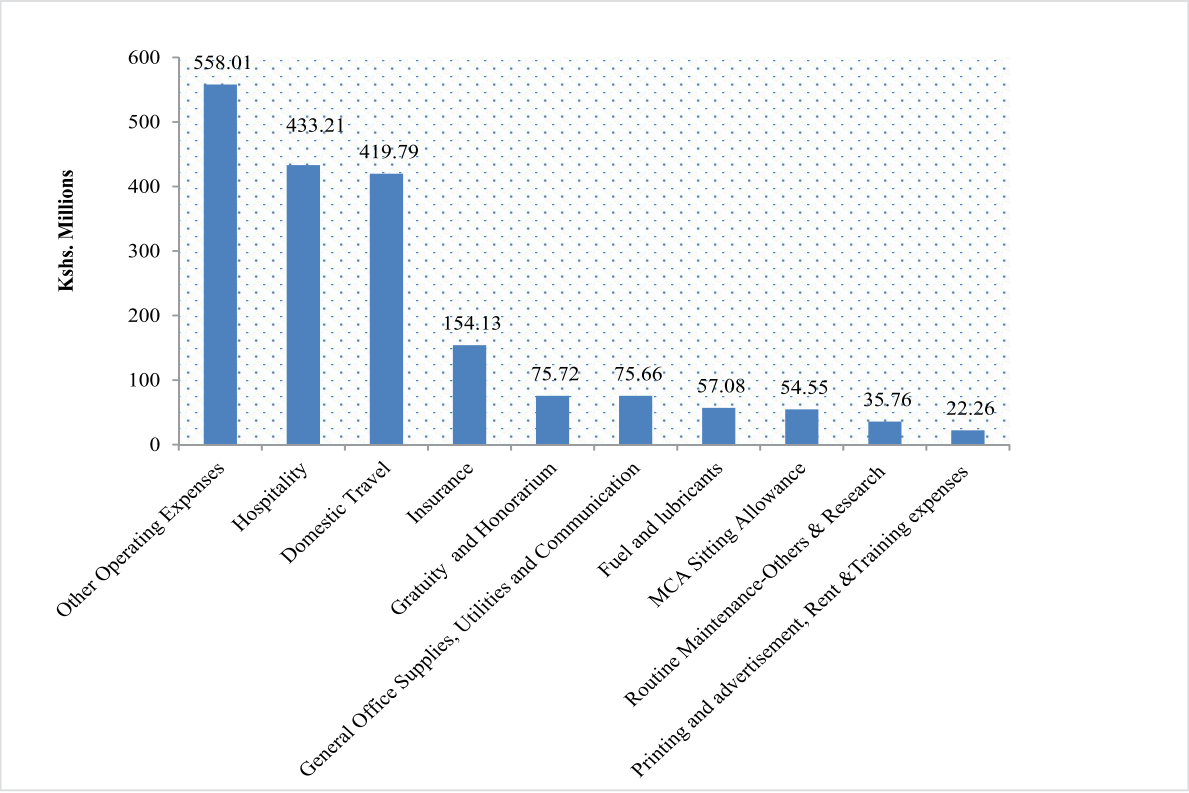
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of Emergency Fund, Women Empowerment Fund, Disability Empowerment Fund and Youth Empowerment Fund as indicated in Table 3.17, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.3.9 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.419.79 million and comprised Kshs.64.16 million spent by the County Assembly and Kshs.355.63 million by the County Executive. Expenditure on foreign travel amounted to Kshs.6.16 million and comprised Kshs1.26 million by the County Assembly and Kshs.4.91 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.18 below;-

Table 3.18: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	5	11th September 2023 to 17th September 2023	Facilitation for High-level meetings in Israel	Israel	4,807,835
County Assembly	4	3rd July2023 to 7th July 2023	A workshop on Legal, Legislative Drafting and Leadership Program	Kigali-Rwanda	1,257,955

Source: Bungoma County Treasury and Bungoma County Assembly

The operations and maintenance costs includes an expenditure of Kshs.320.56 million on garbage collection and Kshs.16.45 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.3.10 Development Expenditure

In the FY 2023/24, the County reported expenditure of Kshs.3.11 billion on development programmes, representing an increase of 13.9 per cent compared to FY 2022/23 when the County spent Kshs.2.73 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.19: Bungoma 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	Agriculture, Livestock, Fisheries and Cooperative Development	Farm Input Support – Supply of Fertilizer for 500 beneficiaries per Ward	45 Wards	154,250,000	204,873,715	132.8
2	Roads and Public works	Misikhu-Brigadier	Misikhu	140,000,000	169,002,876	120.7
3	Trade, Energy and Industrialization	Purchase and Installation of Transformers (REREC)	County Wide	90,000,000	90,000,000	100
4	Gender Youth and sports	Construction and modernization of Masinde Muliro Stadium	Kanduyi	36,000,000	70,395,735	195.5
5	Trade, Energy and Industrialization	Development of Market Infrastructure Kamukuywa Market	Kamukuywa	75,500,000	69,932,468	92.6
6	Trade, Energy and Industrialization	Proposed Construction of County Aggregation and Industrial Park in Bungoma County at Sang'alo	Sang'alo West Ward	474,153,714	50,011,448	10.5
7	Finance and Economic Planning	Health Management System	Township	37,955,528	32,900,000	86.7
8	Roads and Public works	Upgrading of A1 (Salmond) - River Khalaba road	Khalaba Ward	174,606,810	31,401,608	18.0
9	Tourism, Forestry, Environment, Water and Natural Resources	Climate Change Resilient Fund	45 Wards	125,000,000	28,699,404	23.0
10	Health and Sanitation	Ward Based Projects	45 Wards	75,971,500	22,610,331	29.8

Source: Bungoma County Treasury

3.3.11 Budget Performance by Department

Table 3.20 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.20: Bungoma 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, Fisheries and Cooperative Development	369.28	754.68	343.03	502.55	288.04	508.10	84.0	101.1	78.0	67.3
Tourism, Forestry, Environment, Water and Natural Resources	441.54	708.42	424.18	594.26	413.38	221.04	97.5	37.2	93.6	31.2
Roads and Public works	113.46	1,133.08	101.31	1,018.99	91.60	981.62	90.4	96.3	80.7	86.6
Education, Science and ICT	1,211.58	460.10	1,095.24	309.70	1,117.75	316.15	102.1	102.1	92.3	68.7

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
Health and Sanitation	3,742.76	257.62	2,747.50	165.58	2,404.95	125.81	87.5	76.0	64.3	48.8
Trade, Energy and Industrialization	68.93	767.34	63.29	314.32	49.26	308.88	77.8	98.3	71.5	40.3
Gender, Culture, Youth and Sports	108.73	190.36	103.81	96.99	93.08	97.64	89.7	100.7	85.6	51.3
Land, Urban and Physical Planning	49.10	37.79	43.75	30.98	37.01	15.72	84.6	50.8	75.4	41.6
Bungoma Municipality	9.74	132.92	9.71	95.66	20.72	59.77	213.4	62.5	212.8	45.0
Kimilili Municipality	27.29	172.48	30.03	28.09	27.58	41.66	91.8	148.3	101.1	24.2
Housing	46.86	147.82	40.32	115.86	28.16	151.30	69.8	130.6	60.1	102.4
Finance and Planning	1,210.31	310.35	968.10	113.55	1,122.63	163.63	116.0	144.1	92.8	52.7
County Public Service	52.35	14.50	48.91	-	41.47	-	84.8	-	79.2	-
Governor's	453.73	-	426.10	-	438.84	-	103.0	-	96.7	-
D/Governor's office	27.34	355.63	4.19	-	21.81	-	520.7	-	79.8	-
Public Administration	854.24	45.51	857.38	22.73	580.68	29.26	67.7	128.7	68.0	64.3
County Secretary	20.11	-	16.62	-	19.89	-	119.7	-	98.9	-
Sub County Administrators	6.00	-	-	-	11.20	-	-	-	186.6	-
County Attorney	13.76	-	-	-	-	-		-	-	-
County Assembly	1,132.24	151.74	1,132.24	93.01	1,132.24	93.01	100.0	100.0	100.0	61.3
Total	**9,959.34**	**5,640.34**	**8,455.70**	**3,502.27**	**7,940.27**	**3,113.59**	**93.9**	**88.9**	**79.7**	**55.2**

***Source**:Bungoma County Treasury*

Analysis of expenditure by departments shows that the Department of Housing recorded the highest absorption rate of development budget at 102.4 per cent, followed by the Department of Road and Public Works at 86.6 per cent. The Department of Sub-County Administrators had the highest percentage of recurrent expenditure to budget at 186.6 per cent, while the Department of Housing had the lowest at 60.1 per cent.

Expenditure above 100% of budget allocation are irregular and should be addressed by the County Treasury.

3.3.12 Budget Execution by Programmes and Sub-Programmes

Table 3.21 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

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

Programme	Approved Estimates			Actual Expenditure as of June 2024		Absorption Rate (%)	
	Recurrent Estimates 2023/24	Development Estimates 2023/24	Total Budget Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Agriculture, Livestock and Cooperative							
Programme 1: General Administration, Planning and Support Services	**360,932,053**	-	**360,932,053**	**281,694,609**	-	78.0	-
S.P 1.1 Administrative and Support Services	29,278,650	-	29,278,650	28,643,591	-	97.8	-
S.P 1.2 Human Resource Management and Development.	325,690,920	-	325,690,920	247,935,975	-	76.1	-

Programme	Approved Estimates			Actual Expenditure as of June 2024		Absorption Rate (%)	
	Recurrent Estimates 2023/24	Development Estimates 2023/24	Total Budget Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
S.P 1.3: Policy, Legal and Regulatory Framework	847,440	-	847,440	-	-	-	-
S.P 1.4: Planning and Financial Management	2,615,043	-	2,615,043	2,615,043	-	100.0	-
S.P 1.5 Sector Coordination	1,100,000	-	1,100,000	1,100,000	-	100	-
S.P 1.7 Sub-County Administrative Costs	1,400,000	-	1,400,000	1,400,000	-	100	-
Programme 2: Land and Crop Development and Management	**-**	**169,850,000**	**169,850,000**	**-**	**93,927,315**		55.3
S.P 2.1: Agricultural Extension and Training Services	-	5,000,000	5,000,000	-	4,500,000	-	90
S.P 2.2: Crop Production and Productivity	-	154,850,000	154,850,000	-	80,197,057	-	51.8
SP 2.8 Irrigation Infrastructure Development and Agricultural Water Storage	-	10,000,000	10,000,000	-	9,230,257	-	92.3
Programme 3: Livestock Development and Management	**2,345,500**	**10,254,500**	**12,600,000**	**2,345,500**	**7,642,771**	100	74.5
SP 3.4 Disease and Vector Control	-	2,000,000	2,000,000	-	2,726,913	-	136.3
SP 3.5 Food Safety and Quality Control	2,345,500	2,654,500	5,000,000	2,345,500	675,926	100	25.5
SP 3.7 Veterinary Extension Services	-	5,600,000	5,600,000	-	4,239,932	-	75.7
Programme 4: Fisheries Development and Management	**-**	**4,000,000**	**4,000,000**	**-**	**3,000,000**	-	75
SP 4.1 Fisheries Extension Service and Training	-	-	-	-	-	-	-
SP 4.2 Fisheries Product Value-Chain Development	-	4,000,000	4,000,000	-	3,000,000	-	75.0
Programme 5: Cooperatives Development and Management	**4,000,000**	**4,982,125**	**8,982,125**	**4,000,000**	**4,982,125**	100	100.0
SP 5.1 Cooperatives Extension Service and Training (Cooperative Governance (Training))	2,700,000	-	2,700,000	2,700,000	-	100	-
SP 5.2 Cooperatives Audit Services	1,300,000	-	1,300,000	1,300,000	-	100	-
SP 5.3 Production, Agro Processing, Value Addition & Marketing (Input and Infrastructural Support to Cooperatives)	-	4,982,125	4,982,125	-	4,982,125	-	100.0
Programme 6: Institutional Development and Management	**2,000,000**	**23,860,000**	**25,860,000**	**-**	**-**	-	-
SP 6.1 Mabanga ATC Administration Management Services	-	-	-	-	-	-	-
SP 6.2 Agricultural Enterprise Development (ATC)	-	3,560,000	3,560,000	-	-		-
SP 6.3 Infrastructural Development (ATC)	-	10,000,000	10,000,000	-	-	-	-
SP 6.5 Tractor Hire Services	2,000,000	-	2,000,000	-	-	-	-

Programme	Approved Estimates			Actual Expenditure as of June 2024		Absorption Rate (%)	
	Recurrent Estimates 2023/24	Development Estimates 2023/24	Total Budget Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
SP 6.8 Operational Development (CFF)	-	10,300,000	10,300,000	-	-	-	-
Total Grants & Ward Based	-	**641,730,703**	**641,730,703**	-	**398,549,978**	-	62.1
NARIGP	-	560,327,654	560,327,654	-	382,454,141	-	68.3
ASDSP II	-	70,903,049	70,903,049	-	16,095,837	-	22.7
Ward Based Projects	-	10,500,000	10,500,000	-	-	-	-
Sub Total	**369,277,553**	**854,677,328**	**1,223,954,881**	**288,040,109**	**508,102,188**	**78.0**	**59.4**
Health and Sanitation							
Programme 1: General Administration Planning and Support Services	**2,948,277,833**	**242,258,807**	**3,190,536,640**	**2,257,781,581**	**125,805,555**	76.6	51.9
SP 1. 1 Health Administrative and Support Services	147,416,175	40,673,929	188,090,104	30,268,006	32,444,859	20.5	79.8
SP 1. 2. Leadership and Governance	34,500,000	-	34,500,000	-	-	-	-
SP 1. 3 Health Policy	4,000,000	-	4,000,000	-	-	-	-
SP 1. 6 Human Resource Management	2,762,361,658	-	2,762,361,658	2,227,513,575	-	80.6	-
SP 1. 7 Infrastructural Development	-	201,584,878	201,584,878	-	93,360,697		46.3
Programme 2: Preventive and Promotive	**657,537,096**	**15,358,366**	**672,895,462**	**102,932,413**	-	15.7	-
SP 2.1 Communicable and Non-communicable Disease Control	20,000,000	-	20,000,000	-	-	-	-
SP 2.2 Community Health Strategy	5,600,000	-	5,600,000	-	-	-	-
SP 2.3 Health Promotion	3,000,000	-	3,000,000	-	-	-	-
SP 2.6 Reproductive, Maternal, Newborn, Child, and Adolescent Health	15,000,000	-	15,000,000	-	-	-	-
SP 2.7 Public Health and Sanitation	8,000,916	15,358,366	23,359,282	3,422,480	-	42.8	-
specialized Materials and Supplies	605,936,180	-	605,936,180	99,509,933	-	16.4	-
Programme 3: Curative Health Services	**136,949,177**	-	**136,949,177**	**44,232,997**	-	32.3	-
SP3. 1 Routine Medical Services	95,171,405	-	95,171,405	-	-	-	-
Grants; DANIDA/UNICEF	41,777,772	-	41,777,772	44,232,997	-	105.9	-
Sub Total	**3,742,764,106**	**257,617,173**	**4,000,381,279**	**2,404,946,991**	**125,805,555**	**64.3**	**48.8**
Roads and Public Works							
Programme 1: General Administration, Planning, and Support Services	**113,463,594**	**16,000,000**	**129,463,594**	**91,601,016**	**16,064,577**	80.7	100.4
SP1.1: Capacity Development and Motivation	85,121,330	16,000,000	101,121,330	73,149,058	16,064,577	85.9	100.4
SP1.3: Administration Services	23,615,544	-	23,615,544	18,451,958	-	78.1	-
SP1.4: Financial Services, Planning and Stewardship	4,726,720	-	4,726,720	-	-	-	-
Programme 2: Transport Infrastructure Development and Management	-	**1,092,278,320**	**1,092,278,320**	-	**965,553,845**	-	**88.4**

Programme	Approved Estimates			Actual Expenditure as of June 2024		Absorption Rate (%)	
	Recurrent Estimates 2023/24	Development Estimates 2023/24	Total Budget Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
SP2.1: Construction of Roads Bridges and Drainage Works	-	946,778,320	946,778,320	-	834,582,276	-	88.1
SP2.2: Maintenance of Roads	-	145,500,000	145,500,000	-	130,971,569	-	90
Programme 3: Building Standards and Quality Assurance	**-**	**24,800,000**	**24,800,000**	**-**	**-**	**-**	**-**
SP3.1: Building Standards and Research	-	24,800,000	24,800,000	-	-	-	-
Sub Total	**113,463,594**	**1,133,078,320**	**1,246,541,914**	**91,601,016**	**981,618,422**	**80.7**	**86.6**
Education and Vocational Training							
Programme 1: General Administration Planning and Support Services	**1,204,696,303**	**18,000,000**	**1,222,696,303**	**1,109,942,050**	**16,478,079**	**92.1**	**91.5**
SP 1: Salaries and Allowances	1,181,980,913	-	1,181,980,913	1,091,005,099	-	92.3	-
SP3: Administration and Support Services	22,715,390	18,000,000	40,715,390	18,936,951	16,478,079	83.4	91.5
Programme 2: Early Childhood Development Education	**-**	**6,000,000**	**6,000,000**	**-**	**5,973,705**	**-**	**99.6**
SP6: Infrastructure development	-	6,000,000	6,000,000	-	5,973,705	-	99.6
Programme 3: Education Support Programme	**462,080**	**394,102,000**	**394,564,080**	**-**	**274,840,751**	**-**	**69.7**
SP1: Education Support and Bursary Scheme	-	205,000,000	205,000,000	-	191,312,575	-	93.3
VTC Capitation	462,080	64,482,000	64,944,080	-	-	-	-
SP: School Feeding Programme	-	30,000,000	30,000,000	-	-	-	-
Ward Based Projects	-	94,620,000	94,620,000	-	83,528,176	-	88.3
Programme 4: VTC General Administration Planning and Policy Formulation	**10,421,730**	**-**	**10,421,730**	**7,805,992**	**-**	**74.9**	**-**
SP 2: Policy Formulation	765,902	-	765,902	-	-	-	-
SP3: Administration and Support Services	9,655,828	-	9,655,828	7,805,992	-	80.8	-
Programme 5: Training and Skill Development	**-**	**42,000,000**	**42,000,000**	**-**	**18,860,000**	**-**	**44.9**
SP1: Tuition Support Grant	-	20,000,000	20,000,000	-	18,860,000	-	94.3
SP2: Tools and equipment for VTC	-	14,000,000	14,000,000	-	-	-	-
Sp4: Quality Assurance and Standards	-	2,000,000	2,000,000	-	-	-	-
SP6: Capacity Building for VTC Instructors	-	3,000,000	3,000,000	-	-	-	-
SP7: Monitoring and Evaluation	-	3,000,000	3,000,000	-	-	-	-
TOTAL	**1,215,580,113**	**460,102,000**	**1,675,682,113**	**1,117,748,042**	**316,152,536**	**92**	**68.7**
Finance and Economic Planning							
Programme 1: General Administration, Planning and Support Services	**935,182,989**	**78,329,835**	**1,013,512,824**	**892,967,688**	**72,971,352**	**95.5**	**93.2**
SP 1.1: Personnel costs	398,061,815	-	398,061,815	355,655,863	-	89.3	-
SP 1.2: Administration Services	382,421,906	19,550,000	401,971,906	383,720,138	19,550,000	100.3	100

Programme	Approved Estimates			Actual Expenditure as of June 2024		Absorption Rate (%)	
	Recurrent Estimates 2023/24	Development Estimates 2023/24	Total Budget Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
SP 1.3: Employer Contribution for Staff Pension	154,699,268	-	154,699,268	153,591,687	-	99.3	-
Donor Fund	-	58,779,835	58,779,835	-	53,421,352	-	90.9
Programme 2: County Planning Management	**125,031,271**	**-**	**125,031,271**	**120,978,296**	**-**	**96.8**	-
SP 2.1: Economic Policy and County Planning Services	26,095,966	-	26,095,966	23,689,966	-	90.8	-
SP 2.2: Budgeting	83,288,695	-	83,288,695	81,695,441	-	98.1	-
SP 2.3: Monitoring and Evaluation	15,646,610	-	15,646,610	15,592,889	-	99.7	-
Programme 3: County Financial Service Management	**90,264,226**	**-**	**90,264,226**	**82,576,744**	**-**	91.5	-
SP 3.1: Revenue mobilization	34,279,040	-	34,279,040	28,213,405	-	82.3	-
SP3.2: Accounting Services	20,319,230	-	20,319,230	19,429,230	-	95.6	-
SP 3.3: Audit Services	17,547,721	-	17,547,721	17,577,880	-	100.2	-
SP 3.4: Supply Chain Services	18,118,235	-	18,118,235	17,356,229	-	95.8	-
Programme 4: Service Delivery and Organizational Transformation	**59,827,013**	**231,621,259**	**291,448,272**	**26,106,004**	**90,663,618**	**43.6**	**39.1**
SP 4.1: Service Delivery Unit	5,000,000	-	5,000,000	-	-	-	-
SP 4.3: Investment Initiative	5,000,000	-	5,000,000	-	-	-	-
SP 4.4: Special Coordination Unit	17,827,013	-	17,827,013	14,309,930	-	80.3	-
SP 4.5: Maintenance of Computer, Software and Networks - Revenue System	12,000,000	-	12,000,000	-	-	-	-
SP 4.8: System Enhancement	20,000,000	-	20,000,000	11,796,074	-	59	-
SP 4.9: Emergency Fund	-	160,415,731	160,415,731	-	57,763,618	-	36.0
ICT	-	33,250,000	33,250,000	-	-	-	-
Health Management System	-	37,955,528	37,955,528	-	32,900,000	-	86.7
Sub Total	**1,210,305,499**	**309,951,094**	**1,520,256,593**	**1,122,628,732**	**163,634,969**	**92.8**	**52.8**
Trade and Industrialization							
Programme 1: General Administration and Support Services	**25,637,165**	**23,327,308**	**48,964,473**	**24,983,629**	**19,940,187**	**97.5**	**85.5**
SP 1. Human Resource Development and Management	19,208,655	-	19,208,655	18,909,400	-	98.4	-
SP 3. Administrative Services and Planning	6,428,510	23,327,308	29,755,818	6,074,228	19,940,187	94.5	85.5
Programme 2: Trade and Enterprise Development	**-**	**165,673,533**	**165,673,533**	**-**	**42,045,305**	-	**25.4**
SP 2. 1. Business Loan	-	165,673,533	165,673,533	-	42,045,305	-	25.4
Programme 3: Market Infrastructure Development and Management	**-**	**172,336,000**	**172,336,000**	**-**	**128,045,118**	-	**74.3**
SP 3.1. Market Infrastructure	-	124,000,000	124,000,000	-	85,639,736	-	69.1
SP 3.2. Ward Based Projects	-	48,336,000	48,336,000	-	42,405,382	-	87.7
Sub Total	**25,637,165**	**361,336,841**	**386,974,006**	**24,983,629**	**190,030,611**	**97.5**	**52.6**
Energy							
Programme 1: General Administration and Support Services	**36,222,416**	**-**	**36,222,416**	**20,750,187**	**-**	57.3	-

Programme	Approved Estimates			Actual Expenditure as of June 2024		Absorption Rate (%)	
	Recurrent Estimates 2023/24	Development Estimates 2023/24	Total Budget Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
SP 1. Human Resource Development and Management	4,219,452	-	4,219,452	2,351,397	-	55.7	-
SP 2. Planning and Support Services	587,361	-	587,361	-	-	-	-
SP 3. Administrative Services	31,415,603	-	31,415,603	18,398,790	-	58.6	-
Programme 2: Energy Development and Management	**-**	**56,006,400**	**56,006,400**	**-**	**51,957,470**	**-**	**92.8**
SP 2. 1. Energy Access	-	6,000,000	6,000,000	-	4,999,170	-	83.3
REREC	-	50,006,400	50,006,400	-	46,958,300	-	93.9
Sub Total	**36,222,416**	**56,006,400**	**92,228,816**	**20,750,187**	**51,957,470**	**57.3**	**92.8**
Industry							
Programme 1: General Administration and Support Services	**7,071,777**	**-**	**7,071,777**	**3,523,500**	**-**	**49.8**	-
SP 1. Human Resource Development and Management	1,885,920	-	1,885,920	-	-	-	-
SP 3. Administrative Services	5,185,857	-	5,185,857	3,523,500	-	67.9	-
Programme 2: Industrial Investment and Development	**-**	**350,000,000**	**350,000,000**	**-**	**66,889,347**	**-**	**19.1**
SP 2. 1. Industrial Development	-	350,000,000	350,000,000	-	66,889,347	-	19.1
Sub Total	**68,931,358**	**767,343,241**	**836,274,599**	**49,257,316**	**308,877,428**	**71.5**	**40.3**
Lands, Urban and Physical Planning							
Programme 1: General Administration, Planning and Support Services	**49,096,564**	**11,171,083**	**60,267,647**	**37,012,790**	**7,004,785**	75.4	62.7
Human Resource Management	26,637,264	-	26,637,264	20,941,505	-	78.6	-
Administrative and Support Services	19,129,145	11,171,083	30,300,228	16,071,285	7,004,785	84	62.7
Policy and Legal Framework	3,330,155	-	3,330,155	-	-	-	-
Programme 2: Land Development and Management	**-**	**37,789,025**	**37,789,025**	**-**	**15,723,216**	**-**	**41.6**
SP 3: Physical and Land Use Plans	-	7,637,625	7,637,625	-	-	-	-
Land	-	10,000,000	10,000,000	-	-	-	-
Ward Based Projects	-	20,151,400	20,151,400	-	15,723,216		78
Sub Total	**49,096,564**	**48,960,108**	**98,056,672**	**37,012,790**	**22,728,001**	**75.4**	**46.4**
Housing							
Programme 1 General Administration, Planning and Support Services	**31,811,175**	**-**	**31,811,175**	**28,158,343**	**-**	88.5	-
SP 1: Salaries and Emoluments	9,586,560	-	9,586,560	8,836,574	-	92.2	-
SP 2: Administrative Services	19,766,990	-	19,766,990	19,321,769	-	97.7	-
SP 4: Planning and Financial Management	1,184,125	-	1,184,125	-	-	-	-
SP 5: Policy and Legal Framework	1,273,500	-	1,273,500	-	-	-	-
Programme 2 Housing development and management	**-**	**151,299,930**	**151,299,930**	**-**	**151,299,930**	**-**	100

Programme	Approved Estimates			Actual Expenditure as of June 2024		Absorption Rate (%)	
	Recurrent Estimates 2023/24	Development Estimates 2023/24	Total Budget Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
SP 2: Housing Infrastructural Development	-	151,299,930	151,299,930	-	151,299,930	-	100
Sub Total	**31,811,175**	**151,299,930**	**183,111,105**	**28,158,343**	**151,299,930**	**88.5**	**100**
Bungoma Municipality							
Programme 1: General Administration, Planning and Support Services	**23,025,073**	**-**	**23,025,073**	**20,723,562**	**-**	90	-
SP 1.1: Salaries and Personnel Emoluments	13,503,848	-	13,503,848	11,652,190	-	86.3	-
SP 1.3: General Administration and Support Services	6,321,225	-	6,321,225	6,339,012	-	100.3	-
SP 1.4: Planning and Financial Management	3,200,000	-	3,200,000	2,732,360	-	85.4	-
Programme 3: Urban Infrastructure Development and Management	-	**85,500,000**	**85,500,000**	-	**51,121,716**	-	59.8
SP 3.2: Urban Transport and Infrastructure Development	-	85,500,000	85,500,000	-	51,121,716	-	59.8
Programme 4: Urban Environment and Social Services	-	**15,200,000**	**15,200,000**	-	-	-	-
SP 4.2: Urban Waste Management and Sanitation Services	-	11,000,000	11,000,000	-	-	-	-
SP 4.3: Urban Greening and Environment Protection	-	4,200,000	4,200,000	-	-	-	-
Sub Programme Total	**-**	**68,400,000**	**68,400,000**	**-**	**8,648,635**	-	12.6
Ward Based Projects	-	68,400,000	68,400,000	-	8,648,635	-	12.6
Grants	-	-	-	-	-	-	-
Sub Total	**23,025,073**	**169,100,000**	**192,125,073**	**20,723,562**	**59,770,351**	**90**	**35.3**
Kimilili Municipality							
Programme 1: Urban Governance	**29,045,267**	**-**	**29,045,267**	**27,578,770**	**-**	95	-
SP1: General Administration Planning and Support Services (Inclusive of salary)	15,234,222	-	15,234,222	13,767,725	-	90.4	-
SP2: Human Resource	13,811,045	-	13,811,045	13,811,045	-	100	-
Programme 2: Urban Infrastructure Development and Management	**-**	**121,654,740**	**121,654,740**	**-**	**34,656,538**	-	28.5
Infrastructure. Housing and Public Works	-	121,654,740	121,654,740	-	34,656,538	-	28.5
Sub Total	**29,045,267**	**121,654,740**	**150,700,007**	**27,578,770**	**34,656,538**	**95**	**28.5**
County Public Service Board							
Programme I: General Administration, Planning and Support services	**22,141,121**	**14,500,000**	**36,641,121**	**21,900,221**	**-**	98.9	-
SP 1. 1 Administrative Services	22,141,121	-	22,141,121	21,900,221	-	98.9	-
SP1.2 Construction 1 Storey Building Administrative Block	-	14,500,000	14,500,000	-	-	-	-
Programme 2:Human Resource Management and Development	**10,374,532**	**-**	**10,374,532**	**9,260,839**	**-**	89.3	-

Programme	Approved Estimates			Actual Expenditure as of June 2024		Absorption Rate (%)	
	Recurrent Estimates 2023/24	Development Estimates 2023/24	Total Budget Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
SP 2. 1 Human Resource Management	10,374,532	-	10,374,532	9,260,839	-	89.3	-
Programme 3:Governance and National Values	**15,836,900**	**-**	**15,836,900**	**10,304,651**	-	65.1	-
SP 3. 1Quality Assurance	5,120,330	-	5,120,330		-	-	-
SP 3. 2 Ethics Governors and National	10,716,570	-	10,716,570	10,304,651	-	96.2	-
Sub Total	**48,352,553**	**14,500,000**	**62,852,553**	**41,465,711**	**-**	**85.8**	**-**
Public Service Management and Administration							
Programme 1: General Administration, Planning and Support Services	**842,244,097**	**45,506,063**	**887,750,160**	***576,676,129***	***29,256,163***	68.5	64.3
Sp1.1:Salaries	428,997,892	-	428,997,892	329,573,249	-	76.8	-
Sp1.4:Operations	76,066,755	-	76,066,755	70,021,224	-	92.1	-
Sp1.5:Contracted Security and Cleaning Services	71,179,450	-	71,179,450	70,935,422	-	99.7	-
Sp1.7:Medical Insurance	250,000,000	-	250,000,000	100,452,034	-	40.2	-
Sp1.9:National Holidays	10,000,000	-	10,000,000		-	-	-
Infrastructure Development	-	45,506,063	45,506,063	-	29,256,163	-	64.3
Sp1.10:Devolved Units	6,000,000	-	6,000,000	5,694,200	-	94.9	-
Programme 2: **Public Participation, Civic Education and Outreach Services**	**8,000,000**	**-**	**8,000,000**	**4,000,000**	**-**	**50**	-
SP2.1:Public Participation	4,000,000	-	4,000,000	4,000,000	-	100	-
SP2.2:Civic Education	4,000,000	-	4,000,000	-	-	-	-
Programme 3: Service Delivery and Organizational Transformation	**10,000,000**	-	**10,000,000**	**-**	**-**	-	-
SP3.1Service Delivery and Organizational Transformation	10,000,000	-	10,000,000	-	-	-	-
Sub Total	**860,244,097**	**45,506,063**	**905,750,160**	**580,676,129**	**29,256,163**	**67.5**	**64.3**
Office of the County Secretary and County Attorney							
Programme 1: General Administration, Planning and Support Services (County Secretary)	**20,106,720**	**-**	**20,106,720**	**19,893,216**	**-**	**98.9**	-
Utilities and Maintenance	450,000	-	450,000	145,797	-	32.4	-
Operation	19,656,720	-	19,656,720	19,747,419	-	100.5	-
Programme 3: General Administration, Planning and Support Services County Attorney	**13,759,000**	**-**	**13,759,000**	**11,196,128**	**-**	**81.4**	**-**
SP3.1:Utilities	350,000	-	350,000	316,880	-	90.5	-
SP3.3:Operations	5,909,000	-	5,909,000	3,515,180	-	59.5	-
SP3.4:Legal Fees	7,500,000	-	7,500,000	7,364,069	-	98.2	-
Sub Total	**894,109,817**	**45,506,063**	**939,615,880**	**611,765,473**	**29,256,163**	**68.4**	**64.3**
Gender and Culture							
Programme 1: 1 General Administration, Planning and Support Services	**46,868,038**	**958,513**	**47,826,551**	**42,857,861**	**958,513**	91.4	100
Compensation to Employees	34,907,953	-	34,907,953	31,984,863	-	91.6	-

Programme	Approved Estimates			Actual Expenditure as of June 2024		Absorption Rate (%)	
	Recurrent Estimates 2023/24	Development Estimates 2023/24	Total Budget Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Planning and Budgeting	634,572	-	634,572	-	-	-	-
Utility for Office Operations	500,000	-	500,000	-	-	-	-
Administrative Service Management(boards and Committees, travel costs, catering services, others)	10,825,513	958,513	11,784,026	10,872,997	958,513	100.4	100
Programme 2 Cultural Development and Management	**29,875,000**	**7,568,791**	**37,443,791**	**28,917,542**	**7,303,696**	**96.8**	**96.5**
Participate in KICOSCA and EALASCA Games	29,875,000	-	29,875,000	28,917,542	-	96.8	-
Construction of Sanga'lo Multipurpose Hall	-	6,440,351	6,440,351	-	6,344,642	-	98.5
Microfinance Youth Programme	-	1,128,440	1,128,440	-	959,054	-	85
Programme 3: Gender Equity and Social Protection	**6,500,000**	**32,843,958**	**39,343,958**	**-**	**11,433,103**	-	34.8
operations of GTWG	1,500,000	-	1,500,000	-	-	-	-
Gender-Based Violence Response Programs(16 days of activism against women)	2,000,000	-	2,000,000	-	-	-	-
Mark and Celebrate International Women's Day	2,000,000	-	2,000,000	-	-	-	-
Mark and celebrate International Disability Day	1,000,000	-	1,000,000	-	-	-	-
Disability Empowerment Program	-	12,317,615	12,317,615	-	-	-	-
Women Empowerment Program	-	20,526,343	20,526,343	-	11,433,103	-	55.7
Sub Total	**83,243,038**	**41,371,262**	**124,614,300**	**71,775,403**	**19,695,312**	**86.2**	**47.6**
Youth and Sports							
Programme 2: General Administration Planning and Support Services	**25,491,075**	**4,000,000**	**29,491,075**	**21,302,918**	**3,999,998**	**83.6**	**100**
Payment of Salaries	13,331,452	-	13,331,452	10,383,008	-	77.9	-
Planning and Budgeting	830,126	-	830,126	-	-	-	-
Utility for Office Operations	520,000	-	520,000	-	-	-	-
Administrative Service Management(boards and Committees, travel costs, catering services, other recurrent)	10,809,497	4,000,000	14,809,497	10,919,910	3,999,998	101	100
Programme 4: Sports and Talent Development	-	**98,000,000**	**98,000,000**	-	**47,990,937**	-	**49**
Construction of phase 1 Masinde Muliro stadium	-	76,000,000	76,000,000	-	34,677,585	-	45.6
Completion and Equipping of phase 1 and phase 11 of the High Altitude Training Centre	-	22,000,000	22,000,000	-	13,313,352	-	60.5
Programme 4: Sports and Talent Development	-	**46,984,326**	**46,984,326**	-	**25,951,328**	-	55.2
Sports Facility Development and Management	-	17,300,000	17,300,000	-	-	-	-
Project Supervision	-	-	-	-	-	-	-
Youth Empowerment Fund	-	29,684,326	29,684,326	-	25,951,328	-	87.4

Programme	Approved Estimates			Actual Expenditure as of June 2024		Absorption Rate (%)	
	Recurrent Estimates 2023/24	Development Estimates 2023/24	Total Budget Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Sub Total	**25,491,075**	**148,984,326**	**174,475,401**	**21,302,918**	**77,942,264**	**83.6**	**52.3**
Governor's and Deputy Governor's Office							
Programme 1: General Administration, Planning and Support Services	**396,731,698**	-	**396,731,698**	**392,779,530**	-	99.0	-
SP1.1:County Budget and Economic Forum	3,000,000	-	3,000,000	3,000,000	-	100	-
SP1.2: Public Consultative Meetings	15,000,000	-	15,000,000	15,000,000	-	100	-
SP1.5: Operations and Other Departmental Programs	136,299,149	-	136,299,149	132,474,173	-	97.2	-
Sp1.6: Maintenance	14,000,000	-	14,000,000	13,872,643	-	99.1	-
SP1.7: Salaries	228,432,549	-	228,432,549	228,432,549	-	100	-
Programme 2: County Executive Committee Affairs	**41,000,000**	-	**41,000,000**	**39,558,561**	-	96.5	-
SP2.1Leadership and Coordination of County Departments and Agencies	41,000,000	-	41,000,000	39,558,561	-	96.5	-
Programme 3: County Strategic and Service Delivery Coordination	**7,000,000**	-	**7,000,000**	**6,500,000**	-	92.9	-
SP3.1Staff Management Services.	7,000,000	-	7,000,000	6,500,000	-	92.9	-
Office of the Deputy Governor							
Programme 1: General Administration, Planning and Support Services	**27,336,583**	-	**27,336,583**	**21,808,747**	-	79.8	-
SP1.1: Utilities	1,328,000	-	1,328,000		-	-	-
SP1.2: Operations	22,108,583	-	22,108,583	21,808,747	-	98.6	-
SP1.3: Maintenance	3,900,000	-	3,900,000	-	-	-	-
Sub Total	**472,068,281**	-	**472,068,281**	**460,646,838**	-	**97.6**	-
Environment, Tourism and Climate Change							
Programme 1: General Administration Planning and Support Services	**35,459,170**	-	**35,459,170**	**29,140,505**	-	**82.2**	-
SP. Human Resources Management	27,782,306	-	27,782,306	22,650,871	-	81.5	-
SP. Planning and Support Services	7,676,864	-	7,676,864	6,489,634	-	84.5	-
Programme 2: Protection and Conservation of the Environment	**320,365,154**	-	**320,365,154**	**320,559,337**	-	**100.1**	-
SP. Waste Management and Control	320,365,154	-	320,365,154	320,559,337	-	100.1	-
Programme3: Climate Change Coordination and Management	**22,110,885**	**400,781,943**	**422,892,828**	**8,673,847**	**28,699,454**	39.2	7.2
SP. Climate Change Resilience Investment Grant	-	320,781,943	320,781,943	-	28,699,454	-	8.9
SP. Climate Change Fund	-	80,000,000	80,000,000	-	-	-	-
SP. Climate Change Institutional Support Grant	22,110,885	-	22,110,885	8,673,847	-	39.2	-
Sub Total	**377,935,209**	**400,781,943**	**778,717,152**	**358,373,688**	**28,699,454**	**94.8**	**7.2**
Water and Natural Resources							

Programme	Approved Estimates			Actual Expenditure as of June 2024		Absorption Rate (%)	
	Recurrent Estimates 2023/24	Development Estimates 2023/24	Total Budget Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Programme 1: General Administration Planning and Support Services	**63,605,250**	**14,000,000**	**77,605,250**	**55,006,202**	**13,707,824**	**86.5**	**97.9**
SP. Human Resources Management	36,272,013	-	36,272,013	29,565,566	-	81.5	-
SP. Planning and Support Services	27,333,237	14,000,000	41,333,237	25,440,636	13,707,824	93.1	97.9
Programme 2: Water and Sanitation Development and Management	**-**	**193,642,144**	**193,642,145**	**-**	**178,637,453**	**-**	**92.3**
SP. Borehole Development	-	6,810,745	6,810,745	-	3,887,991	-	57.1
SP.KOICA Counterpart Funding	-	20,000,000	20,000,000	-	18,682,731	-	93.4
Ward Based Projects	-	166,831,400	166,831,400	-	156,066,731	-	93.5
Sub Total	**63,605,250**	**207,642,144**	**271,247,394**	**55,006,202**	**192,345,277**	**86.5**	**92.6**
Sub Total	**8,818,105,525**	**5,132,569,673**	**13,950,675,197**	**6,808,031,903**	**3,020,584,389**	**77.2**	**58.9**
County Assembly							
General Administrative Support	**903,471,721**	-	**903,471,721**	**903,536,252**	-	**100**	-
Salaries and Personnel Emoluments	601,093,756	-	601,093,756	601,093,756	-	100	-
Human Resource Capacity Development and Management	33,767,598	-	33,767,598	33,928,888	-	99.5	-
General Administration and Support Services	260,460,367	-	260,460,367	260,363,608	-	100	-
Research Knowledge Sharing and Development Services	8,150,000	-	8,150,000	8,150,000	-	100	-
Legislation	**11,014,400**	-	**11,014,400**	**10,949,818**	-	**99.4**	-
Legislation Services	11,014,400	-	11,014,400	10,949,818	-	99.4	-
Representation and Outreach Services	**73,762,250**	--	**73,762,250**		--	**100**	--
Representation Services	73,762,250	-	73,762,250	73,762,250	-	100	-
Public Participation and Outreach Services	2,000,000	-	2,000,000	2,000,000	-	100	-
Oversight	**141,989,859**	-	141,989,859	**141,989,796**	-	**100**	-
Oversight Services	141,989,859	-	141,989,859	141,989,796	-	100	-
General Infrastructure	**-**	**151,737,650**	-	**-**	**93,010,115**	**100**	**-**
General Infrastructure -	-	151,737,650	151,737,650	-	93,010,115	-	61.3
Sub Total	**1,130,238,230**	151,737,650	**1,281,975,880**	**1,285,177,730**	**93,010,115**	**113.7**	61.3
Grand Total	**9,948,343,755**	**5,284,307,323**	**15,232,651,077**	**8,093,209,633**	**3,113,594,504**	**81.4**	**58.9**

***Source**:Bungoma County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Routine Medical Services Grants, DANIDA/UNICEF in the Department of Health and Sanitation at 105.9 per cent, General Administration, Planning and Support Services (County secretary)-Operations in the Department of Office of the County Secretary and County Attorney at 100.5 per cent, Administrative Service Management (boards and Committees, travel costs, catering services, others) in the Department of Gender and Culture at 100.4 per cent, and Administrative Services in Department of Finance and Economic Planning at 100.3 per cent of budget allocation.

3.3.13 Accounts Operated Commercial Banks

The County government operated a total of 358 accounts with commercial banks. 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.

3.3.14 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;

1. The under performance of own-source revenue at Kshs.439.48 million against an annual target of Kshs.868.20 million, representing 50.6 per cent of the annual target.

2. Failure by Fund Administrators 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, Empowerment Fund, Disability Empowerment Fund and Youth Empowerment Fund were not submitted to the Controller of Budget.

3. There was a high level of pending bills, which amounted to Kshs.3.51 billion as of 30 June 2024. Further, the county Treasury did not adhere to the payment plan for the pending bills.

4. High wage bills accounted for 47.9 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided in law.

5. Use of manual payroll. Personnel emoluments amounting to Kshs.231.32 million were processed through manual payroll, accounting for 3.8 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.

6. 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 Level 4 and 5 Hospitals, Funds, Vocational Training, Municipalities, Health Facilities and Dispensaries and Sub Counties Entities.

7. Low expenditure on development activities which accounted for 28.2% of total expenditure

8. High expenditure on domestic travel at Kshs.419.79 million

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

1. *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.*
2. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
3. *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.*
4. *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.*
5. *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.*
6. *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.*

7. *The County should prioritize expenditure on development programmes to ensure it is within the provision of law.*
8. *The county should minimize expenditure on travelling by holding activities within the County.*

3.4. County Government of Busia

3.4.1 Overview of FY 2023/24 Budget

The County's approved second supplementary budget for FY 2023/24 was Kshs.10.20 billion, comprising Kshs.3.36 billion (32.9 per cent) and Kshs.6.84 billion (67.1 per cent) allocation for development and recurrent programmes, respectively. The approved supplementary budget estimates represented an increase of 6.5 per cent compared to the previous financial year when it was Kshs.9.58 billion, comprised of Kshs.3.03 billion for development expenditure and Kshs.6.54 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.7.48 billion (74.1 per cent) as the equitable share of revenue raised nationally, Kshs.662.53 million as additional allocations/conditional grants, balance brought forward from FY 2022/23 of Kshs.1.42 billion (14.0 per cent) and generate Kshs.649.02 million (6.4 per cent) as gross own source revenue. The own-source revenue includes Kshs.252.22 million (2.5 per cent) as Appropriations-in-Aid (A-I-A) and Kshs.396.79 million (3.9 per cent) as ordinary own-source revenue. A breakdown of the county revenue and performance is provided in Table 3.22.

3.4.2 Revenue Performance

In the reporting period, the County received Kshs.6.88 billion as an equitable share of the revenue raised nationally, Kshs.520.00 million as additional allocations/conditional grants, and a cash balance of Kshs.1.42 billion from FY 2022/23, and raised Kshs.369.20 million as own-source revenue (OSR). The raised OSR includes Kshs.136.14 million as A-I-A and Kshs.233.07 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.9.18 billion, as shown in Table 3.22.

Table 3.22: Busia County, Revenue Performance in the FY 2023/24

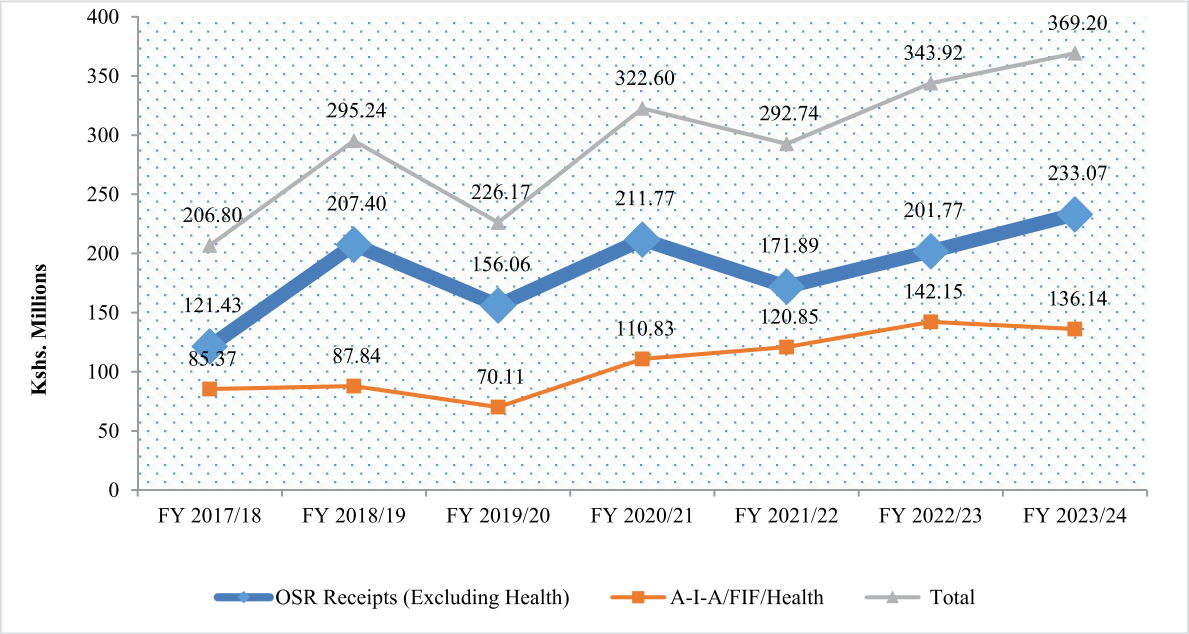
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	**7, 475, 585, 295**	**6,877,538,472**	**92.0**
Subtotal				
B	**Additional Allocations/Conditional Grants**			
	National Agricultural Value Chain Dev Project	250, 000, 000	199, 375, 122	79.8
	County Aggregated Industrial Park	-	62, 500, 000	-
	IDA Financing Locally-Led Climate Action	140, 634, 978	140, 634, 978	100
	Kenya Climate Smart Agriculture Project	90, 000, 000	-	-
	KfW Financing Locally-Led Climate Action	76, 466, 005	76, 466, 005	100
	Kenya Livestock Commercialization Project	30, 500, 000	16, 095, 837	52.8
	Aquaculture Business Development Project	22, 585, 560	-	-
	County Equalization Fund	17, 919, 656	-	-
	FLLoCA - County Climate Institutional Support	11, 000, 000	11, 000, 000	100
	DANIDA	10, 972, 500	10, 972, 500	100
	Agricultural Sector Development Support II	2, 450, 905	2, 950, 905	100
Subtotal		**662, 529, 605**	**519, 995, 347**	
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	396, 793, 350	233, 065, 731	58.7
	Appropriation in Aid (A-I-A)	252, 222, 283	136, 138, 244	54.0
Subtotal		**649, 015, 633**	**369, 203, 975**	**56.9**
D	**Other Sources of Revenue**			
	Unspent balance from FY 2022/23	1, 415, 902, 624	1, 415, 902, 624	100
Sub Total		**1, 415, 902, 624**	**1, 415, 902, 624**	**100**

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
Grand Total		**10, 203, 033, 156**	**9, 182, 640, 418**	**91.0**

Source: *Busia County Treasury*

Figure 13 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 13: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24

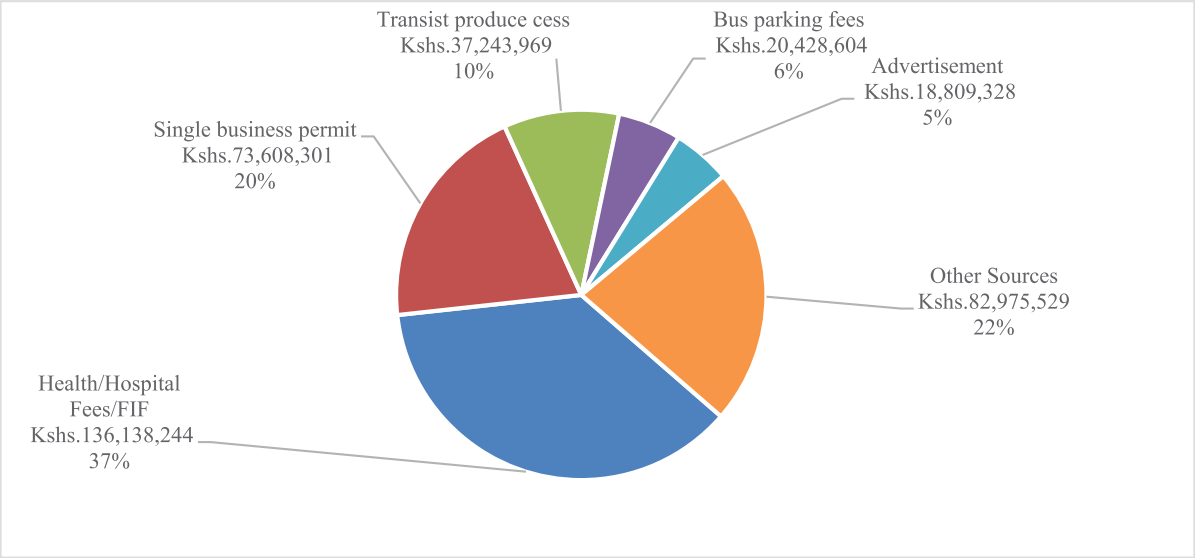


Source: *Busia County Treasury*

In FY 2023/24, the County generated a total of Kshs.369.20 million from its revenue sources, inclusive of FIF and AIA. This amount represented an increase of 7.4 per cent compared to Kshs.343.92 million realized in FY 2022/23. It was 56.0 per cent of the annual target and 5.4 per cent of the equitable revenue share disbursed during the period.

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

Figure 14: Top Streams of Own Source Revenue in the FY 2023/24



Source: Busia County Treasury

The highest revenue stream, Kshs.136.14 million, was from Health FIF, which contributed 37.0 per cent of the total OSR receipts during the reporting period.

3.4.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.8.42 billion from the CRF account comprised Kshs.1.63 billion (19.4 per cent) for development programmes and Kshs.6.79 billion (80.6 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in FY 2023/24 indicates that Kshs.4.14 billion was released towards Employee Compensation and Kshs.2.65 billion for Operations and Maintenance expenditures.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.200.05 million.

3.4.4 County Expenditure Review

The County spent Kshs.7.45 billion on development and recurrent programmes in the reporting period. The expenditure represented 88.5 per cent of the total funds released by the CoB and comprised Kshs.2.00 billion and Kshs.5.45 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 59.6 per cent, while recurrent expenditure represented 79.5 per cent of the annual recurrent expenditure budget.

3.4.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.94 billion, comprising Kshs.1.73 billion for recurrent expenditure and Kshs.211.29 million for development activities. In FY 2023/24, the County settled pending bills amounting to Kshs.521.04 million which consisted of Kshs.420.11 million for recurrent expenditure and Kshs.100.93 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.1.42 billion.

The County Assembly reported outstanding pending bills of Kshs.40.3 million as of 30th June 2024.

3.4.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.2.54 billion on employee compensation, Kshs.2.12 billion on operations and maintenance, and Kshs.1.93 billion on development activities. Similarly, the County Assembly spent Kshs.300.66 million on employee compensation, Kshs.485.51 million on operations and maintenance, and Kshs.74.24 million on development activities, as shown in Table 3.23.

Table 3.23: 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	**5,957,066,794**	**890,557,352**	**4,665,647,522**	**786, 168, 335**	**78.3**	**87.6**
Compensation to Employees	3,299,681,071	393,010,583	2,542,740,586	300, 662, 209	77.1	76.5
Operations and Maintenance	2,657,385,723	497,546,769	2,122,906,936	485, 506, 126	79.9	96.4
Development Expenditure	**3,254,909,120**	**90,500,000**	**1,926,865,253**	**74, 236, 322**	**59.2**	**82.0**
Total	**9,211,975,914**	**981,057,352**	**6,592,512,775**	**854, 517,211**	**71.6**	**87.1**

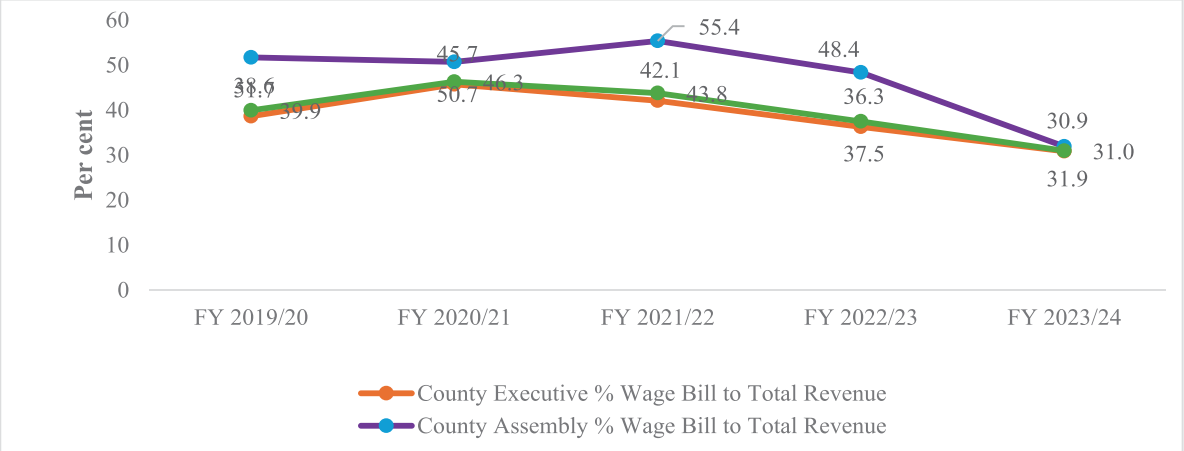
Source: Busia County Treasury

3.4.7 Expenditure on Employees' Compensation

In FY 2023/24, expenditure on employee compensation was Kshs.2.84 billion, or 30.7 per cent of the available revenue, which amounted to Kshs.9.18 billion. This expenditure represented a decrease from Kshs.3.37 billion reported in FY 2022/23. The wage bill included Kshs.1.39 billion paid to health sector employees, translating to 48.7 per cent of the total wage bill.

Figure 15 shows the trend of personnel expenditures as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 15: Percentage of Wage Bill to Total Revenue from FY 2018/19 to FY 2023/24



Source: *Busia County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.24 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.582.45 million was processed through manual payrolls. The manual payrolls accounted for 20.6 per cent of the total PE cost.

The County Assembly spent Kshs.46.31 million on committee sitting allowances for the 53 MCAs and the speaker against the annual budget allocation of Kshs.61.85 million. The average monthly sitting allowance was Kshs.71,464 per MCA. The County Assembly has established 18 Committees.

3.4.8 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.201.27 million to county-established funds in FY 2023/24, constituting 2.0 per cent of the County's overall budget. Further, the County allocated Kshs.35.8 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.24 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.24: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
	Bursary Fund	135,300,000	117,800,000	-	117,800,000	No
	Emergency Fund	35, 800, 000	35, 800, 000	-	35,800,000	No
	Busia County Revolving fund	-	-	-	222,000,000	No
	Cooperative Enterprise Development Fund	8,600,000	-	-	123,005,000	No
	Agricultural Development Fund	-	-	-	90,000,000	No
	County Health Services Fund	21,572,618	-	-	57,000,000	No
	County Assembly Established Funds					
	County Assembly revolving fund	-	-	-	641,249,842	No
	Total	**201,272,618**	**153,600,000**	-	**1,286,854,842**	

Source: *Busia County Treasury*

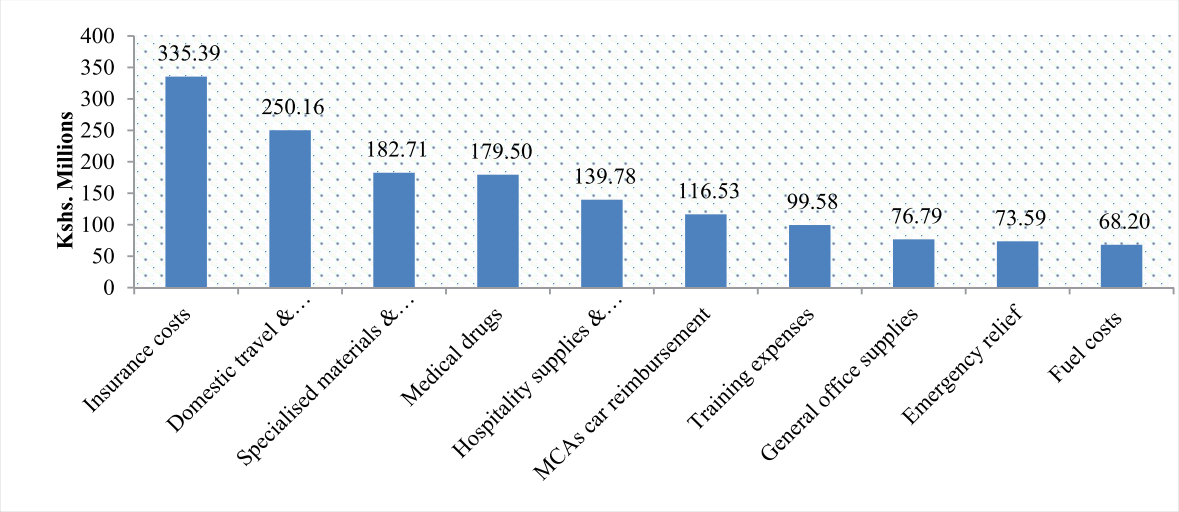
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of 7 funds, as indicated in Table 3.24, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.4.9 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.250.16 million and comprised Kshs.108.25 million spent by the County Assembly and Kshs.141.91 million by the County Executive. Expenditure on foreign travel amounted to Kshs.49.06 million and comprised Kshs.17.68 million by the County Assembly and Kshs.31.37 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.25 below;-

Table 3.25: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	5	22nd August 2023	Bench marking on Aggregated IP	Ethiopia	5,306,997
County Executive	2	18th – 23rd September 2023	UN General Assembly	New York	964, 299
County Executive	2	16th – 19th October 2023	3rd belt & road for international coop	Beijing	1, 223, 750
County Executive	3	30th Nov-12th Dec 2023	UN COP 28	Dubai	3, 251, 238
County Assembly	1	23rd -30th July 2023	Conference on leadership manage	Addis Ababa	419, 968
County Assembly	1	8th -15th December 2023	Facilitation for EALASCA games	Kampala	245, 456
County Assembly	1	27th Oct – 5th Nov 2023	Localization of SDGs and PMS	United Kingdom	1, 161, 126
County Assembly	1	10th -14th December 2023	Strengthening border municipalities	South Africa	230, 025
County Assembly	9	5th -10th May 2024	Training on international trade & investment	Dubai	4, 061, 232

Source: *Busia County Treasury and Busia County Assembly*

The operations and maintenance costs include an expenditure of Kshs.37.60 million on legal fees/dues, arbitration and compensation payments.

3.4.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.2.00 billion on development programmes, an increase of 58.7 per cent compared to FY 2022/23, when the County spent Kshs.1.26 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.26: Busia 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, investment	Construction of County Aggregated Industrial Park	Nasewa	250,000,00	100,000,00	40
2	Trade, Investment	Consultancy services for the construction of an Industrial park	County HQ	19,980,000	19,980,000	100
3	County Assembly	Purchase of original mace	HQ	17,000,000	16,989,500	100
4	County Assembly	Installation of conference system in committee rooms	HQ	15,000,000	14,900,000	100
5	Health	Repair reinstallation works of Oxygen generation plant	Busia County Referral Hospital.	34,183,490	34,183,490	100
6	Health	Expansion of Busia CRH to level V hospital	Busia County Referral Hospital.	29,000,000	29,000,000	100
7	Roads	Maintenance of Lot 4 roads	Various	71,960,891	71,554,834	63
8	Roads	Maintenance & spot improvement of roads	Muruka-Mungabo-Kanyuamba road	6,214,160	6,214,160	100
9	Governorship	Construction and equipping of disaster preparedness centre	HQ	19,330,158	19,668,707	70
10	Social services	Construction of child protection centre	Mauko	44,000,000	21,000,000	48

Source: *Busia County Treasury*

3.4.11 Budget Performance by Department

Table 3.27 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.27: 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	280.13	865.58	280.04	552.90	208.82	743.54	35.4	134.5	35.4	85.9
Trade, cooperative, Tourism & Industry	96.21	405.29	96.10	244.92	56.08	180.93	39.0	73.9	39.0	44.6
Education & vocational training	715.05	63.34	697.20	7.83	487.07	67.53	45.9	862.5	44.7	106.6
Finance & economic planning	659.20	78.92	659.20	49.89	618.16	68.04	72.7	136.4	72.7	86.2
Youths, sports, culture, gender, arts	149.25	44.73	149.16	-	81.66	17.50	47.7	-	47.7	39.1
Transport, roads & Public works.	247.59	524.49	232.39	224.14	160.33	333.18	53.6	148.6	50.3	63.5
Public service management	512.47	-	512.32	-	433.08	-	65.5	-	65.5	-
Lands, housing & urban development	170.23	174.95	169.98	14.64	160.70	29.58	72.1	202..0	71.7	16.9
Water, environment, irrigation	161.90	666.51	156.22	366.40	115.26	309.09	56.0	84.4	54.2	46.4
Health and sanitation	2, 372.29	407.51	2,365.37	85.03	1,929.95	139.22	73.4	163.7	73.2	34.2
Public service board	100.77	-	100.32	-	68.70	-	48.6	-	48.3	-
Office of the Governor	354.16	43.58	349.70	29.69	281.02	38.26	79.7	128.9	78.7	87.8
County Assembly	890.56	90.50	890.56	51.69	780.28	74.24	88.3	143.6	88.3	82.0
County Attorney	85.75	-	85.69	-	58.45	-	68.2	-	68.8	-
Strategic partnerships	52.08	10.00	45.23	-	6.03	-	13.3	-	11.6	-
	6,847.62	**3,355.41**	**6,789.48**	**1,626.37**	**5,445.93**	**2,001.1**	**80.2**	**123.0**	**79.5**	**59.6**

***Source**: Busia County Treasury*

Analysis of expenditure by departments shows that the Department of Education and Vocational Training recorded the highest absorption rate of development budget at 106.6 per cent, followed by the Department of Office of the Governor at 87.8 per cent, while the Department of Strategic Partnerships and Blue Economy had the lowest at 0 per cent. The Department of County Assembly had the highest percentage of recurrent expenditure to budget at 88.3 per cent, followed by the Department of Office of the Governor at 78.7 per cent. The Department of Strategic Partnerships and Blue Economy had the lowest at 11.6 per cent.

The Department of Education had higher expenditure than the development budget because of the movement of funds during supplementary budgeting. This is irregular and should be addressed by the County Treasury.

3.4.12 Budget Execution by Programmes and Sub-Programmes

Table 3.28 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.28: 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		**252,491,471**	-	**80, 574, 442**	-	**31.9**	-
	SP 1. General administration & support services.	252,491,471	-	80, 574, 442	-	31.9	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 3.		**4, 470, 000**	**71, 171, 972**	**1, 576, 400**	**55, 977, 940**	**35.3**	**78.7**
	SP 1. Aquaculture development	4, 470, 000	71, 171, 972	1, 576, 400	55, 977, 940	35.3	78.7
Programme 4.		**18, 989, 011**	**120, 055, 215**	**11, 900, 487**	**120, 055, 209**	**62.7**	**100**
	SP 1. Livestock disease management	10, 387, 500	-	8, 300, 761	-	80.2	-
	SP 6. Livestock extension services	8, 601, 511	-	3, 599, 726	-	41.9	-
	SP 7. Kenya Climate Smart Agriculture	-	120, 055, 215	-	120, 055, 209	-	100
Programme 8.		-	**446, 366, 379**	-	**424, 362, 405**	-	**95.1**
	SP 4. Crop protection	-	1, 998, 880	-	1, 647, 000	-	82.4
	SP 5. Agriculture input support services	-	102, 331, 384	-	93, 764, 736	-	91.6
	SP 6. Crop diversification	-	17, 843, 386	-	8, 004, 650	-	44.9
	SP 7. Multi sectoral nutrition improve	-	2, 000, 000	-	-	-	-
	SP 9. NAVCDP Grant	-	322, 192, 729	-	320, 946, 019	-	99.6
Programme 9.		**4, 179, 447**	**18, 356, 546**	**2, 337, 592**	**19, 537, 628**	**55.9**	**106.4**
	SP. 9.1. Farmers training & tech transfer	4, 179, 447	-	2, 337, 592	-	55.9	-
	SP. 9.2. Agricultural extension services	-	13, 295, 196	-	9, 973, 118	-	75.0
	SP. 9.3. ATC Infrastructure	-	5, 061, 350	-	9, 564, 510	-	189.0
Programme 13.		-	**64, 639, 704**	-	**52, 252, 547**	-	**80.8**
	SP. 13.1	-	19, 986, 979	-	16, 669, 312	-	83.4
	SP. 13.2.	-	4, 000, 000	-	3, 999, 000	-	100
	SP. 13.4 Vector control	-	14, 332, 805	-	10, 077, 425	-	70.3
	SP. 13.5 Veterinary laboratory services	-	1, 319, 920	-	512, 295	-	38.8
	SP. 13.6. Leather development	-	2, 000, 000	-	1, 819, 540	-	91.0
	SP. 13.7. Artificial insemination	-	9, 000, 000	-	5, 676, 740	-	63.1
	SP. 13.8. Veterinary extension services	-	14, 000, 000	-	13, 498, 235	-	96.4
Programme 14.		-	**73, 896, 313**	-	**12, 495, 680**	-	**16.9**
	SP. 14.1. Agricultural land use & mechanization	-	73, 896, 313	-	12, 495, 680	-	16.9
Programme 16.		-	**71, 093, 139**	-	**58, 854, 199**	-	**82.8**
	SP.16.1. Dairy cattle management	-	12, 777, 375	-	9, 024, 430	-	70.6
	SP. 16.2. Dairy products value addition	-	8, 350, 000	-	3, 563, 620	-	42.7
	SP. 16.4. Apiculture development	-	1, 500, 000	-	1, 499, 680	-	100
	SP. 16.5. KeLCOP Grant	-	34, 099, 931	-	34, 099, 928	-	100
	SP. 16.6. Livestock input access	-	8, 865, 833	-	8, 607, 950	-	97.1
	SP. 16.7. Pasture & fodder management	-	5, 500, 000	-	2, 058, 555	-	37.4
	Subtotal	**280, 129, 929**	**865, 579, 268**	**99, 071, 189**	**743, 535, 608**	**35.4**	**85.9**

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Department of Trade, Cooperatives, Tourism and Industry							
Programme 1. Policy General administration		**67, 364, 580**	-	**21, 425, 147**	-	**31.8**	-
	SP. 1.1. General administration & support service	67, 364, 580	-	21, 425, 147	-	31.8	-
Programme 2.		**14, 661, 416**	**6, 995, 000**	**7, 651, 767**	-	**52.2**	-
	SP. 2.1. Domestic trade	11, 054, 015	-	6, 426, 366	-	58.1	-
	SP. 2.3. Fair trade practices & consumer protect	3, 607, 401	6, 995, 000	1, 225, 401	-	34.0	-
Programme 9.		-	**5, 000, 000**	-	-	-	-
	SP. 9.2. Liquor licensing & regulation	-	5, 000, 000	-	-	-	-
Programme 10.		-	**134, 697, 995**	-	**49, 116, 627**	-	**36.5**
	SP. 10.1. MSME promotion	-	134, 697, 995	-	49, 116, 627	-	36.5
Programme 12.		-	**250, 000, 000**	-	**126, 317, 051**	-	**50.5**
	SP. 12.1. Industrial development	-	250, 000, 000	-	126, 317, 051	-	50.5
Programme 13		**14, 185, 581**	**8, 600, 000**	**8, 400, 623**	**5, 500, 000**	**59.2**	**64.0**
	SP. 13.1. Cooperative development	14, 185, 581	8, 600, 000	8, 400, 623	5, 500, 000	59.2	64.0
	Subtotal	**96, 211, 577**	**405, 292, 995**	**37, 477, 538**	**180, 933, 678**	**39.0**	**44.6**
Department of Education and Vocational Training.							
Programme 1. General admin & support services		**629, 684, 356**	-	**261, 276, 918**	-	**41.5**	-
	SP. 1.1. General administration & support service	629, 684, 356	-	261, 276, 918	-	41.5	-
Programme 2. Early Childhood Development & Education		**47, 966, 126**	**20, 000, 000**	**45, 494, 262**	**7, 165, 100**	**94.8**	**35.8**
	SP. 2.1. Early childhood development & educate	47, 966, 126	-	45, 494, 262	-	94.8	-
	SP. 2.4. ECDE Infrastructure development	-	9, 400, 000	-	4, 386, 600	-	46.7
	SP. 2.5. ECDE learning materials	-	10, 600, 000	-	2, 778, 500	-	26.2
Programme 3.		-	**42, 500, 000**	-	**37, 864, 071**	-	**89.1**
	SP. 3.2. VTCs infrastructure development	-	42, 500, 000	-	37, 864, 071	-	89.1
Programme 4.		-	**839, 336**	-	**22, 500, 000**	-	**2680**
	SP. 4.1. Bursary education support	-	839, 336	-	22, 500, 000	-	2680
Programme 5.		**19, 897, 051**	-	**13, 129, 126**	-	**66.0**	-
	SP. 5.1. Vocational rehabilitation & training	19, 897, 051	-	13, 129, 126	-	66.0	-
	Sub-Total	**697, 547, 533**	**63, 339, 336**	**319, 900, 309**	**67, 529, 171**	**45.9**	**106.6**
Department of Finance and Economic Planning							
Programme 1. General admin, policy & support services		**571, 552, 943**	-	**386, 941, 191**	-	**67.7**	-
	SP. 1.1. General administration & support service	554, 263, 791	-	374, 173, 986	-	67.5	-
	SP. 1.2. Financial management services	17, 289, 152	-	12, 767, 205	-	73.8	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 2.		**43, 104, 444**	**72, 919, 656**	**40, 137, 123**	**54, 971, 390**	**93.1**	**75.4**
	SP. 2.1. Resource automation	13, 118, 524	-	11, 815, 391	-	90.0	-
	SP. 2.2. Budget formulation & coordination	29, 985, 920	-	28, 321, 731	-	94.5	-
	SP. 2.4. Resource mobilization	-	72, 919, 656	-	54, 971, 390	-	75.4
Programme 7.		**33, 921, 119**	**-**	**28, 008, 471**	**-**	**82.6**	**-**
	SP. 7.1. Monitoring and Evaluation Systems	20, 252, 614	-	17, 958, 350	-	88.7	-
	SP. 7.2. Fiscal planning	13, 668, 505	-	10, 050, 121	-	73.5	-
Programme 10.		**10, 616, 944**	**6, 000, 000**	**11, 175, 600**	**-**	**105.3**	**-**
	SP. 10.1. Statistics	10, 616, 944	6, 000, 000	11, 175, 600	-	105.3	-
Programme 18.		**13, 014, 299**	**13, 067, 046**	**13, 014, 299**	**13, 067, 046**	**100**	**100**
	ICT Development services	13, 014, 299	-	13, 014, 299	-	100	-
	ICT	-	13, 067, 046	-	13, 067, 046	-	100
	Sub-Total	**659, 195, 450**	**78, 919, 656**	**479, 276, 684**	**68, 038, 436**	**72.7**	**86.2**
Department of youths, culture, Sports and social services							
Programme 1. General admin & support services		**136, 255, 604**	**-**	**66, 237, 660**	**-**	**48.6**	**-**
	SP. 1.1. General administration & support service	136, 255, 604	-	66, 237, 660	-	48.6	-
Programme 2.		**12, 996, 691**	**-**	**4, 892, 532**	**-**	**37.6**	**-**
	SP. 2.2. Social welfare services	12, 996, 691	-	4, 892, 532	-	37.6	-
Programme 3.		**-**	**1, 000, 000**	**-**	**1, 000, 000**	**-**	**100**
	SP. 3.1. Youth development services	-	1, 000, 000	-	1, 000, 000	-	100
Programme 4.		**-**	**8, 026, 968**	**-**	**5, 154, 678**	**-**	**64.2**
	SP. 4.2. Sports administration & development	-	4, 989, 800	-	4, 145, 145	-	83.1
	SP 4.3 Sports Promotion & infrastructure develop	-	3, 037, 168	-	1, 009, 533	-	33.2
Programme 5.		**-**	**8, 000, 000**	**-**	**1, 000, 000**	**-**	**12.5**
	SP. 5.1. Child rehabilitation and custody	-	8, 000, 000	-	1, 000, 000	-	12.5
Programme 6.		**-**	**19, 000, 000**	**-**	**8, 641, 210**	**-**	**45.5**
	SP. 6.3. Cultural promotions & development	-	19, 000, 000	-	8, 641, 210	-	45.5
Programme 8.		**-**	**8, 698, 760**	**-**	**1, 700, 000**	**-**	**19.5**
	SP. 8.4. Social support services	-	8, 698, 760	-	1, 700, 000	-	19.5
	Subtotal	**149, 252, 295**	**44, 725, 728**	**71, 130, 192**	**17, 495, 888**	**47.7**	**39.1**
Department of Roads, transport and public works.							
Programme 1. General admin & support services		**208, 295, 855**	**-**	**108, 618, 308**	**-**	**52.1**	**-**
	SP 1. General administration & support services	208, 295, 855	-	108, 618, 308	-	52.1	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 2.		**19, 292, 247**	-	**14,857, 454**	-	**77.0**	-
	SP 1. Construction of roads and bridges	10, 630, 003	-	8, 694, 992	-	81.8	-
	SP 2. Routine maintenance of county roads	8, 662, 244	-	6, 162, 462	-	71.1	-
Programme 3.		-	**3, 000, 000**	-	**1, 374, 065**	-	**45.8**
	SP 3. Alternative transport development	-	3, 000, 000	-	1, 374, 065	-	45.8
Programme 9.		-	**504, 494, 095**	-	**318, 801, 066**	-	**63.2**
	SP 1. Road infrastructure development	-	424, 494, 095	-	318, 801, 066	-	63.2
Programme 10.		-	**17, 000, 000**	-	**13, 000, 000**	-	**76.5**
	SP. 10.1. Standardization of construction material	-	11, 000, 000	-	7, 000, 000	-	63.6
	SP. 10.2. Mechanical and fabrication workshop	-	6, 000, 000	-	6, 000, 000	-	100
	Subtotal	**247, 588, 102**	**524, 494, 095**	**124, 292, 637**	**333, 175, 131**	**50.2**	**63.5**
Department of Public service management.							
Programme 4. General admin & support services.		**512, 469, 929**	-	**335, 568, 641**	-	**65.5**	-
	SP. 4.1. General administration & support service	512, 469, 929	-	335, 568, 641	-	65.5	-
	Subtotal	**512, 469, 929**	-	**335, 568, 641**	-	**65.5**	-
Department of Lands, housing and urban development.							
Programme 1.		**145, 939, 735**	-	**109, 470, 725**	-	**75.0**	-
	SP 1. General administration & support services	145, 939, 735	-	109, 470, 725	-	75.0	-
Programme 7.		-	**38, 388, 495**	-	**12, 145, 760**	-	**31.7**
	SP 2. Housing development	-	150, 000	-	550, 000	-	366.7
	SP 3. Housing management	-	38, 238, 495	-	11, 595, 760	-	30.3
Programme 12.		**24, 287, 766**	-	**12, 435, 657**	-	**51.2**	-
	SP 2. Town management services	24, 287, 766	-	12, 435, 658	-	51.2	-
Programme 17.		-	**13, 200, 000**	-	**7, 486, 900**	-	**56.7**
	SP 2. Land use administration and manage	-	13, 200, 000	-	7, 486, 900	-	56.7
Programme 18.		-	**103, 361, 630**	-	**9, 950, 700**	-	**9.6**
	SP 1. Urban management	-	5, 000, 000	-	0	-	0
	SP 2. Urban infrastructure development & mgt	-	98, 361, 630	-	9, 950, 700	-	10.1
	Subtotal	**170, 227, 501**	**254, 950, 125.**	**121, 906, 383**	**29, 583, 360**	**71.7**	**11.6**
Department of Water, environment, irrigation, natural resources and climate change.							
Programme 1.		**144, 032, 157**	-	**76, 783, 246**	-	**53.3**	-
	SP 1. General administration & support services	144, 032, 157	-	76, 783, 246	-	53.3	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 2.		**4, 840, 245**	**113, 688, 487**	**3, 438, 719**	**82, 119, 759**	**71.0**	**72.2**
	SP 1. Renewable energy technology	2, 350, 303	-	1, 452, 327	-	61.8	-
	SP 2. Protection of environment	2, 489, 942	-	1, 986, 392	-	79.8	-
	SP 4. Rural electrification	-	51, 700, 000	-	42, 512, 423	-	82.2
	SP 5. Installation & maintenance of energy infra	-	61, 988, 487	-	39, 607, 336	-	63.9
Programme 3.		**6, 915, 000**	**-**	**3, 101, 348**	**-**	**44.8**	**-**
	SP 1. Forest development & management services	6, 915, 000	-	3, 101, 348	-	44.8	-
Programme 4.		**2, 512, 500**	**247, 043, 208**	**1, 624, 543**	**73, 679, 298**	**64.7**	**29.8**
	SP 1. Urban water and sewerage	2, 512, 500	18, 998, 385	1, 624, 543	6, 169, 347	64.7	32.5
	SP 2. Rural water supply	-	201, 644, 823	-	14, 554, 957	-	7.2
	SP 4. Water systems operations & maintenance	-	26, 400, 000	-	52, 954, 994	-	200.6
Programme 5.		**2, 339, 320**	**-**	**1, 001, 010**	**-**	**42.8**	**-**
	SP 1. Irrigation infrastructure development	2, 339, 320	-	1, 001, 010	-	42.8	-
Programme 6.		**-**	**22, 771, 169**	**-**	**3, 395, 150**	**-**	**14.9**
	SP 2. Afforestation and Agro- forestation	-	15, 399, 974	-	1, 043, 350	-	6.8
	SP 3. Catchment & watershed conservation	-	7, 371, 195	-	2, 351, 800	-	31.9
Programme 7.		**1, 200, 568**	**274, 362, 903**	**1, 379, 920**	**148, 347, 699**	**115.0**	**54.1**
	SP 1. Climate change mitigation & resilience	1, 200, 568	274, 362, 903	1, 379, 920	148, 347, 699	115.0	54.1
Programme 8.		**-**	**8, 648, 809**	**-**	**1, 546, 076**	**17.9**	**-**
	SP 1. Irrigation infrastructure development	-	8, 648, 809	-	1, 546, 076	17.9	-
	Subtotal	**161, 899, 790**	**666, 514, 576**	**87, 328, 786**	**309, 087, 767**	**53.9**	**46.4**
Department of Health Services.							
Programme 1.		**2,218,081,052**	**-**	**1,612,021,377**	**-**	**72.7**	**-**
	SP 1. General administration & support services	2,218,081,052	-	1,612,021,377	-	72.7	-
Programme 3.		**154, 208, 062**	**-**	**123, 901, 822**	**-**	**80.3**	**-**
	SP 1. Referral health services	154, 208, 062	-	123, 901, 822	-	80.3	-
Programme 5.		**-**	**220, 068, 376**	**-**	**47, 789, 150**	**-**	**21.7**
	SP 1. Diagnostic services in higher-level facility	-	68, 588, 000	-	18, 929, 700	-	27.6
	SP 3. Infrastructure development tier 3 facilities	-	151, 480, 376	-	28, 859, 450	-	19.1

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 6.		**-**	**187, 444, 798**	**-**	**91, 432, 842**	**-**	**48.8**
	SP 1. Sanitation and hygiene	-	6, 000, 000	-	3, 424, 135	-	57.0
	SP 2. HIV/AIDS, TB and malaria	-	6, 000, 000	-	1, 860, 858	-	31.0
	SP 6. Nutrition	-	38, 466, 970	-	20, 060, 245	-	52.2
	SP 7. RMNCAH	-	2, 000, 000	-	350, 000	-	17.5
	SP 8. Infrastructure development in tier 2 level	-	119, 877, 878	-	31, 752, 935	-	26.5
	SP 9. Lower-level hospital equipment	-	15, 499, 950	-	14, 578, 000	-	94.1
	Subtotal	**2,372,289,114**	**407,513,174**	**1,735,923,198**	**139, 221, 992**	**73.2**	**34.2**
Department of County Public Service Board.							
Programme 1.		**100, 769, 619**	**-**	**48, 711, 917**	**-**	**48.3**	**-**
	SP 1. General administration & support services	100, 769, 619	-	48, 711, 917	-	48.3	-
	Subtotal	**100, 769, 619**	**-**	**48, 711, 917**	**-**	**48.3**	**-**
Department of Office of the Governor.							
Programme 1.		**354, 157, 435**	**-**	**278, 724, 672**	**-**	**78.7**	**-**
	SP 1. General administration & support services	354, 157, 435	-	278, 724, 672	-	78.7	-
Programme 14.		**-**	**43, 580, 175**	**-**	**38, 264, 007**	**-**	**87.8**
	SP 1. Disaster preparedness	-	43, 580, 175	-	38, 264, 007	-	87.8
	Subtotal	**354, 157, 435**	**43, 580, 175**	**278, 724, 672**	**38, 264, 007**	**78.7**	**87.8**
Department of County Assembly.							
Programme 1.		**890, 557, 352**	**-**	**786, 168, 335**	**-**	**88.3**	**-**
	SP 1. General administration & support services	890, 557, 352	-	786, 168, 335	-	88.3	-
Programme 13.		**-**	**90, 500, 000**	**-**	**74, 236, 322**	**-**	**82.0**
	SP 1. Infrastructure development	-	90, 500, 000	-	74, 236, 322	-	82.0
	Subtotal	**890, 557, 352**	**90, 500, 000**	**786, 168, 335**	**74, 236, 322**	**88.3**	**82.0**
Department of County Attorney.							
Programme 1.		**85, 751, 725**	**-**	**58, 453, 141**	**-**	**68.2**	**-**
	SP 1. Administration support & services	85, 751, 725	-	58, 453, 141	-	68.2	-
	Sub total	**85, 751, 725**	**-**	**58, 453, 141**	**-**	**68.2**	**-**
Strategic partnership and digital economy.							
Programme 1.		**52, 076, 677**	**-**	**6, 025, 623**	**-**	**11.6**	**-**
	SP 1. General administration & support services	52, 076, 677	-	6, 025, 623	-	11.6	-
Programme 18.		**-**	**10, 000, 000**	**-**	**-**	**-**	**-**
	SP 1. General administration & support services	-	10, 000, 000	-	-	-	-
	Subtotal	**52, 076, 677**	**10, 000, 000**	**6, 025, 623**	**-**	**11.6**	**-**
Grand Total		**6,847,624,146**	**3,355,409,120**	**5,445,928,411**	**2,001,101,575**	**79.5**	**59.8**

***Source**: Busia County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: ATC infrastructure in the Department of Smart Agriculture, Livestock and Fisheries at 189.0per cent, housing development in the Department of Lands, Housing & Urban Development at 366.7 per cent, water systems operations & maintenance in the Department of Water, Environment, Irrigation, Natural Resources and Climate Change at 200.6 per cent, and climate change mitigation and resilience at 115.0 per cent of budget allocation. Absorption rates above 100 percent is irregular and should be addressed by the County Treasury.

3.4.13 Accounts Operated Commercial Banks

The County government operated 62 accounts with commercial banks. 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.

3.4.14 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;

1. Own-source revenue under performed at Kshs.369.20 million against an annual target of Kshs.649.02 million, representing 56.0 per cent of the annual target.
2. Failure to refund unspent funds from FY 2022/23 into the CRF account led to actual expenditure exceeding the approved exchequer in several departments, as shown in Table 3.27.
3. Fund Administrators' failure to submit quarterly financial and non-financial reports to the COB within the timelines provided by law is against the requirement of Section 168 of the PFM Act, 2012.
4. There was a high level of pending bills, which amounted to Kshs.1.42 billion as of 30th June 2024. Further, the County Treasury did not adhere to the payment plan for pending bills.
5. Use of manual payroll. Personnel emoluments amounting to Kshs.582.60 million were processed through manual payroll, accounting for 20.6 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.
6. 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.
7. Low expenditure on development activities which was 26.8% of total expenditure in the FY 2023/24

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

1. *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.*
2. *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.*
3. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
4. *The 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.*
5. *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.*
6. *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.*
7. *The County should prioritize expenditure on development activities to ensure compliance within 30% ceiling on law.*

3.5. County Government of Elgeyo Marakwet

3.5.1 Overview of FY 2023/24 Budget

The County's approved second supplementary budget for FY 2023/24 was Kshs.6.79 billion, comprising Kshs.2.55 billion (37.6 per cent) and Kshs.4.24 billion (62.4 per cent) allocation for development and recurrent programmes. The approved budget estimates represented an increase of 8.6 per cent compared to the previous financial year when it was Kshs.6.25 billion and comprised of Kshs.2.25 billion towards development expenditure and Kshs.3.99 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.4.80 billion (70.7per cent) as the equitable share of revenue raised nationally, Kshs.789.89 million (11.6 per cent) as additional allocations/conditional grants, a cash balance of Kshs.931.45 million (13.7 per cent) brought forward from FY 2022/23, and generate Kshs.271.31 million (4.0 per cent) as gross own source revenue. The own-source revenue includes Kshs.197.50 million (2.9 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.73.81 million (1.1 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.29.

3.5.2 Revenue Performance

In the FY 2023/24, the County received Kshs.4.42 billion as an equitable share of the revenue raised nationally, Kshs.460.15 million as additional allocations/conditional grants and raised Kshs.258.51 million as own-source revenue (OSR). The raised OSR includes Kshs.177.66 million as FIF and Kshs.80.84 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.5.59 billion, as shown in Table 3.29.

Table 3.29: Elgeyo Marakwet County, Revenue Performance in the FY 2023/24

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**	**4,801,453,188**	**4,417,336,932**	**86**
Subtotal				
B	**Additional Allocations/Conditional Grants**			
1	DANIDA	14,617,125	14,617,125	100.0
2	Kenya Climate Smart Agriculture Program	90,000,000	-	-
3	Kenya Livestock Commercialization Project	36,500,000	33,340,445	91.3
4	Livestock Value Chain Support Project	35,809,200	-	-
5	Agriculture Sector Development Support Program II	1,042,262	500,000	48.0
6	Emergency Locust Response Project	138,144,044	181,183,766	131.2
7	Provision of fertilizer subsidy	63,970,782	-	-
8	Financing Locally Led Climate Action Program (FLoCCA)	229,591,850	173,011,093	75.4
9	Nutrition International (NI)	10,000,000	7,500,000	75.0
10	Kenya Informal Settlement Improvement Program II	58,324,295	50,000,000	85.7
11	County Aggregated Industrial Park	100,000,000	-	-
12	Transfer for Library Services	5,795,078	-	-
13	Kenya Urban Support Programme	6,097,085	-	-
Subtotal		**789,891,721**	**460,152,429**	**58.3**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	73,806,633	80,841,506	109.5
2	Facility Improvement Fund (FIF)	197,500,000	177,663,632	90.0
Subtotal		**271,306,633**	**258,505,138**	**95.3**

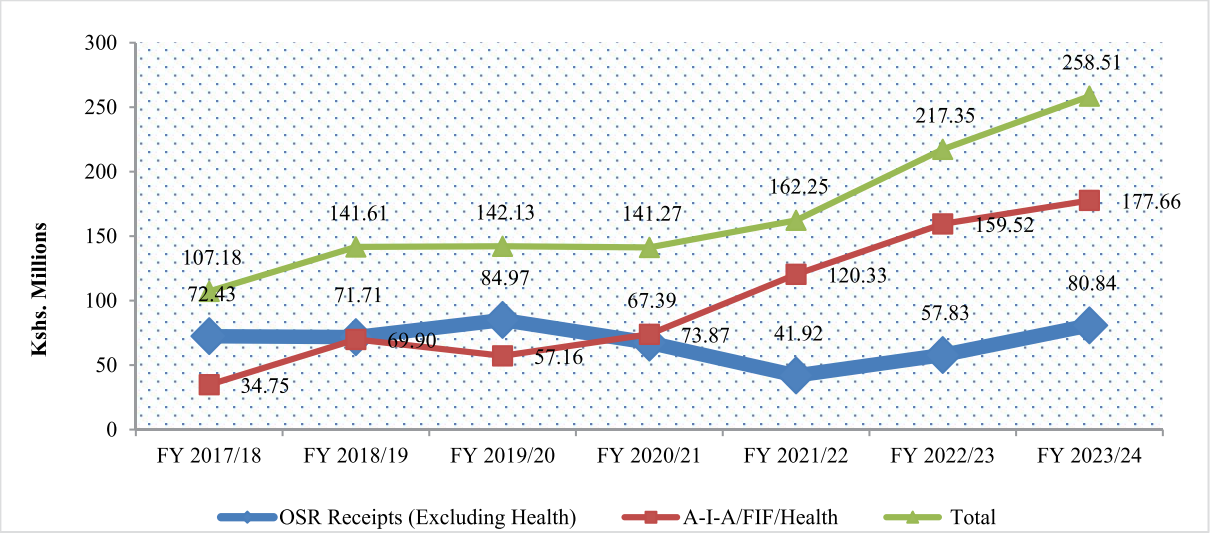
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2022/23	931,450,814	449,082,452	48.2
Sub Total		**931,450,814**	-	-
Grand Total		**6,794,102,356**	**5,585,076,901**	**82.2**

Source: *Elgeyo Marakwet County Treasury*

The increase in own source revenue is attributed to implementing an automated revenue collection system and other measures that saw the rise in revenue.

Figure 17 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 17: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24

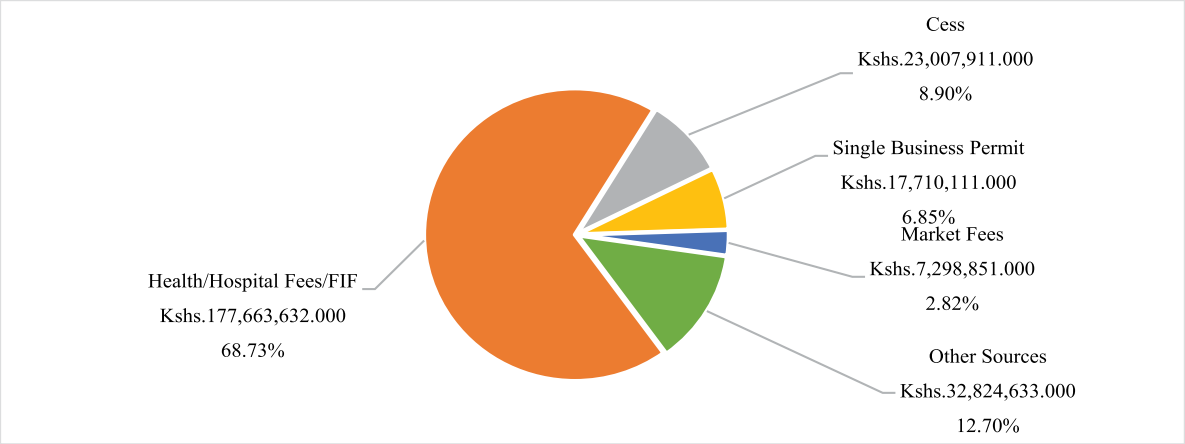


Source: *Elgeyo Marakwet County Treasury*

In FY 2023/24, the County generated a total of Kshs.258.51 million from its sources of revenue, including FIF and AIA. This amount represented an increase18.9 per cent increase compared to Kshs.217.35 million realized in a similar period in FY 2022/23. It was 95.3 per cent of the annual target and 5.9 per cent of the equitable revenue share disbursed during the period. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.4.12 million.

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

Figure 18: Top Streams of Own Source Revenue in the FY 2023/24



Source: Elgeyo Marakwet County Treasury

The highest revenue stream of Kshs.177.66 million was from Facility Improvement Fund (FIF), contributing to 68.7 per cent of the total OSR receipts during the reporting period.

3.5.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.37 billion from the CRF account during the reporting period, which comprised Kshs.1.23 billion (23.0 per cent) for development programmes and Kshs.4.14 billion (77.0 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.2.75 billion was released towards Employee Compensation and Kshs.1.39 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of the FY 2023/24 was Kshs.449.08 million.

3.5.4 County Expenditure Review

The County spent Kshs.5.39 billion on development and recurrent programmes during the reporting period. The expenditure represented 100.3 per cent of the total funds released by the CoB and comprised of Kshs.1.26 billion and Kshs.4.13 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 49.4 per cent, while recurrent expenditure represented 96.4 per cent of the annual recurrent expenditure budget.

3.5.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.18.64 million, comprising of Kshs.7.95 million for recurrent expenditure and Kshs.10.69 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.17.15 million. They consisted of Kshs.6.46 million for recurrent expenditure and Kshs.10.69 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.1.49 million.

3.5.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.2.43 billion on employee compensation, Kshs.990.71 million on operations and maintenance, and Kshs.1.26 billion on development activities. Similarly, the County Assembly spent Kshs.299.39 million on employee compensation and Kshs.407.32 million on operations and maintenance, as shown in Table 3.30.

Table 3.30: 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	**3,534,377,961**	**706,848,845**	**3,393,792,315**	**706,716,501**	**96.0**	**100.0**
Compensation to Employees	2,503,739,267	299,405,495	2,434,890,408	299,394,201	97.3	100.0

Operations and Maintenance	1,030,638,694	407,443,350	990,706,589	407,322,300	96.1	100.0
Development Expenditure	**2,552,875,550**	-	**1,259,358,160**	-	**49.4**	-
Total	**6,087,253,511**	**706,848,845**	**4,684,955,157**	**706,716,501**	**77.0**	**100.0**

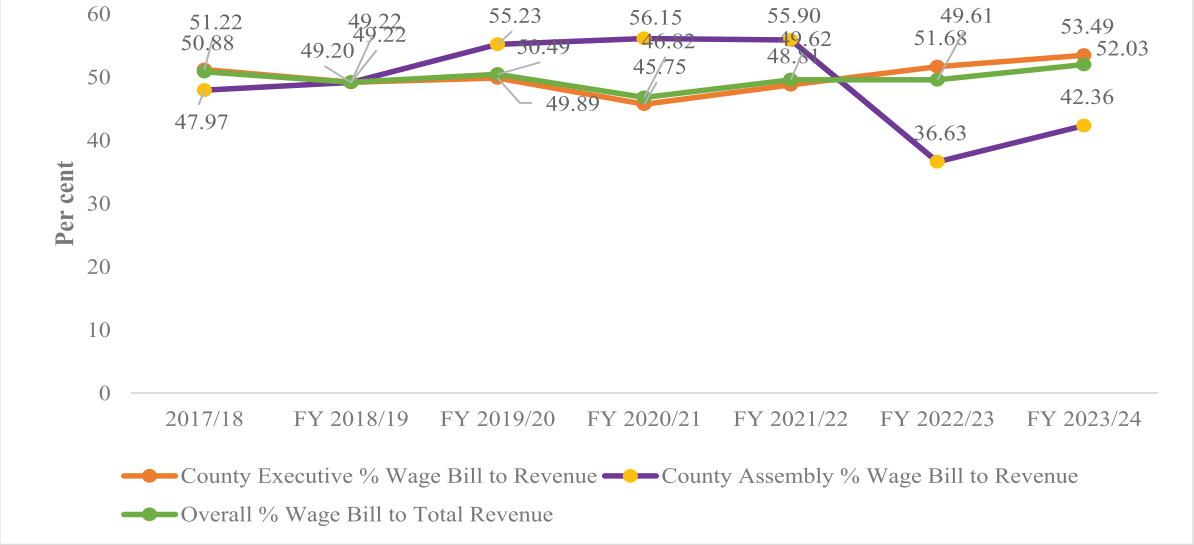
***Source**: Elgeyo Marakwet County Treasury*

3.5.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.2.73 billion, or 48.8 per cent of the available revenue, which amounted to Kshs.5.59 billion. This expenditure represented an increase from Kshs.2.50 billion reported in FY 2022/23. The wage bill included Kshs.1.33 billion paid to health sector employees, translating to 49.0 per cent of the total wage bill.

The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 19.

Figure 19: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Elgeyo Marakwet County Treasury

Further analysis indicates that PE costs amounting to Kshs.2.47 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.266.61 million was processed through manual payrolls. The manual payrolls accounted for 9.8 per cent of the total PE cost.

The County Assembly spent Kshs.29.02 million on committee sitting allowances for the 34 MCAs against the annual budget allocation of Kshs.29.02 million. The average monthly sitting allowance was Kshs.71,128 per MCA. The County Assembly has established 18 Committees.

3.5.8 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.257.25 million to county-established funds in FY 2023/24, constituting 3.7 per cent of the County's overall budget. Further, the County allocated Kshs.3.0 million to the Emergency Fund 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 FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Cumulative disbursements to the Fund	Submission of Financial Statements (Yes/No.)
	County Executive Established Funds					

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Cumulative disbursements to the Fund	Submission of Financial Statements (Yes/No.)
1	Elgeyo Marakwet County Education Fund	99,307,938	96,407,938	96,407,938	182,299,495	Yes
2	County Executive Car &Mortgage Loan Revolving Fund	120,000,000	-	-	120,000,000	Yes
3	Elgeyo Marakwet County Alcoholic Drinks and Control Fund	-	-	-	4,000,000	Yes
4	Emergency Fund	3,000,000	-		-	N/A
	County Assembly Established Funds					
1	Elgeyo Marakwet County Assembly MCA's and Staff Car Loan and Mortgage Fund	38,281,323	-	-	139,281,323	Yes
2	Elgeyo Marakwet County (County Assembly Catering Services Revolving Fund	-	-	-	11,000,000	Yes
	Total	**260,250,974**	**134,689,261**	**134,689,261**	**456,580,818**	

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

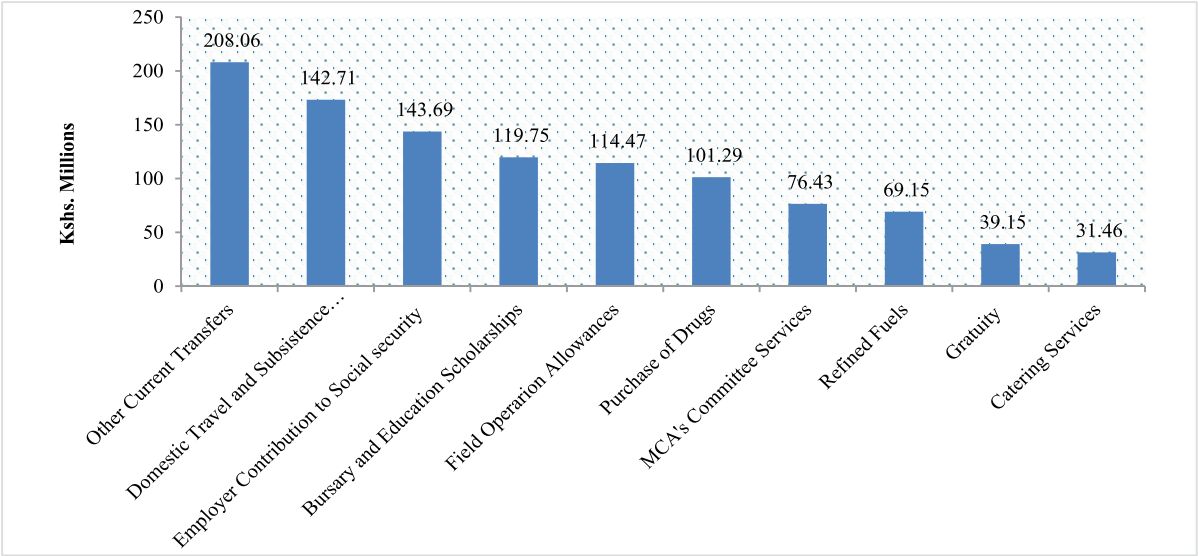
During the reporting period, the CoB received quarterly financial returns from all the Fund Administrators, as indicated in Table 3, which is in line with the requirement of Section 168 of the PFM Act, 2012.

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.

3.5.9 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.142.71 million and comprised Kshs.81.05 million spent by the County Assembly and Kshs.61.67 million by the County Executive. Expenditure on foreign travel amounted to Kshs.20.95 million and comprised Kshs.19.98 million by the County Assembly and Kshs.0.97 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.32 below; -

Table 3.32: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	47	24th Sept to 30th Sept, 2023	Bench marking Visit to EALA	Arusha	16,671,162
County Assembly	1	29th June- 10th July, 2023	Conference on Pandemic Strategic Public Administration and Management	Australia	565,515
County Assembly	1	19th -26th July, 2023	Training on Building Smart Cities	Dubai	1,600,618
County Assembly	1	26th Sept -30th Sept, 2023	Performance Management Symposium	Dubai	805,797
County Assembly	1	25th Feb – 2nd Mar, 2024	EALGA Executive Committee meeting and 8th EALGF Conference	Arusha	337,132
County Executive	1	20th May -14th June,2024	Training on Upgrading Maternal and Newborn units	Finland	966,320
Totals					**20,946,544**

Source: Elgeyo Marakwet County Treasury and Elgeyo Marakwet County Assembly

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

3.5.10 Development Expenditure

In the FY 2023/24, the County reported an expenditure of Kshs.1.26 billion on development programmes, representing a decrease of 10.5 per cent compared to FY 2022/23, when the County spent Kshs.1.39 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.33: 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	Roads, Public Works and Transport	Purchase of Tipper	Moiben ward	22,000,000	22,000,000	100
2	Health and Sanitation	Assorted Equipment for mother and child ward at Iten County referral Hospital	Iten town	86,000,000	82,490,250	95.9
3	Health and Sanitation	Kacherop Sub County Hospital	Sengwer	64,795,683	44,499,107	68.7
4	Health and Sanitation	Mogil Health Centre	Sambirir	4,000,000	4,000,000	100
5	Water, Environment and Climate Change	Kaplenge- Kilima-Sumbeiywet pipeline and water tank	Moiben/Kuserwo	4,498,741	4,498,741	100
6	Water, Environment and Climate Change	Boroko Water project	Embobut/Embolo	4,000,000	3,999,950	100
7.	Education and Technical Training	Sambirir Ward	Chesewer VTC	3,800,000	3,799,720	100
8	Education and Technical Training	Chepkum ECDE Centre	Arror	3,000,000	2,999,860	100
9	Roads, Public Works and Transport	Purchase of ward Grader	Cherangany	19,850,732	19,850,732	100
10	Agriculture, Livestock and Fisheries	Emergency Locust Response Project	Countywide	138,144,044	98,700,983	71.4

Source: Elgeyo Marakwet County Treasury

3.5.11 Budget Performance by Department

Table 3.34 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.34: 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	706.84	-	706.72	-	706.72	-	100.0	-	100.0	-
Office of the Governor	162.51	-	162.34	-	161.50	-	99.5	-	99.4	-
Finance and Economic Planning	219.15	-	216.06	-	214.25	-	99.2	-	93.9	-
Agriculture, Livestock and Fisheries	156.93	593.41	155.06	277.61	153.94	297.72	99.3	107.2	77.3	50.2
Water, Environment and Climate Change	56.07	534.17	54.84	316.43	52.00	210.17	94.8	66.8	87.4	39.3
Education and Technical Training	375.25	173.16	375.19	122.45	375.14	122.06	100.0	99.7	100.0	70.5
Health and Sanitation	1,771.66	408.10	1,684.76	120.06	1,684.76	280.03	100.0	233.2	95.6	68.6
Lands, Housing, Physical Planning and Urban Development	68.64	128.44	66.08	97.46	66.08	100.35	100.0	103.0	97.9	78.1
Roads, Public Works and Transport	186.42	257.58	185.86	205.51	185.86	204.35	100.0	99.4	99.7	79.3
Tourism, Culture, Wildlife, Trade and Industry	75.16	369.08	73.75	62.60	73.10	12.48	99.1	19.9	97.3	3.4
Youth Affairs, Sports, and ICT	94.84	59.84	94.75	25.92	94.75	25.92	100.0	100.0	99.9	43.3
Public Service Management	315.72	29.09	51.84	6.26	312.81	6.26	100.0	100.0	99.9	21.5
County Public Service Board	52.05	-	51.84	-	51.41	-	99.2		98.8	-
	4,241.23	**2,552.88**	**4,140.06**	**1,234.31**	**4,132.32**	**1,259.36**	**99.9**	**101.5**	**96.7**	**49.4**

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

Analysis of expenditure by departments shows that the Department of Roads, Public Works and Transport recorded the highest absorption rate of development budget at 79.3 per cent, followed by the Department of Lands, Housing, Physical Planning and Urban Development at 78.1 per cent. The Department of Education and Technical Training and the County Assembly had the highest percentage of recurrent expenditure to budget at 100.0 per cent, while the Department of Agriculture, Livestock and Fisheries had the lowest at 77.3 per cent.

The absorption of funds above the approved exchequers was due to some funds carried forward from the 2022/23 financial year in special purpose accounts for conditional grants.

The allocation for recurrent expenditure for both the County Assembly and Executive are within the ceilings in CARA,2023.

3.5.12 Budget Execution by Programmes and Sub-Programmes

Table 3.35 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.35: Elgeyo Marakwet County, budget execution by programmes and sub-programmes in the FY 2023/24

User Department	Programme	Sub-Programme	Approved FY 2023/24 Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
			Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development	Recurrent Expenditure	Development Expenditure
County Assembly	Legislation and Representation	Legislation and Representation	190,187,970	-	190,151,922	-	100	-
	Legislative Oversight	Legislative Oversight	111,454,965	-	111,451,662	-	100	-
	General Administration, Planning and Support Services	General Administration, Planning and Support Services	405,205,910	-	405,112,917	-	100	-
Subtotal			**706,848,845**	**-**	**706,716,500**			
Office of the Governor	General administration and support services	General administration and support services	143,511,550	-	142,498,938	-	99.3	-
		Disaster Management/ Peace building and conflict resolution	12,150,000	-	12,155,640	-	100.00	-
		Internal Audit	6,850,000	-	6,843,900	-	99.9	-
			162,511,550	**-**	**161,498,478**			
Finance and Economic Planning	General administration and support services	Finance and Planning Headquarters	169,757,117	-	158,761,855	-	93.5	-
		Economic Planning & Budgeting	19,322,103	-	19,253,463	-	99.6	-
		Accounting services	6,906,987	-	6,906,987	-	100	-
		Supply Chain Management	3,473,262	-	3,472,362	-	100.0	-
		Revenue Management Services	17,272,235	-	17,270,662	-	100.0	-
		Monitoring and Evaluation	2,414,180	-	600,000	-	24..8	-
Subtotal			**219,145,884**	**-**	**206,303,619**			
Agriculture Livestock Fisheries and Irrigation	General administration and support services	General administration and support services	156,927,049	-	121,333,260	-	77.3	-
	Crop Development	Agricultural Extension and Training Services	-	345,589,423	-	129,764,033	-	39
		Crop Commercialization	-	39,583,947	-	23,889,253	-	60
	Irrigation Development	Irrigation Development	-	55,680,996	-	46,583,904	-	84
	Livestock Development	Livestock Extension and Training Services	-	72,409,200	-	33,378,735	-	47
		Livestock Commercialization	-	32,484,555	-	29,648,111	-	91
	Cooperatives Development	Cooperatives Development	-	211,100	-	-	-	-
	Veterinary Services	Livestock Disease Control	-	41,886,394	-	31,249,654	-	75
		Breeding	-	5,564,404	-	3,284,474	-	59
Sub Total			**156,927,049**	**593,410,019**	**121,333,260**	**297,798,164**		

User Department	Programme	Sub-Programme	Approved FY 2023/24 Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
			Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development	Recurrent Expenditure	Development Expenditure
Water, Environment and Climate Change	General administration and support services	General administration and support services	56,072,511	-	48,988,594	-	87.4	-
	Energy	Energy	-	21,719	-	-	-	-
	Water Services	Water Services	-	283,220,580	-	186,876,253	-	66
	Environmental Management	Environmental Management	-	1,750,000	-	300,000	-	17
	Climate Change Management	Climate Change Management	-	249,181,388	-	24,348,500	-	10
Sub Total			**56,072,511**	**534,173,687**	**48,988,594**	**211,524,753**		
Education and Technical Training	General administration and support services	General administration and support services	375,148,122	-	375,040,693	-	100	-
		Pre-Primary Education	-	-	-	-	-	-
		Pre-primary Infrastructure Development	100,000	-	100,000	-	100	-
		Pre-primary Quality Control and Support	-	145,969,909	-	108,075,628	-	74
		Vocational Education and Training	-	1,685,000	-	755,000	-	44.8
		VTC Infrastructure Development	-	24,204,494	-	12,227,660	-	50.5
		VTC Quality Control and Support	-	1,300,000	-	1,000,000	-	76.9
Sub Total			**375,248,122**	**173,159,403**	**375,140,693**	**122,058,288**		
Health and Sanitation	General administration and support services	General administration and support services	1,766,070,761	-	1,687,792,949	-	96	-
		Community and Environmental Health	5,585,000	1,900,000	5,583,600	-	100	-
		Health Services	-	406,198,433	-	280,032,220	-	69
Sub Total			**1,771,655,761**	**408,098,433**	**1,693,376,549**	**280,032,220**		
Lands, Physical Planning, Housing and Urban Development	General administration and support services	General administration and support services	68,637,885	-	67,204,628	-	97.9	-
		Energy	-	16,035,922	-	2,459,	-	15.3
		Solid waste management	-	1,200,000	-	1,198,100	-	99.8
		County Public Land Management	-	44,074,944	-	32,074,944	-	72.8
		Physical Planning	-	2,699,950	-	499,950	-	18.5
		Urban Infrastructure	-	64,425,350	-	64,119,904	-	99.5
Sub Total			**68,637,885**	**128,436,166**	**67,204,628**	**100,352,288**		
Roads, Public Works and Transport	General administration and support services	General administration and support services	170,805,025	-	170,528,197	-	99.8	-
	Roads Improvement	Rural road Works	-	256,495,740	-	204,261,189	-	79.6
	Public Works	Public works	2,810,000	1,000,000	2,775,036	-	98.8	-
	Energy	Energy	-	86,038	-	86,038	-	100.0
	Transport Services	Transport Services	12,800,645	-	12,587,461	-	98.3	-

User Department	Programme	Sub-Programme	Approved FY 2023/24 Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
			Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development	Recurrent Expenditure	Development Expenditure
Sub Total			**186,415,670**	**257,581,778**	**185,890,694**	**204,347,227**		
Cooperatives, Trade, Industrialization, Tourism and Wildlife	General administration and support services	Cooperatives development	72,957,946	-	64,237,015	-	88.0	-
		Rimoi National Reserve	2,200,000	-	2,200,000	-	100.0	-
		General administration and support services	-	6,708,000	6,708,000	-	-	-
		Tourism Development	-	554,680	-	-	-	-
		Trade and enterprise development	-	361,820,800	-	12,483,189	-	3.5
Sub Total			**75,157,946**	**369,083,480**	**73,145,015**	**12,483,189**		
Sports, Youth Affairs, ICT and Social Services	General administration and support services	General administration and support services	94,837,553	-	94,781,204	-	99.9	-
		Sports Development	-	28,261,071	-	21,768,273	-	77.0
		Sports Talent Development	-	264,200	-	254,000	-	96.1
		Social Empowerment	-	4,821,000	-	3,345,876	-	69.4
		Social Protection	-	950,000	-	556,424	-	58.6
		Social Empowerment	-	-	-	-	-	-
		Culture Preservation	-	-	-	-	-	-
Sub Total			**94,837,553**	**34,296,271**	**94,781,204**	**25,924,573**		
Public Service Management and County Administration	General administration and support services	General administration and support services	4,758,000	-	4,696,575	-	98.7	-
		ICT services	704,121	11,000,000	703,140	-	99.9	-
		County Administration and Devolution	306,551,467	18,096,981	306,079,175	6,264,024	99.8	-
		Enforcement and Compliance	808,000	-	632,000	-	78.8	-
		Citizen Participation and Civic Education	500,000	-	494,200	-	98.8	-
		Human Resource Management	650,000	-	650,000	-	100.0	-
		Payroll Management	1,000,000	-	908,660	-	90.9	-
		County Communication Corporate Affairs	750,000	-	551,400	-	73.5	-
		Citizen Participation and Civic Education	-	-	-	-	-	-
		County Administration and Devolution	-	-	-	-	-	-
		ICT services	-	-	-	-	-	-
		Human Resource Management	-	-	-	-	-	-
Sub Total			**315,721,588**	**29,096,981**	**515,350,250**	**6,264,024**		
County Public Service Board	General administration and support services	General administration and support services	52,046,441	-	51,814,432	-	99.6	-
Sub Total			**52,046,441**	**-**	**51,814,432**	**-**		
Grand Total			**4,241,226,805**	**2,527,336,218**	**4,132,313,498**	**1,259,358,160**	**96.0**	**49.9**

Sub-programmes with the highest levels of implementation based on absorption rates were Human Resource Management in the Department of Public Service Management and County Administration at 100.0per cent, Accounting Services in the Department of Finance and Economic Planning at 100.0 per cent, Legislative Oversight in the County Assembly of at 100.0 per cent, and Pre-primary Infrastructure Development in the Department of Education and Technical Training at 100.0 per cent of budget allocation.

3.5.13 Accounts Operated Commercial Banks

The County government operated a total of 16 accounts with commercial banks. 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.

3.5.14 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;

1. 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 1st August,2024.

2. High wage bills accounted for 48.8 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided in law.

3. Use of manual payroll. Personnel emoluments amounting to Kshs.266.61 million were processed through the manual payroll, accounting for 9.8 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.

4. 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.
5. Low expenditure on development programmes which accounted for 23.4 per cent of total expenditure

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

2. *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.*
3. *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.*
4. *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.*
5. *The County should ensure development expenditure is above the ceiling provided in law.*

3.6. County Government of Embu

3.6.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.7.95 billion, comprising Kshs.2.63 billion (33 per cent) and Kshs.5.32 billion (67 per cent) allocation for development and recurrent programmes respectively. The approved supplementary budget estimates represented an increase of 8.9 per cent compared to the previous financial year when it was Kshs.7.30 billion and comprised of Kshs.2.19 billion towards development expenditure and Kshs.5.11 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.5.34 billion (67 per cent) as the equitable share of revenue raised nationally, Kshs.1.21 billion (15 per cent) as additional allocations/conditional grants, a cash balance of Kshs.650.19 million (8 per cent) brought forward from FY 2022/23, and generate Kshs.750 million (9 per cent) as gross own source revenue. The own-source revenue includes Kshs.367.20 million (5 per cent)

as Appropriations-in-Aid (A-I-A) and Kshs.382.80 million (5per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.36

3.6.2 Revenue Performance

In the FY 2023/24, the County received Kshs.4.91 billion as an equitable share of the revenue raised nationally, Kshs.493.79 million as additional allocations/conditional grants, had a cash balance of Kshs.650.19 million from FY 2022/23 and raised Kshs.746.49 million as own-source revenue (OSR). The raised OSR includes Kshs.329.75 million as A-I-A and Kshs.416.74 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.6.80 billion, as shown in Table 3.36.

Table 3.36: Embu County, Revenue Performance in the FY 2023/24

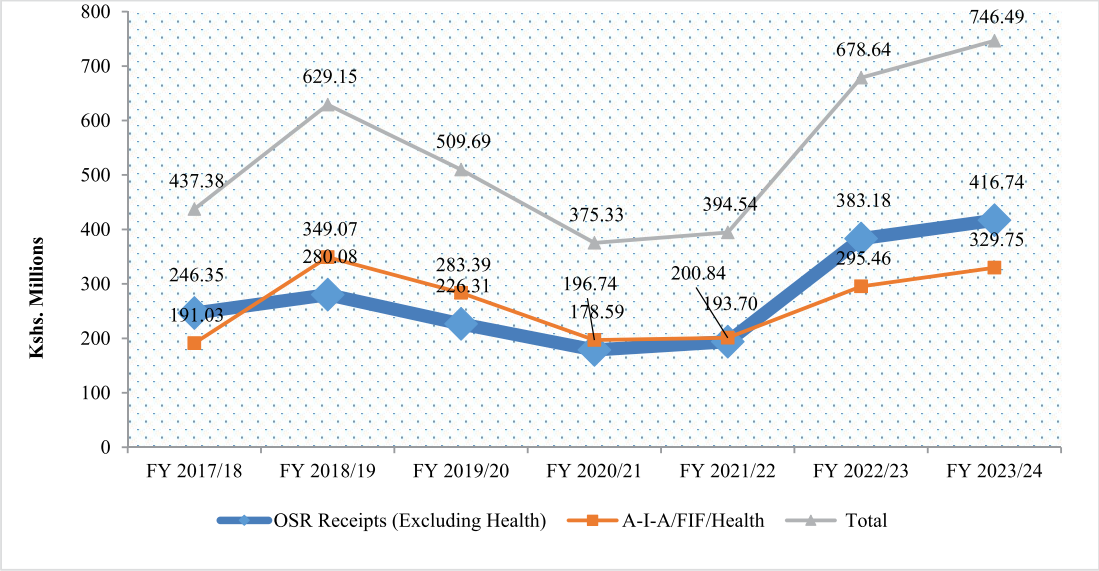
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	5,341,810,744	4,914,465,884	92
Sub Total		**5,341,810,744**	**4,914,465,884**	**92**
B	**Conditional Grants**			
1	Conditional Grant for Leasing of Medical Equipment	124,723,404	-	-
2	Conditional Grant for Aggregated Industrial Parks Programme (CAIP)	250,000,000	64,000,000	26
3	Conditional Grant for Provision of Fertilizer Subsidy Programme	110,930,145	-	-
4	Unconditional Allocations to County Governments from Court Fines and Mineral Royalties	2,142	-	-
5	Agriculture and Rural Inclusive Growth Project (NARIGP)	150,000,000	4,261,826	3
6	Conditional Allocation for National Agricultural Value Chain Development Project(NAVCDP)	250,000,000	198,906,697	79.6
7	Livestock Value Chain Support Project	35,809,200	-	-
8	Conditional Allocation for Primary Health Care in Devolved Context- DANIDA Grant	7,854,000	-	-
9	Financing Locally Led Climate Action (FLLoCA)-County Climate Institutional Support (CCIS) Grant	148,500,000	112,946,646	76.1
10	Agricultural Sector Development Support Programme (ASDSP)	961,306	961,306	100.0
11	Emergency Locust Response Project (ELRP)	106,400,361	105,215,628	98.9
12	Aquaculture Business Development Project(ABDP)	10,237,551	-	--
13	Kenya Nutrition Support Grant	11,000,000	7,500,000	68.2
14	Gov't of the People's Republic of China Grant-Kawanjara Smart Container Market	4,180,000	-	-
Sub-Total		**1,210,598,109**	**493,792,103**	**40.8**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	382,801,875	416,744,407	108.9
2	Balance b/f from FY2022/23	650,190,565	650,190,565	100.0
5	Appropriation in Aid (AIA)	367,198,125	329,749,667	89.8
Sub Total		1,400,190,565	1,396,684,639	99.7
Grand Total		**7,952,599,418**	**6,804,942,626**	**85.6**

Source: *Embu County Treasury*

The County surpassed the set Ordinary Own Source Revenue target of Kshs.382.8 million achieving Kshs.416.74 million, representing a 108.9 per cent performance.

Figure 21 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 21: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Embu County Treasury*

In FY 2023/24, the County generated a total of Kshs.746.49 million from its revenue sources, inclusive of AIA. This amount represented an increase 10 per cent increase compared to Kshs.678.64 million realized in FY 2022/23. It was 99.53 per cent of the annual target and 15.19 per cent of the equitable revenue share disbursed during the period.

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

i) Reorganization and Restructuring of the Embu County Revenue Authority (ECRA) Management.

ii) Implementation of cashless collection and automation of revenue streams.

iii) Sealing of revenue leakages.

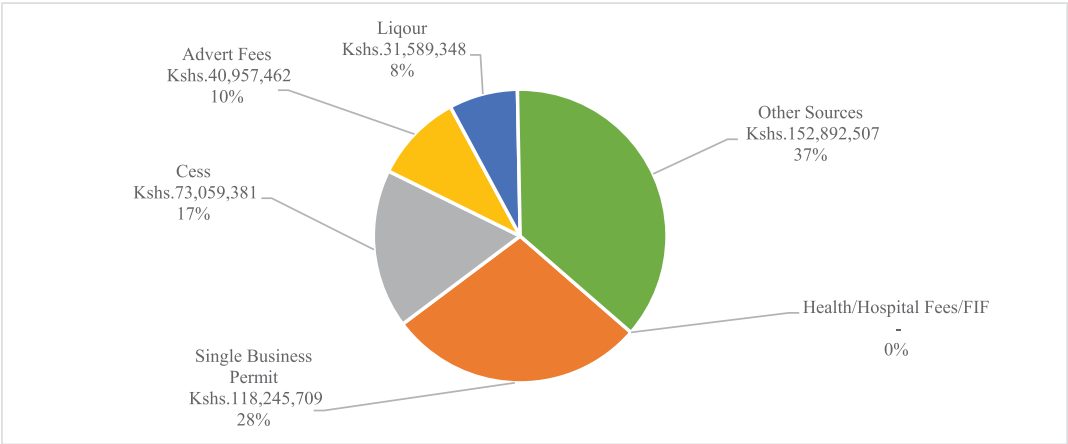
iv) Rotation and transfer of staff.

v) Revenue performance targets.

vi) Citizenry Partnership in Revenue Enhancement.

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

Figure 22: Top Streams of Own Source Revenue in the FY 2023/24



Source: *Embu County Treasury*

The highest revenue stream of Kshs.118.25 million was from Single Business Permit, contributing to 15.84 per cent of the total OSR receipts during the reporting period.

3.6.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.58 billion from the CRF account during the reporting period, which comprised Kshs.1.59 billion (24 per cent) for development programmes and Kshs.4.99 billion (76 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.3.59 billion was released towards Employee Compensation and Kshs.1.41 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.9.52 million.

3.6.4 County Expenditure Review

The County spent Kshs.6.64 billion on development and recurrent programmes in the reporting period. This expenditure represented 101 per cent of the total funds released by the CoB and was comprised of Kshs.1.59 billion and Kshs.5.05 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 60 per cent, while recurrent expenditures represented 95 per cent of the annual recurrent expenditure budget.

3.6.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.2.49 billion, comprising Kshs.1.26 billion for recurrent expenditure and Kshs.1.23 billion for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.671.30 million which comprised Kshs.332.15 million for recurrent expenditure and Kshs.339.15 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.1.82 billion.

The County Assembly reported outstanding pending bills of Kshs.22.06 million as of 30th June 2024

3.6.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.21 billion on employee compensation, Kshs.1.29 billion on operations and maintenance, and Kshs.1.56 billion on development activities. Similarly, the County Assembly spent Kshs.297.16 million on employee compensation, Kshs.252.65 million on operations and maintenance, and Kshs.29.21 million on development activities, as shown in Table 3.37.

Table 3.37: 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	**4,697,112,788**	**624,021,950**	**4,441,607,493**	**549,806,511**	**4,502,705,546**	**549,806,512**	**95.9**	**88.1**
Compensation to Employees	3,287,451,695	343,961,694	3,287,451,695	298,011,488	3,213,014,783	297,156,083	97.7	86.4
Operations and Maintenance	1,409,661,093	280,060,256	1,154,155,798	251,795,023	1,289,690,764	252,650,429	91.5	90.2
Development Expenditure	**2,601,464,680**	**30,000,000**	**1,557,229,946**	**29,212,756**	**1,557,229,946**	**29,212,756**	**59.9**	**97.4**

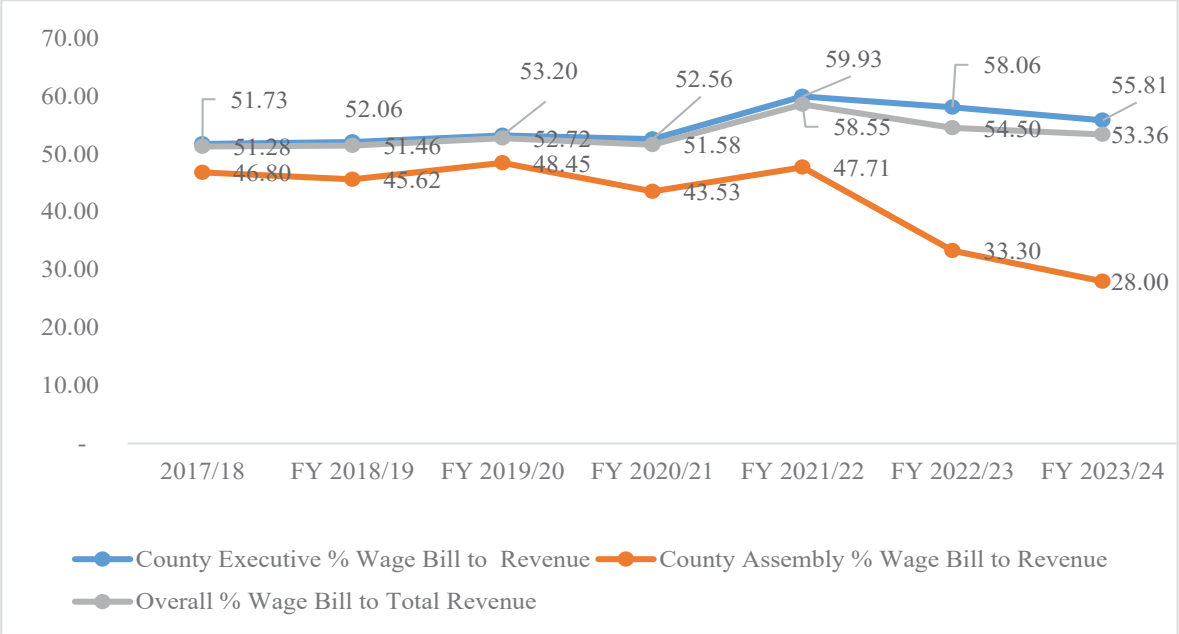
***Source**: Embu County Treasury*

3.6.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.3.51 billion, or 53.4 per cent of the available revenue, which amounted to Kshs.6.80 billion. This expenditure represented an increase from Kshs.3.41 billion reported in FY 2022/23. The wage bill included Kshs.1.58 billion paid to health sector employees, translating to 45 per cent of the total wage bill. Further analysis indicates that PE costs amounting to Kshs.3.51 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.162.14 million was processed through manual payrolls. The manual payrolls accounted for 4.62 per cent of the total PE cost.

Figure 23 shows the trend of personnel expenditures as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 23: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: *Embu County Treasury*

The County Assembly spent Kshs.80.12 million on committee sitting allowances for the 31 MCAs against the annual budget allocation of Kshs.86.78 million. The average monthly sitting allowance was Kshs.215,378.44 per MCA. The County Assembly has established 16 Committees.

3.6.8 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.285.35 million to county-established funds in FY 2023/24, constituting 2 per cent of the County's overall budget. Further, the County allocated Kshs.15.00 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.38 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.38: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Vote	Approved Supplementary Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 30th June 2024 (Yes/No.)
County Executive Established Funds						
1	Embu County Education Support Fund	Development	100,000,000.00	100,000,000.00	100,000,000.00	Yes
2	Embu County Emergency Fund	Development	15,000,000.00	15,000,000.00	15,000,000.00	Yes
3	Embu County Climate Change Fund	Recurrent	17,000,000.00	17,000,000.00	17,000,000.00	Yes
		Development	144,500,000.00	84,473,323.00	33,273,178.93	Yes
Sub-Total			**276,500,000.00**	**216,473,323.00**	**165,273,178.93**	
County Assembly Established Funds						
1	County Assembly of Embu Car Loan and Mortgage (MCAs)	Recurrent	8,848,000.00	8,848,000.00	8,848,000.00	Yes
Sub-Total			**8,848,000.00**	**8,848,000.00**	**8,848,000.00**	
TOTAL			**285,348,000.00**	**225,321,323.00**	**174,121,178.93**	

Source: *Embu County Treasury*

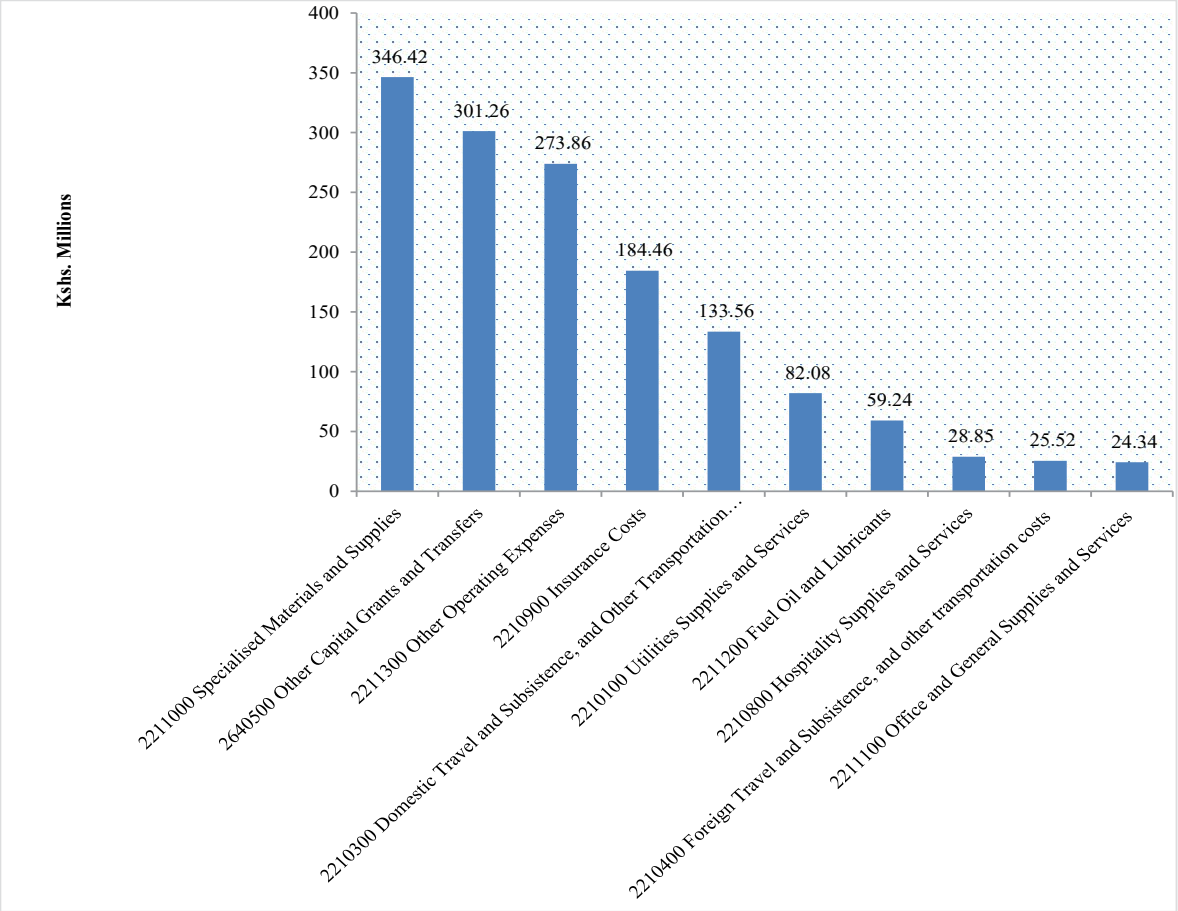
During the reporting period, the CoB received quarterly financial returns from all the Fund Administrators for the funds indicated in Table 3.38.

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.

3.6.9 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.133.56 million and comprised Kshs.89.66 million spent by the County Executive and Kshs.43.9 million by the County Assembly. Expenditure on foreign travel amounted to Kshs.25.52 million and comprised Kshs.16.5 million by the County Assembly and Kshs.9.02 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.39 below;-

Table 3.39: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

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	30th November to 12th December 2023	Attending the 28th Session of the Conference of Parties to the United Nations Framework on Climate Change (COP-28)	Dubai UAE	4,807,896
2	County Executive	3	11th to 22nd March 2024	Attending the 68th Session of the Commission on the Status of Women (CSW68-2024), New York, USA	New York, USA	3,111,040
3	County Executive	1	27th May 2024 to 7th June 2024	Strategic Planning Relationship Management Course	Arusha, Tanzania	699,179

S/No.	Arm of County Government	No. of Officers Travelled	Dates Travelled	Purpose of the Travel	Destination	Total Costs of the Travel (Kshs.)
4	County Assembly of Embu	41	5th-11th Feb 2024	Attend Bench marking visit with the East Africa Legislative Assembly (EALA) Regional Parliament.	Tanzania	14,500,000
TOTAL						**23,118,115**

Source: *Embu County Treasury and Embu County Assembly*

The operations and maintenance costs include Kshs.2.34 million on garbage collection and Kshs.20.48 million on Legal fees/Dues, arbitration, and compensation payments.

3.6.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.59 billion on development programmes, an increase of 34 per cent compared to FY 2022/23, when the County spent Kshs.1.18 billion. The table below summarises the development projects with the highest expenditure in the reporting period.

Table 3.40: Embu 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, Science and Technology	Scholarships And Other Educational Benefits (Bursary)	County Wide	100,000,000	100,000,000	100
2	Conditional Allocation for Emergency Locust Response Project (ELRP) Expenses	Purchase Of Breeding Stock	County Wide	32,236,000	32,236,000	100
3	Water Environment and Natural Resource	Purchase of Water Borehole Drilling Equipment	County Wide	32,000,000	32,000,000	100
4	County Assembly	Construction of The County Assembly Office Complex	Assembly	30,000,000	29,212,756	97
5.	Infrastructure, Public Works and Housing.	Construction of Stalls, Sheds and Ablution Block At The Relocated Embu Market	Kirimari	22,500,000	18,821,206	84
6	Education, Science and Technology	Capitation for Youth Polytechnics	County Wide	21,000,000	20,659,100	98
7	Water Environment and Natural Resource	Operationalization of Drilling Rig - Procurement of 10 Ton Lorry, Casings and A 3KVA Generator	County Wide	19,300,000	13,739,904	71
8	Infrastructure, Public Works and Housing.	Upgrading to Bitumen Standards of First Bus Park Embu-Runyenjes Exit Road to Mama Ngina	Runyenjes Central	18,821,206	22,816,500	121
9	Health	Construction of Gategi Health Centre (Upgrading from Level 3 To Level 4)	Mwea	18,284,586	17,566,670	96
10	Lands, Physical Planning and Urban Development & Water	Development of County Spatial Plan	County Wide	15,000,000	14,999,999	100
11	Water Environment and Natural Resource	Purchase of Test Pumping Unit	County Wide	14,500,000	14,400,000	99
12	Embu Municipal Board	First Bus Park Embu-Runyenjes Stalls Phase 2	Runyenjes Central	11,900,000	11,900,000	100
13	Embu Level 5 Hospital	Completion and Equipping of Badea Block B Phase 1	County Wide	10,388,508	10,209,446	98
14	Trade Tourism Investment and Industrialization	Conditional Grant for County Aggregated Industrial Park Programme-Counter Funding	County Wide	10,000,000	10,000,000	100

Source: *Embu County Treasury*

3.6.11 Budget Performance by Department

Table 3.41 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.41: Embu County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of Governor	276,284,841	15,000,000	229,394,319	15,000,000	268,009,081	15,000,000	116.8	100.0	97.0	100.0
County Public Service Board	29,565,052	-	27,628,325	-	27,767,167	-	100.5	-	93.9	-
Public Service and Administration	577,557,787	8,200,579	556,095,582	10,864,611	546,855,156	7,878,601	98.3	72.5	94.7	96.1
County Assembly	624,021,950	30,000,000	549,806,511	29,212,756	549,806,512	29,212,756	100.0	100.0	88.1	97.4
Finance and Economic Planning.	581,384,769	1,000,000	547,402,281	999,444	579,322,022	999,494	105.8	100.0	99.6	99.9
Trade Tourism Investment and Industrialization	26,006,296	338,676,384	22,148,286	101,264,050	24,999,030	119,680,539	112.9	118.2	96.1	35.3
Agriculture, Livestock, Fisheries and Cooperative Development	290,631,865	730,755,833	230,541,293	356,677,366	231,699,759	356,677,366	100.5	100.0	79.7	48.8
Water Environment and Natural Resources	31,990,326	151,164,368	29,827,801	88,821,944	30,279,924	128,079,988	101.5	144.2	94.7	84.7
Health	1,912,540,958	185,308,989	1,946,397,843	117,700,467	1,852,962,990	120,299,668	95.2	102.2	96.9	64.9
Embu Level 5 Hospital	224,326,400	116,000,000	174,036,444	17,500,696	222,032,767	21,984,489	127.6	125.6	99.0	19.0
Infrastructure, Public Works and Housing.	39,755,872	603,823,415	23,397,098	523,708,425	36,980,122	521,615,662	158.1	99.6	93.0	86.4
Education, Science and Technology	380,832,042	181,865,603	374,840,033	162,249,330	370,136,953	162,250,561	98.7	100.0	97.2	89.2
Youth Empowerment and Sports and Gender Empowerment	179,991,287	21,237,367	177,153,970	6,963,349	169,844,979	9,483,458	95.9	136.2	94.4	44.7
Lands, Physical Planning and Urban Development & Water	67,833,870	53,482,142	64,120,352	38,856,941	67,454,595	37,856,940	105.2	97.4	99.4	70.8
Embu County Revenue Authority (ECRA)	12,861,423	8,300,000	6,573,867	-	8,811,002	-	134.0	-	68.5	-
Embu Municipal Board	48,550,000	42,150,000	15,050,000	22,150,000	48,550,000	22,150,000	322.6	100.0	100.0	52.6
Climate Change Unit	17,000,000	144,500,000	17,000,000	84,473,323	17,000,000	33,273,179	100.0	39.4	100.0	23.0
Total	**5,321,134,738**	**2,631,464,680**	**4,991,414,004**	**1,576,442,702**	**5,052,512,058**	**1,586,442,702**	**101.2**	**100.6**	**95.0**	**60.3**

Source: Embu County Treasury

Analysis of expenditure by departments shows that the Department of Office of Governor recorded the highest absorption rate of development budget at 100.0 per cent, followed by the Department of Finance and Economic Planning at 99.9 per cent. The Department of Embu Municipal Board and Climate Change (FLLoCA) had the highest percentage of recurrent expenditure to budget, at 100.0 per cent. The Department of Embu Revenue Authority (ACRA) had the lowest at 68.5 per cent.

3.6.12 Budget Execution by Programmes and Sub-Programmes

Table 3.42 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

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

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
OFFICE OF GOVERNOR							
General Administration Planning and Support Services	Management of County Affairs (Office of Governor)	171,885,998	9,331,999	166,737,371	9,331,999	97	-
County Leadership and Coordination	Sub-County Administration and Field Services (Office of County Secretary)	26,099,711	1,417,000	25,317,927	1,417,000	97	-
County Leadership and Coordination	Management of County Executive Services (Office of County Secretary)	26,099,711	1,417,000	25,317,927	1,417,000	97	-
County Government Advisory Services	Public Sector Advisory Services (Legal, Political, and Economic Advisors)	52,199,422	2,834,000	50,635,854	2,834,000	97	-
Sub Total		**276,284,841**	**15,000,000**	**268,009,080**	**15,000,000**	**97**	**100**
COUNTY PUBLIC SERVICE BOARD							
General Administration Planning and Support Services	Recruitment and Selection, Career Management, HR Policy & Audit	12,417,322	-	11,662,210	-	93	-
General Administration Planning and Support Services	Administration of Board programmes/ Agenda	10,347,768	-	9,718,508	-	94	-
General Administration Planning and Support Services	Performance Management & Discipline	6,799,962	-	6,386,448	-	94	-
Sub Total		**29,565,052**	-	**27,767,167**	-	**94**	-
ADMINISTRATION, PUBLIC SERVICE, DEVOLUTION, GOVERNANCE, ICT AND GOVERNOR'S DELIVERY UNIT							
General Administration Planning and Support Services	Service delivery and management of County Affairs	252,407,050	3,583,856	238,989,240	3,443,143	95	-
Public Service	Human Resource Development	199,334,992	2,830,301	188,738,462	2,719,175	95	-
Public Service	Construction of Ward Offices	125,815,744	1,786,422	119,127,454	1,716,282	95	-
Sub Total		**577,557,787**	**8,200,579**	**546,855,156**	**7,878,601**	**95**	**96**
COUNTY ASSEMBLY							
General Administration, Planning and Support Services	Administrative Services	185,521,304	8,918,980	163,457,105	8,684,933	88	-
General Administration, Planning and Support Services	Legislation, Representation and Legislative Oversight	185,521,304	8,918,980	163,457,105	8,684,933	88	-
General Administration, Planning and Support Services	Representation Services	185,521,304	8,918,980	163,457,105	8,684,933	88	-
General Administration, Planning and Support Services	County Assembly Infrastructure Improvement	67,458,037	3,243,061	59,435,198	3,157,958	88	-
Sub Total		**624,021,950**	**30,000,000**	**549,806,512**	**29,212,756**	**88**	**97**
FINANCE AND ECONOMIC PLANNING							

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
General Administration Planning and Support Services	Administration, Planning and Support Services	387,788,666	667,009	386,412,796	666,671	99	-
Economic Policy and County Planning	Economic Development, Planning and Coordination Services	103,775,820	178,498	103,407,625	178,407	99	-
Financial Management Services	Control and Management of Public Finances	89,820,283	154,494	89,501,602	154,416	99	-
Sub Total		**581,384,769**	**1,000,000**	**579,322,022**	**999,494**	**99**	**99.**
TRADE, TOURISM, INVESTMENT AND INDUSTRIALISATION							
General Administration and Planning	General Administration and Support Services	1,616,920	21,056,920	1,554,294	7,441,037	96	-
Trade Development	Capacity Development	4,662,286	60,716,303	4,481,708	21,455,762	96	-
Trade Development	Weights and measures	4,662,286	60,716,303	4,481,708	21,455,762	96	-
Trade Development	Alcohol and licensing	4,662,286	60,716,303	4,481,708	21,455,762	96	-
Industrial Development and Investment	Investment promotion venture	2,860,693	37,254,402	2,749,893	13,164,859	96	-
Industrial Development and Investment	Promotion of value addition	2,860,693	37,254,402	2,749,893	13,164,859	96	-
Tourism development and promotion	Tourism Infrastructure Development	2,340,567	30,480,875	2,249,913	10,771,249	96	-
Tourism development and promotion	International and domestic Tourism Promotion & Marketing	2,340,567	30,480,875	2,249,913	10,771,249	96	-
Sub Total		**26,006,296**	**338,676,384**	**24,999,030**	**119,680,539**	**96**	**35**
AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVE DEVELOPMENT							
Administrative Support Services	General Administration and Support Services	36,571,035	91,953,087	29,155,440	44,881,729	79	-
Crop Development and Management	Agriculture Extension Services	62,970,717	158,331,636	50,201,997	77,280,684	79	-
Crop Development and Management	Irrigation and civil works	55,386,908	139,263,140	44,155,975	67,973,471	79	-
Livestock Resources Management and Development	Livestock productivity	53,992,575	135,757,272	43,044,374	66,262,278	79	-
Livestock Resources Management and Development	Value chain development	51,253,110	128,869,246	40,860,397	62,900,275	79	-
Fisheries Development	Promotion of fish production	15,228,760	38,290,726	12,140,788	18,689,465	79	-
Cooperative Development & Management	Capacity development in value addition	15,228,760	38,290,726	12,140,788	18,689,465	79	-
Sub Total		**290,631,865**	**730,755,833**	**231,699,759**	**356,677,366**	**79**	**49**
WATER, IRRIGATION, ENVIRONMENT AND NATURAL RESOURCES							
General Administration, Planning and Support Services	General Administration Services	6,398,065	30,232,873	6,055,985	25,615,997	95	-
Water Service Delivery	Domestic water supply	12,796,131	60,465,748	12,111,970	51,231,996	95	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Irrigation and civil works	Irrigation and civil works	3,199,033	15,116,437	3,027,992	12,807,999	95	-
Environmental Management and Conservation	Physical Planning Services	3,199,033	15,116,437	3,027,992	12,807,999	95	-
Forestry and Landscapes Conservation	Forestry and Landscapes Conservation	3,199,033	15,116,437	3,027,992	12,807,999	95	-
Climate Change Mitigation and Adaptation	Climate Change Mitigation and Adaptation	3,199,033	15,116,437	3,027,992	12,807,999	95	-
Sub Total		**31,990,326**	**151,164,368**	**30,279,924**	**128,079,988**	**95**	**85**
HEALTH							
Curative Health Services	Primary Healthcare	1,099,682,962	106,549,947	1,065,426,505	69,170,542	97	-
Preventive and Promotive Health Services	Health Promotion and Disease Control	454,242,522	44,012,246	440,092,317	28,572,055	97	-
General Administration Planning and Support Services	General Administration Services	358,615,474	34,746,796	347,444,168	22,557,071	97	-
Sub Total		**1,912,540,958**	**185,308,989**	**1,852,962,990**	**120,299,668**	**97**	**65**
EMBU LEVEL 5 HOSPITAL							
Curative Health Services	Primary Healthcare	152,020,646	78,610,431	150,466,305	14,898,363	98	-
Preventive and Promotive Health Services	Health Promotion and Disease Control	41,761,037	21,594,785	41,334,050	4,092,675	98	-
General Administration Planning and Support Services	General Administration Services	30,544,717	15,794,785	30,232,412	2,993,451	98	-
Sub Total		**224,326,400**	**116,000,000**	**222,032,767**	**21,984,489**	**99**	**19**
INFRASTRUCTURE, PUBLIC WORKS AND HOUSING							
General Administration, Planning and Support Services	General Administration Services	3,975,587	60,382,342	3,698,012	52,161,566	93	-
Road Development	Road Development	25,841,317	392,485,219	24,037,079	339,050,180	93	-
Public Works	Public Works	1,987,794	30,191,171	1,849,006	26,080,783	93	-
Renewable Energy Development	Energy	3,975,587	60,382,342	3,698,012	52,161,566	93	-
Transport and logistics	Transport and Logistics	3,975,587	60,382,342	3,698,012	52,161,566	93	-
Sub Total		**39,755,872**	**603,823,415**	**36,980,122**	**521,615,662**	**93**	**86**
EDUCATION, SCIENCE AND TECHNOLOGY							
Education Administration and Support Services	Human Resource Development	25,388,803	12,124,374	24,675,797	10,816,704	97	-
Education Administration and Support Services	General Operation and Maintenance	25,388,803	12,124,374	24,675,797	10,816,704	97	-
Education Administration and Support Services	Continuous assessment, monitoring and Evaluation	25,388,803	12,124,374	24,675,797	10,816,704	97	-
Access and Retention in ECDE Centres	Construction of ECD Classes.	22,849,923	10,911,936	22,208,217	9,735,034	97	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Access and Retention In ECDE Centres	Community mobilization and sensitization	22,849,923	10,911,936	22,208,217	9,735,034	97	-
Access and Retention In ECDE Centres	Development and review of nurturing care ACTS & Policies	22,849,923	10,911,936	22,208,217	9,735,034	97	-
Access and Retention In ECDE Centres	Facilitate school feeding Programmes/ Reintroduce school milk programmes	22,849,923	10,911,936	22,208,217	9,735,034	97	-
Access and Retention In ECDE Centres	Provide and improve on outdoor and indoor play equipment.	22,849,923	10,911,936	22,208,217	9,735,034	97	-
Improve Quality and Relevance of ECDE Services	Enhance the use of digital learning programmes	7,616,641	3,637,312	7,402,739	3,245,011	97	-
Improve Quality and Relevance of ECDE Services	Retooling of ECDE Teachers	7,616,641	3,637,312	7,402,739	3,245,011	97	-
Improve Quality and Relevance of ECDE Services	Provision of adequate and relevant learning materials	7,616,641	3,637,312	7,402,739	3,245,011	97	-
Improve Quality and Relevance of ECDE Services	Renovation of ECDE facilities	7,616,641	3,637,312	7,402,739	3,245,011	97	-
Improve Quality and Relevance of ECDE Services	Improve quality assurance	7,616,641	3,637,312	7,402,739	3,245,011	97	-
Improve on Transition from Pre-Primary to Primary School	Develop a county education management system to track the transition of children.	47,604,005	22,733,200	46,267,119	20,281,320	97	-
Improve on Transition from Pre-Primary to Primary School	Sensitisation of parents and BOMs on ECDE issues	47,604,005	22,733,200	46,267,119	20,281,320	97	-
Increase access and retention in Vocational training.	Refurbish existing VTCs	11,424,961	5,455,968	11,104,109	4,867,517	97	-
Increase access and retention in Vocational training.	Construction of dormitories in existing VTCs	11,424,961	5,455,968	11,104,109	4,867,517	97	-
Increase access and retention in Vocational training.	Construction of dining halls and kitchens in existing VTCs	11,424,961	5,455,968	11,104,109	4,867,517	97	-
Increase access and retention in Vocational training.	Provision of bursaries, grants, and scholarships	11,424,961	5,455,968	11,104,109	4,867,517	97	-
Increase access and retention in Vocational training.	Provision of modern tools and equipment	11,424,961	5,455,968	11,104,109	4,867,517	97	-
Sub Total		**380,832,042**	**181,865,603**	**370,136,953**	**162,250,561**	**97**	**89**
YOUTH EMPOWERMENT AND SPORTS, GENDER, CULTURE, CHILDREN AND SOCIAL SERVICES							
General Administration, Planning and Support Services	General Administrative Unit	21,598,954	2,548,484	20,381,397	1,138,015	94	-
Gender and Social Development	Gender mainstreaming and Development	26,998,693	3,185,605	25,476,747	1,422,519	94	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Children Services	Child Rehabilitation and Custody	17,999,129	2,123,737	16,984,498	948,346	94	-
Culture and Cultural Preservation	Cultural preservation	23,398,867	2,760,858	22,079,847	1,232,850	94	-
Youth Development and Empowerment Services	Youth Development and Empowerment Services	48,597,647	5,734,089	45,858,144	2,560,534	94	-
Management and development of Sport and Sport facilities	Community Sports programme	20,698,998	2,442,297	19,532,173	1,090,598	94	-
Management and Development of Sport and Sports facilities	Sports administration and development	20,698,998	2,442,297	19,532,173	1,090,598	94	-
Sub Total		**179,991,287**	**21,237,367**	**169,844,979**	**9,483,458**	**94**	**44**
LANDS, PHYSICAL PLANNING AND URBAN DEVELOPMENT							
General Administration, Planning and Support Services	General Administration Services	6,783,387	5,348,214	6,745,459	3,785,694	99	-
Physical Planning	Physical Planning Services	16,958,467	13,370,535	16,863,649	9,464,235	99	-
Physical Planning	Establishment and Promotion of Land Policy	6,783,387	5,348,214	6,745,459	3,785,694	99	-
Urban Development	Urban Development	27,133,548	21,392,857	26,981,838	15,142,776	99	-
Municipality of Embu	Municipality of Embu	3,391,694	2,674,107	3,372,730	1,892,847	99	-
Automation of land records and operations	Establishment of GIS (geo-referencing) Information Station	3,391,694	2,674,107	3,372,730	1,892,847	99	-
Valuation and Rating	Valuation Roll	3,391,694	2,674,107	3,372,730	1,892,847	99	-
Sub Total		**67,833,870**	**53,482,142**	**67,454,595**	**37,856,940**	**99**	**71**
EMBU COUNTY REVENUE AUTHORITY (ECRA)							
General Administration Planning and Support Services	General Administration Planning and Support Services	8,578,680	5,536,172	5,877,014	-	68	-
General Administration Planning and Support Services	Revenue Management Services	4,282,743	2,763,828	2,933,988	-	68	-
Sub Total		**12,861,423**	**8,300,000**	**8,811,002**	-	68	-
EMBU MUNICIPAL BOARD							
General Administration, Planning and Support Services	1) General Administration Services	3,054,193	2,651,580	3,054,193	1,393,416	100	-
Road Transport	1) Rural Roads Improvement and Maintenance Services	45,495,807	39,498,420	45,495,807	20,756,584	100.00	-
Sub Total		**48,550,000**	**42,150,000**	**48,550,000**	**22,150,000**	100	**53**
EMBU - FINANCING LOCALLY LED CLIMATE ACTION PROGRAM							
General Administration, Planning and Support Services	General Administration Services	9,350,000	79,475,001	9,350,000	18,300,249	100	-
Locally Led Climate Action Program	Environment and Natural Resource Management	1,700,000	14,450,000	1,700,000	3,327,318	100	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Locally Led Climate Action Program	Urban and Rural Development	4,250,000	36,125,000	4,250,000	8,318,295	100	-
Locally Led Climate Action Program	Social Development and Protection	1,700,000	14,450,000	1,700,000	3,327,318	100	-
Sub Total		**17,000,000**	**144,500,000**	**17,000,000**	**33,273,179**	100	**23**
Grand Total		**5,321,134,738**	**2,631,464,680**	**5,052,512,057**	**1,586,442,702**	**95**	**62**

Source: Embu County Treasury

Sub-programmes with the highest levels of implementation based on absorption rates were General Administration Services, Environment and Natural Resource Management, Urban and Rural Development and Social Development in the Department of Locally Led Climate Action at 100 per cent, General Administration Services and Rural Roads Improvement and Maintenance Services in the Department of Embu Municipal at 100 per cent, Administration, Planning and Support Services, Economic Development, Planning and Coordination Services.

Control and Management of Public Finances in the Department of Finance and Economic Planning at 99 per cent and General Administration Services, Physical Planning Services, Establishment and Promotion of Land Policy, urban development municipality of Embu, Establishment of GIS (geo-referencing) Information Station and Valuation Roll in the Department of Lands, Physical Planning and urban development at 99 per cent of Budget Allocation.

3.6.13 Accounts Operated Commercial Banks

The County government operated 31 accounts, mainly Revenue Collection Commercial Banks accounts, of which most of them are exempted as they are imprest bank accounts for petty cash and revenue collection bank accounts.

3.6.14 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;

1. 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 14th August 2024.
2. There was a high level of pending bills, which amounted to Kshs.1.82 billion for the county executive and 22.06 million for the county assembly as of 30th June 2024.
3. Low absorption for Development, which was at 23.9 per cent of total expenditure.
4. High wage bills accounted for 53.4 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided by law.
5. Use of manual payroll. Personnel emoluments amounting to Kshs.162.14 million were processed through manual payroll, accounting for 4.62 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.
6. 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:

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of*

the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.

2. *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.*

3. *The County Should develop strategies to enhance the absorption of Development expenditure to ensure it is within the threshold in law.*

4. *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.*

5. *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.*

6. *The County Government should ensure that bank accounts are opened and operated at the Central Bank of Kenya as the law requires. However, impress bank accounts for petty cash and revenue collection accounts are exempted.*

3.7. County Government of Garissa

3.7.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.10.70 billion, comprising Kshs.4.31 billion (40.3 per cent) and Kshs.6.39 billion (59.7 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 14.2 per cent compared to the previous financial year when it was Kshs.9.37 billion and comprised of Kshs.2.81 billion towards development expenditure and Kshs.6.56 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.8.25 billion (77.1 per cent) as the equitable share of revenue raised nationally, Kshs.1.59 billion (14.8 per cent) as additional allocations/conditional grants, a cash balance of Kshs.634.18 million (5.9 per cent) brought forward from FY 2022/23, and generate Kshs.230.00 million (2.1 per cent) as gross own source revenue. The own source revenue included Kshs139.00 million (1.3 per cent) and Kshs.91.00 million (0.9 per cent) as Facility Improvement Fund (revenue from health facilities). A breakdown of the additional allocations/conditional grants is provided in Table 3.43.

3.7.2 Revenue Performance

In the FY 2023/24, the County received Kshs.7.59 billion as an equitable share of the revenue raised nationally, Kshs.684.80 million as additional allocations/conditional grants, a cash balance of Kshs.634.18 million from FY 2022/23 and raised Kshs.248.97 million as own-source revenue (OSR). The raised OSR includes Kshs.151.91 million as FIF and Kshs.97.06 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.9.16 billion, as shown in Table 3.43.

Table 3.43: Garissa County, Revenue Performance in the FY 2023/24

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**	8,248,748,101	7,588,848,254	92.0
Subtotal		**8,248,748,101**	**7,588,848,254**	**92.0**
B	**Additional Allocations/Conditional Grants**			
1	Lease of medical equipment	124,723,404	-	-
2	Conditional Grant for the Provision of the Fertilizer Subsidy Program	3,965,101	-	-

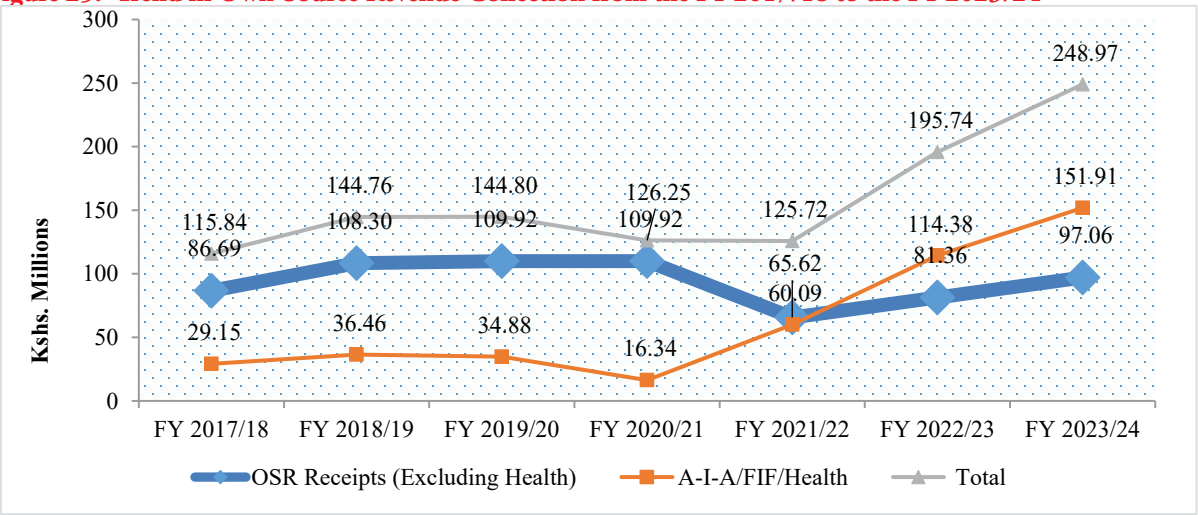
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
3	Conditional grant for Transfer of Library services	19,694,322	-	-
4	Conditional Grant for aggregated Industrial parks program	250,000,000	102,500,000	41.0
5	Unconditional Allocation for Mineral Royalties	844,692	-	-
6	Kenya Climate Smart Agricultural Project (World Bank) KCSAP	90,000,000	-	-
7	Sweden Agricultural Sector Development Support Program (ASDSP)II	3,047,337	-	-
8	DANIDA Grant (Universal Healthcare in Devolved System Program	12,820,500	-	-
9	De-risking, inclusion &value Enhancement of Pastoral Economies in the Horn of Africa projects (Drive project)	128,454,980	-	-
10	Emergency Locust Response Project World Bank	169,365,353	168,180,619	99.3
11	Water and Sanitation Development Project (World Bank)	600,000,000	414,119,657	69.0
12	Financing locally-led climate action program (FLLoCA) County climate Institutional support (CCIS) Grant level 1 (World Bank)	11,000,000	-	-
13	FLLOCA County Climate Resilience Investment (CCRI)	173,580,354	-	-
Subtotal		**1,587,496,043**	684,800,276	**43.1**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	139,000,000	97,056,232	69.8
2	Facility Improvement Fund (FIF)	91,000,000	151,912,817	166.9
Subtotal		**230,000,000**	**248,969,049**	**108.2**
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2022/23	634,176,980	634,176,980	100.0
Sub Total			**634,176,980**	**100.0**
Grand Total		**10,700,421,124**	9,156,794,559	**85.6**

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 FY 2017/18 to the FY 2023/24.

Figure 25: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Garissa County Treasury*

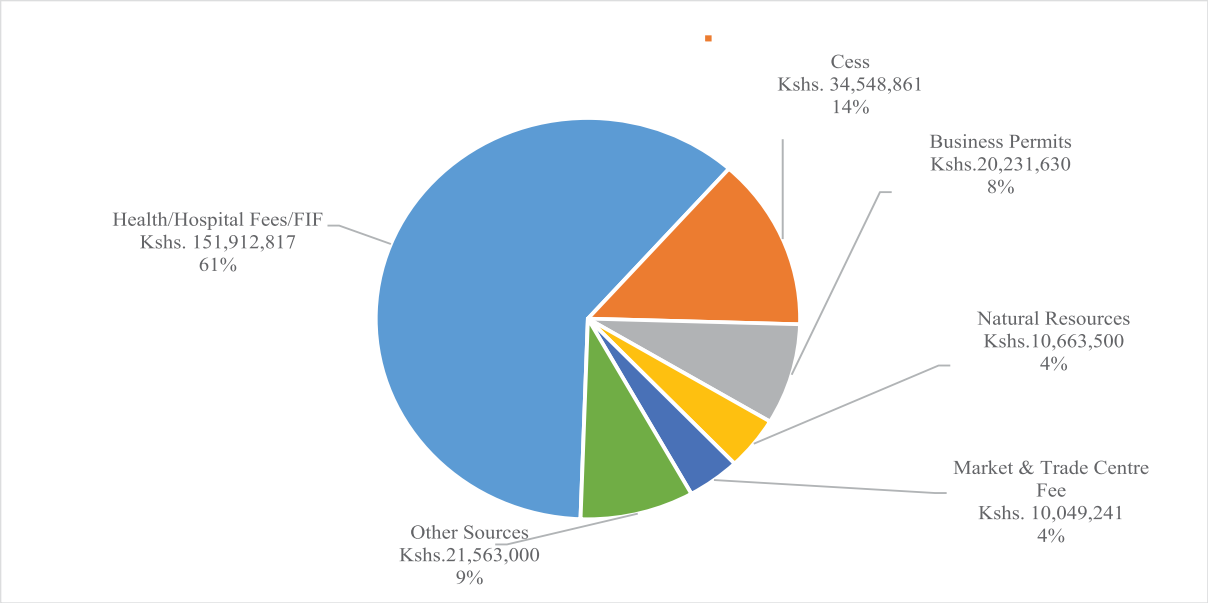
In FY 2023/24, the County generated a total of Kshs.248.97 million from its sources of revenue, including FIF. This amount represented an increase of 27.2 per cent compared to Kshs.195.74 million realized in a similar

period in FY 2022/23 and was 108.2 per cent of the annual target and 3.3 per cent of the equitable revenue share disbursed during the period.

The increase in OSR can be attributed to Policy Reforms. The county managed to implement the FIF Act. The County also enhanced Revenue Collection efforts by improving the efficiency of FIF administration and collection processes, reducing tax evasion, and enhancing compliance, all of which aimed to enhance revenue mobilization.

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

Figure 26: Top Streams of Own Source Revenue in the FY 2023/24



Source: *Garissa County Treasury*

The highest revenue stream of Kshs.151.91 million was from Health (Hospital Fees/FIF), contributing 61.0 per cent of the total OSR receipts during the reporting period.

3.7.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.8.92 billion from the CRF account comprised Kshs.2.89 billion (32.3 per cent) for development programmes and Kshs.6.04 billion (67.7 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.4.35 billion was released towards Employee Compensation and Kshs.1.69 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.1.26 billion.

3.7.4 County Expenditure Review

The County spent Kshs.7.19 billion on development and recurrent programmes in the reporting period. The expenditure represented 80.6 per cent of the total funds released by the CoB and comprised Kshs.1.93 billion and Kshs.5.26 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 44.8 per cent, while recurrent expenditure represented 82.4 per cent of the annual recurrent expenditure budget.

3.7.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.993.67 million, comprising Kshs.186.94 million for recurrent expenditure and Kshs.806.72 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.615.73 million which comprised Kshs.169.17 million for recurrent expenditure and Kshs.446.56 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.377.94 million.

The County Assembly reported outstanding pending bills of Kshs.0.74 million as of 30th June 2024.

3.7.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.48 billion on employee compensation, Kshs.868.67 million on operations and maintenance, and Kshs.1.86 billion on development activities. Similarly, the County Assembly spent Kshs.555.76 million on employee compensation, Kshs.361.56 million on operations and maintenance, and Kshs.69.20 million on development activities, as shown in Table 3.44.

Table 3.44: 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	**5,425,325,102**	**963,731,729**	**4,345,239,484**	**917,318,652**	**80.1**	**95.2**
Compensation to Employees	3,806,570,004	590,399,420	3,476,565,453	555,760,488	91.3	94.1
Operations and Maintenance	1,618,755,098	373,332,309	868,674,031	361,558,164	53.7	96.8
Development Expenditure	**4,158,273,645**	**153,000,000**	**1,862,468,258**	**69,202,630**	**44.8**	**45.2**
Total	**9,583,598,747**	**1,116,731,729**	**6,207,707,742**	**986,521,282**	**64.8**	**88.3**

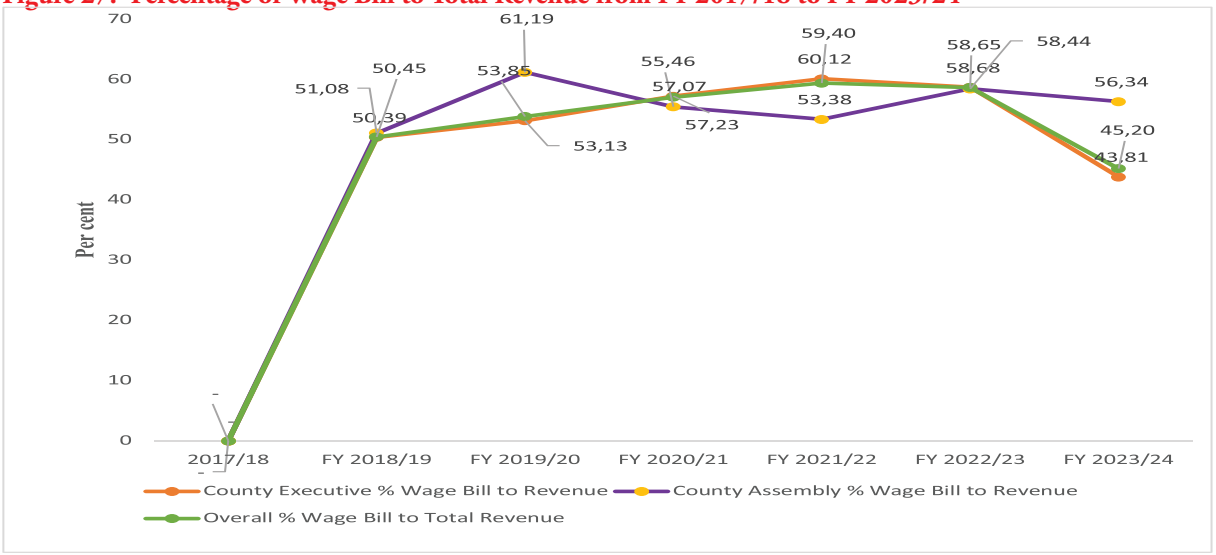
***Source**: Garissa County Treasury*

3.7.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.03 billion, or 44.2 per cent of the available revenue, which amounted to Kshs.9.13 billion. This expenditure represented a decrease from Kshs.4.77 billion reported in FY 2022/23. The wage bill included Kshs.1.94 billion paid to health sector employees, translating to 48.1 per cent of the total wage bill.

Figure 27 shows the trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 27: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Garissa County Treasury

Further analysis indicates that PE costs amounting to Kshs.3.55 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.480.38 million was processed through manual payrolls. The manual payrolls accounted for 11.9 per cent of the total PE cost.

The County Assembly spent Kshs.22.40 million on committee sitting allowances for the 49 MCAs, including the Speaker, against the annual budget allocation of Kshs.30.83 million. The average monthly sitting allowance was Kshs.38,089 per MCA. The County Assembly has established 19 Committees.

3.7.8 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.160 million to county-established funds in FY 2023/24, constituting 1.5 per cent of the County's overall budget. Further, the County allocated Kshs.70 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.45 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.45: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Supplementary Budget II Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1	Disaster Management Fund/Emergency	70,000,000	70,000,000	-	70,000,000	No
2	Bursary Fund	50,000,000	50,000,000	-	50,000,000	No
3	Micro and Small Enterprises Development Revolving Fund	40,000,000	40,000,000	-	40,000,000	No
	Totals	**160,000,000**	**160,000,000**	-	**160,000,000**	

***Source**: Garissa County Treasury*

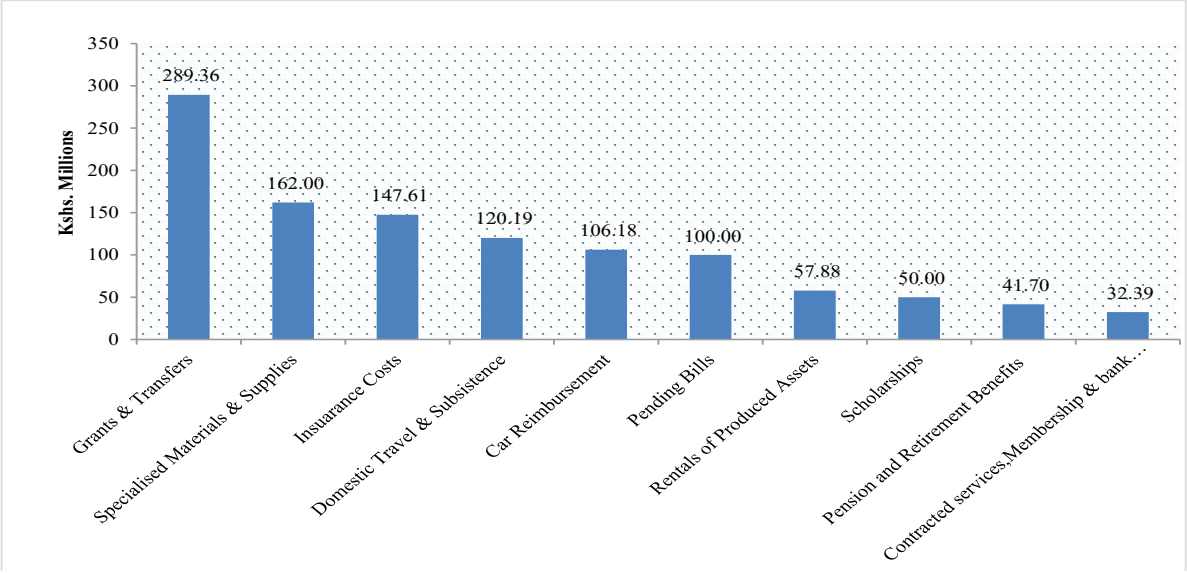
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of all funds, as indicated in Table 3.43, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.7.9 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.120.19 million and comprised Kshs.106.72 million spent by the County Assembly and Kshs.13.47 million by the County Executive. Expenditure on foreign travel amounted to Kshs.13.56 million and comprised Kshs.9.75 million by the County Assembly and Kshs.3.82 million by the

County Executive. Expenditure on foreign travel is summarized in Table 3.46 below;-

Table 3.46: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	1	3rd July to 14th July 2023	Attended Parliamentary Proceedings and Procedures workshop in Lusaka, Zambia	Lusaka Zambia	912,537.00
County Assembly	4	24th Aug to 27th August 2023	Attended the 8th International Conference on Social Sciences, Humanities and Education held in Oxford, United Kingdom	Britain	2,705,938.00
County Assembly	1	20/9/2023 - 28/9/2023	IFPSM World Summit	Italy	850,512.00
County Assembly	1	23th Feb to 27th Feb 2024	African Youth Leadership Diplomatic Conference in Addis Ababa, Ethiopia	Ethiopia	489,000
County Executive	1	24th Nov to 1st December 2023	CECM Water, Environment, Natural Resources and Climate Change/ National Chairperson Caucus of County CECs to attend the 28th UN Climate Change Conference for 7 DAYS.	UAE, Dubai	761,725

Source: *Garissa County Treasury and Garissa County Assembly*

The operations and maintenance costs include an expenditure of Kshs7.00 million on Legal fees/Dues, arbitration, and compensation payments.

3.7.10 Development Expenditure

In the FY 2023/24, the County reported an expenditure of Kshs.1.93 billion on development programmes, representing an increase of 20.9 per cent compared to FY 2022/23, when the County spent Kshs.1.60 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.47: 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	Water, Environment and Natural Resources	Proposed Qone-Modogashe pipeline project,	Lagdera	457,911,266	182,769,790	39.9
2	County Assembly	Construction of Buildings-Construction of Additional office block extension	County Assembly	98,570,082	95,565,592	95
3	Trade, Tourism, Investment and Industrialization	Aggregated industrial parks program	Township	490,600,000	80,000,000	16.3
4	Health and Sanitation	Proposed Construction of Mother and Child Hospital,	Township	663,678,404	50,000,000	7.5
5	County Assembly	Proposed Construction of Chambers at the County Assembly offices	County Assembly	43,164,658	35,000,000	90
6	Water, Environment and Natural Resources	Proposed Maramutu Water Project at Garissa Township.	Township	38,275,602	25,365,000	66.3
7	Health and Sanitation	Proposed Renovation and Expansion of Eye Unit	Township	24,497,668	19,937,386	81.4
8	Water, Environment and Natural Resources	Proposed ADC Water Project at Garissa Township	Township	24,680,552	17,883,388	72.5

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
9	Health and Sanitation	Proposed Construction of Outpatient Unit at Bulla Medina Health Centre	Township	19,354,345	15,500,000	80.1
10	Roads, Transport and public works	Proposed construction of new box culvert at Dobale Road	Township	15,866,360	13,486,398	85.0

Source: Garissa County Treasury

3.7.11 Budget Performance by Department

Table 3.48 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.48: Garissa 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 & Pastoral	128.31	517.82	119.37	221.16	99.30	217.80	83.2	98.5	77.4	42.1
Gender, Social Service and Sport	46.21	70.00	38.80	-	27.58	-	71.1	-	59.7	-
Roads, Transport & Public Works	46.07	288.00	35.42	152.22	24.05	163.94	67.9	107.7	52.2	56.9
Education, Information & ICT	515.21	119.69	487.15	36.84	456.12	32.63	93.6	88.6	88.5	27.3
Lands, Physical Planning and Urban Development	358.04	205.00	351.30	175.41	353.04	51.60	100.5	29.4	98.6	25.2
Finance and Economic Planning	1,032.16	741.18	920.03	614.59	596.06	481.39	64.8	78.3	57.7	64.9
Health and Sanitation	2,464.76	324.72	2,447.92	196.68	2,258.69	144.74	92.3	73.6	91.6	44.6
Trade, Investments Development and Tourism	75.00	440.00	61.20	142.50	61.67	142.50	100.8	100.0	82.2	32.4
Water, Environment and Natural Resources	220.80	1,436.86	200.58	1,276.70	171.74	627.86	85.6	49.2	77.8	43.7
County Affairs, Public Service and Intergovernmental Relations	504.77	-	429.63	-	270.99	-	63.1	-	53.7	-
County Public Service Board	34.07	15.00	27.80	-	26.00	-	93.5	-	76.3	-
County Assembly	963.73	153.00	917.32	69.20	917.32	69.20	100.0	100.0	95.2	45.2
Totals	**6,389.15**	**4,311.27**	**6,036.53**	**2,885.30**	**5,262.56**	**1,931.67**	**87.2**	**66.9**	**82.4**	**44.8**

***Source**: Garissa 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 64.9 per cent, followed by the Department of Roads, Transport & Public Works at 56.9 per cent. The Department of Lands, Physical Planning and Urban Development had the highest percentage of recurrent expenditure to budget at 98.6 per cent, while the Department of Roads, Transport & Public Works had the lowest at 52.2 per cent.

3.7.12 Budget Execution by Programmes and Sub-Programmes

Table 3.49 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.49: Garissa County, Budget Execution by Programmes and Sub-Programmes

Programme (CP)	Sub-Programme (CSP)	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Department of Agriculture, Livestock & Pastoral							
CP 1: Administration	CSP 1.1 Agriculture Administration & Support Services	61,442,159	163,000,000	43,946,433	49,622,223	71.5	30.4
CP 2: Agriculture Department	CSP 2.1: Extension and Exhibition	1,000,000	-	300,000	-	30.0	-
	CSP 2.2: Irrigation Development	11,412,438	-	10,562,438	-	92.6	-
CP 3: Co-operatives	CSP 3.1: Co-operatives	600,000	-	-	-	-	-
CP 4: Fisheries Department	CSP 4.1: Fisheries	-	-	-	-	-	-
CP 5: Livestock Department	CSP5.1: Livestock	47,259,147	169,365,353	43,438,470	168,180,619	91.9	99.3
	CSP 5.2: Livestock Production	3,050,000	128,454,980	800,000	-	26.2	-
	CSP5.3: Veterinary Services	3,350,000	30,000,000	250,000	-	7.5	-
	CSP 5.4: Livestock Value Chains Development	-	27,000,000	-	-	-	-
	Sub Total	**128,313,744**	**517,820,333**	**99,297,341**	**217,802,842**	**77.4**	**42.1**
Department Gender, Social Service and Sport							
CP 1: Administration Operations and Maintenance	CSP 1.1: Children	1,500,000	4,000,000	-	-	-	-
	CSP 1.2: Culture and Heritage	1,500,000	5,000,000	-	-	-	-
	CSP 1.3: Library and Museum	3,263,600	50,000,000	871,365	-	26.7	-
CP 2: Cinemas	CSP 2.1: Cinemas Headquarters	1,500,000	3,000,000	-	-	-	-
CP 3: Cultural activities	CSP 3.1 Administration And Support Services	35,422,346	-	26,708,832	-	75.4	-
CP 4: Social Protection Cultural Promotion and Preservation	CSP 4.1: Social Protection	3,025,000	8,000,000	-	-	-	-
	Sub-Total	**46,210,946**	**70,000,000**	**27,580,197**	-	**59.7**	-
Department Roads, Transport & Public Works							
CP1: Administration & Support Services	**CSP 1.1: Administration & Services**	31,406,400	-	21,882,800	-	69.7	-
CP 2: Transport services	CSP 2.1: Roads	2,417,200	288,000,000	517,200	163,935,634	21.4	56.9
	CSP 2.2: Transport	2,000,000	-	650,000	-	32.5	-
CP3: Public Works & Housing	CSP3.1: Public Works	10,250,000	-	1,000,000	-	9.8	-
	Sub-Total	**46,073,600**	**288,000,000**	**24,050,000**	**163,935,634**	**52.2**	**56.9**
Department of Education, Information & ICT							
CP1. General Administration & Support Services	CSP1.1 Administration	444,889,663	-	423,088,122	-	95.1	-
CP2. Education Development	CSP 2.1 ECD and Schools	44,234,909	90,000,000	30,000,000	32,634,858	67.8	36.3
	CSP 2.2 Vocational Training Centre	3,001,200	5,000,000	-	-	-	-
CP3. ICT, Information & Libraries	CSP3.1: Information Research and Statistics	23,082,733	24,694,322	3,027,971	-	13.1	-

Programme (CP)	Sub-Programme (CSP)	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Sub-Total	**515,208,505**	**119,694,322**	**456,116,093**	**32,634,858**	**88.5**	**27.3**
Department Lands, Physical Planning and Urban Development							
CP1: Administration and Services	CSP 1.1 Urban Administration and Support Services	294,155,273	-	283,017,576	-	96.2	-
CP2: Land & Physical planning	CSP 2.1 Lands Services	8,000,000	10,000,000	500,000	-	6.3	-
	CSP 2.2 Physical planning	12,374,997	-	959,320	-	7.8	
CP 3: Urban development	CSP 3.0 Urban Development and Infrastructure	2,500,000	-	-	-	-	-
	CSP 3.1 Urban Disaster & Risk Management	7,664,626	-	6,500,000	-	84.8	-
	CSP 3.2 Urban Sanitation Services	1,350,000	-	68,000	-	5.0	-
	CSP 3.4 Municipalities	32,000,000	195,000,000	62,000,000	51,600,000	193.8	26.5
	Sub-Total	**358,044,896**	**205,000,000**	**353,044,896**	**51,600,000**	**98.6**	**25.2**
Department of Finance and Economic Planning							
CP1: Administration & Support Services	CSP 1.1 Administration	684,025,320	741,176,980	405,172,861	481,390,000	59.2	64.9
CP2: Public Finance Management	CSP2.1 Accounting Services	3,713,739	-	853,450	-	23.0	-
	CSP2.2 Budget Formulation	11,180,000	-	1,376,960	-	12.3	-
	CSP2.3 Audit Services	6,462,600	-	670,300	-	10.4	-
	CSP2.4 Revenue	142,127,781	-	123,567,321	-	86.9	-
	CSP2.5 Supply Chain Management	5,630,000	-	547,600	-	9.7	-
P3: Economic Planning	CSP 3.1 Planning & M&E	31,086,000	-	7,051,000	-	22.7	-
P4: Donor Co-ordinations	CSP 4.1: Donor Co-ordinations	2,000,000	-	-	-	-	-
P8: Special Programs	CSP 8.1: Special Program	145,930,648	-	56,822,985	-	38.9	-
	Sub-Total	**1,032,156,088**	**741,176,980**	**596,062,477**	**481,390,000**	**57.7**	**64.9**
Department of Health and Sanitation							
CP 1: Administration Finance and HR	CSP1.1: Administration Finance and HR	2,122,250,159	-	1,987,783,624	-	93.7	-
CP 2: Preventive and Promotive Health	CSP 2.1: Level Five Hospital	180,000,000	234,723,404	136,188,117	56,000,000	75.7	23.9
	CSP 2.2: Sub Counties	162,510,500	90,000,000	134,716,770	88,744,243	82.9	98.6
	Sub-Total	**2,464,760,659**	**324,723,404**	**2,258,688,511**	**144,744,243**	**91.6**	**44.6**
Department Trade, Investments Development and Tourism							
CP 1: Administration and policy formulation	CSP 1.1: Administration	69,047,996	-	59,300,255	-	85.9	-
	CSP 1.2: Industrialization and Investment	1,800,000	400,000,000	-	102,500,000	-	25.6
	CSP 1.3: Micro Enterprise	1,600,000	40,000,000	1,410,000	40,000,000	88.1	100.0
	CSP 1.4: Tourism	1,802,259	-	962,135	-	53.4	-
CP 2: Trade Department	CSP 2.1: Trade	750,000	-	-	-	-	-
	Sub-Total	**75,000,255**	**440,000,000**	**61,672,390**	**142,500,000**	**82.2**	**32.4**
Department of Water, Environment and Natural Resources							

Programme (CP)	Sub-Programme (CSP)	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
CP1: Administration Department	CSP 1: Administration	160,056,361	43,000,000	132,004,831	-	82.5	-
CP2: Natural Resource Management	CSP 2.1: Environment and Natural Resources	43,148,025	253,580,354	28,735,574	253,580,354	66.6	100.0
	CSP 2.2: Land Reclamation	12,600,000	30,000,000	11,000,000	-	87.3	-
CP 3: Water Infrastructure Development	CSP 3.1: Irrigation Services	5,000,000	30,000,000	-	-	-	-
	CSP 3.2: Water Infrastructure	-	1,080,278,252	-	374,280,327	-	34.6
	Sub-Total	**220,804,386**	**1,436,858,606**	**171,740,405**	**627,860,681**	**77.8**	**43.7**
Department of County Affairs, Public Service and Intergovernmental Relation							
CP1: Administration and Planning	CSP 1.1: County Attorney	48,200,000	-	15,000,000	-	31.1	-
	CSP 1.2: Human Resource	91,891,478	-	71,876,000	-	78.2	-
	CSP 1.3: Street Lighting Headquarters	70,656,215	-	51,000,000	-	72.2	-
	CSP 1.4: Governor's Office	113,900,000	-	25,356,700	-	22.3	-
	CSP 1.5: Deputy Governors Office	40,120,000	-	15,869,435	-	39.6	-
	CSP 1.6: Donor Coordination	16,780,548	-	12,750,000	-	76.0	-
	CSP 1.7: Intergovernmental and Institutional Relations	18,812,430	-	9,000,000	-	47.8	-
	CSP 6.1: Administration-Operations and Sub-County Offices	104,410,000	-	70,133,079	-	67.2	-
	Sub-Total	**504,770,671**	**-**	**270,985,214**	**-**	53.7	-
Department County Public Service Board							
CP1: County Public Service Board	CSP 1.1: Administration and Services	34,072,000	15,000,000	26,001,960	-	76.3	-
	Sub-Total	**34,072,000**	**15,000,000**	**26,001,960**	**-**	**76.3**	**-**
Department County Assembly							
CP1: Administration and Support Services	CSP 1.1 Speaker's Office	115,138,309	-	113,599,743	-	98.7	-
	CSP 1.2 Clerks Offices	414,767,417	153,000,000	394,909,654	69,202,630	95.2	45.2
	CSP 1.4 Administration Service	51,645,004	-	47,802,992	-	92.6	-
	CSP 1.5 Procedures and Committee Services	55,806,828	-	55,806,828	-	100.0	-
	CSP 1.6 County Assembly Secretariat	27,979,720	-	20,829,133	-	74.4	-
	CSP 1.7 MCAS Affairs	298,394,451	-	284,370,302	-	95.3	-
	Sub-Total	**963,731,729**	**153,000,000**	**917,318,652**	**69,202,630**	**95.2**	**45.2**
Grand Total		**6,389,147,479**	**4,311,273,645**	**5,262,558,136**	**1,931,670,888**	**82.4**	**44.8**

***Source**: Garissa County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were Micro Enterprise, Environment and Natural Resources in the Department of Trade, Investments Development and Tourism and Water, Environment and Natural Resources, respectively, all at 100 per cent, Livestock in the sub-department of Livestock under Agriculture, Livestock & Pastoral Department at 99.3 per cent, Sub Counties sub-programme Preventive and Promotive Health Programme in the Department of Health and Sanitation at 98.6 per cent, and Administration under Administration & Support Services Programme in the Finance and Economic Planning Department at 64.9 per cent of budget allocation.

3.7.13 Accounts Operated Commercial Banks

The County government operated 11 accounts with commercial banks. 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.

3.7.14 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;

1. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The complete report was received on 2nd August 2024

2. Failure by Fund Administrators to submit quarterly financial and non-financial reports to the COB within the timelines provided in law, which is against the requirement of Section 168 of the PFM Act, 2012. The reports for the Disaster Management/Emergency Fund, Bursary Fund and Micro and Small Enterprises Development Revolving Fund were not submitted to the Controller of Budget.

3. High wage bills accounted for 44.0 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided in law.

4. Use of manual payroll. Personnel emoluments amounting to Kshs.480.38 million were processed through the manual payroll, accounting for 11.9 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.

5. Low expenditure on development budget which was 26.8 per cent of total expenditure.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
3. *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.*
4. *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.*
5. *The County should prioritize expenditure on development projects in order to acheive the 30 per cent threshold in law.*

3.8. County Government of Homa Bay

3.8.1 Overview of FY 2023/24 Budget

The County's approved second supplementary budget estimates for the FY 2023/24 was Kshs.11.17 billion, comprising Kshs.3.51 billion (31.4 per cent) and Kshs.7.66 billion (68.6 per cent) allocated for development and recurrent programmes, respectively. The approved supplementary budget estimates represented an increase compared to the previous financial year when the approved budget was Kshs.10.08 billion and comprised of Kshs.3.10 billion towards development expenditure and Kshs.6.98 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.8.13 billion (72.8 per cent) as the equitable share of revenue raised nationally, Kshs.1.37 billion (12.3 per cent) as additional allocations/conditional grants, Kshs.131.60 million (1.2 per cent) as a share of equalization funds, a cash balance of Kshs.142.87 million (1.3 per cent) from FY 2022/23, and generate Kshs.1.39 billion (12.5 per cent) as gross own source revenue. The own-source revenue includes Kshs.1.05 billion as Appropriation in Aid (AIA)/Facility Improvement Fund

(FIF) and Kshs.341.14 million as ordinary own-source revenue. A breakdown of the additional allocations/ conditional grants is provided in Table 3.50.

3.8.2 Revenue Performance

In the FY 2023/24, the County received Kshs.7.63 billion as the equitable share of the revenue raised nationally, Kshs.999.31 million as additional allocations/conditional grants, a cash balance of Kshs.142.87 million from FY 2022/23 and raised Kshs.1.20 billion as own-source revenue (OSR). The raised OSR includes Kshs.841.23 million as AIA/FIF and Kshs.359.26 million as ordinary own source revenue. The total funds available for budget implementation during the period amounted to Kshs.9.97 billion, as shown in Table 3.50.

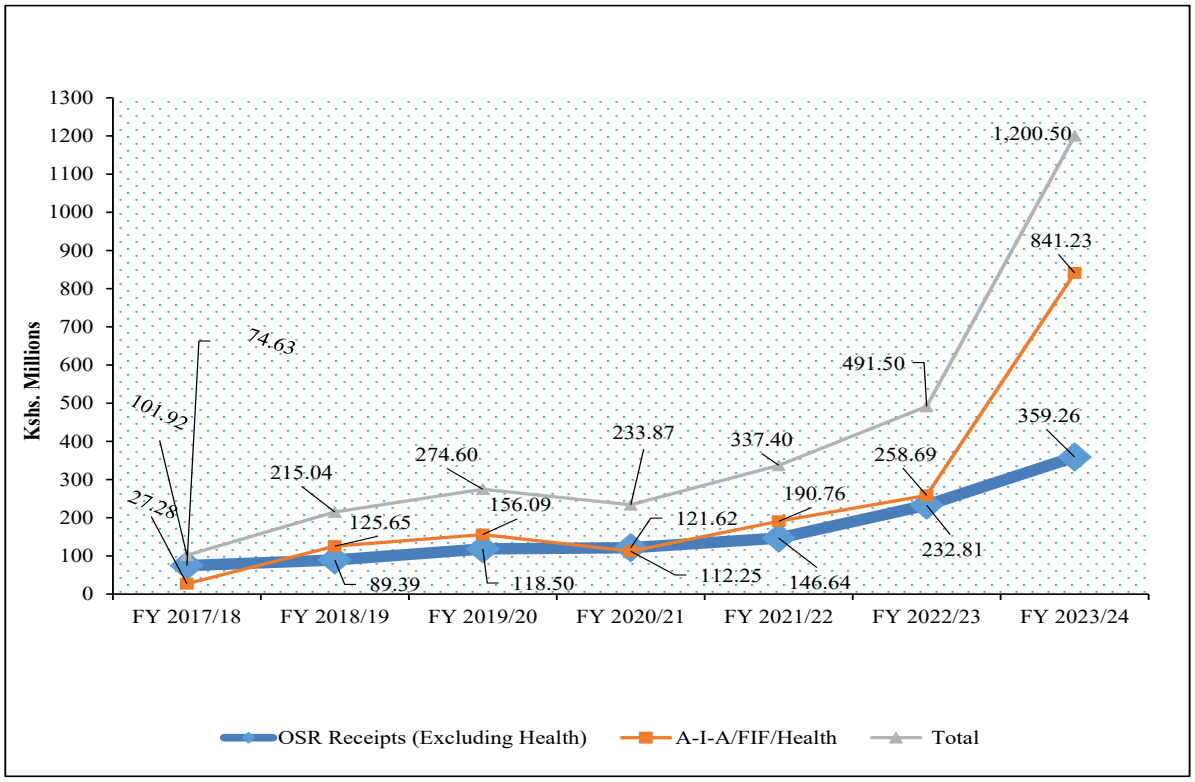
Table 3.50: Homa Bay County, Revenue Performance in FY 2023/24

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	8,128,387,250.00	7,626,705,708.90	93.8
Sub Total		**8,128,387,250.00**	**7,626,705,708.90**	93.8
B	**Conditional Grants**			
	National Agriculture and Rural Inclusive Growth Project (NARIG)	5,000,000	4,374,252.0	87.5
	National Value Chain Development Project	200,000,000	199,803,473.00	99.9
	Provision of Fertilizer Subsidies	165,917,803	-	-
	Aquaculture Business Development Programme	12,909,422	-	-
	Livestock Value Chain Support Project	14,323,680	-	-
	Agricultural Sector Development Support Programme (ASDSP)	3,159,580	3,159,580	76.0
	DANIDA/ Primary Health Care Project	25,520,063	25,520,063	100.0
	Financing Locally-Led Climate Actions Programme (CCIS)	11,000,000	-	-
	Financing Locally-Led Climate Actions Programme	251,984,144	241,617,006	95.9
	Kenya Informal Settlements Improvement Programme	463,000,000	460,000,000	99.4
	Kenya Urban Support Programme-UIG	1,145,356	1,145,355	100.0
	Aggregated Industrial Parks Programme	217,000,000	62,500,000	28.8
	Kenya Urban Support Programme-UDG	1,194,559	1,194,559	100.0
Sub-Total		**1,372,154,607**	**999,314,288**	**72.8**
C	**Own Source of Revenue**			
1	Ordinary Own Source Revenue	341,139,710	359,263,180	105.3
2	Appropriation in Aid (A-I-A)/Facility Improvement Fund (F.I.F)	1,051,066,642	841,232,651	80.0
Sub-Total		**1,392,206,352**	**1,200,495,831**	**86.2**
D	**Other sources of Revenue**			
1	Unspent balance from FY 2022/23	142,874,788	142,874,788	100
2	Share of Equalization funds	131,603,304	-	-
Sub-Total		**274,478,092**	**142,874,788**	**52.1**
Grand Total		**11,167,226,301**	**9,969,390,616**	**89.3**

Source: *Homa Bay County Treasury*

Figure 29 shows the trend in own-source revenue collection from FY 2017/18 to FY 2023/24.

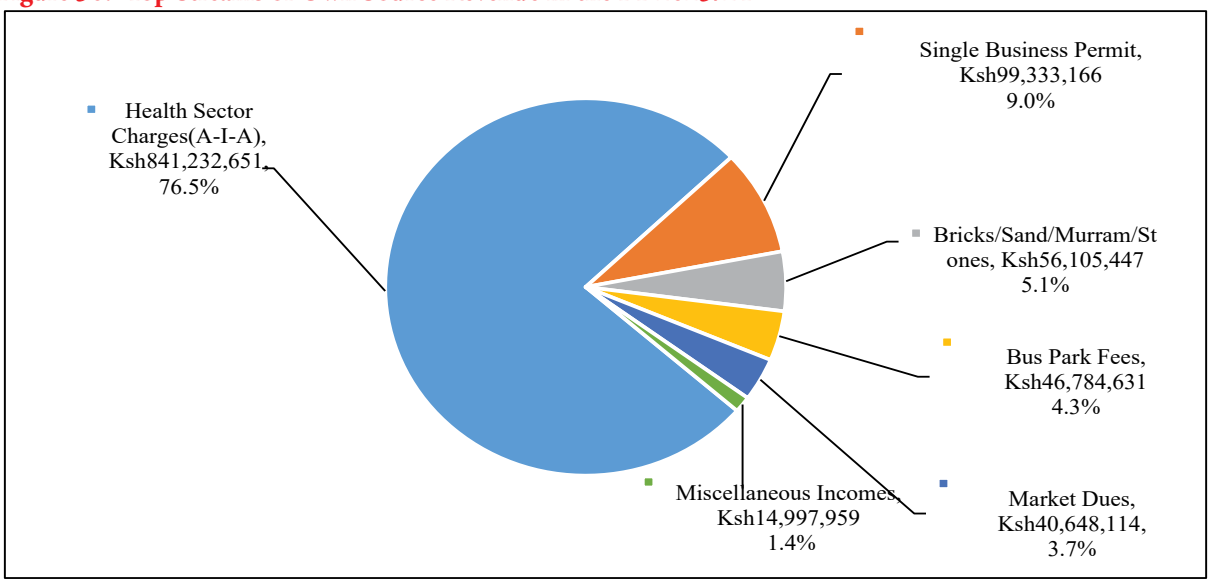
Figure 29: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Homa Bay County Treasury*

In the FY 2023/24, the County generated a total of Kshs.1.20 billion from its own source of revenue, including the Health Sector Appropriation in Aid (AIA)/Facility Improvement Fund (FIF). This amount represented an increase of 67.4 per cent compared to Kshs.553.71 million realized in FY 2022/23 and 86.2 per cent of the annual target and 19.1 per cent of the equitable revenue share disbursed. The revenue streams which contributed the highest OSR receipts are shown in Figure 30.

Figure 30: Top Streams of Own Source Revenue in the FY 2023/24



Source*: Homa Bay County Treasury*

The Health Sector AIA/FIF amounted to Kshs.841.23 million, representing 76.5 per cent of the overall OSR in the reporting period. The entire amount realized from FIF was not swept to the CRF account, which is in line

with the Homa Bay County Facility Improvement Fund Act, 2023, which allowed the County health facilities to collect and retain revenue paid as user fees in order to defray operational, management and capital costs.

The highest ordinary revenue stream of Kshs.99.13 million was from a single business permit, contributing 9.0 per cent of the total OSROSR receipts during the reporting period.

3.8.3 Exchequer Issues

The Controller of Budget authorized withdrawals of Kshs.8.93 billion from the CRF account during the reporting period, which comprised Kshs.2.88 billion (32.2 per cent) for development programmes and Kshs.6.06 billion (67.8 per cent) for recurrent programmes. Analysis of the recurrent exchequer released in the FY 2023/24 indicates that Kshs.4.39 billion was released towards Employee Compensation, and Kshs.1.66 billion was released for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.41.57 million.

3.8.4 Borrowing by the County

The County entered an agreement with Equity Bank Limited for advance payroll processing for County Executive staff in February 2024, whereby the bank pays salaries for the staff every month at an interest of 1 per cent. The outstanding payroll management overdraft facility from Equity Bank Limited as of 30th June 2024 amounted to Kshs..460.27 million.

3.8.5 County Expenditure Review

The County spent Kshs.9.08 billion on development and recurrent programmes in the reporting period. The expenditure represented 101.7 per cent of the total funds released by the CoB and comprised of Kshs.3.03 billion and Kshs.6.05 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 86.3 per cent, while recurrent expenditure represented 79.0 per cent of the annual recurrent expenditure budget.

3.8.6 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.69 billion, comprising of Kshs.260.37 million for recurrent expenditure and Kshs.1.43 billion for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.947.63 million, which consisted of Kshs.130.08 million for recurrent expenditure and Kshs.817.54 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.739.12 million. This, however, does not include unpaid bills for FY 2023/24.

The outstanding pending bills for the County Assembly were Kshs.45.41 million as of 30th June, 2024.

3.8.7 Expenditure by Economic Classification

An analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.92 billion on employee compensation, Kshs.1.14 billion on operations and maintenance and Kshs.3.00 billion on development activities. Similarly, the County Assembly spent Kshs.465.58 million on employee compensation, Kshs.521.62 million on operations and maintenance and Kshs.21.59 million on development activities, as shown in Table 3.51.

Table 3.51: Summary of Budget and Expenditure by Economic Classification

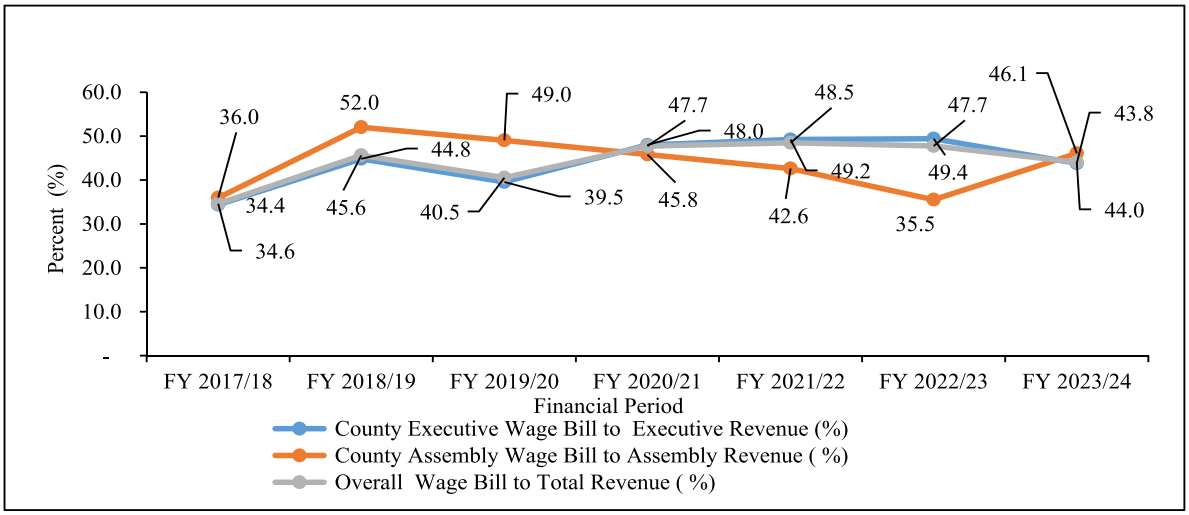
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	6,606,456,825	1,053,468,687	5,067,800,842	987,194,875	76.7	93.7
Compensation to Employees	5,377,196,084	465,579,343	3,924,917,840	465,579,343	73	100
Operations and Maintenance	1,229,260,741	587,889,344	1,142,883,002	521,615,532	93	88.7
Development Expenditure	**3,355,751,570**	**151,549,218**	**3,003,605,832**	**21,587,526**	**89.5**	**14.2**
Total	**9,962,208,395**	**1,205,017,905**	**8,071,406,674**	**1,008,782,401**	**81**	**83.7**

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

3.8.8 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.39 billion, or 44.0 per cent of the available revenue, which amounted to Kshs.9.97 billion. This expenditure represented a 2.9 per cent decrease from Kshs.4.52 billion reported in FY 2022/23. The wage bill included Kshs.1.78 billion paid to health sector employees, translating to 45.3 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 31.

Figure 31: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



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

Further analysis indicates that PE costs amounting to Kshs.3.63 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.759.58 million was processed through manual payrolls. The manual payrolls accounted for 17.3 per cent of the total PE cost.

The County Assembly spent Kshs.39.96 million on committee sitting allowances for the 54 MCAs and the Speaker against the annual budget allocation of Kshs.39.96 million. The average monthly sitting allowance was Kshs.60,544 per MCA. The County Assembly has established 22 Committees.

3.8.9 County Emergency Fund and County-Established Funds

Section 110 of the PFM Act 2012 establishes the Emergency Fund, while 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.440.95 million to the county-established funds in the FY 2023/24, constituting 3.9 per cent of the County's overall budget. Further, the County allocated Kshs.23 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 3.52 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.52: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Submission of Financial Statements as of 30th June 2024 (Yes/No.)
County Executive Established Funds					
1	Homa Bay County Bursary Fund	230,000,000	215,000,000	194,465,000	Yes
2	Homa Bay Emergency Fund	23,000,000	17,500,000	22,869,076	Yes
3	Homa Bay County Car Loan and Mortgage Scheme Fund	86,300,000	52,000,000	51,000,000	Yes
4	Homa Bay County Alcoholic Drinks Control Fund	-	-	-	Yes

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Submission of Financial Statements as of 30th June 2024 (Yes/No.)
County Assembly Established Funds					
1	Homa Bay County Assembly Car and Loan and Mortgage Scheme Fund	101,651,682	33,768,000	58,315,315	Yes
	Total	**440,951,682**	**318,268,000**	**326,649,391**	

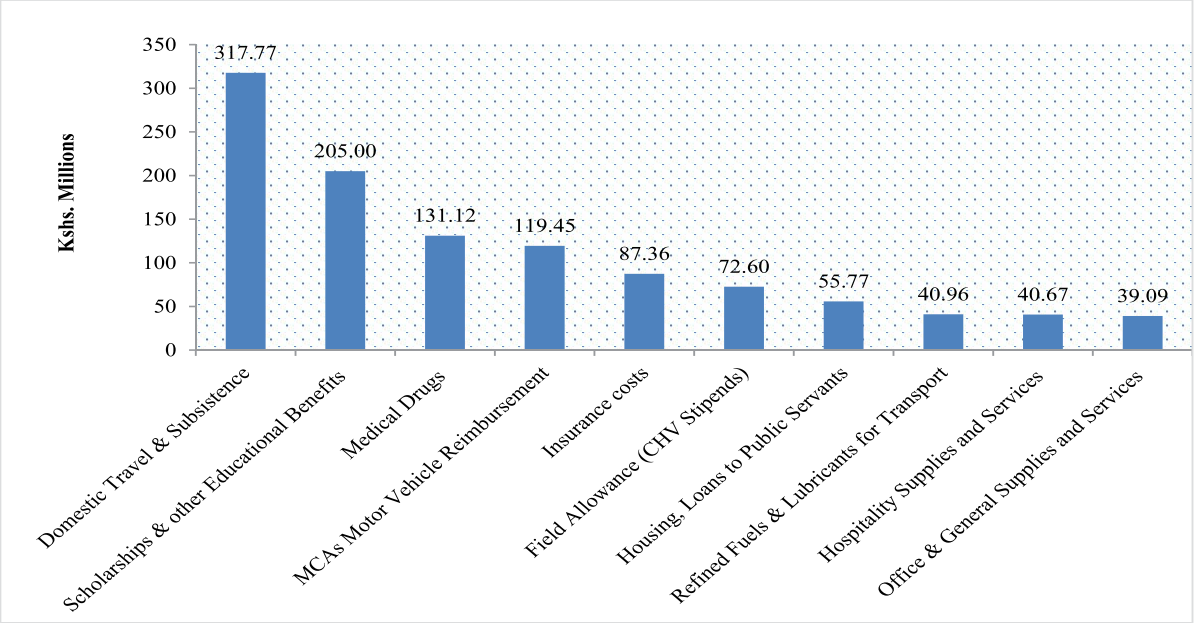
Source: *Homa Bay County Treasury*

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.

3.8.10 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.317.77 million and comprised Kshs.182.73 million spent by the County Assembly and Kshs.135.03 million spent by the County Executive. Expenditure on foreign travel amounted to Kshs.8.86 million and comprised Kshs.6.31 million spent by the County Assembly and Kshs.2.55 million spent by the County Executive. Expenditure on foreign travel is summarized in Table 3.53 below; -

Table 3.53: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers who Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	8	30.11.2023 -12.12.2023	Travel to attend the 28th Conference of the Parties (COPCOP 28) under the United Nations Framework Convention on Climate Change (UNFCCC)	Dubai, United Arab Emirates	1,050,000
	2	19-09.2023-28.09.2023	Travel to attend the Strong Cities Global Summit	New York City, USA	1,498,009
A. Sub-Total					**2,548,009**

Arm of County Government	No. of Officers who Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	14	10.04.2023 -15.04.2023	Travel to attend the 18th Lake Victoria Regional Authorities and Counties Cooperation General Assembly	Mbarara,, Uganda	2,270,701
	4	04.09.2023 -09.09.2023	Travel to attend the Lake Victoria Regional Authorities and Counties Cooperation Local Women Network Conference Organizing Meeting.	Entebbe, Uganda	1,190,211
	6	07.09.2023 -12.09.2023	Travel to attend the Africa Food Systems Forum 2023 Dar esalam	Tanzania	2,851,750
B. Sub-Total					**6,312,662**
Grand Total (A+B)					**8,860,671**

Source.: *Homa Bay County Treasury and County Assembly of Homa Bay*

The operations and maintenance costs included Kshs.12.74 million on legal fees/dues, arbitration and compensation payments.

3.8.11 Development Expenditure

In the FY 2023/24, the County reported expenditure of Kshs.3.03 billion on development programmes, representing an increase of 22.2 per cent compared to FY 2022/23 when the County spent Kshs.2.47 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.54: 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	Lands, Physical Planning, Housing and Urban Development	2nd Kenya Informal Settlement Improvement Project (KISIP2)	All Sub counties	460,000,000	460,000,000	100.0
2	Water, Sanitation, Irrigation, Environment, Energy and Climate Change	Capital Grants and transfer to ward adaption/mitigation projects for Locally-led Climate Action Program (FLLoCA)	All sub-counties	241,617,006	241,617,006	100.0
3	Office of the Deputy Governor and Department of Agriculture and Livestock	Capital Grants and transfers to (NAVCDP)	County Headquarter	199,803,473	199,803,473	100.0
4	Trade, Industry, Tourism, Cooperative Development and Marketing	Aggregated Industrial Parks Programme	Rachuonyo North	62,500,000	62,500,000	100.0
5	Roads, Public Works, Transport and Infrastructure	Supply of C.A.T. 320GX Excavator	Transport Head office	28,779,426	28,779,426	100.0
6	Roads, Public Works, Transport and Infrastructure	Supply of SEM919 Motor Grader	Transport Head office	26,220,582	26,220,582	100.0
7	Public Health and Medical Services	Capital Grants and transfer-DANIDA Grant Primary Health Care Program	All Sub counties	25,520,063	25,520,063	94.4
8	Public Health and Medical Services	Delivery of assorted medical equipment	Homa Bay Teaching and Referral Hospital	19,951,881	19,951,881	100.0
9	Trade, Industry, Tourism, Cooperative Development and Marketing	Proposed Completion of Kigoto Maize Mill	Suba South	18,450,000	18,450,000	100.0
10	Office of the Deputy Governor and Department of Agriculture and Livestock	Supply & delivery of maize seeds	All Wards	16,540,000	16,540,000	100.0

Source*: Homa Bay County Treasury*

3.8.12 Budget Performance by Department

Table 3.55 summarises the approved budget allocation, expenditure and absorption rate by departments in the FYFY 2023/24.

Table 3.55: 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	690.61	36.35	536.45	19.50	536.45	33.75	100.0	173.1	77.7	92.8
County Public Service Board	73.50	3.14	61.68	-	61.68	0.00	100.0	0.0	83.9	0.0
County Assembly Service Board	1053.47	151.55	987.39	22.61	987.19	21.59	100.0	95.5	93.7	14.2
Homa Bay Municipal Board	26.76	17.24	24.52	17.22	24.52	17.22	100.0	100.0	91.6	99.9
Office of the Deputy Governor and Department of Agriculture and Livestock	216.28	451.27	179.22	421.57	179.22	349.74	100.0	83.0	82.9	77.5
Gender Equality and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services	135.72	63.03	113.15	62.85	113.15	62.85	100.0	100.0	83.4	99.7
Roads, Public Works, Transport and Infrastructure	157.39	716.29	133.03	713.62	133.03	716.29	100.0	100.4	84.5	100.0
Blue Economy, Fisheries, Mining and Digital Economy	93.29	68.57	75.51	53.55	75.51	53.55	100.0	100.0	80.9	78.1
Education, Human Capital Development and Vocational Training	1153.30	266.92	863.20	139.71	863.20	266.53	100.0	190.8	74.8	99.9
Public Health and Medical Services	2502.83	257.15	2104.24	223.55	2104.24	257.00	100.0	115.0	84.1	99.9
Lands, Physical Planning, Housing and Urban Development	49.31	485.01	44.97	482.76	44.97	484.76	100.0	100.4	91.2	99.9
Trade, Industry, Tourism, Cooperative Development and Marketing	160.26	486.22	135.05	226.97	135.05	258.05	100.0	113.7	84.3	53.1
Water, Sanitation, Irrigation, Environment, Energy and Climate Change	237.83	387.46	162.14	387.46	162.13	387.46	100.0	100.0	68.2	100.0
Governance, Administration, Communication and Devolution	442.60	15.00	253.66	15.00	253.66	15.00	100.0	100.0	57.3	100.0
Executive Office of the Governor	634.33	70.00	381.00	57.60	381.00	69.60	100.0	120.8	60.1	99.4
Kendu Bay Municipal Board	7.87	7.85	-	7.79	-	7.79	0.0	100.0	-	99.2
Mbita Municipal Board	7.87	7.85	-	7.61	-	7.61	0.0	100.0	-	96.9

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
Ndhiwa Municipal Board	7.87	8.55	-	8.55	-	8.55	0.0	100.0	-	100.0
Oyugis Municipal Board	8.83	7.85	-	7.85	-	7.85	0.0	100.0	-	100.0
Total	**7,659.93**	**3,507.30**	**6,055.19**	**2,875.77**	**6,055.00**	**3.025.19**	**100.0**	**105.2**	**79.0**	**86.3**

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

Analysis of development expenditure by the department shows that the Department of Roads, Public Works, Transport and Infrastructure, Ndhiwa Municipal Board, Oyugis Municipal Board are all at 100 per cent, followed by Homa Bay Municipal Board, Lands, Physical Planning, Housing and Urban Development, Public Health and Medical Services and Education, Human Capital Development and Vocational Training all at 99.9 per cent.

Further analysis shows the development expenditure for some departments exceeded the exchequer releases, which can be attributed to IFMIS reporting transactions at the IB level as paid while they were awaiting funding through the exchequer process. The County Treasury should ensure that such transactions are voided in the system at the close of each financial year.

3.8.13 Budget Execution by Programmes and Sub-Programmes

Table 3.56 summarises the budget execution by programmes and sub-programmes in FY 2023/24.

Table 3.56: 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	509,293,113	410,835,521	98,457,592	80.7
	General Logistics, Coordination and Asset Management Services	39,529,916	39,259,916	270,000	99.3
	Subtotal	**548,823,029**	**450,095,437**	**98,727,592**	**82.0**
Planning, Budgeting and Development Coordination Services	Economic planning and development coordination services	22,976,780	6,061,428	16,915,352	26.4
	Resource allocation services	14,433,400	4,723,600	9,709,800	32.7
	Public Participation Facilitation services	9,499,000	2,000,000	7,499,000	21.1
	Subtotal	**46,909,180**	**12,785,028**	**34,124,152**	**27.3**
Resource mobilization services	External Resources Mobilization Services	8,899,200	2,916,121	5,983,079	32.8
	Internal Revenue Generation Services	39,314,834	38,630,500	684,334	98.3
	Subtotal	**48,214,034**	**41,546,621**	**6,667,413**	**86.2**
Financial management services	Accounting and Financial Reporting Services	21,784,580	19,500,000	2,284,580	89.5
	Supply Chain Management Services	31,725,765	25,163,272	6,562,493	79.3
	Audit and Advisory Services	12,000,000	3,609,439	8,390,561	30.1
	Emergency Management Services	17,500,000	17,500,000	-	100.0
	Subtotal	**83,010,345**	**65,772,711**	**17,237,634**	**79.2**
	Total	**726,956,588**	**570,199,797**	**156,756,791**	**78.4**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
County Public Service Board					
General Policy, Planning and Administration Services	Policy Development Services	-	-	-	-
	Administrative Support Services	69,503,515	60,506,111	8,997,404	87.1
	Infrastructure Development Services	3,140,000	1,169,200	1,970,800	37.2
	Subtotal	**72,643,515**	**61,675,311**	**10,968,204**	84.9
Personnel Sourcing and Management Services	Recruitment, Selection and Deployment Services	2,080,000	-	2,080,000	-
	Human Resource Management and Development Services	-	-	-	-
	Establishment and abolishment of Offices	-	-	-	-
	National Performance Management Systems	-	-	-	-
	Capacity Development Services	1,920,000	-	1,920,000	-
	Subtotal	**4,000,000**	**-**	**4,000,000**	-
	Grand total	**76,643,515**	**61,675,311**	**14,968,204**	**80.5**
County Assembly Service Board					
Legislative Services	Members' welfare Support services	245,865,808	245,865,808	-	100.0
	Legislative development and approval services	217,502,825	217,502,825	-	100.0
	Subtotal	**463,368,633**	**463,368,633**	**-**	**22.2**
Oversight and Control Services	Capacity building services	12,000,000	12,000,000	-	100.0
	Report writing services	37,000,000	37,000,000	-	100.0
	Public Participation and Education Services	11,000,000	11,000,000	-	100.0
	Subtotal	**60,000,000**	**60,000,000**	**-**	**100.0**
Ward Representation Services	Staff welfare support services	67,246,265	67,246,265	-	100.0
	Ward operations and maintenance	17,284,320	17,284,320	-	100.0
	Subtotal	**84,530,585**	**84,530,585**	**-**	**100.0**
Policy, Planning and Administrative Support Services	Administrative support services	277,775,469	211,691,787.00	66,083,682	76.2
	Financial Management Services	167,794,000	167,603,870.20	190,130	99.9
	Assembly Infrastructure Development Services	151,549,218	21,587,525.50	129,961,693	14.2
	Subtotal	**597,118,687**	**400,883,182.70**	**196,235,504**	**67.1**
	Total	**1,205,017,905**	**1,008,782,400.70**	**196,235,504**	**83.7**
Homa Bay Municipal Board					
Planning, Finance and Administrative Support Services	Policy and planning services	-	-	-	-
	Financial Management Services	3,811,419	3,593,380	218,039	94.3
	Personnel remuneration and development services	22,945,272	22,886,600	58,672	99.7
	Subtotal	**26,756,691**	**26,479,980**	**276,711**	**99.0**
Public Works and Infrastructure Improvement Services	Transport Infrastructure Improvement Services	1,194,559	1,194,559	-	100.0
	Environmental Management Services	11,000,000	9,019,259	1,980,741	82.0
	Subtotal	**12,194,559**	**10,213,818**	**1,980,741**	**83.8**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
Housing and Urban Development Services	Social outreach and Engagement Services	-	-	-	-
	Neighbourhood Planning and Development Services	5,048,979	5,048,979	-	100.0
	Workforce development and enterprise support services	-	-	-	-
	Subtotal	**5,048,979**	**5,048,979**	-	**100.0**
	Total	**44,000,229**	**41,742,777**	**2,257,452**	**94.9**
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	4,105,600	3,638,700	466,900	88.6
	General Administration and Support Services	212,177,568	168,225,168	43,952,400	79.3
	Subtotal	**216,283,168**	**171,863,868**	**44,419,300**	**79.5**
Crop, Land and Agribusiness Development Services	Crop Development Services	-	-	-	-
	Agribusiness Development Services	-	-	-	-
	Land Development Services	-	-	-	-
	National Agriculture Rural Inclusive Growth	-	-	-	-
	Agriculture Sector Development Support Programme	-	-	-	-
	National Value Chain Project	-	-	-	-
	Subtotal	-	-	-	-
Food Security Enhancement Services	Sub Sector Infrastructure Development Services	6,257,234	3,159,580	3,097,654	50.5
	Farm Input Access Services	208,917,803	150,825,138	58,092,665	72.2
	National Agriculture Rural Inclusive Growth	5,000,000	4,374,252	625,748	87.5
	Agriculture Sector Development Support Programme	8,159,850	3,159,580	5,000,270	38.7
	National Value Chain Project	205,000,000	195,580,652	9,419,348	95.4
	Sub total	**433,334,887**	**357,099,202**	**76,235,685**	**82.4**
Livestock Development Programme	Livestock Improvement and Development	9,102,000	-	9,102,000	-
	Livestock Infrastructure Development Services	3,398,000	-	3,398,000	-
	Livestock Health and Disease Management	5,432,625	-	5,432,625	-
	Subtotal	**17,932,625**	-	**17,932,625**	-
	Total	**667,550,680**	**528,963,070**	**138,587,610**	**79.2**
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	79,551,976	4,400,775	94.8
	Policy and Planning Services	21,772,768	20,847,408	1,135,820	94.8
	Office Development Operations	210,460	-	210,460	-
	Subtotal	**105,935,979**	**100,399,384**	**5,536,595**	**94.8**
Cultural And Creative Sector Development Services	Creative Economy Development Services	3,873,589	-	3,873,589	-
	Cultural Development and Promotion Services	9,684,288	3,132,325	6,551,963	32.3
	Subtotal	**13,557,877**	**3,132,325**	**10,425,552**	**23.1**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
Social Development and Empowerment Services	Gender Mainstreaming and Women Empowerment Services	7,404,418	5,140,001	2,264,417	69.4
	Youth Empowerment and Mainstreaming Services	5,432,000	5,131,740	300,260	94.5
	SGBV Control Services	-	-	-	-
	Disability Mainstreaming Services	8,573,000	7,563,020	1,009,980	88.2
	Youth and women support grants.	-	-	-	-
	Subtotal	**21,409,418**	**17,834,761**	**3,574,657**	**83.3**
Management and Development of Sports and Sports Facilities	Sports Infrastructure Development Services	43,580,218	40,433,178	3,147,040	92.8
	Sports Management and Talent Development	14,268,923	14,200,000	68,923	99.5
	Subtotal	**57,849,141**	**54,633,178**	**3,215,963**	**94.4**
	Total	**198,752,415**	**175,999,648**	**22,752,767**	**88.6**
Department of Roads, Transport and Public Works and Infrastructure					
General Administration, Planning and Support Services	Human Resource and Capacity Development Services	156,541,654	142,138,465	14,403,189	90.3
	Policy Planning and Field Support Services	612,213	357,160	255,053	58.3
	Roads and Transport Services	231,323		231,323	-
	Subtotal	**157,485,170**	**142,495,625**	**14,989,545**	**90.5**
Public works and maintenance services	Quality Control and Enforcement	-	-	-	-
	Infrastructure Development Services	-	-	-	-
	Purchase of Plant and Machinery maintenance	63,189,008	61,230,800	1,958,208	96.9
Road Development and Rehabilitation Services	Road Development Services	443,379,195	438,831,929	4,547,266	99.0
	Road Maintenance Services	209,624,868	206,763,323	2,861,545	98.6
	Subtotal	**653,004,063**	**645,595,252**	**7,408,811**	**98.9**
Transport Development and Rehabilitation Services	Water Transport Services	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**
	Total	**873,678,241**	**849,321,677**	**24,356,564**	**97.2**
Department of Blue Economy, Fisheries Mining and Digital Economy					
Blue Economy and Fisheries Resources Development Services	Capture Fisheries and Development Services	45,759,422	36,278,100	9,481,322	79.3
	Aquaculture Development Services	5,000,000	3,260,000	1,740,000	65.2
	Blue Economy Development Services	10,000,000	6,530,200	3,469,800	65.3
	Subtotal	**60,759,422**	**46,068,300**	**14,691,122**	**75.8**
Mineral resources development and marketing services	Artisanal Mining Services	4,000,000	-	4,000,000	-
	Mineral Prospecting Services	-	-	-	-
	Subtotal	**4,000,000**	**-**	**4,000,000**	**-**
ICT and Digital Economy Development Services	ICT Infrastructure Development Services	811,224	-	811,224	-
	Digital Literacy and Skill Development Services	3,000,000	2,000,000	1,000,000	66.7
	Subtotal	**3,811,224**	**2,000,000**	**1,811,224**	**52.5**
General Administration, Planning and Support Services	Policy Development Services	4,335,000	3,000,000	1,335,000	69.2
	Personnel Remuneration and Welfare Services	76,286,892	70,141,161	6,145,731	91.9
	Administrative Support Services	12,665,000	7,854,527	4,810,473	62.0
	Subtotal	**93,286,892**	**80,995,688**	**12,291,204**	**86.8**
	Total	**161,857,538**	**129,063,988**	**32,793,550**	**79.7**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
Department of Education, Human Capital Development and Vocational Training					
General Administration and Quality Assurance Service	General administration Services	898,219,791	650,840,270	247,379,521	72.5
	Quality Assurance Services	25,081,868	7,364,058	17,717,810	29.4
	Subtotal	**923,301,659**	**658,204,328**	**265,097,331**	**71.3**
Early Years Education (EYE) Services	EYE Services	221,328,150	199,708,139	21,620,011	90.2
	Subtotal	**221,328,150**	**199,708,139**	**21,620,011**	**90.2**
Education, Human Capital Development and Vocational Training Services	Education Services	230,000,000	230,000,000	-	100.0
	Human Capital Development Services	-	-	-	-
	Vocational Training Services	45,590,000	41,825,720	3,764,280	91.7
	Subtotal	**275,590,000**	**271,825,720**	**3,764,280**	**98.6**
	Total	**1,420,219,809**	**1,129,738,187**	**290,481,622**	**79.5**
Department of Public Health and Medical Services					
Policy planning and administrative support service	Policy, Planning and Monitoring Services	10,080,250	4,674,892	5,405,358	46.4
	Administrative Support Services	2,120,139,727	1,841,305,905	278,833,822	86.8
	Subtotal	**2,130,219,977**	**1,845,980,797**	**284,239,180**	**86.7**
Preventive and promotive health services	Community health services	148,680,000	116,366,299	32,313,701	78.3
	Disease control services	9,600,000	9,600,000	-	100.0
	infrastructure improvement services	59,500,000	37,300,081	22,199,919	62.7
	Subtotal	**217,780,000**	**163,266,380**	**54,513,620**	**75.0**
Curative and rehabilitative health services	Routine medical health services	259,901,523	214,523,946	45,377,577	82.5
	Medical emergency response services	32,771,360	25,411,401	7,359,959	77.5
	Facility infrastructure improvement services	116,705,663	112,059,183	4,646,480	96.0
	Subtotal	**409,378,546**	**351,994,530**	**57,384,016**	**86.0**
Research and development service	Research and surveillance services	1,500,000	-	1,500,000	-
	Capacity development services	1,100,000	-	1,100,000	-
	Subtotal	**2,600,000**	**-**	**2,600,000**	**-**
	Total	**2,759,978,523**	**2,361,241,707**	**398,736,816**	**85.6**
Department of Lands, Housing, Urban Development and Physical Planning					
General Administration Services	General administrative support services	42,308,719	41,825,109	483,610	98.9
	Operation and Maintenance Services	6,426,805	5,844,968	581,837	90.9
	General Office Infrastructure Development Services	757,818	-	757,818	-
	Subtotal	**49,493,342**	**47,670,077**	**1,823,265**	**96.3**
Lands and Physical Planning Services	County Development Planning Services	3,485,000	2,802,357	682,643	80.4
	Land Valuation and Registration Support Services	7,180,126	6,350,000	830,126	88.4
	County Land Acquisition and Management Services	6,000,000	6,000,000	-	100.0
	Subtotal	**16,665,126**	**15,152,357**	**1,512,769**	**90.9**
Housing and Urban Development Services	Housing Infrastructure Development Services	1,597,990	1,597,990	-	100.0
	Settlements Upgrading Services	466,565,356	465,300,081	1,265,275	99.7
	Urban Areas Establishment Services	-	-	-	-
	Subtotal	**468,163,346**	**466,898,071**	**1,265,275**	**99.7**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
	Total	**534,321,814**	**529,720,505**	**4,601,309**	**99.1**
Department of Trade, Industry, Tourism, Cooperative Development and Marketing					
Policy, Planning and Administrative services	Remuneration and welfare support services	142,017,292	116,900,000	25,117,292	82.3
	Policy and plans development services	6,750,000	2,074,500	4,675,500	30.7
	Administrative Support Services	11,492,000	5,974,861	5,517,139	52.0
	Subtotal	**160,259,292**	**124,949,361**	**35,309,931**	**78.0**
Trade, Cooperative and Entrepreneurship Development Services	Enterprise development and promotion services	5,340,500	3,412,250	1,928,250	63.9
	Cooperative development services	50,000,000	1,875,500	48,124,500	3.8
	Trade infrastructure and development services	90,000,000	84,115,242	5,884,758	93.5
	Subtotal	**145,340,500**	**89,402,992**	**55,937,508**	**61.5**
Tourism, Industrial and Investment Promotion Services	Value Chain Development Services	21,000,000	4,722,750	16,277,250	22.5
	Tourism promotion and marketing	20,975,070	3,607,999	17,367,071	17.2
	Tourism infrastructure development services	-	-	-	-
	Industrial Park Development	286,404,652	162,559,777	123,844,875	56.8
	Investment promotion and facilitation	12,500,000	7,850,600	4,649,400	62.8
	Subtotal	**340,879,722**	**178,741,126**	**162,138,596**	**52.4**
	Total	**646,479,514**	**393,093,479**	**253,386,035**	**60.8**
Department of Water Sanitation, Irrigation, Environment, Energy and Climate Change					
General Administrative services	Administrative Support Services	231,828,320	167,244,348	64,583,972	72.1
	Policy and Planning Services	6,000,000	2,550,400	3,449,600	42.5
	Subtotal	**237,828,320**	**169,794,748**	**68,033,572**	**71.4**
Water Supply and Management Services	Urban Water Supply Services	500,000	500,000	0	100.0
	Rural Water Supply Services	-	-	-	-
	Industrial Water Supply Services	-	-	-	-
	Maintenance of Water Supply Services	30,000,000	29,610,761	389,239	98.7
	Subtotal	**30,500,000**	**30,110,761**	**389,239**	**98.7**
Energy Services	Electrical Power Services	40,000,000	38,000,000	2,000,000	95.0
	Solar Power Services	-	-	-	-
	Renewable Energy Services	-	-	-	-
	Subtotal	**40,000,000**	**38,000,000**	**2,000,000**	**95.0**
Irrigation Development and Management Services	Irrigation Infrastructure Development and Rehabilitation Services	4,087,470	2,530,700	1,556,770	61.9
	Small Holder Community Irrigation Support Services	-	-	-	-
	Subtotal	**4,087,470**	**2,530,700**	**1,556,770**	**61.9**
Environmental Protection and Management Services	Pollution and Waste Management services	-	-	-	-
	Forestry Development Services	-	-	-	-
	Climate Change Governance	6,713,617	4,000,000	2,713,617	59.6
	Climate Change Mitigation, Adaptation and Resilience Building	306,161,004	305,160,000	1,001,004	99.7
	Subtotal	**312,874,621**	**309,160,000**	**3,714,621**	**98.8**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
	Grand Total	**625,290,411**	**549,596,209**	**75,694,202**	**87.9**
Governance and Administration, Communication and Devolution					
Governance, Administration and Devolution Services	Governance and Administration	374,939,162	205,482,706	169,456,456	54.8
	Field Coordination and Administration Services	22,450,400	21,246,031	1,204,369	94.6
	Compliance and Enforcement Services	24,710,000	18,200,000	6,510,000	73.7
	Subtotal	**422,099,562**	**244,928,737**	**177,170,825**	**58.0**
Stakeholder Management and Communication	Communication and Public Engagement Services	13,602,565	4,249,615	9,352,950	31.2
	Subtotal	**13,602,565**	**4,249,615**	**9,352,950**	**31.2**
Special Projects and Disaster Management	Special Projects Services	11,200,519	11,200,519	0	100.0
	Disaster Prevention and Management Services	10,701,214	8,278,400	2,422,814	77.4
	Subtotal	**21,901,733**	**19,478,919**	**2,422,814**	**88.9**
	Grand total	**457,603,860**	**268,657,271**	**188,946,589**	**58.7**
Executive Office of the Governor					
Public service administration support services	Human resource management and development services	507,948,494	308,723,625	199,224,869	60.8
	Performance Management Services	6,310,000	4,200,000	2,110,000	66.6
	Legal Services	15,276,847	7,172,847	8,104,000	47.0
	Subtotal	**529,535,341**	**320,096,472**	**209,438,869**	**60.4**
Governance and coordination services	Executive management and liaison services	153,210,142	123,498,276	29,711,866	80.6
	Field coordination and administration services	11,585,135	5,670,100	5,915,035	48.9
	Subtotal	**164,795,277**	**129,168,376**	**35,626,901**	**78.4**
Strategy and service delivery improvement services	Strategy and advisory services	10,000,000	1,332,150	8,667,850	13.3
	Information and Communications	-	-	-	-
	Subtotal	**10,000,000**	**1,332,150**	**8,667,850**	**13.3**
	Total	**704,330,618**	**450,596,998**	**253,733,620**	**64.0**
Kendu Bay Municipal Board					
Policy, Planning, General Administration and Support Services	Policy and Planning Services	1,288,010	-	1,288,010	-
	Personnel remuneration and development services	3,803,640	-	-	-
	Administration and Support Services	2,778,624	-	2,778,624	-
	Subtotal	**7,870,274**	**-**	**7,870,274**	**-**
Public Works and Infrastructure Improvements Services	Transport Infrastructure Improvements	3,350,000	3,348,000	2,000	99.9
	Public facilities improvement services	-	-	-	-
Housing and Urban Development Services	Environmental Management Services	4,500,000	4,438,852	61,148	98.6
	Land Use Management	-	-	-	-
	Subtotal	**7,850,000**	**7,786,852**	**63,148.3**	**99.2**
	Grand total	**15,720,274**	**7,786,852**	**7,933,422**	**49.5**

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
Mbita Municipal Board					
Policy, Planning, General Administration and Support Services	Policy and Planning Services	1,288,010	-	1,288,010	-
	Personnel remuneration and development services	3,803,640	-	-	-
	Administration and Support Services	2,778,624	-	2,778,624	-
Public Works and Infrastructure Improvements Services	**Subtotal**	**7,870,274**	**-**	**7,870,274**	**-**
	Transport Infrastructure Improvements	3,350,000	3,350,000	-	100.0
	Public facilities improvement services	-	-	-	-
Housing and Urban Development Services	Environmental Management Services	4,500,000	4,259,000	241,000	94.6
	Land Use Management	-	-	-	-
	Subtotal	**7,850,000**	**7,609,000**	**241,000**	**94.6**
	Grand total	**15,720,274**	**7,609,000**	**8,111,274**	**48.4**
Ndhiwa Municipal Board					
Policy, Planning, General Administration and Support Services	Policy and Planning Services	1,288,010	-	1,288,010	-
	Personnel remuneration and development services	3,803,640	-	-	-
	Administration and Support Services	2,778,624	-	2,778,624	-
Public Works and Infrastructure Improvements Services	**Subtotal**	**7,870,274**	**-**	**7,870,274**	**-**
	Transport Infrastructure Improvements	5,550,198	5,550,198	-	100.0
	Public facilities improvement services	-	-	-	-
Housing and Urban Development Services	Environmental Management Services	3,000,000	3,000,000	-	100.0
	Land Use Management	-	-	-	-
	Subtotal	**8,550,198**	**8,550,198**	**-**	**100.0**
	Total	**16,420,472**	**8,550,198**	**7,870,274**	**52.1**
Oyugis Municipal Board					
Policy, Planning, General Administration and Support Services	Policy and Planning Services	745,831	-	745,831	-
	Personnel remuneration and development services	7,001,231	-	7,001,231	-
	Administration and Support Services	1,086,558	-	1,086,558	-
Public Works and Infrastructure Improvements Services	**Subtotal**	**8,833,620**	**-**	**8,833,620**	**-**
	Transport Infrastructure Improvements	3,500,000	3,500,000	-	100.0
	Public facilities improvement services	-	-	-	-
Housing and Urban Development Services	Environmental Management Services	4,350,000	4,350,000	-	100.0
	Land Use Management	-	-	-	-
	Subtotal	**7,850,000**	**7,850,000**	**-**	**100.0**
	Total	**16,683,620**	**7,850,000**	**8,833,620**	**47.1**
GRAND TOTAL		**11,167,226,300**	**9,080,189,074**	**2,087,037,226**	**81.3**

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

The programmes with the highest levels of budget implementation based on absorption rates were; Ward Representation Services and Oversight and Control Services in the County Assembly Service Board at 100.0 per cent; Housing and Urban Development Services in the Ndhiwa Municipality Board and in the Homa Bay

Municipal Board at 100.0 per cent of their respective budget allocations; Housing and Urban Development Services in the Department of Lands, Housing, Urban Development and Physical Planning at 99.7 per cent; Road Development and Rehabilitation Services in the Department of Roads, Transport and Public Works and Infrastructure at 98.9 per cent; Environmental Protection and Management Services in the Department of Water Sanitation, Irrigation, Environment, Energy and Climate Change at 98.8 per cent; Human Capital Development and Vocational Training Services and Water Supply and Management Services in the Department of Education, Human Capital Development and Vocational Training and the Department of Water Sanitation, Irrigation, Environment, Energy and Climate Change respectively both at 98.7 per cent of their respective budget allocations.

3.8.14 Accounts Operated Commercial Banks

The County Executive and County Assembly operated seven accounts and five accounts with commercial banks, respectively. This is 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 only exemption is for imprest bank accounts for petty cash and own source revenue collection accounts.

3.8.15 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;

1. 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 5th August, 2024.

2. Huge pending bills amounting to Kshs.739.12 million as of 30th June 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.

3. A high wage bill, which accounted for 44 per cent of the County's total revenue in FY 2023/24 of Kshs.9.97 billion, which is above the ceiling provided by law.

4. Use of manual payroll. Personnel emoluments amounting to Kshs.759.58 million were processed through the manual payroll, accounting for 17.3 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.

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

6. High expenditure on domestic travel at Kshs.317.77 million.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *The County leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the next financial year. A payment plan should be provided at the beginning of the FY.*
3. *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.*
4. *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.*
5. *The County Government should ensure that bank accounts are opened and operated at the Central Bank of Kenya as required by the law. However, imprest bank accounts for petty cash and own source revenue collection accounts are exempted.*
6. *The County should minimize expenditure on domestic travel by holding activities within the County headquarters.*

3.9. County Government of Isiolo

3.9.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget II for FY 2023/24 was Kshs.5.80 billion, comprising Kshs.1.77 billion (30.4 per cent) and Kshs.4.04 billion (69.6 per cent) allocation for development and recurrent programmes, respectively. The approved supplementary budget estimates represented a decrease of 10.2 per cent compared to the previous financial year when it was Kshs.6.46 billion and comprised of Kshs.2.08 billion for development expenditure and Kshs.4.38 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.4.89 billion (84.4 per cent) as the equitable share of revenue raised nationally, Kshs.430.66 million (7.4 per cent) as additional allocations/conditional grants, a cash balance of Kshs.117.91 million (2.0 per cent) brought forward from FY 2022/23, and generate Kshs.356.21 million (6.1 per cent) as gross own source revenue. The own-source revenue includes Kshs.88.58 million (23.9 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.267.63 million (75.1 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.57.

3.9.2 Revenue Performance

In the FY 2023/24, the County received Kshs.4.51 billion as an equitable share of the revenue raised nationally, Kshs.268.11 million as additional allocations/conditional grants, a cash balance of Kshs.117.91 million from FY 2022/23 and raised Kshs.285.20 million as own-source revenue (OSR). The raised OSR includes Kshs.94.48 million as FIF and Kshs.190.72 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.5.18 billion, as shown in Table 3.57

Table 3.57: Isiolo County, Revenue Performance in the FY 2023/24

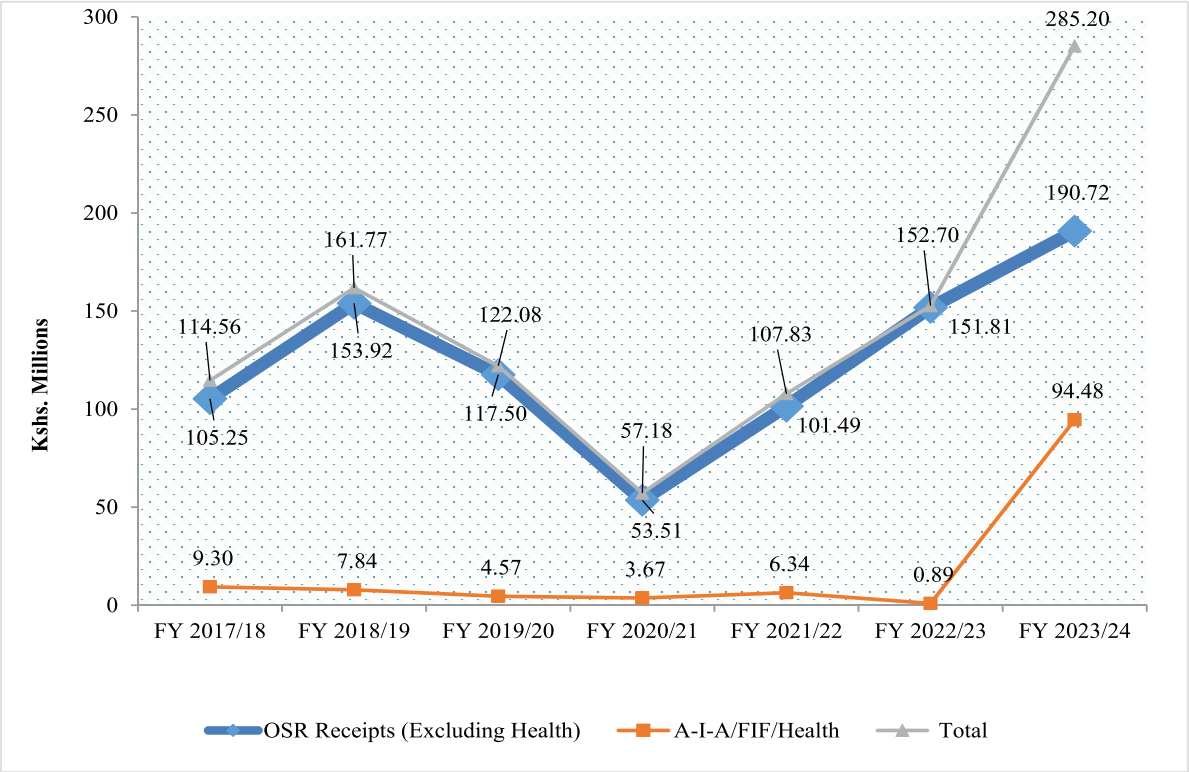
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	4,899,041,209	4,507,117,912	92
Subtotal		**4,899,041,209**	**4,507,117,912**	**92**
B	**Additional Allocations/Conditional Grants**			
1	DANIDA grant - Primary Health Care in Devolved Context	7,738,500	4,698,375	61
2	UNFPA, Library services	19,501,997	-	-
3	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program (County Climate Institutional Support (CCIS) Grant	136,000,000	112,141,788	83
4	Sweden Agricultural Sector Development Support Programme (ASDSP) II	18,446,882	16,258,238	88
5	World Bank- Emergency Locust Response Project (ELRP)	188,968,553	135,014,015	71
6	Construction of Headquarters	60,000,000	-	-
Subtotal		**430,655,932**	**268,112,416**	**62**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	267,634,395	190,715,416	71
2	Facility Improvement Fund (FIF)	88,573,785	94,481,928	107
Subtotal		**356,208,180**	**285,197,344**	**80**
D	**Other Sources of Revenue**			
1.	Unspent balance from FY 2022/23	117,905,059	117,905,059	100
Sub Total				
Grand Total		**5,803,810,380**	**5,178,332,731**	**89**

Source: *Isiolo County Treasury*

The FIF performed above 100% due to the payment of a pending NHIF debt to the County and the automation of hospital revenue collection.

Figure 33 shows the trend in own-source revenue collection from FY 2017/18 to FY 2023/24

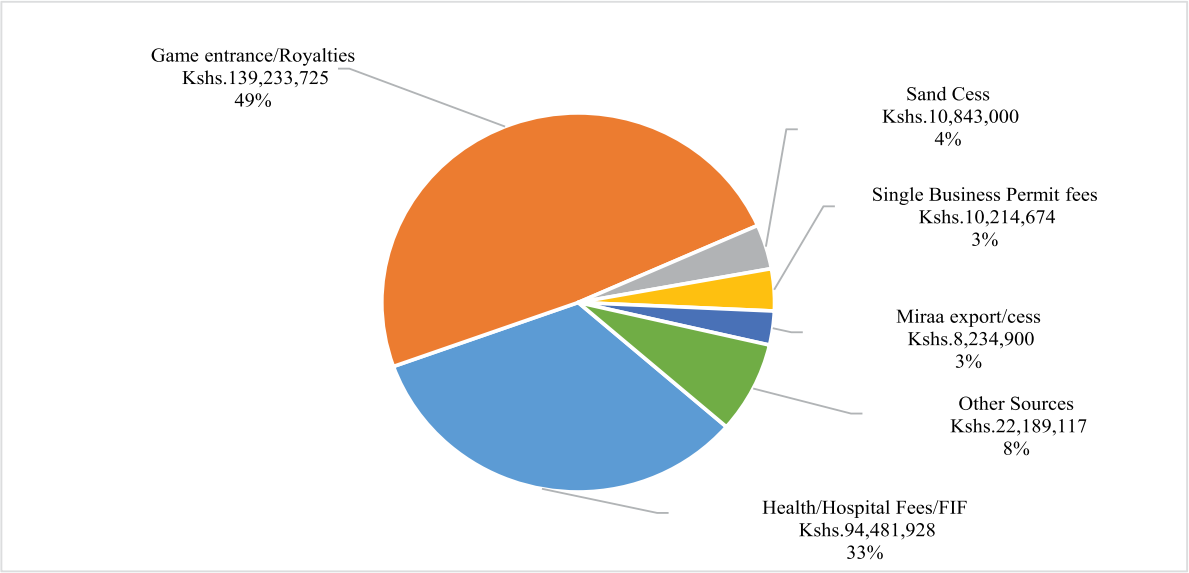
Figure 33: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Isiolo County Treasury*

In FY 2023/24, the County generated a total of Kshs.285.20 million from its sources of revenue, including FIF and AIA. This amount represented an increase 86.8 per cent compared to Kshs.152.70 million realized in FY 2022/23 and was 80.1 per cent of the annual target and 6.3 per cent of the equitable revenue share disbursed during the period. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.14.28 million. The increase in revenue by 86.8 per cent may be attributed to the revival of revenue streams that initially reported less revenue, revenue collection supervision change, and partial automation. The revenue streams which contributed the highest OSR receipts are shown in Figure 34.

Figure 34: Top Streams of Own Source Revenue in the FY 2023/24



Source: Isiolo County Treasury

The highest revenue stream, Kshs.139.23 million, was from Game entrance/Royalties, contributing 49 per cent of the total OSR receipts during the reporting period.

3.9.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.5.06 billion from the CRF account, comprised of Kshs.1.35 billion (27 per cent) for development programmes and Kshs.3.71 billion (73 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in FY 2023/24 indicates that Kshs.2.01 billion was released towards Employee Compensation and Kshs.1.69 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.46.80 million.

3.9.4 County Expenditure Review

The County spent Kshs.4.25 billion on development and recurrent programmes in the reporting period. This expenditure represented 84 per cent of the total funds released by the CoB and comprised Kshs.980.54 million and Kshs.3.27 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 55 per cent, while recurrent expenditures represented 81 per cent of the annual recurrent expenditure budget.

3.9.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.32 billion, comprising Kshs.689.25 million for recurrent expenditure and Kshs.632.65 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.198.46 million, which consisted of Kshs.11.67 million for recurrent expenditure and Kshs.186.79 million for development programmes. As of the end of FY 2023/24, the outstanding amount was Kshs.1.12 billion. This includes unsettled bills incurred in FY 2023/24.

The County Assembly reported outstanding pending bills of Kshs.13.91 million as of 30 June 2024.

3.9.6 Expenditure by Economic Classification

An analysis of expenditure by economic classification indicates that the County Executive spent Kshs.1.83 billion on employee compensation, Kshs.943.31 million on operations and maintenance, and Kshs.960.77 million on development activities. Similarly, the County Assembly spent Kshs.281.56 million on employee compensation, Kshs.213.43 million on operations and maintenance, and Kshs.19.77 million on development activities, as shown in Table 3.58.

Table 3.58: Summary of Budget and Expenditure by Economic Classification

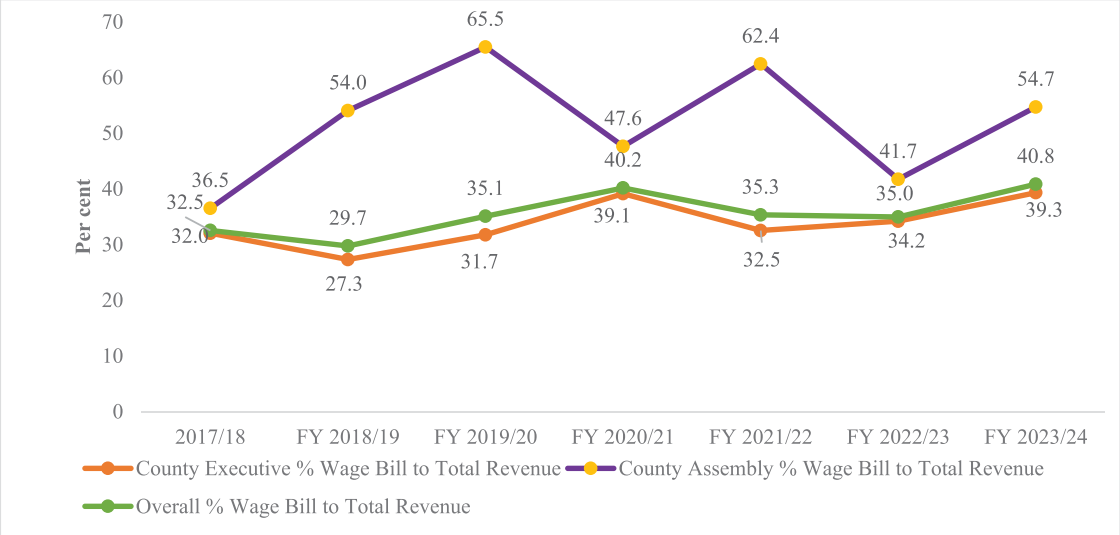
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**3,497,337,728**	**539,252,680**	**2,776,537,334**	**494,994,495**	**79.**	**92**
Compensation to Employees	1,840,252,290	321,381,147	1,833,226,555	281,564,287	99	88
Operations and Maintenance	1,657,085,438	217,871,533	943,310,779	213,430,208	56	98
Development Expenditure	1,727,219,972	40,000,000	960,765,830	19,770,941	55	49
Total	**5,224,557,700**	**579,252,680**	**3,737,303,164**	**514,765,436**	**71**	**89**

***Source**: Isiolo County Treasury*

3.9.7 Expenditure on Employees' Compensation

In FY 2023/24, expenditure on employee compensation was Kshs.2.11 billion, or 41 per cent of the available revenue, which amounted to Kshs.5.18 billion. This expenditure represented an increase from Kshs.2.04 billion reported in FY 2022/23. The wage bill included Kshs.997.75 million paid to health sector employees, translating to 47 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 35.

Figure 35: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Isiolo County Treasury

Further analysis indicates that PE costs amounting to Kshs.2.06 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.63.47 million was processed through manual payrolls. The manual payrolls accounted for 3 per cent of the total PE cost.

The County Assembly spent Kshs.10.13 million on committee sitting allowances for the 17 MCAs against the annual budget allocation of Kshs.12.50 million. The average monthly sitting allowance was Kshs.46,912 per MCA. The County Assembly has established 11 Committees.

3.9.8 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 million to county-established funds in FY 2023/24, constituting 3.1 per cent of the County's overall budget. Further, the County allocated Kshs.110 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. 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 FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds				
1	Emergency Fund	110,000,000	107,500,000	110,200,432	Yes
2	Bursary Fund	70,000,000	70,000000	70,000,000	Yes
	County Assembly Established Funds				
1	Isiolo County Assembly Mortgage & Car Loan Scheme Fund	-	-	-	Yes
	Total	**180,000,000**	**177,500,000**	**180,200,432**	

Source: *Isiolo County Treasury*

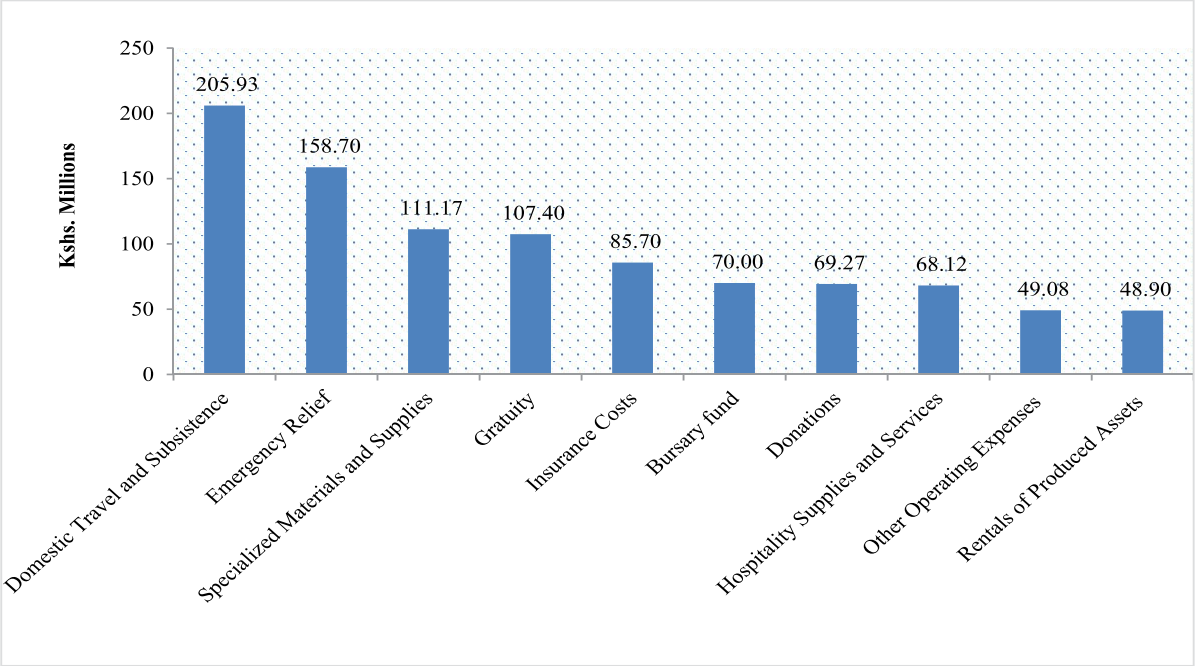
**** *The Isiolo County Education Bursary Fund administrator did not provide information on the total money received from the County Treasury from the time the fund was established to the end of the reporting period.*

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.

3.9.9 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*

The expenditure on domestic travel amounted to Kshs.205.93 million, comprised of Kshs.122.78 million spent by the County Assembly and Kshs.83.16 million by the County Executive. The County did not report any foreign travel expenses.

A breakdown of "other operating expenses in the above graph is provided in the table below

Table 3.60: A breakdown of "Other Operating Expenses" in the above graph.

County Ministry	Department	Description	Cumulative Expenditure
County Assembly	County Assembly	Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	2,000,000
		Legal Dues/fees, Arbitration and Compensation Payments	1,000,000
		Contracted Professional Services	400,000
		Constituency Office Expenses	2,040,000
County Executive Sector	Office of Governor	Contracted Guards and Cleaning Services	1,349,600
		Contracted Professional Services	730,000
		Security Operations	2,532,900
	Deputy Governor	Security Operations	90,000
	County Attorney	Legal Dues/fees, Arbitration and Compensation Payments	10,000,000
County Treasury and Economic Planning and Special Programmes and ICT and Cohesion	Finance	Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	856,800
		Contracted Professional Services	4,493,192
Lands, Urban Planning, Roads, Housing and Public Works	Lands & Physical Planning	Legal Dues/fees, Arbitration and Compensation Payments	2,272,000
Tourism, Culture and Trade, including PSM	Tourism& Wildlife	Security Operations	869,600
Health Services	Medical Services	Contracted Guards and Cleaning Services	10,846,400
		Other Operating Expenses – Other	1,299,608
	Public Health	Emergency Medical Expenses	4,797,800
Municipal Administration	Municipal Administration	Contracted Guards and Cleaning Services	3,500,000

Source: Isiolo County Treasury

The operations and maintenance costs include Kshs.10 million in legal fees/dues, arbitration and compensation payments.

3.9.10 Development Expenditure

In FY 2023/24, the County reported an expenditure of Kshs.980.54 million on development programmes, representing a 33 per cent decrease compared to FY 2022/23, when the County spent Kshs.1.46 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.61: 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	Agriculture, Livestock, Veterinary and Fisheries	Emergency locust response project (World Bank)	All Wards	188,968,553	187,783,819	58
2	Agriculture, Livestock, Veterinary and Fisheries	Completion of Isiolo Abattoir Expo	Burat	864,179,546	130,000,000	95
3	County Assembly	Debating Chamber and Offices	County Assembly Ground	314,000,000	109,816,566	35
4	County Treasury and Economic Planning and Special Programmes and ICT and Cohesion	Emergency fund	all wards	107,500,000	107,500,000	98
5	Municipal Administration	Isiolo Market construction	Isiolo town	545,211,810	83,825,151	85
6	County Treasury and Economic Planning and Special Programmes and ICT and Cohesion	KDSP balance b/f 2022/23 accident and emergency centre	Headquarters	89,264,215	40,743,184	90
7	Lands, Urban Planning, Roads, Housing and Public Works	County spatial plan	Entire county	98,470,400	19,694,480	30
8	Agriculture, Livestock, Veterinary and Fisheries	Agriculture Development Support Program (Swedish)	All Wards	18,446,882	16,258,238	100

Source: Isiolo County Treasury

3.9.11 Budget Performance by Department

Table 3.62 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.62: Isiolo 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 Executive Sector	362.10	-	312.35	-	261.48	-	83.7	-	72.2	-
County Treasury and Economic Planning and Special Programmes and ICT and Cohesion	576.29	442.79	521.98	299.05	452.85	270.22	86.8	90.4	78.6	61.0
Lands, Urban Planning, Roads, Housing and Public Works	41.93	258.11	33.99	231.07	27.02	246.05	79.5	106.5	64.4	95.3

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, Veterinary and Fisheries	173.92	431.26	146.41	421.01	149.75	295.50	102.3	70.2	86.1	68.5
Education, Youth, Sports, and Gender, Culture and Social Services	280.92	55.77	259.35	35.22	263.12	17.96	101.5	51.0	93.7	32.2
Tourism, Culture and Trade, including PSM	468.11	8.00	452.79	4.98	397.23	1.99	87.7	40.0	84.9	24.9
Water, Energy, Environment and Natural Resources Management	72.29	279.69	67.13	189.74	34.51	36.96	51.4	19.5	47.7	13.2
Health Services	1,387.00	113.11	1,373.64	30.87	1,165.69	14.67	84.9	47.5	84.0	13.0
Municipal Administration	49.77	138.50	43.09	100.07	24.89	77.41	57.8	77.4	50.0	55.9
Total	**3,951.59**	**1,767.22**	**3,705.71**	**1,331.78**	**3,271.53**	**980.54**	**88.3**	**73.6**	**82.8**	**55.5**

***Source**: Isiolo County Treasury*

An analysis of expenditure by departments shows that the Department of Lands, Urban Planning, Roads, Housing and Public Works recorded the highest absorption rate of development budget at 95.3 per cent, followed by the Department of Agriculture, Livestock, Veterinary and Fisheries at 68.5 per cent. The Department of Education, Youth, Sports, and Gender, Culture and Social Services had the highest percentage of recurrent expenditure to budget at 93.7 per cent. In contrast, the Department of Water, Energy, Environment and Natural Resources Management had the lowest at 47.7 per cent.

3.9.12 Budget Execution by Programmes and Sub-Programmes

Table 3.63 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.63: Isiolo County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Assembly							
Legislative service	Legislative service	539,252,680	-	494,994,495	-	91.8	-
Infrastructure support	Infrastructure support	-	40,000,000	-	19,770,941		49.4
	Sub - Total	**539,252,680**	**40,000,000**	**494,994,495**	**19,770,941**	**91.8**	**49.4**
County Executive Sector							
County Governance and Coordination Affairs	County Governance	88,730,784	-	45,799,541	-	51.6	-
	General Administration Planning & Support Services	123,748,054	-	110,222,529	-	89.1	-
Human Resources Mgt & Deployment	General Administration Planning & Support Services	31,647,996	-	31,647,995	-	100.0	-
	Human Resource Planning & Development	9,800,000	-	4,727,400	-	48.2	-
	Board Operation & Management	13,539,000	-	3,981,560	-	29.4	-
	Board Operation & Management	900,000	-	577,200	-	64.1	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Prudent use of Financial Resources	General Administration Planning & Support Services	11,031,840	-	10,363,839	-	93.9	-
	Efficiency Monitoring & Community Engagement	2,125,034	-	940,700	-	44.3	-
Legal & Legislative Services	Legal Services	29,775,000	-	10,000,000	-	33.6	-
	Legislative Services	11,597,000	-	2,292,000	-	19.8	-
Management of County Affairs	Personnel Services	-	-	-	-	-	-
	Partnerships Intergovernmental& NGO Coordination	4,991,000	-	1,879,300		37.7	-
	Sub-Total	**327,885,708**	**-**	**222,432,064**	**-**	**67.8**	**-**
County Treasury and Economic Planning and Special Programmes and ICT and Cohesion							
Public financial management	Administrative Services	71,852,103	-	71,116,424		99.0	-
	Supply Chain Management Services	124,631,053	324,791,868	52,982,402	162,217,143	42.5	49.9
	Accounting Services	38,401,849	-	28,017,979	-	73.0	-
Disaster Preparedness Prevention Response & Recovery	General Administration Planning & Support Services	28,000,000	-	27,750,000	-	99.1	-
	Coordination Training & Capacity Development	10,889,248	-	3,718,100	-	34.1	-
	Disaster Risk Awareness Preparedness & Management	163,400,000	-	158,695,000	-	97.1	-
	Social Protection	30,350,000	110,000,000	30,350,000	107,500,000	100.0	97.7
Economic Planning and Coordination ion	Monitoring and Evaluation	14,935,240	-	13,244,956	-	88.7	-
	Budget Formulation & Coordination	16,871,489	4,000,000	9,893,300	-	58.6	-
	Monitoring & Evaluation	16,271,730	-	7,272,800	-	44.7	-
Cohesion and Peace Building	Administrative and Civic Education Services	5,159,000	-	3,849,081	-	74.6	-
	Peace and Cohesion	6,987,503	-	2,155,900	-	30.9	-
	Violent Extremism Prevention	9,720,266	-	5,639,100	-	58.0	-
Revenue Enhancement	General Administration Planning & Support Services	20,077,000	-	18,217,500	-	90.7	-
	Source Revenue Enhancement	8,743,000	1,000,000	3,026,200	500,000	34.6	50.0
ICT and E-Government services	ICT Innovation and Enterprises	6,015,000	-	6,007,500	-	99.9	-
	County Government Public Image Improvement	3,990,000	-	1,727,300	-	43.3	-
	E-Government Services		3,000,000		-	-	-
	Sub-Total	**576,294,481**	**442,791,868**	**443,663,542**	**270,217,143**	**77.0**	**61.0**
Lands, Urban Planning, Roads, Housing and Public Works							
Land Survey and land use planning	County land planning and spatial development	9,147,020	-	7,415,520	-	81.1	-
	Land Use Planning	4,912,980	54,080,782	2,410,252	48,471,000	49.1	89.6
	Land Survey & Mapping	3,100,000	-	2,392,800	-	77.2	-
Roads & Infrastructure	Road Improvement	9,360,000	-	8,459,000	-	90.4	-
	Routine Roads Maintenance	2,561,000	-	1,121,200	-	43.8	-
Planning and Survey of Urban Areas (Modogashe and Ol ndonyiro)	Administration and Planning Services	110,000	-	23,743	-	21.6	-
	Housing Development	2,550,000	-	984,400	-	38.6	-
	Urban Development		3,000,000		3,000,000	-	100.0

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Public Works & Infrastructure	General Administration Planning & Support Services	10,193,160	-	4,408,249	-	43.2	-
	Routine Roads Maintenance		201,027,275		194,579,628	-	96.8
	Total	**41,934,160**	**258,108,057**	**27,215,164**	**246,050,628**	**64.9**	**95.3**
Agriculture, Livestock, Veterinary and Fisheries							
Sustainable Crop Development & Agricultural Land Use	General Administration Planning & Support Services	47,122,420	-	46,857,415	-	99.4	-
	Irrigation Schemes	585,100	300,000	-	-	-	-
	Crop Development & Management	3,095,591	209,415,435	1,261,928	151,272,253	40.8	72.2
	Agribusiness & Market Development	1,070,000	-	977,400		91.3	-
Livestock Production	General Administration Planning & Support Services	90,171,352	-	87,279,156	-	96.8	-
	Rangeland Rehabilitation & Management	2,481,083	-	300,000		12.1	-
	Marketing & Value Addition		200,000,000	-	130,000,000	-	65.0
	Breeds Improvement & Livestock Risk Mgt		17,743,151	-	14,230,400	-	80.2
	Livelihood Diversification		1,044,000	-	-	-	-
Value Addition	Livestock Diseases & Pests Control	17,176,000	-	8,769,600	-	51.1	-
	Diagnostics & Laboratory Services	400,000	-	-	-	-	-
	Veterinary Public Health Services	4,075,000	-	1,262,400	-	31.0	-
Fisheries Development	General Administration & Support Services	4,324,240	-	2,211,683	-	51.1	-
	Aquaculture Technology Development & Innovation Transfer	181,000	2,753,000	60,000	-	33.1	-
	Fish Safety Assurance Value Addition & Marketing	3,240,000	-	774,400	-	23.9	-
	Total	**173,921,786**	**431,255,586**	**149,753,982**	**295,502,653**	**86.1**	**68.5**
Education, Youth, Sports, and Gender, Culture and Social Services							
Provision of education and training services	General Administration & Support Services	151,707,827	-	151,536,206	-	99.9	-
	ECDE Retention	7,000,000	-	6,000,000	-	85.7	-
	Education Support Services	77,003,184	-	71,616,784	-	93.0	-
	Quality ECDE Services	745,035	-	745,016	-	100.0	-
	ECDE Access		23,400,000		11,613,015	-	49.6
Youth, Sports and Gender	Sports Performance & Management	7,129,600	-	2,697,000	-	37.8	-
	General Administration Planning & Support	6,292,080	-	6,125,593	-	97.4	-
	Youth Development	7,969,599	-	6,353,598	-	79.7	-
	Sports Facilities Development		6,000,000	-	-	-	-
Culture and social services	Administration & Support Services	15,100,280	-	11,709,711	-	77.5	-
	Arts & Culture Development	700,000	12,025,011	667,600	-	95.4	-
Gender Mainstreaming	Gender-Based Violence & Harmful Practices	1,580,000	-	802,000		50.8	-
	Women Empowerment	220,000	-	170,000	-	77.3	-
	Child Protection		2,000,000	-	2,000,000	-	100.0

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Disability Empowerment	PWDs Social-Economic Empowerment	2,696,484	-	2,000,000	-	74.2	-
Cultural and Arts Empowerment	TVET Access & Retention	248,157	10,875,185	62,950	4,350,000	25.4	40.0
	VTC Quality Development	2,531,843	-	1,634,000		64.5	-
	Secondary & Tertiary Education Support		1,465,185	-	-	-	-
	Total	**280,924,089**	**55,765,381**	**262,120,459**	**17,963,015**	**93.3**	**32.2**
Tourism, Culture and Trade, including PSM							
Tourism Promotion	Tourism Promotion and Marketing	93,426,179	-	76,512,680	-	81.9	-
	Tourism Development	2,556,000	-	520,400	-	20.4	-
	Wildlife Protection		8,000,000	-	1,992,474	-	24.9
Trade development and promotion	Entrepreneurship and business management training	3,407,867	-	1,846,000	-	54.2	-
	General Administration & Support Services	12,133,520	-	4,393,583	-	36.2	-
	Co-operative Development & Management	2,200,000	-	570,800	-	25.9	-
	Development of new market stalls		-	-	-	-	-
Peace and Unity Building Initiatives	General Administration Planning & Support Services	146,069,490	-	135,451,328	-	92.7	-
	County Administration	26,284,954	-	13,274,100	-	50.5	-
	Public Service Productivity & Reforms	189,855,720	-	165,726,521	-	87.3	-
	Performance Management Framework	9,537,000	-	8,741,330	-	91.7	-
	Devolved Units	7,634,000	-	2,792,800	-	36.6	-
Civic Education & Public Participation	General Administration Planning & Support Services	5,055,300	-	4,717,000	-	93.3	-
	Civic Education	1,460,000		150,000	-	10.3	-
	Public Participation	1,750,000	-	837,300	-	47.8	-
	Customer Service	950,000	-	150,000	-	15.8	-
	Total	**502,320,030**	**8,000,000**	**415,683,842**	**1,992,474**	**82.8**	**24.9**
Water, Energy, Environment and Natural Resources Management							
Water Supply and Storage Services	Procurement of survey equipment & accessories	26,121,320	-	12,995,635	-	49.8	-
	Rural Water Supply & Storage Services	12,699,573	93,816,770	6,615,476	25,811,321	52.1	27.5
	Rural Water Services Governance	750,000	4,000,000	98,000	3,993,300	13.1	99.8
	Adaptive Capacity to Natural Disaster	3,000,000	-	1,500,000	-	50.0	-
Climate Change Mitigation & Adaptation	General Administration & Support Services	19,670,074	-	9,707,265	-	49.4	-
	Enabling Legal & Implementation Frameworks	1,006,732	-	459,800	-	45.7	-
	Inclusive Climate Resilience	800,000	-	416,200	-	52.0	-
	Climate Smart Practices	1,710,000	177,870,282	1,190,000	7,153,379	69.6	4.0
Conservation of Environment & Natural Resources	Administration and Support Services	36,000	-	12,000	-	33.3	-
	Sustainable Natural Resources Exploitation	2,020,000	-	589,900	-	29.2	-
	Environmental Conservation	550,000	-	150,000	-	27.3	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Energy services	General Administration & Support Services	135,000	-	65,000	-	48.1	-
	Green Energy Promotion	3,790,000	-	710,300	-	18.7	-
	Renewable Energy Technologies		4,000,000		-	-	-
	Total	**72,288,699**	**279,687,052**	**34,509,576**	**36,958,000**	**47.7**	**13.2**
Health Services							
Health Curative Services	Administration Support Services	-	-	-	-	-	-
	Human Resource Management	933,411,501	-	811,768,112	-	87.0	-
	Monitoring & Evaluation	4,071,674	-	1,129,788	-	27.7	-
	Quality Assurance & Standards	4,402,000	-	832,200	-	18.9	-
	Curative and Rehabilitative Health Services	38,248,592	39,476,986	13,228,256	-	34.6	-
	Pharmaceutical & Pharmaceutical Commodities	178,417,960	-	70,350,799	-	39.4	-
Health Preventive and Promotive Services	Preventive and Promotive Health Services	-	-	-	-	-	-
	Human Resource Management	119,568,341	-	118,485,727	-	99.1	-
	Primary Health Care	56,331,079	57,399,145	22,878,663	14,672,852	40.6	25.6
	Nutrition	2,502,646	-	659,200	-	26.3	-
	Community Health Services	31,000,000	-	15,688,800	-	50.6	-
	Communicable Diseases Control	5,252,900	-	3,030,700	-	57.7	-
	Public Health Emergency Coordination	13,796,400	16,231,500	2,970,412	-	21.5	-
	Total	**1,387,003,093**	**113,107,631**	**1,061,022,657**	**14,672,852**	**76.5**	**13.0**
Municipal Administration							
Municipal Administration	General Administration and Planning	29,335,321	-	16,167,661	-	55.1	-
	Infrastructural Development	7,500,000	27,824,769	3,500,000	6,150,155	46.7	22.1
	Municipality Amenities	5,212,200	102,352,127	2,978,400	67,931,410	57.1	66.4
	Municipal Disaster Management	2,300,000	8,327,500	394,000	3,327,500	17.1	40.0
	Municipal Transport Services & Management	5,418,161	-	1,850,000	-	34.1	-
	Sub-Total	**49,765,682**	**138,504,396**	**24,890,061**	**77,409,065**	**50.0**	**55.9**
	Grand Total	**3,951,590,408**	**1,767,219,971**	**3,136,285,842**	**980,536,771**	**79.4**	**55.5**

Source: Isiolo County Treasury

The report on budget implementation by programmes and sub-programs does not include FIF expenditure as it was not captured in IFMIS. This should be addressed in liaison with the IFMIS Directorate. The sub-programmes with the highest levels of implementation based on absorption rates were General Administration Planning & Support Services at 100 per cent in the Department of the County Executive Sector, Social Protection at 100 per cent in the Department of County Treasury and Economic Planning and Special Programme and ICT and Cohesion, and Quality ECDE Services at 100 per cent of its budgeted allocation in the department of Education, Youth, Sports, and Gender, Culture and Social Services.

3.9.13 Accounts Operated Commercial Banks

The County government operated a total of 11 accounts with commercial banks. 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.

3.9.14 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;

1. The late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The report for the County Assembly was received on 31st July 2024, while those for the County Executive were received on 9 August 2024.
2. High level of pending bills, which amounted to Kshs.1.12 billion as of 30 June 2024.
3. High wage bills accounted for 40.8 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided in law.
4. Use of manual payroll. Personnel emoluments amounting to Kshs.60.47 million were processed through the manual payroll, accounting for 3 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.
5. 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 Public Funds, Conditional grants and Revenue collection.
6. Low expenditure on development budget. Actual expenditure on development activities accounted for 23.1 per cent of total expenditure during the period. This is below the 30 per cent threshold provided in law.
7. Own-source revenue under performed at Kshs.285.20 million, representing 80.1 percent of the annual target, against an annual target of Kshs.356.21 billion.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *The 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.*
3. *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.*
4. *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.*
5. *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.*
6. *The County government should prioritize expenditure on the development budget to ensure it meets the 30 per cent threshold provided in law.*
7. *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.*

3.10. County Government of Kajiado

3.10.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.11.59 billion, comprising of Kshs.3.55 billion (30.6 per cent) and Kshs.8.04 billion (69.4 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 8.6 per cent compared to the previous financial year when it was Kshs.10.67 billion and comprised of Kshs.3.19 billion towards development expenditure and Kshs.7.48 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.8.30 billion (71.6 per cent) as the equitable share of revenue raised nationally, Kshs.1.39 billion (12 per cent) as additional allocations/conditional grants, a cash balance of Kshs.32.44 million (0.3 per cent) brought forward from FY 2022/23, and generate Kshs.1.87 billion (16.1 per cent) as gross own source revenue. The own-source revenue includes Kshs.247.22 million (2.1 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.1.62 billion (14.0 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.62.

3.10.2 Revenue Performance

In the FY 2023/24, the County received Kshs.7.64 billion as an equitable share of the revenue raised nationally, Kshs.455.93 million as additional allocations/conditional grants, a cash balance of Kshs.32.55 million from FY 2022/23 and raised Kshs.1.05 billion as own-source revenue (OSR). The raised OSR includes Kshs.369.95 million as FIF and Kshs.678.40 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.9.17 billion, as shown in Table 3.62.

Table 3.64: Kajiado County, Revenue Performance in the FY 2023/24

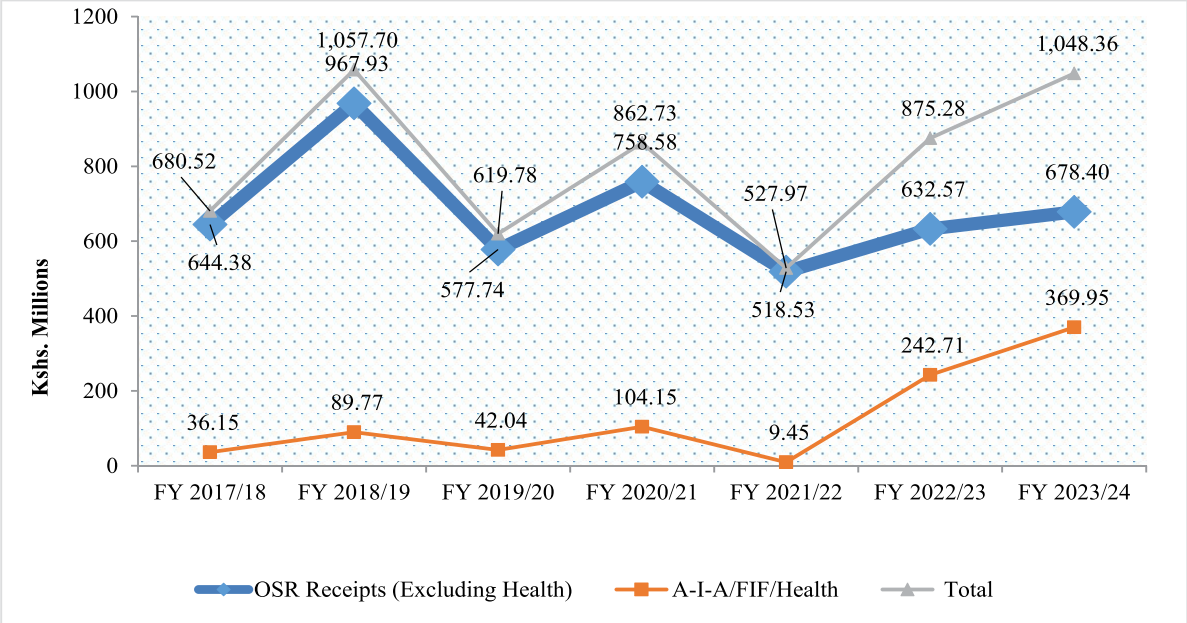
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	8,300,213,576	7,636,196,489	92
Subtotal		**8,300,213,576**	**7,636,196,489**	**92**
B	**Additional Allocations/Conditional Grants**			
1	DANIDA-Capital grants from foreign government	24,331,572.00	11,723,250	48.2
2	DANIDA- Level 1 grants	2,588,510.00	-	-
3	Nutritional International	16,322,858.00	9,998,200	61.3
4	Kenya Informal Settlement Improvement Project	100,000,000.00	100,000,000	100.0
5	IDA-National Agricultural Value Chain Development Project	195,112,952.00	195,112,951	100.0
6	Aquaculture Business Development Project	10,509,643.00	-	-
7	Fertilizer Subsidy grants	41,355,485.00	-	-
8	livestock Value Chain Support Project	28,647,360.00	-	-
9	De-risking and Value Chain Enhancement	96,691,980.00	-	-
10	Kenya Climate Smart Agriculture	2,313,296.00	-	-
11	Financially of Locally Led Climate Action-FLLoCA-County Climate Resilience grants	137,511,456.00	137,511,456	100.0
12	Agriculture Sector Development Support	5,585,811.00	1,585,811	28.4
13	Financially of Locally Led Climate Action-FLLoCA-County Climate Institutional	22,558,300.00	-	-
14	Kenya Devolution Support Programm -Level1	30,636,596.00	-	-
15	Kenya Devolution Support Programm -Level 2	11,961,075.00	-	-
16	Mineral Royalties	660,242,992.00	-	-
Subtotal		**1,386,369,886**	**455,931,668**	**32.9**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	1,621,247,688	678,403,673	41.8
2	Facility Improvement Fund (FIF)	247,219,297	369,952,762	149.6

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
Subtotal				
D	**Other Sources of Revenue**	**1,868,466,985**	**1,048,356,435**	**56.1**
1	Unspent balance from FY 2022/23	32,435,820	32,545,280	100.3
Sub Total		**32,435,820**	**32,545,280**	**100.3**
Grand Total		**11,587,486,267**	**9,173,029,872**	**79.2**

Source: *Kajiado County Treasury*

Figure 37 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

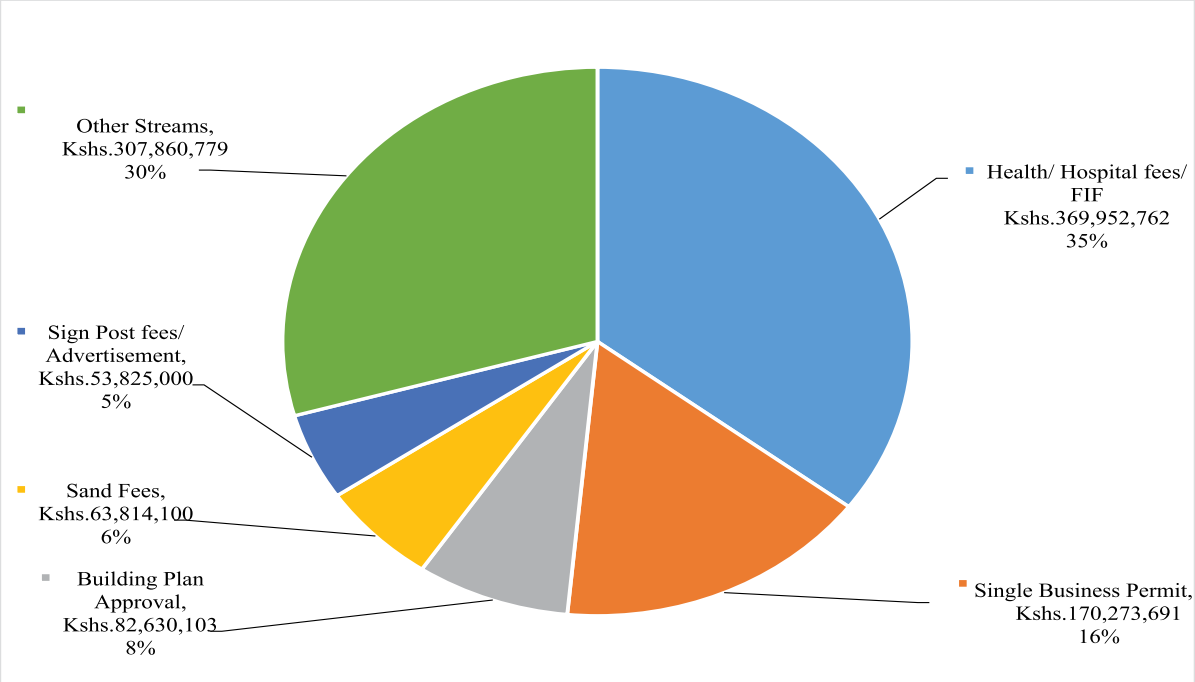
Figure 37: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Kajiado County Treasury*

In the FY 2023/24, the County generated a total of Kshs.1.05 billion from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 19.8 per cent compared to Kshs.875.3 million realized in FY 2022/23 and was 56.1 per cent of the annual target and 13.7 per cent of the equitable revenue share disbursed during the period. The revenue streams which contributed the highest OSR receipts are shown in Figure 38.

Figure 38: Top Streams of Own Source Revenue in the FY 2023/24



Source: Kajiado County Treasury

The highest revenue stream of Kshs.369.95 million was from Health/ Hospital Fees/FIF contributing to 35 per cent of the total OSR receipts during the reporting period.

3.10.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.8.8 billion from the CRF account during the reporting period, which comprised Kshs.2.04 billion (23.2 per cent) for development programmes and Kshs.6.76 billion (76.8 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.4.43 billion was released towards Employee Compensation and Kshs.2.33 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.2.14 million.

3.10.4 County Expenditure Review

The County spent Kshs.8.80 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 of Kshs.2.04 billion and Kshs.6.76 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 57.5 per cent, while recurrent expenditure represented 84 per cent of the annual recurrent expenditure budget.

3.10.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.69 billion, comprising Kshs.494.09 million for recurrent expenditure and Kshs.1.20 billion for development activities. In FY 2023/24, the County settled pending bills amounting to Kshs.711.20 million, which was entirely for development programmes. The County Treasury reported pending bills of Kshs.2.35 billion as of 30th June 2024.

The County Assembly reported outstanding pending bills of Kshs.96.38 million as of 30th June 2024.

3.10.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.4.13 billion on employee compensation, Kshs.1.81 billion on operations and maintenance, and Kshs.1.98 billion on

development activities. Similarly, the County Assembly spent Kshs.302.99 million on employee compensation, Kshs.512.06 million on operations and maintenance, and Kshs.58.78 million on development activities, as shown in Table 3.65.

Table 3.65: Summary of Budget and Expenditure by Economic Classification

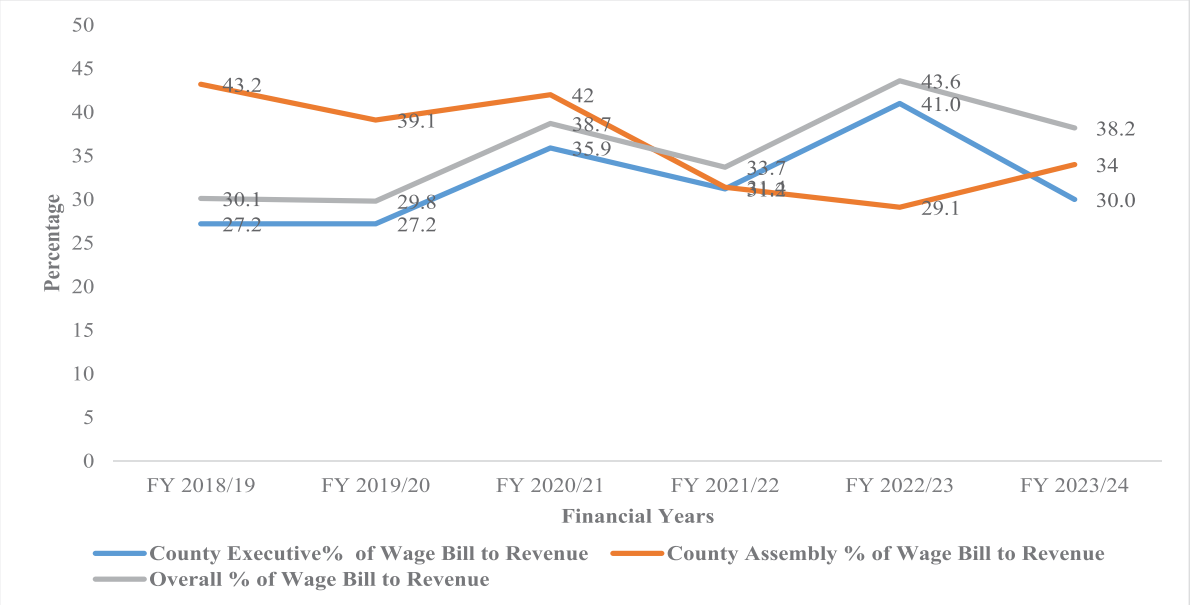
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**7,150,924,652**	**889,865,718**	**5,934,123,799**	**815,052,887**	**83.0**	**91.6**
Compensation to Employees	4,528,727,679	312,177,793	4,125,836,376	302,988,962	91.1	97.1
Operations and Maintenance	2,622,196,973	577,687,925	1,808,287,423	512,063,925	69.0	88.6
Development Expenditure	**3,363,695,897**	**183,000,000**	**1,979,521,102**	**58,775,916**	**58.8**	**32.1**
Total	**10,514,620,549**	**1,072,865,718**	**7,913,644,901**	**873,828,803**	**75.3**	**81.4**

***Source**: Kajiado County Treasury*

3.10.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.43 billion, or 48.3 per cent of the available revenue, which amounted to Kshs.9.17 billion. This expenditure represented a decrease from Kshs.4.60 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.1.84 billion paid to health sector employees, translating to 41.6 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2018/19 to FY 2023/24 is shown in Figure 39.

Figure 39: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Kajiado County Treasury

Revenue is as per the approved budget estimates

Further analysis indicates that PE costs amounting to Kshs.4.18 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.245.35 million was processed through manual payrolls. The manual payrolls accounted for 5.5 per cent of the total PE cost.

The County Assembly spent Kshs.47.47 million on committee sitting allowances for the 42 MCAs against the annual budget allocation of Kshs.47.47 million. The average monthly sitting allowance was Kshs.94,188 per MCA. The County Assembly has established 19 Committees.

3.10.8 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.373.00 million to county-established funds in FY 2023/24, constituting 3.2 per cent of the County's overall budget. Further, the County allocated Kshs.142 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 3.66 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.66: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
County Executive Established Funds						
1	Educational Benefit-Scholarship	175,000,000	155,000,000	130,303,151	900,000,000	Yes
2	Executive Car loan and Mortgage	50,000,000	15,500,000	15,500,000	250,247,500	Yes
3	Youth and Sport Fund	10,000,000	10,000,000	10,000,000	90,000,000	Yes
4	Disability Fund	10,000,000	10,000,000	8,593,689	78,000,000	Yes
5	Liquor Fund	10,000,000	-		-	No
6	Investment Authority	25,000,000	25,000,000	24,736,905	25,000,000	Yes
7	Women Empowerment Fund	40,000,000	-	-	-	No
County Assembly Established Funds						
1	MCA's Car loan and Mortgage	53,000,000	-	-	384,500,000	No
	Total	**373,000,000**	**215,500,000**	**189,133,745**	**1,727,747,500**	

Source: *Kajiado County Treasury*

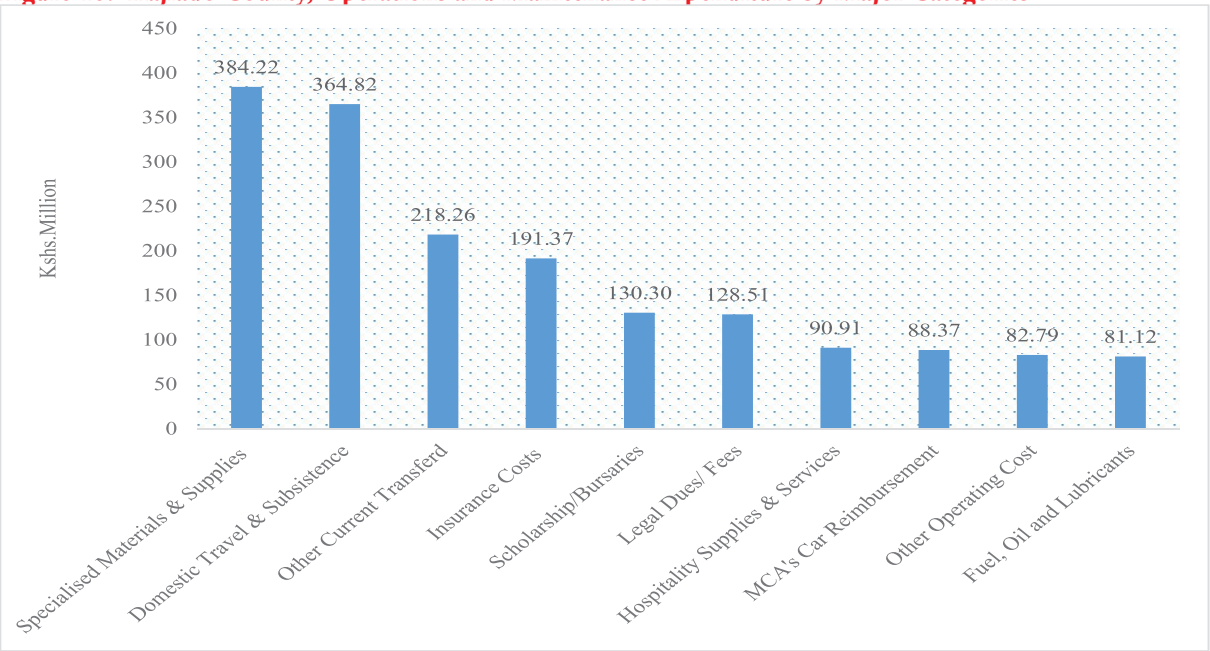
As indicated in Table 3.66 the CoB did not receive quarterly financial returns as of 30th June 2024 from the Fund Administrators of the Liquor Fund, Women Empowerment Fund, and MCA's Car Loan and Mortgage Fund, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.10.9 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.364.82 million and comprised Kshs.178.88 million spent by the County Assembly and Kshs.185.94 million by the County Executive. Expenditure on foreign travel amounted to Kshs.38.62 million and comprised Kshs.30.90 million by the County Assembly and Kshs.7.72 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.67 below;-

Table 3.67: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	27	29/10/2023 to 3/112023	Training on Legislative Drafting	Arusha -Tanzania	7,829,651
County Assembly	1	29/10/2023 to 4/11/2023	Training on Leadership	Kent, UK	657,458
County Assembly	3	21/01//2024 to 28/01/2024	Governance and Leadership Training	Dubai UAE	3,616,677
County Assembly	4	22/01/2024 to 27/01/2024	International Relations Diplomacy	Arusha -Tanzania	1,817,476
County Assembly	6	13th to 17th November 2023	EALASCA games preparation	Kampala Uganda	1,443,792
County Assembly	1	31st Dec to 7th Jan 2024	Women in leadership training	Dubai UAE	808,676
County Assembly	5	12th to 17th Feb 2024	Public Expenditure and management program	Turkey	3,384,490
County Assembly	12	6th to 12th Feb 2024	Public Service Management	Arusha -Tanzania	4,580,481
County Executive	2	29/02/2024 to 2/02/2024	Amali city leadership forum Africa centre for cities	University of Capetown, South Africa	905,664
County Executive	3	25/10/2023 to 29/10/2023	Africa celebrates 2023	AU Headquarters, Ethiopia	1,271,715
		Flight Centre	Travel cost		8,938,678

Source: Kajiado County Treasury and Kajiado County Assembly

The operations and maintenance costs include an expenditure of Kshs.128.51 million on legal fees/dues, arbitration and compensation payments, and legal fees.

3.10.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.2.04 billion on development programmes, a decrease of 15.4 per cent compared to FY 2022/23, when the County spent Kshs.2.41 billion. Table 3.68 summarises development projects with the highest expenditure in the reporting period.

Table 3.68: 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	Flooding mitigation of Pakaase Bridge	Magadi	147,201,634	73,600,817	50
2	County Treasury	Proposed construction of County Headquarters	Ildamat	492,646,371	50,529,371	10
3	Health	Construction of Oloilalei Dispensary	Entonet	155,708,064	30,102,661	19
4	Finance	Maintenance and administrative cost of revenue collection system	Ildamat	24,705,000	24,650,224	100
5	Road	Proposed Construction of Olkatetemai footbridge	Kenyawa/Poka	47,005,138	23,502,569	50
6	Education	Proposed Completion of Social Hall at Olkejuado High School	Dalalekutuk	27,503,609	15,741,745	57
7	Road	Construction of Kimana Road Box Culvert	Kimana	30,500,042	15,250,021	50
8	Health	Supply, Delivery, Testing of Mortuary for Ngong and Ongata Rongai	Ngong	18,478,400	18,478,400	100
9	Finance	Proposed Construction of Supply Chain Office	Ildamat	20,259,043	14,730,195	73
10	Health	Construction of male ward at Kajiado Referral Hospital	Ildamat	32,499,371	14,165,927	44

Source: Kajiado County Treasury

3.10.11 Budget Performance by Department

Table 3.69 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.69: Kajiado 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 and Deputy Governor	268.56	0.00	172.35	0.00	172.35	0.00	100.0	0.00	64.2	0.00
County Public Service Board	121.84	0.00	104.79	0.00	104.79	0.00	100.0	0.00	86.0	0.00
Medical Service and Public Health	2,587.40	338.47	2,357.37	69.98	2,357.37	69.98	100.0	100.0	91.1	20.7
Water, Irrigation, Environment and Natural Resources	224.87	396.77	185.48	276.50	185.48	276.50	100.0	100.0	82.5	69.7
Road, Transport, Public Works and Energy	197.19	219.50	180.89	100.92	180.89	100.92	100.0	100.0	91.7	46.0
Public Service Administration and Citizen Participation	840.90	0.00	714.80	0.00	714.80	0.00	100.0	0.00	85.0	0.00
County Treasury	919.19	1,325.24	514.21	985.32	514.21	985.32	100.0	100.0	55.9	74.4

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
Lands, Physical Planning and Urban Development	138.89	103.00	118.19	75.00	118.19	73.00	100.0	97.3	85.1	70.9
County Assembly	889.87	183.00	824.11	58.78	824.05	58.78	100.0	0.00	92.6	32.1
Education, Youth and Sport	746.40	121.00	674.60	35.97	674.60	35.97	100.0	0.00	90.4	29.7
Gender, Cooperative, Culture, Tourism and Wildlife	230.38	0.00	125.22	0.00	125.22	0.00	100.0	0.00	54.4	0.00
Agriculture, Livestock, Veterinary and Fisheries	292.12	396.72	233.76	198.70	233.76	198.70	100.0	100.0	80.0	50.1
Trade, Investment and Enterprise Development	223.48	100.00	211.89	22.27	211.89	22.27	100.0	100.0	94.8	22.3
Kajiado Municipality	61.11	108.00	57.73	38.20	57.73	38.20	100.0	100.0	94.5	35.4
Ngong Municipality	92.95	165.00	86.24	114.50	86.24	114.50	100.0	100.0	92.8	69.4
Office of the County Attorney	159.85	0.00	157.27	0.00	157.27	0.00	100.0	0.00	98.4	0.00
Kitengela Municipality	45.78	90.00	39.31	64.07	39.31	64.17	100.0	100.2	85.9	71.3
Total	**8,040.79**	**3,546.70**	**6,758.24**	**2,040.20**	**6,758.18**	**2,038.30**	**100.0**	**99.9**	**84.0**	**57.5**

***Source**: Kajiado County Treasury*

Analysis of expenditure by departments shows that the Department of County Treasury recorded the highest absorption rate of the development budget at 74.4 per cent, followed by the Department of Kitengela Municipality at 71.3 per cent. The Department of County Attorney had the highest percentage of recurrent expenditure to budget at 98.4 per cent, while the Department of Gender, Cooperative, Culture, Tourism and Wildlife had the lowest at 54.4 per cent.

3.10.12 Budget Execution by Programmes and Sub-Programmes

Table 3.70 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.70: Kajiado County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Office of the Governor and Deputy Governor							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	181,409,709.00	-	132,207,398.00	-	72.9	-
Coordination Devolution Service	County Executive	27,880,000.00	-	9,708,715.00	-	34.8	-
	Intergovernmental Relation	26,288,000.00	-	8,006,093.00	-	30.5	-
	County Advisory	16,710,000.00	-	10,230,739.00	-	61.2	-
	Special Programs	16,276,000.00	-	12,200,000.00	-	75	-
	Sub Total	**268,563,709.00**	-	**172,352,945.00**	-	64.2	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Public Service Board						-	
General Administration, Planning and Support Service	General Administration, Planning and Support Service	121,837,299.00	-	104,792,527.00	-	86	-
	Sub-Total	**121,837,299.00**	**-**	**104,792,527.00**	**-**	86	**-**
Department of Medical Service and Public Health							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	2,117,132,423.00	10,000,000.00	1,927,640,192.00	10,000,000.00	91	1
Curative and Rehabilitative	Hospital Service	7,264,200.00	247,169,297.00	5,765,500.00	30,102,661.00	79.4	-
	Health Products and Technologies	335,872,533.00	-	358,816,071.00	-	106.8	-
	Emergency Responses	6,529,000.00	-	3,661,485.00	-	56.1	-
Public Health and Sanitation	Reproductive Maternal	32,617,507.00	-	32,746,585.00	-	100.4	-
	Communicable and Non-Communicable disease	4,990,642.00	-	-	-	-	-
	Primary Health Care	64,874,115.00	76,800,000.00	28,744,263.00	25,378,265.00	44.3	33
	Disease Surveillance and Response	3,869,815.00	-	-	-	-	-
	Environmental Health	14,251,840.00	4,500,000.00	-	4,500,000.00	-	1
	Sub Total	**2,587,402,075.00**	**338,469,297.00**	**2,357,374,096.00**	**69,980,926.00**	**91.1**	**-**
Department of Water, Irrigation, Environment and Natural Resource							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	114,389,966.00	-	108,789,189.00	-	95.1	-
Water Service	Water Service	34,820,000.00	227,069,756.00	20,874,706.00	177,380,300.00	60	78.1
	Storm Water Management	7,236,148.00	-	8,209,556.00	-	113.5	-
	Sanitation Service	4,820,000.00	-	1,404,000.00	-	29.1	-
Environment and Natural Resources	Environmental	55,885,867.00	-	41,626,437.00	-	74.5	-
	Natural Resources	2,121,984.00	-	1,813,740.00	-	85.5	-
	Climate Change	5,600,000.00	169,700,000.00	2,760,450.00	99,116,839.00	49.3	58.4
	Sub Total	**224,873,965.00**	**396,769,756.00**	**185,478,078.00**	**276,497,139.00**	82.5	**69.7**
Department of Roads, Transport, Public Works and Energy							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	145,640,689.00	-	138,464,811.00	-	95.1	-
Public Works and Infrastructure	Roads	10,500,000.00	173,500,000.00	9,928,301.00	88,938,490.00	94.6	51.3
	Energy	12,982,500.00	32,000,000.00	9,513,923.00	-	73.3	-
	Fire Fighter	5,900,000.00	-	4,973,172.00		84.3	-
	Transport	14,348,000.00	-	12,765,380.00	-	89	-
	Public Works	7,814,183.00	14,000,000.00	5,248,000.00	11,982,004.00	67.2	-
	Sub Total	**197,185,372.00**	**219,500,000.00**	**180,893,587.00**	**100,920,494.00**	91.7	**46**

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Department of Public Service, Administration and Citizen Participation							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	533,617,890.00	-	468,351,948.00	-	87.8	-
Public Service and Administration	County Administration	12,434,557.00	-	5,166,100.00	-	41.5	-
	County Inspectorate	6,515,500.00	-	3,492,800.00	-	53.6	-
Human Resource Management and Development	Human Resource	253,149,400.00	-	222,346,503.00	-	87.8	-
Citizen Participation	Citizen Participation	13,172,624.00	-	4,144,217.00	-	31.5	-
	Social Protection	3,500,500.00	-	2,870,000.00	-	82	-
	Disability Mainstreaming	13,000,000.00	-	5,650,000.00	-	43.5	-
	Control of Alcohol and Substance Abuse	2,506,000.00	-	902,800.00	-	36	-
	County Organization	3,000,000.00	-	1,880,200.00	-	62.7	-
	Sub Total	**840,896,471.00**	-	**714,804,568.00**	-	85	-
Department of County Treasury							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	809,323,150.00	1,280,240,317.00	431,151,649.00	964,983,514.00	53.3	-
	Information, Communication and Technologies	22,010,000.00	15,000,000.00	19,773,502.00	11,093,208.00	89.8	73.9
Public Finance Management	Budget Coordination and Management	11,500,000.00	-	8,383,800.00	-	72.9	-
	Accounting Service	10,210,000.00	-	9,044,750.00	-	88.6	-
	Supply Chain Management	28,490,000.00	-	22,472,139.00	-	78.9	-
	Internal Audit	7,600,000.00	-	8,412,844.00	-	110.7	-
	Revenue Collection/ Resource mobilization	13,433,094.00	30,000,000.00	11,434,449.00	9,239,801.00	85.1	30.8
Economy Policy Coordination	Economic Planning	8,300,000.00	-	3,090,400.00	-	37.2	-
	Monitoring and Evaluation	8,321,000.00	-	450,000.00	-	5.4	-
	Sub Total	**919,187,244.00**	**1,325,240,317.00**	**514,213,533.00**	**985,316,523.00**	55.9	-
Department of Lands, Physical Planning and Urban Development							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	93,742,697.00	-	86,663,843.00	-	92.4	-
Land Policy and Planning	Physical Planning	9,484,700.00	103,000,000.00	6,828,000.00	73,000,000.00	72	-
	Lands Survey and Mapping	5,570,000.00	-	3,425,323.00	-	61.5	-
	Lands Administration	6,170,000.00	-	2,882,080.00	-	46.7	-
Urban Development and Management	Urban Development	17,776,900.00	-	5,071,099.00	-	28.5	-
	Housing	6,150,000.00	-	13,320,251.00	-	216.6	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Sub Total	**138,894,297.00**	**103,000,000.00**	**118,190,596.00**	**73,000,000.00**	85.1	-
County Assembly							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	528,518,310.00	183,000,000.00	465,221,735.00	58,775,916.00	0.88	32.1
Legislation, Representation and Oversight	Legislation, Representation and Oversight	361,347,408.00	-	358,831,152.00	-	0.99	-
	Sub Total	**889,865,718.00**	**183,000,000.00**	**824,052,887.00**	**58,775,916.00**	0.93	32.1
Department of Education, Youth and Sport							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	689,966,324.00	-	644,612,124.00	-	93.4	-
Early Childhood Development	Early Childhood	39,150,000.00	116,000,000.00	20,476,774.00	35,971,444.00	52.3	31
Technical and Vocational	Technical and Vocational Training	4,520,880.00	5,000,000.00	1,747,000.00	-	60.8	-
Youth and Sports	Sport Training and Competition	12,764,150.00	-	7,762,152.00	-	60.8	-
	Sub Total	**746,401,354.00**	**121,000,000.00**	**674,598,050.00**	**35,971,444.00**	90.4	**29.7**
Department of Gender, Cooperative, Culture, Tourism and Wildlife							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	125,593,312.00	-	89,547,318.00	-	71.3	-
Gender Mainstreaming	Gender Mainstreaming	22,345,284.00	-	9,428,935.00	-	42.2	-
Arts and Culture	Cultural Heritage	10,421,373.00	-	1,983,200.00	-	19	-
	Cultural Activities	15,049,365.00	-	5,684,750.00		37.8	-
Local Tourism and Wildlife	Local Tourism Promotion and Wildlife Management	35,859,150.00	-	13,154,769.00	-	36.7	-
Cooperative Development	Cooperative Development	21,115,436.00	-	5,422,781.00	-	25.7	-
	Sub Total	**230,383,920.00**	-	**125,221,753.00**	-	54.4	-
Department of Agriculture, Livestock, Veterinary Service and Fisheries							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	191,653,475.00	-	169,215,709.00	-	88.3	-
Crop Production	Crop Development	6,968,118.00	247,054,248.00	3,997,000.00	198,698,763.00	57.4	80.4
	Agricultural Mechanization Services	7,354,234.00	-	1,700,000.00	-	23.1	-
	Agricultural Training Centre	2,173,607.00	-	12,987,180.00	-	597.5	-
	Plant Disease Control	2,722,912.00	-	434,000.00	-	15.9	-
	Agri-Business and Market Development	2,722,911.00	-	164,500.00	-	6	-
Irrigation	Irrigation Service	10,230,339.00	-	2,203,976.00	-	21.5	-
Livestock Resources	Animal Husbandry	7,212,134.00	-	-	-	-	-
	Livestock Market	704,960.00	133,839,340.00	-	-	-	-
	Veterinary Service	3,568,839.00	-	-	-	-	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Animal Disease Control	49,558,914.00	3,000,000.00	41,966,678.00	-	84.7	-
Fisheries	Fisheries	7,250,690.00	12,822,939.00	1,093,000.00	-	15.1	-
	Sub Total	**292,121,133.00**	**396,716,527.00**	**233,762,043.00**	**198,698,763.00**	80	**50.1**
Department of Trade, Investment and Enterprise Development							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	170,767,383.00	-	165,117,427.00	-	96.7	-
Trade Development	Trade Development	50,962,535.00	100,000,000.00	46,769,726.00	22,268,013.00	91.8	22.3
	Enterprise Development	1,749,902.00	-	-	-	-	-
Cooperative Enterprise Development	Cooperative Development	-	-	-	-	-	-
	Sub Total	**223,479,820.00**	**100,000,000.00**	**211,887,153.00**	**22,268,013.00**	94.8	**22.3**
Department of Kajiado Municipality							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	48,474,620.00	-	43,741,609.00	-	90.2	-
Urban Infrastructure	Urban Infrastructure	2,384,000.00	108,000,000.00	3,000,000.00	38,201,624.00	125.8	35.4
Environmental Management and Public Health	Environmental Management and Public Health	10,255,667.00	-	10,984,571.00	-	107.1	-
	Sub Total	**61,114,287.00**	**108,000,000.00**	**57,726,180.00**	**38,201,624.00**	94.5	35.4
Department of Ngong Municipality							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	78,007,416.00	-	70,843,777.00	-	90.8	-
Urban Infrastructure	Urban Infrastructure	3,480,000.00	165,000,000.00	3,039,909.00	114,497,795.00	87.4	69.4
Environmental Management and Public Health	Environmental Management and Public Health	11,466,667.00	-	12,360,376.00	-	107.8	-
	Sub Total	**92,954,083.00**	**165,000,000.00**	**86,244,062.00**	**114,497,795.00**	92.8	**69.4**
County Attorney							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	159,845,888.00	-	157,274,358.00	-	98.4	-
	Sub Total	**159,845,888.00**	-	**157,274,358.00**	-	98.4	-
Department of Kitengela Municipality							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	33,367,070.00	-	27,877,161.00	-	83.5	-
Urban Infrastructure	Urban Infrastructure	850,000.00	90,000,000.00	700,000.00	64,168,380.00	82.3	71.3
Environmental Management and Public Health	Environmental Management and Public Health	11,566,666.00	-	10,733,110.00	-	92.8	-
	Sub Total	**45,783,736.00**	**90,000,000.00**	**39,310,271.00**	**64,168,380.00**	**85.9**	**71.3**
Grand Total		**8,040,790,371.00**	**3,546,695,897.00**	**6,758,176,687.00**	**2,038,297,017.00**	**84**	**57.5**

***Source**: Kajiado County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Agricultural Training Centre in the Department of Agriculture, Livestock, Veterinary Service and Fisheries at 597.5 per cent, Urban infrastructure in the Department of Kajiado Municipality at 125.8 per cent, Storm Water Management in the Department of Water, Irrigation, Environment and Natural Resource at 113.5 per cent, and Internal Audit at 110.7 per cent of budget allocation. Absorption rates above 100 per cent are irregular and indicate misappropriation of public funds.

3.10.13 Accounts Operated Commercial Banks

The County government operated 27 accounts with commercial banks. 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.

3.10.14 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;

1. Own-source revenue under performed at Kshs.1.05 billion against an annual target of Kshs.1.87 billion, representing 56.1 per cent of the annual target.

2. 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 Liquor Fund, Women Empowerment Fund, and MCA's Car and Mortgage Fund were not submitted to the Controller of Budget.

3. There was a high level of pending bills, which amounted to Kshs.2.35 billion as of 30th June 2024. Further, the County Treasury did not adhere to the payment plan for pending bills.

4. High wage bills accounted for 48.3 per cent of the county-approved budget estimates in FY 2023/24, which is above the ceiling provided in law.

5. Use of manual payroll. Personnel emoluments amounting to Kshs.245.35 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 there is a lack of proper controls.

6. 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 Kajiado County Bursary Fund Account, Kajiado County Emergency Fund Account, Kajiado County Executive Car Loan and Mortgage Account, Kajiado County Disability Mainstreaming Fund Account, Kajiado County Investment Authority Fund Accounts and Women and Youth Fund Account, Kajiado County Assembly Car Loan and Mortgage Fund Account, Kajiado County Assembly Operation Account, Kajiado Debt Collection Account, Agricultural Sector Development Support Program II account, Kenya Climate Smart Account, Kajiado County NAVCDP Account, Kajiado County Climate Change Fund Account, Women Economic Empowerment Funds, Kajiado Referral Hospital Account, Ngong Hospital Account, Ongata Rongai Hospital Account, Kitengela Hospital Account, Loitokitok Hospital Account.

7. Low expenditure on development programmes which accounted for 23.2 per cent of total expenditure

8. High expenditure on domestic travel at Kshs.364.82 million

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

1. *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.*

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

3. *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.*
4. *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.*
5. *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.*
6. *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.*
7. *The county should prioritize expenditure in development programmes to meet the 30 per cent threshold in law.*
8. *The County should minimize travelling expenditure by holding activities within the County Headquarters.*

3.11. County Government of Kakamega

3.11.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.16.79 billion, comprising Kshs.4.89 billion (29.1 per cent) and Kshs.11.90 billion (70.9 per cent) allocation for development and recurrent programmes. The approved budget estimates represented an increase of 3.6 per cent compared to the previous financial year when it was Kshs.16.20 billion and comprised of Kshs.4.86 billion towards development expenditure and Kshs.11.34 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.12.91 billion (76.9 per cent) as the equitable share of revenue raised nationally, Kshs.787.62 million as additional allocations/conditional grants, a cash balance of Kshs.886.17 million (5.3 per cent) brought forward from FY 2022/23, and generate Kshs.2.20 billion (13.1 per cent) as gross own source revenue. The own-source revenue included Kshs.1.36 billion (8.1 per cent) as ordinary own-source revenue and Kshs.841 million (5.0 per cent) as Facility Improvement Fund (revenue from health facilities). A breakdown of the additional allocations/conditional grants is provided in Table 3.69.

3.11.2 Revenue Performance

In the FY 2023/24, the County received Kshs.11.88 billion as an equitable share of the revenue raised nationally, Kshs.695.10 million as additional allocations/conditional grants, a cash balance of Kshs.886.17 million from FY 2022/23 and raised Kshs.1.35 billion as own-source revenue (OSR). The raised OSR includes Kshs.546.51 million as FIF and Kshs.801.32 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.14.81 billion, as shown in Table 3.71.

Table 3.71: Kakamega County, Revenue Performance in the FY 2023/24

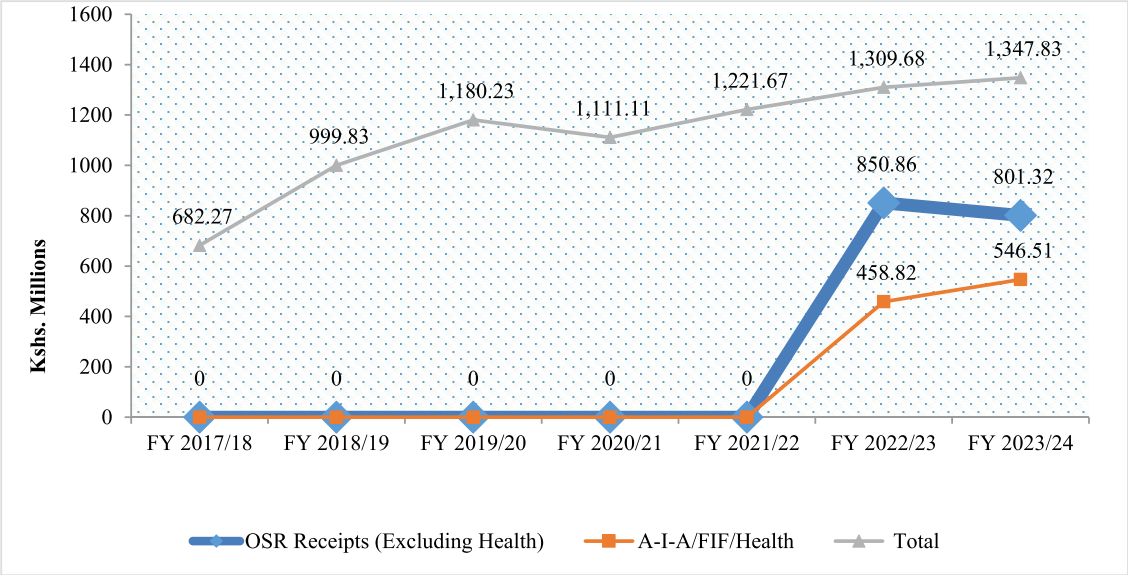
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	12,912,646,262	11,879,634,559	92
	Conditional Grants			
1	Aquaculture Business Development Project	24,417,125	-	-
2	National Agricultural Value Chain Development Project (NVCDP)	200,000,000	191,274,891	95.6
3	Kenya Livestock Commercialization Project (KELCLOP)	30,500,000	28,269,536	92.7
4	Kenya Informal Settlement Improvement Project (KISIP II)	140,000,000	140,000,000	100
5	Conditional Grants-KDSP	12,000,000	12,173,699	101.4
6	ASDSP (Agricultural Sector Development Support Programme	1,254,212	1,254,212	100
7	DANIDA Grant	18,999,750	18,999,750	100

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
8	FLLoCA-(CCIS)	11,000,000	11,000,000	100
9	Livestock Value Chain Support Project	57,294,720	-	-
10	Unconditional Grant- Mineral Royalties	16,555	-	-
11	County Climate Resilience Investment Grant -IDA	191,131,378	191,131,378	100
12	County Climate Resilience Investment Grant -KFW	101,001,459	101,001,459	100
Sub-Total		**787,615,199**	**695,104,926**	**88.3**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	1,359,000,000	801,322,586	59
2	Balance B/F from FY2022/23	886,166,543	886,166,543	100
3	Kakamega County Health Services Act (FIF)	841,000,000	546,510,693	65
Sub Total		**3,086,166,543**	**2,233,999,822**	**72.4**
Grand Total		**16,786,428,004**	**14,808,739,307**	**75.6**

Source: *Kakamega County Treasury*

Figure 41 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 41: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24

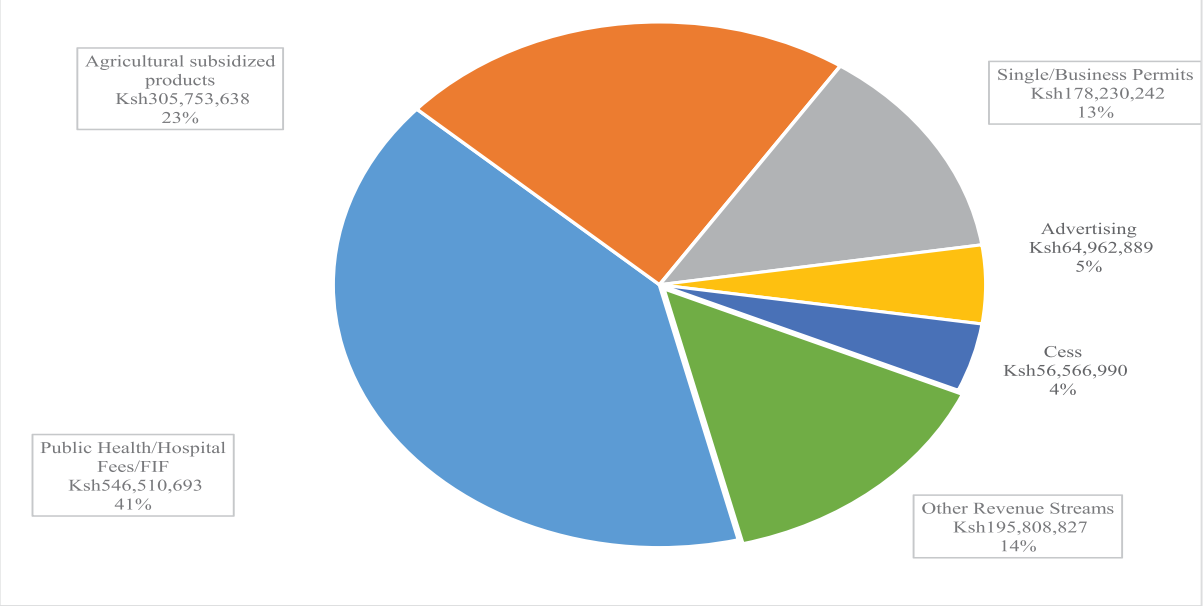


Source: *Kakamega County Treasury*[1]

In the FY 2023/24, the County generated a total of Kshs.1.35 billion from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 2.9 per cent compared to Kshs.1.31 billion realized in FY 2022/23 and was 61.3 per cent of the annual target and 11.3 per cent of the equitable revenue share disbursed during the period. The revenue streams which contributed the highest OSR receipts are shown in Figure 42.

1 *The data available that excludes FIF as an AIA from the other OSR revenue streams dates from FY2022/2023 to date*

Figure 42: Top Streams of Own Source Revenue in the FY 2023/24



Source: Kakamega County Treasury

The highest revenue stream, Kshs.546.51 million, was from Public Health, Hospital Fees/ FIF, which contributed 41 per cent of the total OSR receipts during the reporting period.

3.11.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.13.96 billion from the CRF account during the reporting period, which comprised Kshs.3.01 billion (21.5 per cent) for development programmes and Kshs10.95 billion (78.5 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.6.75 billion was released towards Employee Compensation and Kshs.4.21 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of the FY 2023/24 was Kshs.752.27 million, and Kshs.133.90 million was in Special Purpose Accounts (conditional grants and fund accounts).

3.11.4 County Expenditure Review

The County spent Kshs.13.86 billion on development and recurrent programmes in the reporting period. The expenditure represented 99.3 per cent of the total funds released by the CoB and comprised Kshs.2.80 billion and Kshs.11.06 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 57.3 per cent, while recurrent expenditure represented 92.9 per cent of the annual recurrent expenditure budget.

3.11.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.54 billion, comprising Kshs.421.21 million for recurrent expenditures and Kshs. 1.12 billion for development activities. In FY 2023/24, the County Assembly settled pending bills amounting to Kshs.72.02 million, while the County Executive did not report actual payments towards the settlement of pending bills.

As of the end of FY 2023/24, the outstanding amount was Kshs.1.83 billion, which comprised of Kshs.1.12 billion for development and Kshs.721.07 million for recurrent, which included the County Assembly bills for Kshs.177.23 million,

3.11.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.6.47 billion on employee compensation, Kshs.3.27 billion on operations and maintenance, and Kshs.2.80 billion on

development activities. Similarly, the County Assembly spent Kshs.604.47 million on employee compensation and Kshs.701.45 million on operations and maintenance. The County Assembly did not have a development budget, as shown in Table 3.72.

Table 3.72: Summary of Budget and Expenditure by Economic Classification

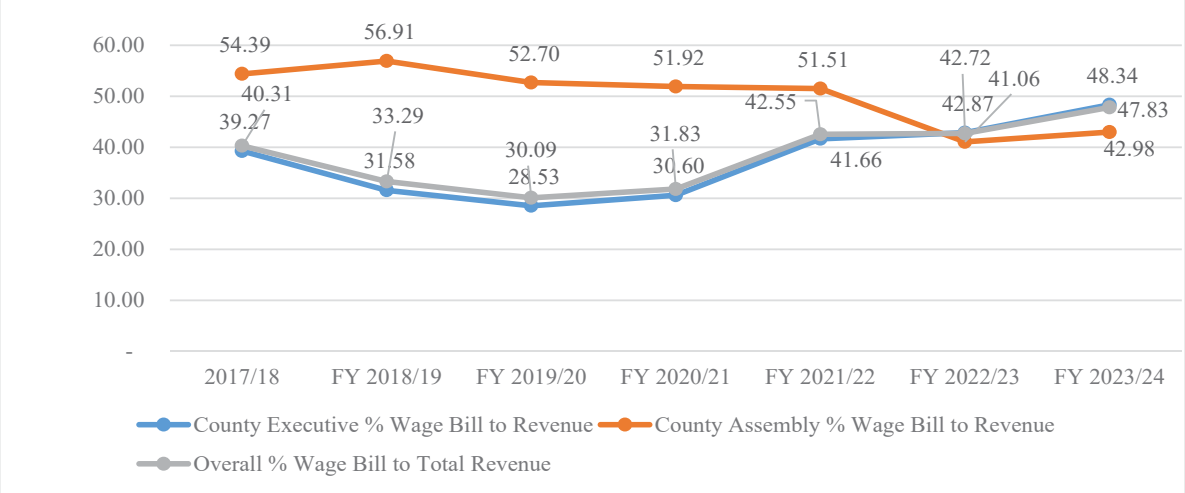
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**10,494,290,112**	**1,400,821,103**	**9,750,536,301**	**1,305,925,355**	**92.9**	**93.2**
Compensation to Employees	6,020,603,738	617,795,595	6,478,441,793	604,470,846	107.6	97.8
Operations and Maintenance	4,473,686,374	783,025,508	3,272,094,508	701,454,509	73.1	89.6
Development Expenditure	**4,891,316,789**	-	**2,803,243,867**	-	**57.3**	-
Total	**15,385,606,901**	**1,400,821,103**	**12,553,780,169**	**1,305,925,355**	**81.6**	**93.2**

***Source**: Kakamega County Treasury*

3.11.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.7.08 billion, or 47.8 per cent of the available revenue, which amounted to Kshs.14.81 billion. This expenditure represented an increase from Kshs.6.24 billion (13,5 per cent) reported in FY 2022/23. The wage bill included Kshs.3.02 billion paid to health sector employees, translating to 42.6 per cent of the total wage bill. The increase in employee compensation is attributed to the inclusion of stipends paid to the County Youth and Women Empowerment Program as stipends and Community Health Promoters. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 43.

Figure 43: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



***Source:** Kakamega County Treasury in collaboration with OAG Audit reports between FY2017/18 to FY2020/21*

Further analysis indicates that PE costs amounting to Kshs.6.55 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.527.94 million was processed through manual payrolls. The manual payrolls accounted for 7.5 per cent of the total PE cost.

The County Assembly spent Kshs.129.44 million on committee sitting allowances for the 86 MCAs and the speaker against the annual budget allocation of Kshs.134.68 million. The average monthly sitting allowance was Kshs.123,982 per MCA. The County Assembly has established 26 Committees.

3.11.8 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.1.71 billion to

county-established funds in FY 2023/24, constituting 10.2 per cent of the County's overall budget. Further, the County allocated Kshs.105 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 3.73 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.73: Performance of County Established Funds in the FY 2023/24

No	Name of the Fund	Approved Budget Allocation in FY23/24 (Kshs)	Exchequer Issues (Kshs)	Reported Actual Expenditure (Kshs)	Submission of Annual FS as of 30.06.2024 (Yes/No)
		A	B	C	D
1	Kakamega County Investment Development Agency	57,000,000	87,370,911	90,940,510	Yes
2	Kakamega County Microfinance Corporation	143,750,057	7,714,126	18,306,195	Yes
3	Mumias Municipality	107,478,227	11,336,459	30,263,312	Yes
4	Maternal child health & family planning (Imarisha Fund)	110,000,000	20,000,000	31,131,229	Yes
	Kakamega County Facility Improvement Fund	-	59,217,771	626,117,695	Yes
8	Kakamega Municipality	165,483,443	32,194,559	17,313,652	Yes
9	Kakamega Revenue Agency	72,000,000	-	31,564,871	Yes
10	Kakamega County Agricultural Farm Input Fund	485,000,000	13,980	481,823	Yes
11	County Executive Car Loan and Mortgage	89,000,000	89,000,000	92,669,776	Yes
5	Kakamega County Small Scale Trade Development fund	-	-	1,065	Yes
6	Kakamega Dairy Corporation	113,292,775	19,970,200	48,322,483	Yes
7	Emergency Fund	105,053,948	100,000,000	60,608,431	Yes
12	Bursary & Scholarship Fund	263,000,000	180,000,000	119,723,974	Yes
13	County Assembly Car Loan & Mortgage	-	89,000,000	92,669,776	Yes, as at 3rd Qrt
Total		**1,711,058,450**	**645,371,358**	**1,015,175,439**	-

Source: Kakamega County Treasury

During the reporting period, the CoB did not receive the fourth quarterly financial returns from the Fund Administrators of County Assembly Car Loan and Mortgage funds, as indicated in Table 3.71, contrary to the requirement of Section 168 of the PFM Act, 2012.

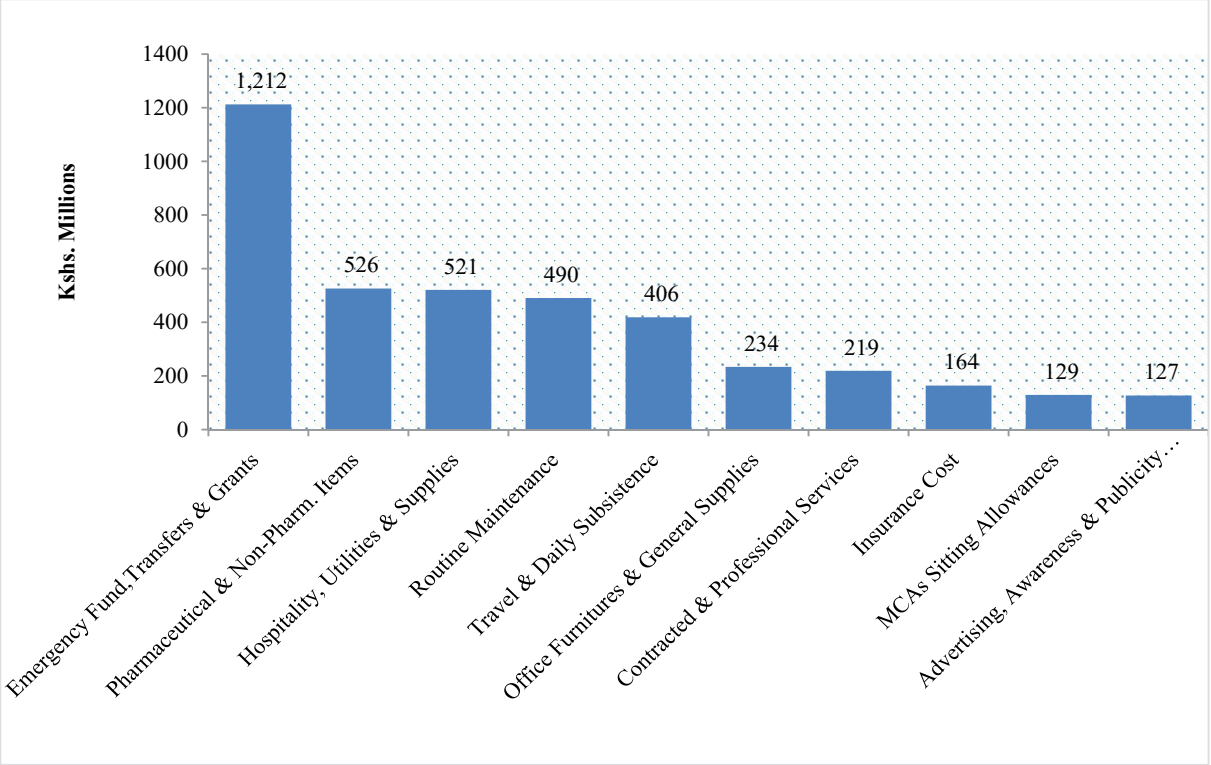
The Kakamega County Small Scale Trade Development Fund has an outstanding loan balance of Kshs.40,531,045, which was lent to traders and not collected in FY2023/24. This fund duplicates the functions executed by Kakamega County Microfinance Corporation. The County should review the sustainability of these two Funds and take appropriate action.

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.

3.11.9 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.406.01 million and comprised Kshs.187.51 million spent by the County Assembly and Kshs.218.50 million by the County Executive. Expenditure on foreign travel amounted to Kshs.12.63 million and comprised Kshs.4.42 million by the County Assembly and Kshs.8.21 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.74 below;-

Table 3.74: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024

Arm of County Government	No. of Officers Travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs)
County Executive	1	To attend the Luhya community official meeting	USA-Seattle	1,350,600
County Executive	1	To attend high-level consultations on accelerating SDGs.	Serbia	898,950
County Executive	1	To attend High-level week of the 78th Session of the United Nations General Assembly	USA-New York	1,821,934
County Executive	1	To attend the East Africa Business Network Investments and Trade Conference	USA-Dallas	715,696
County Executive	1	bench marking on projects carried out by Synergy Inc	USA	1,294,130
County Executive	1	FEASSSA East Africa Term 2 Championships	Rwanda	570,680
County Executive	1	Participate in the 2023 Youth and Women Empowerment Program, County Specific Program	Republic of Korea	210,512.13
County Executive	3	Meeting With G.C.Group of Companies in India, Exploring Partnership on Medical Services	India	2,409,032
County Assembly	1	CAF Meeting	United Kingdom	863,532
County Assembly	6	CASA Meeting	Uganda	1,542,000

Source: *Kakamega County Treasury and Kakamega County Assembly*

The operations and maintenance costs include an expenditure of Kshs.181.43 million on Legal fees/Dues, arbitration, and compensation payments.

3.11.10 Development Expenditure

In the FY 2023/24, the County reported expenditure of Kshs.2.80 billion on development programmes, representing a decrease of 17.2 per cent compared to FY 2022/23 when the County spent Kshs.3.38 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.75: Kakamega County, List of Development Projects with the Highest Expenditure

No	Sector	Project Name	Project Location	Contract sum (Kshs.)	Amount paid to date (Kshs)
1	Sports	Bukhungu Stadium Construction Phase II	Lurambi	3,240,001,303	1,629,053,355
2	Roads, Public Works and Energy	Maintenance and improvement of roads	Various	707,957457	563,549,245
3	National Agricultural Value Chain Development Project	Value Chain development	County Wide	216,200,000	191,274,890
4	Agriculture Sector Development Support Programme	Building capacities of value chain actors on Entrepreneurship and Climate Smart Agriculture technologies and innovations	Countywide	237,836,374	100,834,832
5	Roads, Public Works and Energy	Lumakanda Mwamba bitumen road	Lugari	649,938,642	57,385,261
		Harambe Musamba bridge road	Matungu	100,000,000	49,936,330
		Lumakanda manyonyi road		257,868,967	47,255,195
		Ingotse navakholo bitumen road	Navakholo	481,332,796	39,735,336
		Ebukwala khukolomani bitumen road	Khwisero	108,831,548	38,811,993
6	Trade, Industrialisation and Tourism	Development of an industrial park	Likuyani	500,000,000	36,624,000
7	ICT	Purchase of Software	County Headquarters	62,637,000	27,190,939

Source: *Kakamega County Treasury*

3.11.11 Budget Performance by Department

Table 3.76 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.76: Kakamega County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Million Kshs.)		Exchequer Issues (Million Kshs.)		Expenditure (Million Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	1,400.8	-	1,406.2	-	1,305.9	-	92.9	-	93.2	-
Agriculture, Livestock, Fisheries and Co-operatives	92.9	948.3	81.1	455.7	82.6	275.3	101.8	60.4	88.9	29.0
Health Services	1,058.2	299.3	950.6	242.7	730.2	119.3	76.8	49.2	69.0	39.9
Education, Science & Technology	445.3	213.5	319.8	128.2	439.1	33.2	137.3	25.9	98.6	15.5
Transport, Infrastructure, Public Works and Energy	28.7	1,330.1	27.2	810.8	18.2	890.3	67.0	109.8	63.5	66.9
Lands, Housing, Urban Areas and Physical Planning	249.1	410.5	219.4	318.6	223.0	190.9	101.6	59.9	89.5	46.5
Social Services, Youth & Sports	414.4	369.0	331.1	310.0	407.9	251.2	123.2	81.0	98.4	68.1
Trade, Industrialization & Tourism	48.7	269.5	48.7	203.7	41.0	233.8	84.3	114.8	84.3	86.7
Water, Environment and Natural Resources	49.1	641.2	35.6	434.6	45.4	490.4	127.7	112.8	92.5	76.5
Public Service and Administration	6,692.1	141.7	6,405.8	46.6	6,524.0	71.3	101.8	153.0	97.5	50.3

Department	Budget Allocation (Million Kshs.)		Exchequer Issues (Million Kshs.)		Expenditure (Million Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor	524.0	14.3	420.5	0.3	396.3	0.3	94.3	100.0	75.6	2.3
Finance and Economic Planning	842.5	164.0	666.8	19.3	792.4	158.2	118.8	821.7	94.0	96.5
County Public Service Board	17.4	-	16.0	-	18.3	-	114.6	-	105.1	-
ICT, E-government & Communication	31.9	89.9	23.2	36.2	32.1	89.1	138.1	246.0	100.6	99.0
Total	**11,895**	**4,891**	**10,952**	**3,007**	**11,056**	**2,803**	**101.0**	**93.2**	**92.9**	**57.3**

***Source**: Kakamega County Treasury*

Analysis of expenditure by departments shows that the Department of ICT, E-government & Communication recorded the highest absorption rate of development budget at 99 per cent, followed by the Department of Finance and Economic Planning at 96.5 per cent. The Department of County Public Service Board had the highest percentage of recurrent expenditure to budget at 105.1 per cent, while the Department of Transport, Infrastructure, Public Works and Energy had the lowest at 63.5 per cent. The County Treasury should investigate the absorption rate above 100 per cent and take corrective action.

The table 3.74 demonstrates that the county directs released funds by COB to alternative activities that had not been submitted to COB during funds requisition process. Further, the unspent balances left in the Special Purpose and Funds Accounts are spent without being subjected to the requisition process. This results to expenditures higher than 100 per cent against requisition/exchequer issues. The absorption rates above 100 per cent display a lack of adherence to the budget by respective departments.

3.11.12 Budget Execution by Programmes and Sub-Programmes

The County reported the budget implementation through the line budget and not the program-based budget. The County Officers require the capacity to prepare and report the program-based budget.

3.11.13 Accounts Operated Commercial Banks

The County government operated 64 accounts with commercial banks. 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.

3.11.14 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;

1. The late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 06 August 2024. Further, the report was incomplete as it lacked a report on budget implementation by programmes and sub-programmes for the FY 2023/24 and a comprehensive report on pending bills for the County Executive.

2. Own-source revenue under performed at Kshs.1.35 billion against an annual target of Kshs. 2.20 billion, representing 61.3 per cent of the annual target.

3. Failure by the County to adhere to the requisition schedules and programs submitted to COB during funds requisition by transferring the approved funds to other functions as shown in Table 3.76.

4. There was a high level of pending bills, which amounted to Kshs.1.83 billion as of 30 June 2024. Further, the County Treasury did not adhere to the payment plan for pending bills.

5. High wage bills which accounted for 47.8 per cent of the County total revenue in FY 2023/24 which is above the ceiling provided in law.

6. Use of manual payroll. Personnel emoluments amounting to Kshs.527.94 million were processed through manual payroll, accounting for 7.5 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. Most manually processed amounts relate to stipends paid to Community Health Promoters and County Youth and Women Empowerment Programs.

7. 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 hospital's revenue collections and operations, conditional grants, county corporations, and county-established funds.
8. Low expenditure on development activities which accounted for 20.2 per cent pf total expenditure.
9. High expenditure on domestic travel at Kshs.406.01 million

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012. Further, County staff should be trained to prepare financial reports according to the prescribed templates.*

2. *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.*

3. *The county leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the coming financial year. Further, compliance with the payment plan should be enforced.*

4. *The County Treasury should ensure that requested and approved funds from the COB from CRF are utilized in full adherence to submitted schedules and programs.*

5. *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.*

6. *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.*

7. *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.*
8. *The County should ensure ecxpenditure on development activites meets the 30 per cent threshold in law.*
9. *The County should minimize travelling expenditure by holding activities within the County Headquarters.*

3.12. County Government of Kericho

3.12.1 Overview of FY 2023/24 Budget

The County's approved second supplementary budget for FY 2023/24 was Kshs.8.48 billion, comprising of Kshs.2.73 billion (32 per cent) and Kshs.5.75 billion (68 per cent) allocation for development and recurrent programmes, respectively. The approved supplementary budget estimates represented an increase of 0.3 per cent compared to the previous financial year when it was Kshs.8.45 billion and comprised of Kshs.2.63 billion towards development expenditure and Kshs.5.83 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.6.7 billion (79.3 per cent) as the equitable share of revenue raised nationally, Kshs.699.83 million (7.9per cent) as additional allocations/conditional grants, a cash balance of Kshs.15.38 million (0.2 per cent) brought forward from FY 2022/23 and generate Kshs.1.07 billion (12.6 per cent) as gross own source revenue. The own-source revenue includes Kshs.536.36 million (50.3 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.530.07 million (49.7 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.77.

3.12.2 Revenue Performance

In the FY 2023/24, the County received Kshs.6.17 billion as an equitable share of the revenue raised nationally, Kshs.500.32 million as additional allocations/conditional grants, a cash balance of Kshs.15.38 million from FY 2022/23 and raised Kshs.841.93 million as own-source revenue (OSR). The raised OSR includes Kshs.482.26 million as FIF and Kshs.359.66 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.7.52 billion, as shown in Table 3.77.

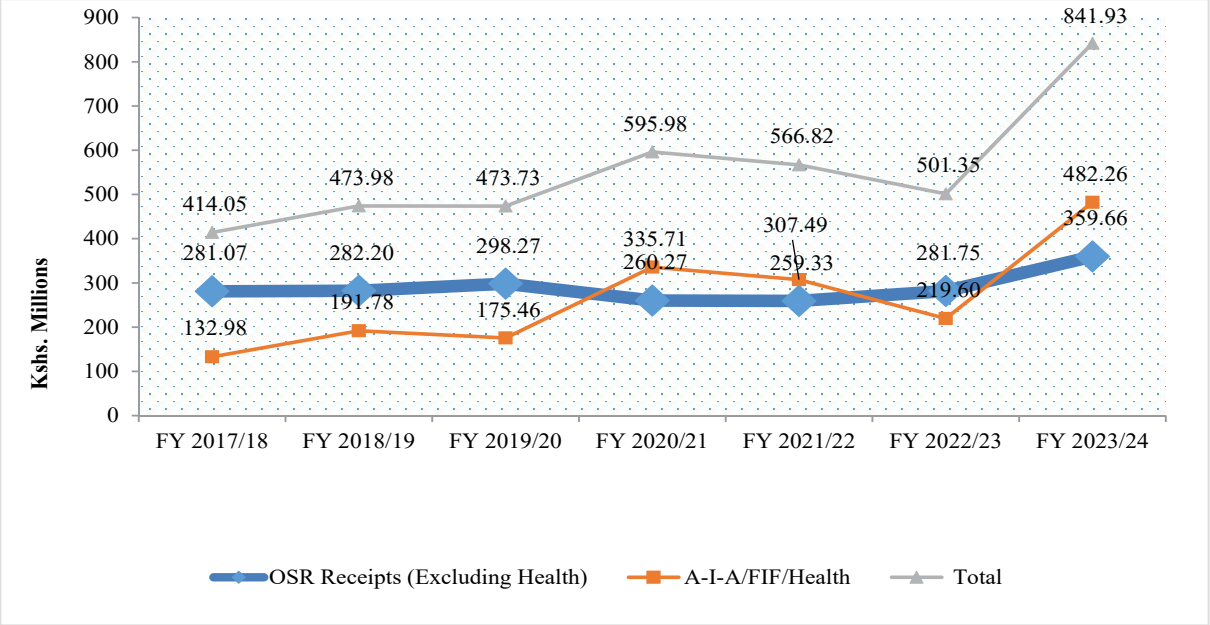
Table 3.77: Kericho County, Revenue Performance in the FY 2023/24

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**	6,703,129,925	6,166,879,532	92.0
Sub Total		**6,703,129,925**	**6,166,879,532**	**92.0**
B	**Conditional Grants**			
1	DANIDA Fund	21,165,000	9,817,500	46.4
2	Agricultural Sector Development Support Fund (ASDSP II)	1,527,779	1,527,779	100.0
3	Kenya Devolution Support Project	75,235,659	75,235,660	100.0
4	Climate Smart Agriculture Project	90,000,000	-	-
5	IDA National Agricultural Value Chain Devt Project	200,000,000	199,344,800	99.7
6	FLOCCA Grants to Support Climate Change	15,096,989	-	-
7	FLOCCA Grants to Support Climate Change	214,392,898	214,392,899	100
8	Transfer to Library Services	9,297,833	-	-
9	Livestock Value Chain Support Project	71,618,400	-	-
10	PEPFAR Grant	1,500,000	-	-
Sub-Total		**699,834,558**	**500,318,637**	**71.5**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	530,071,600	359,664,618	67.9
2	Balance b/f from FY2022/23	15,376,949	15,376,949	100.0
3	Facility Improvement Fund (FIF)	536,355,000	482,263,360	89.9
Sub Total		**1,081,803,549**	**857,304,927**	**79.2**
Grand Total		**8,484,768,032**	**7,524,503,096**	**88.7**

Source: *Kericho County Treasury*

Figure 45 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

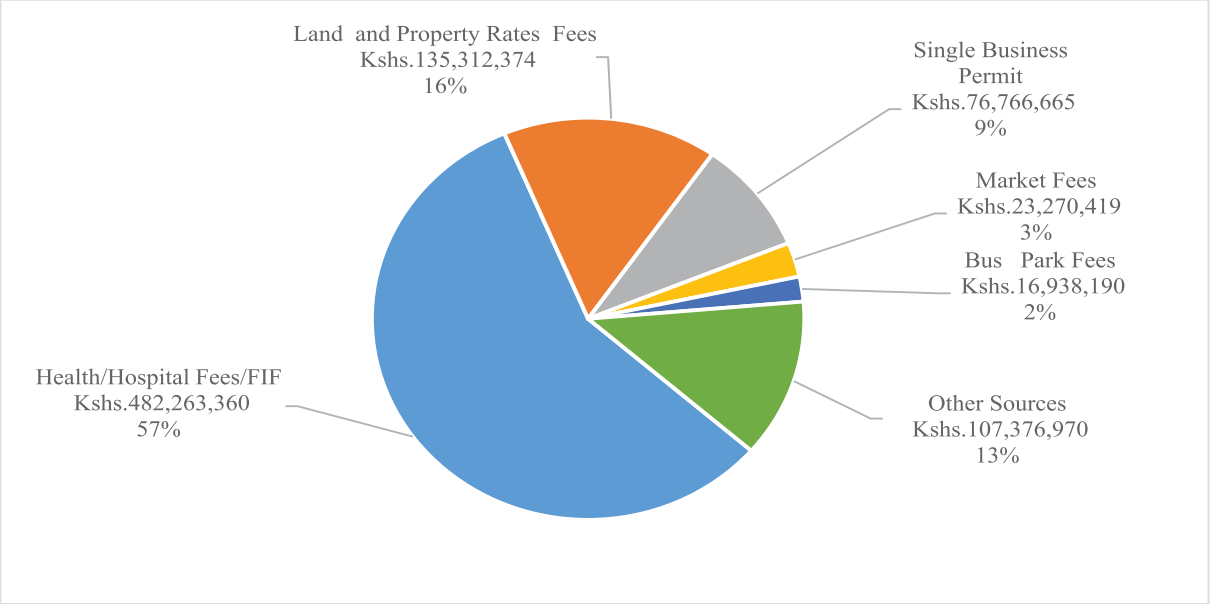
Figure 45: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Kericho County Treasury*

In FY 2023/24, the County generated a total of Kshs.841.93 million from its sources of revenue, inclusive of FIF. This amount represented an increase of 67.9 per cent compared to Kshs.501 million realized in FY 2022/23 and was 78.9 per cent of the annual target and 13.7 per cent of the equitable revenue share disbursed during the period. The revenue streams that contributed the highest OSR receipts are shown in Figure 46.

Figure 46: Top Streams of Own Source Revenue in the FY 2023/24



Source: Kericho County Treasury

The highest revenue stream of Kshs.482.26 million was from Health/Hospital Fees/FIF, which contributed to 57.0 per cent of the total OSR receipts during the reporting period.

3.12.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.7.16 billion from the CRF account during the reporting period, which comprised Kshs.1.89 billion (26.3 per cent) for development programmes and Kshs.5.27 billion (73.7 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.3.60 million was released towards Employee Compensation and Kshs.1.70 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.19.79 million.

3.12.4 County Expenditure Review

The County spent Kshs.6.96 billion on development and recurrent programmes in the reporting period. The expenditure represented 97.2 per cent of the total funds released by the CoB and comprised of Kshs.1.69 billion and Kshs.5.27 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 61.7 per cent, while recurrent expenditure represented 91.6 per cent of the annual recurrent expenditure budget.

3.12.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.526.21 million, comprising of Kshs.143.09 million for recurrent expenditure and Kshs.383.12 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.174.32 million, which consisted of Kshs.70.77 million for recurrent expenditure and Kshs.103.56 million for development programmes. As of the end of FY 2023/24, the outstanding amount was Kshs.1.13 billion inclusive of unsettled payments incurred in FY 2023/24.

The County Assembly did not report outstanding pending bills as of 30th June 2024.

3.12.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.19 billion on employee compensation, Kshs.1.28 billion on operations and maintenance, and Kshs.1.67 billion on development activities. Similarly, the County Assembly spent Kshs.362.27 million on employee compensation, Kshs.446.55 million on operations and maintenance, and Kshs.11.33 million on development activities, as shown in Table 3.78.

Table 3.78: Summary of Budget and Expenditure by Economic Classification

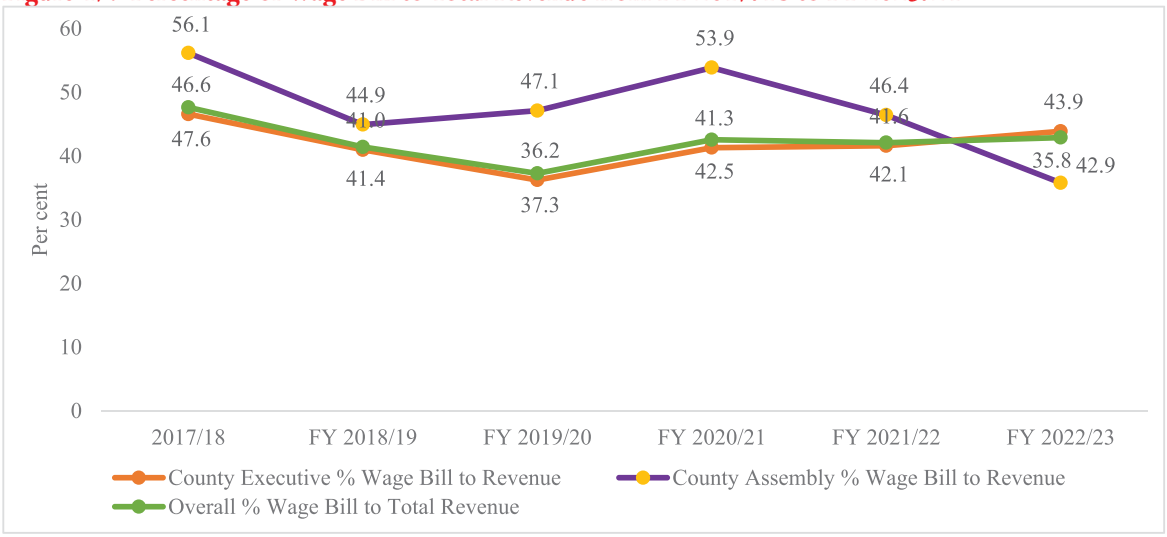
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**4,909,002,218**	**844,575,901**	**4,462,378,402**	**808,817,499**	**90.9**	**95.8**
Compensation to Employees	3,607,472,151	390,376,709	3,185,565,473	362,266,556	88.3	92.8
Operations and Maintenance	1,301,530,067	454,199,192	1,276,812,929	446,550,943	98.1	98.3
Development Expenditure	**2,695,642,070**	**35,547,843**	**1,674,607,091**	**11,333,268**	**62.1**	**31.9**
Total	**7,604,644,288**	**880,123,744**	**6,136,985,493**	**820,150,767**	**80.7**	**93.2**

***Source**: Kericho County Treasury*

3.12.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.3.54 billion, or 42.3 per cent of the available revenue, which amounted to Kshs.7.52 billion. This expenditure represented an increase from Kshs.3.26 billion reported in FY 2022/23. The wage bill included Kshs.1.78 billion paid to health sector employees, translating to 50.3 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 47.

Figure 47: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Kericho County Treasury

Further analysis indicates that PE costs amounting to Kshs.3.38 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.172.56 million was processed through manual payrolls. The manual payrolls accounted for 4.9 per cent of the total PE cost.

The County Assembly spent Kshs.28.51 million on committee sitting allowances for the 48 MCAs against the annual budget allocation of Kshs.34.67 million. The average monthly sitting allowance was Kshs.49,503 per MCA. The County Assembly has established 24 Committees.

3.12.8 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.280.10 million to county-established funds in FY 2023/24, constituting 3.3 per cent of the County's overall budget. Further, the County allocated Kshs.15.00 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 3.79 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.79: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs.)	Submission of Annual Financial Statements (Yes/No.)
	County Assembly Established Funds					
1.	Kericho County Emergency Fund	15,000,000.00	15,000,000.00	-	329,200,113.00	No
2.	Kericho County Executive Staff Mortgage	14,500,000.00	14,500,000.00	-	216,318,000.00	No
3.	Kericho County Executive Staff Car Loan	4,500,000.00	4,500,000.00	-	44,780,000.00	No
4.	Kericho County Agricultural Development Fund	-	-	-	21,383,509.00	No
5.	Kericho County Bursary Fund	209,332,852.00	192,332,852.00	-	1,131,001,244.00	No
6.	Kericho County Alcoholic Drinks Fund	20,660,000.00	-	-	-	No
7.	Kericho County Enterprise Fund	-	-		87,000,000.00	No
	Sub-Total	**263,992,852.00**	**226,332,852.00**	**-**	**1,829,682,866.00**	

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs.)	Submission of Annual Financial Statements (Yes/ No.)
	County Executive Established Funds					
1	Staff Car Loan & Mortgage Fund	16,109,146.00	16,109,146.00	-	131,427,453.00	No
2	MCA's Car Loan & Mortgage Fund	-	-	-	179,914,540.00	No
	Sub-Total	**16,109,146.00**	**16,109,146.00**	**-**	**311,341,993.00**	
	Grand Total	**280,101,998.00**	**242,441,998.00**	**-**	**2,141,024,859.00**	

Source: *Kericho County Treasury*

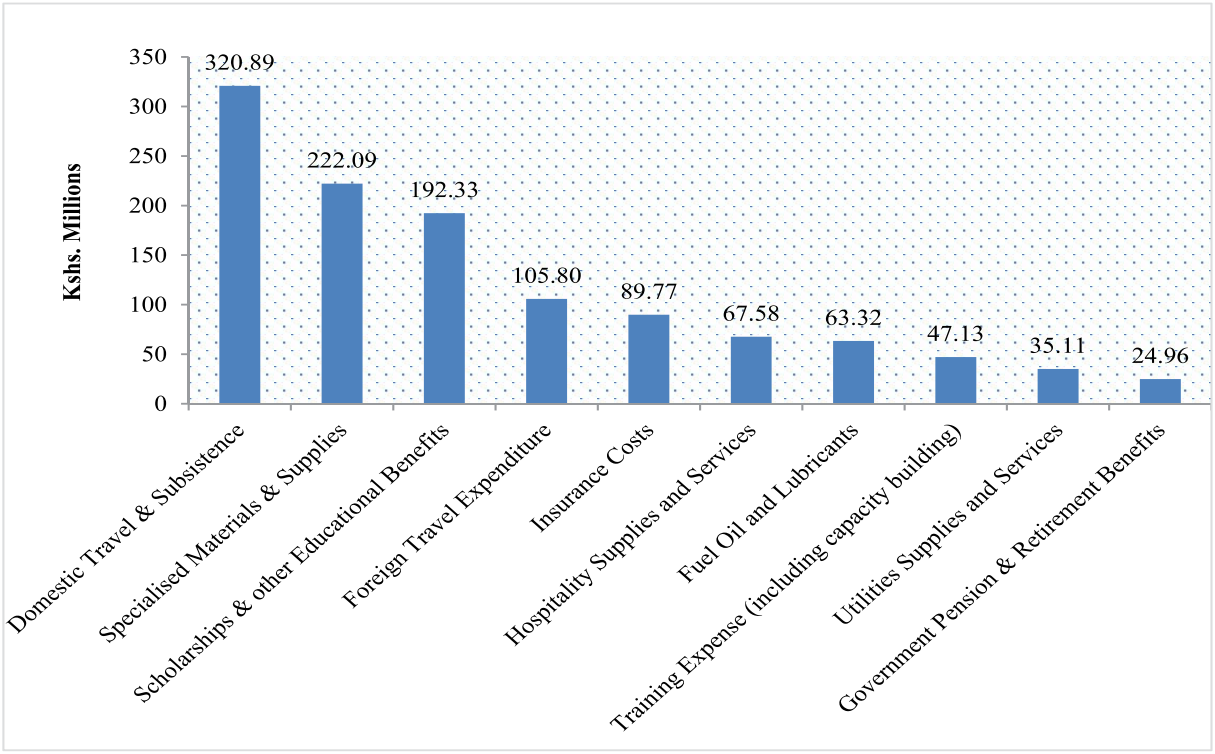
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of all funds, as indicated in Table 3.77, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.12.9 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.320.89 million and comprised Kshs.210.80 million spent by the County Assembly and Kshs.110.09 million by the County Executive. Expenditure on foreign travel amounted to Kshs.105.80 million and comprised Kshs.90.20 million by the County Assembly and Kshs.15.60 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.80 below; -

Table 3.80: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm	No. of Officers Travelled	Date	Purpose	Destination	Amount (Kshs)
Kericho County Executive	3	7th-17th Dec 2023	23rd EAC Trade Fair	Burundi	2,059,721
Kericho County Assembly	4	31st March-9th April 2023	Training on transformative leadership, public policy and legislation in devolved government systems.	Dubai	1,753,896
Kericho County Assembly	6	12th-19th June 2023	International trade and economic development.	Singapore	2,637,457
Kericho County Assembly	7	26th June- 2nd July 2023	Training on building smart cities for future urban planning.	Dubai	1,003,065
Kericho County Assembly	3	31st March-9th April 2023	Corporate leadership conference.	Tanzania	1,080,226
Kericho County Assembly	1	27th Oct-5th Nov 2023	Attend a programme on performance management systems and localization of SDGs.	United Kingdom	1,161,897
Kericho County Assembly	8	12th-18th December 2023	Results-based performance conference.	Singapore	5,369,549
Kericho County Assembly	8	10th-16th December 2023	Culture and heritage conference.	Dubai	4,756,685
Kericho County Assembly	8	10th-17th December 2023	Results-based performance conference.	Singapore	5,244,826
Kericho County Assembly	3	21st-27th January 2024	Attend a conference on digital leadership and navigating governance in the public sector.	Singapore	2,235,063
Kericho County Assembly	7	18th-24th January 2024	Attend a conference on exploring disruptive technologies in health care.	Singapore	4,910,611
Kericho County Assembly	6	18th-25th January 2024	Tourism, culture and innovation conference.	Turkey	4,000,034
Kericho County Assembly	7	28th Jan-3rd Feb 2024	Attend a conference on empowering harmonious growth through effective utilization of resources.	Turkey	4,549,384
Kericho County Assembly	4	24th Feb-1st March 2024	Digital leadership and governance conference.	Dubai	2,252,924
Kericho County Assembly	4	23rd-29th February 2024	Conference on tourism, culture and innovation.	Turkey	2,338,476
Kericho County Assembly	2	18th-22nd December 2023	Colloquium of speakers & clerks.	Ethiopia	1,000,746

Source: *Kericho County Executive and Kericho County Assembly*

The operations and maintenance costs include an expenditure of Kshs.30.02 million on garbage collection and Kshs.4.69 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.12.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.69 billion on development programmes, a decrease of 22.8 per cent compared to FY 2022/23, when the County spent Kshs.2.19 million. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.81: Kericho 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 and Economic Planning	Proposed erection and completion of a modern market at Sondu	Sondu Market	128,945,229.00	107,665,975.75	83.50
2	Finance and Economic Planning	Construction of Kapkures water supply project	Kapkures -Chilchila Ward	87,417,115.80	63,713,770.91	72.88
3	Finance and Economic Planning	Kiptunoi water supply	Kiptunoi-Kapsoit Ward	35,787,774.80	32,447,102.83	90.67
4	Finance and Economic Planning	Completion of rehabilitation and construction of drainage structures in Kapkatet township	Kapkatet Town	46,884,040.00	25,125,684.55	53.59
5	Water, Energy, Environment, Forestry and Natural Resources	Purchase of Land for Litein Municipal Water & Sewerage Treatment Plant	Litein	15,600,000.00	15,600,000.00	100.00
6	Health Services	Proposed construction of surgical theatre at Kipkelion sub-county hospital	Kipkelion Ward	11,371,013.00	11,371,013.00	100.00
7	Education, Culture and Social Services	Supply and delivery of learning materials	Various Wards	9,499,848.00	9,499,848.00	100.00
8	Health Services	Proposed supply delivery equipping installation and commissioning of wards, dental unit, labs and NBU at Sigowet Sub County Hospital and AC cooling system for labs	Sigowet Ward	6,788,000.00	6,788,000.00	100.00
9	Public Works, Roads and Transport	Construction of Tektek Juhma Chepsait Road	Kunyak	6,357,659.95	6,357,659.95	100.00
10	Education, Culture and Social Services	Supply of ECDE branded chairs	All Wards	5,250,000.00	5,250,000.00	100.00

Source: Kericho County Treasury

3.12.11 Budget Performance by Department

Table 3.82 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.82: 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	844.58	35.55	808.82	11.33	808.82	11.33	100.0	100.0	95.8	31.9
Public Service Management	433.87	13.24	405.42	12.21	418.95	9.74	103.3	79.8	96.6	73.6
Governor's Office	134.10	-	133.05	-	127.27	-	95.7	-	94.9	-
County Public Service Board	69.61	-	68.42	-	65.52	-	95.8	-	94.1	-
Finance and Economic Planning	292.45	206.65	297.82	91.12	287.78	136.18	96.6	149.4	98.4	65.9
Health Services	2600.21	295.77	2246.42	143.32	2273.80	149.70	101.2	104.5	87.4	50.6
Agriculture, Livestock and Fisheries	155.25	511.79	147.24	318.17	148.93	298.75	101.2	93.9	95.9	58.4
Education, Youth, Culture and Social Services	730.48	180.10	702.51	155.20	700.74	141.48	99.7	91.2	95.9	78.6
Public Works, Roads and Transport	104.82	753.05	94.04	639.72	91.30	615.33	97.1	96.2	87.1	81.7

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
Trade, Industrialization, Tourism, Wildlife and Co-operative Development	59.22	57.20	56.46	56.68	58.01	54.16	102.8	95.6	98.0	94.7
Environment, Water, Energy and Natural Resources	174.26	572.57	168.36	398.18	157.88	202.06	93.8	50.7	90.6	35.3
Lands, Housing and Physical Planning	95.94	59.76	94.83	43.48	91.69	45.01	96.7	103.5	95.6	75.3
Information, Communication and E-government	58.79	45.51	47.82	17.85	40.51	22.19	84.7	124.3	68.9	48.8
Total	**5,753.58**	**2,731.19**	**5,271.21**	**1,887.26**	**5,271.20**	**1,685.94**	**100.0**	**89.3**	**91.6**	**61.7**

***Source**: Kericho County Treasury*

Analysis of expenditure by departments shows that the Department of Trade, Industrialization, Tourism, Wildlife and Co-operative Development recorded the highest absorption rate of development budget at 94.7 per cent, followed by the Department of Public Works, Roads and Transport at 81.7 per cent. The Department of Finance and Economic Planning had the highest percentage of recurrent expenditure to budget at 98.4 per cent. In contrast, the Department of Information, Communication and E-government had the lowest at 68.9 per cent.

3.12.12 Budget Execution by Programmes and Sub-Programmes

Table 3.83 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.83: Kericho County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Supplementary 2 Estimates FY 2023/24 (Kshs.)			Actual Expenditure Jul 23 - Jun 24 (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Gross	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Coordination Services	County Coordination Services	134,096,145	-	134,096,145	127,269,405	-	95	-
		134,096,145	**-**	**134,096,145**	**127,269,405**	**-**	**95**	**-**
DEPARTMENT: FINANCE AND ECONOMIC PLANNING								
Administration, Planning and Support Services.	Administration Services.	250,886,530	85,235,659	336,122,189	247,676,042	51,453,230	99	60
Administration, Planning and Support Services.	Monitoring Budget Implementation and Reporting	27,687,985	8,379,644	36,067,629	26,469,128	8,311,300	96	99
Public Finance Management	Budget formulation coordination and management	8,900,000	110,039,333	118,939,333	8,872,980	73,390,912	100	67
Audit Services	County Audit	4,975,639	3,000,000	7,975,639	4,759,450	3,019,700	96	
		292,450,154	**206,654,636**	**499,104,790**	**287,777,600**	**136,175,142**	**98**	**66**
DEPARTMENT: AGRICULTURE, LIVESTOCK AND FISHERIES								
Policy, Strategy and Management of Agriculture	Development of Agricultural Policy, Legal & Regulatory framework.	53,864,336	-	53,864,336	51,954,662	-	96	-
Crop Development and Management	Agriculture Extension Services	40,801,620	412,209,418	453,011,038	39,287,679	280,246,932	96	68

Programme	Sub-Programme	Approved Supplementary 2 Estimates FY 2023/24 (Kshs.)			Actual Expenditure Jul 23 - Jun 24 (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Gross	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Livestock Resource Management and Development	Livestock Disease Management and Control.	2,024,041	27,459,205	29,483,246	1,293,742	18,005,056	64	66
Livestock Resource Management and Development	Livestock Production and Extension Services	51,654,981	71,618,400	123,273,381	51,117,722	-	99	-
Fisheries development	Management and Development of Capture Fisheries	6,905,001	500,000	7,405,001	5,277,608	499,995	76	100
		155,249,979	**511,787,023**	**667,037,002**	**148,931,413**	**298,751,983**	**96**	**58**
DEPARTMENT: WATER, ENERGY, NATURAL RESOURCES AND ENVIRONMENT								
Environment policy development and coordination	Planning Coordination Policy and Administrative Services	163,396,051	315,159,105	478,555,156	147,521,420	46,518,724	90	15
Water supply services	Rural Water Supply	10,865,228	257,410,945	268,276,173	10,360,172	155,539,872	95	60
		174,261,279	**572,570,050**	**746,831,329**	**157,881,593**	**202,058,596**	**91**	**35**
DEPARTMENT: EDUCATION, YOUTH AFFAIRS, CULTURE AND SOCIAL SERVICES								
General Administration & Planning Services.	Policy Development and Administration	511,596,382	19,297,833	530,894,215	491,153,439	5,345,550	96	28
Basic Education	Early Childhood Development Education	215,882,852	83,637,532	299,520,384	206,726,982	73,808,326	96	88
Gender and Social Development	Social Welfare Services/Social Infrastructure Development	3,000,000	18,535,537	21,535,537	2,858,232	18,535,299	95	100
Youth development and empowerment services	Youth Development (YP) Training	-	58,625,847	58,625,847	-	43,785,887	-	75
		730,479,234	**180,096,749**	**910,575,983**	**700,738,653**	**141,475,061**	**96**	**79**
DEPARTMENT: HEALTH SERVICES								
Curative Health	Administration and Planning	1,432,724,329	145,895,349	1,578,619,678	1,217,150,133	72,470,505	85	50
Curative Health	Hospital(curative) Services	-	-	-	-	-	-	-
Preventive and Promotive Health	Preventive Medicine and Promotive Health	1,167,486,046	149,871,275	1,317,357,321	1,056,648,958	77,232,360	91	52
		2,600,210,375	**295,766,624**	**2,895,976,999**	**2,273,799,091**	**149,702,865**	**87**	**51**
DEPARTMENT: LANDS, HOUSING AND PHYSICAL PLANNING								
Administration and support services	General Administration and Planning	46,151,923	39,738,681	85,890,604	44,300,597	30,857,597	96	78
Housing Development and Human Resource	Housing Development	9,243,184	-	9,243,184	9,006,639	-	97	-
Land policy and planning	Development Planning and Land Reforms	34,395,730	20,022,942	54,418,672	33,479,944	14,156,332	97	71
Land policy and planning	Land Use Planning	6,152,443	-	6,152,443	4,901,011	-	80	--
		95,943,280	**59,761,623**	**155,704,903**	**91,688,191**	**45,013,929**	**96**	**75**

Programme	Sub-Programme	Approved Supplementary 2 Estimates FY 2023/24 (Kshs.)			Actual Expenditure Jul 23 - Jun 24 (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Gross	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
DEPARTMENT: PUBLIC WORKS, ROADS AND TRANSPORT								
Transport Management and Safety	General Administration Planning and Support Services	91,373,784	-	91,373,784	80,870,799	-	89	-
Infrastructure, Roads and Transport	Rehabilitation of Road	2,900,000	751,053,849	753,953,849	2,138,300	615,180,972	74	82
Infrastructure, Roads and Transport	Maintenance of Roads and Bridges/Periodic Maintenance	10,545,317	2,000,000	12,545,317	8,294,941	150,500	79	8
		104,819,101	**753,053,849**	**857,872,950**	**91,304,040**	**615,331,472**	**87**	**82**
DEPARTMENT: TRADE, Industrialization, TOURISM, WILDLIFE AND COOPERATIVE MANAGEMENT								
Trade development and investment	Fair trade Practices and Consumer Protection (weight & measures)	20,350,890	22,195,418	42,546,308	19,595,646	21,687,399	96	98
Trade development and investment	Administrative and Support Services.	32,989,415	35,000,000	67,989,415	32,591,465	32,477,063	99	93
Cooperative development and management	Cooperative Advisory & Extension Services.	-	-	-	-	-	-	-
Tourism development and marketing	Local Tourism Development.	5,882,961	-	5,882,961	5,825,632	-	99	-
		59,223,266	**57,195,418**	**116,418,684**	**58,012,743**	**54,164,462**	**98**	**95**
DEPARTMENT: ICT AND E-GOVERNMENT								
Information & Communication Service	News and Information Services	58,786,604	-	58,786,604	40,505,751	-	69	-
Information & Communication Service	ICT and BPO development services	-	42,114,841	42,114,841	-	18,789,523	-	45
Youth development and empowerment services	Youth Development (YP) Training	-	3,400,000	3,400,000	-	3,400,000	-	100
		58,786,604	**45,514,841**	**104,301,445**	**40,505,751**	**22,189,523**	**69**	**49**
DEPARTMENT: COUNTY PUBLIC SERVICE BOARD								
Administration of Human Resources and Public Service	Establishment, Appointment, Discipline and Board Management.	69,612,544	-	69,612,544	65,516,464	-	94	-
		69,612,544	**-**	**69,612,544**	**65,516,464**	**-**	**94**	
DEPARTMENT: PUBLIC SERVICE MANAGEMENT								
Administration of Human Resources and Public Service	General Administration, Planning and Support Services	287,437,612	13,241,257	300,678,869	272,016,672	9,744,057	95	74
Administration of Human Resources and Public Service	Human Resource Development	146,432,645	-	146,432,645	146,936,787	-	100	-
		433,870,257	**13,241,257**	**447,111,514**	**418,953,458**	**9,744,057**	**97**	**74**
County Executive Grand Total		**4,909,002,218**	**2,695,642,070**	**7,604,644,288**	**4,462,378,402**	**1,674,607,091**	**91**	**62**
Speaker's office	Speaker's office	484,263,766	-	484,263,766	477,113,829	-	16	-
Clerk's Office	Clerk's Office	351,024,499	35,547,843	386,572,342	322,779,469	11,333,268	27	-

Programme	Sub-Programme	Approved Supplementary 2 Estimates FY 2023/24 (Kshs.)			Actual Expenditure Jul 23 - Jun 24 (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Gross	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Assembly Service Board	County Assembly Service Board	9,287,636	-	9,287,636	8,924,201	-	13	-
Total Expenditure	**Total Expenditure**	**844,575,901**	**35,547,843**	**880,123,744**	**808,817,499**	**11,333,268**	13	**32.9**
GRAND TOTAL		**5,753,578,119**	**2,731,189,913**	**8,484,768,032**	**5,271,195,901**	**1,685,940,359**	**92**	**62**

***Source**: Kericho County Treasury*

A number of sub-programmes attained 100 per cent absorption of their budget allocations which included the Public Finance Management in the Department of Finance and Economic Planning at 100 per cent (Rec), Administration of Human Resources and Public Service in the Department of Public Service Management at 100 per cent (Rec), and Fisheries Development in the Department of Agriculture, Livestock and Fisheries at 100 per cent (Dev).

3.12.13 Accounts Operated Commercial Banks

The County government operated a total of 22 accounts with commercial banks. 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.

3.12.14 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;

1. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation. The report was submitted on 7th August 2024.

2. The under performance of own-source revenue at Kshs.841.93 million against an annual projection of Kshs.1.07 billion, representing 78.9 per cent of the annual target.

3. Failure by Fund Administrators to submit quarterly financial and non-financial reports to the COB, 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.

4. High level of pending bills, which amounted to Kshs.1.13 billion as of 30th June, 2024. Further, the County Treasury failed to adhere to the payment plan for pending bills.

5. Use of manual payroll. Personnel emoluments amounting to Kshs.172.56 million were processed through the manual payroll, accounting for 4.9 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.

6. 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.

7. Low expenditure in development programmes which accounted for 24.2 per cent of total expenditure.

9. High expenditure on domestic travel at Kshs.320.89 million

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with Section 166 of the PFM Act, 2012.*

2. *The County should address its own-source revenue performance to ensure the approved budget is fully financed.*

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

4. *The county leadership should address the pending bills to ensure that genuine bills are paid promptly in the next financial year.*

5. *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.*

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

7. *The County should ensure expenditure on development programmes are above the ceiling provided in law.*

8. *The County should minimize travelling expenditure by holding activities within the County Headquarters.*

3.13. County Government of Kiambu

3.13.1 Overview of FY 2023/24 Budget

The County's approved supplementary II budget for FY 2023/24 was Kshs.23.21 billion, comprising of Kshs.6.97 billion (30.0 per cent) and Kshs.16.25 billion (70.0 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 31.4 per cent compared to the previous financial year when it was Kshs.17.66 billion and comprised of Kshs.4.59 billion towards development expenditure and Kshs.13.07 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.12.23 billion (52.7 per cent) as the equitable share of revenue raised nationally, Kshs.1.36 billion (5.9 per cent) as additional allocations/conditional grants, a cash balance of Kshs.2.55 billion (11.0 per cent) brought forward from FY 2022/23, and generate Kshs.7.0 billion (30.4 per cent) as gross own source revenue. The own-source revenue includes Kshs.1.54 million (22.0 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.5.46 billion (78.0 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.84.

3.13.2 Revenue Performance

In the FY 2023/24, the County received Kshs.11.25 billion as an equitable share of the revenue raised nationally, Kshs.645.61 million as additional allocations/conditional grants, and a cash balance of Kshs.2.55 billion from FY 2022/23, and raised Kshs.4.58 billion as own-source revenue (OSR). The raised OSR includes Kshs.1.20 billion as FIF and Kshs.3.38 billion as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.19.11 billion, as shown in Table 3.84.

Table 3.84: Kiambu County, Revenue Performance in the FY 2023/24

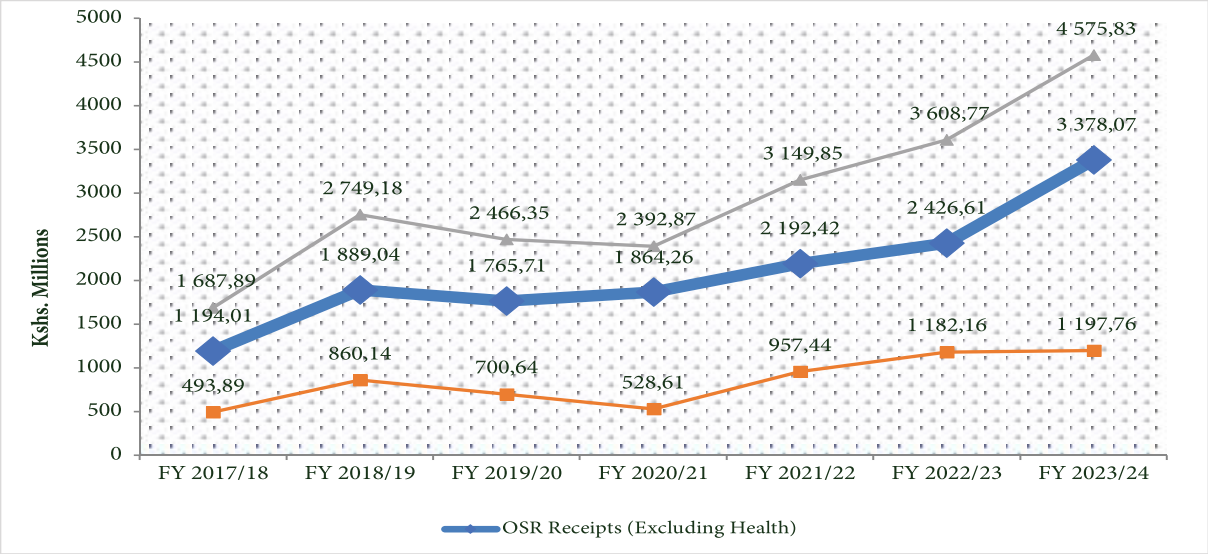
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	12,227,552,449	11,249,348,254	**92.0**
Subtotal		**12,227,552,449**	**11,249,348,254**	**92.0**
B	**Additional Allocations/Conditional Grants**			
1	Industrial Park & Aggregate Centre Grant	250,000,000	64,000,000	25.6
2	Provision of fertilizer subsidy programme	159,665,074	-	-

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
3	Court Fines	5,084,684	-	-
4	Mineral Royalties	10,139,863	-	-
5	IDA (World Bank) National Agricultural & Rural Inclusive Growth Project (NAGRIP)	223,275,969	51,435,542	23
6	IDA (World Bank) National Agricultural Value Chain Development Project (NAVCDP)	200,000,000	199,801,383	99.9
7	DANIDA Grant - Primary Health Care Devolved	17,209,500	17,209,500	100
8	IDA (World Bank) FLLoCA - County Climate Institutional Support (CCIS) Grant	24,982,967	11,000,000	44
9	IDA (World Bank) FLLoCA - County Climate Resilience Investment Grant	99,578,725	99,578,725	100
10	Sweden - Agricultural Sector Development Support Programme - ASDSP II	2,583,952	2,583,952	100
11	World Bank - Kenya Informal Settlement Improvement Project II (KISIP II)	200,000,000	200,000,000	100
12	Aquaculture Business Development Project ABDP	19,395,531	-	-
13	Livestock Value Chain Support Project	149,092,200	-	-
Subtotal		**1,361,008,465**	**645,609,102**	**47.4**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	5,459,066,235	3,378,069,561	61.9
2	Facility Improvement Fund (FIF)	1,536,300,000	1,197,762,046	78
Subtotal		**6,995,366,235**	**4,575,831,607**	**65.4**
D	**Other Sources of Revenue**			
1.	Unspent balance from FY 2022/23	2,548,373,286	2,549,313,528	100
2.	Other Revenues	82,556,035	87,246,602	105.7
Sub Total		**2,630,929,321**	**2,636,560,130**	**100.2**
Grand Total		**23,214,856,470**	**19,107,349,093**	**82.3**

Source: *Kiambu County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF. Figure 49 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 49: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



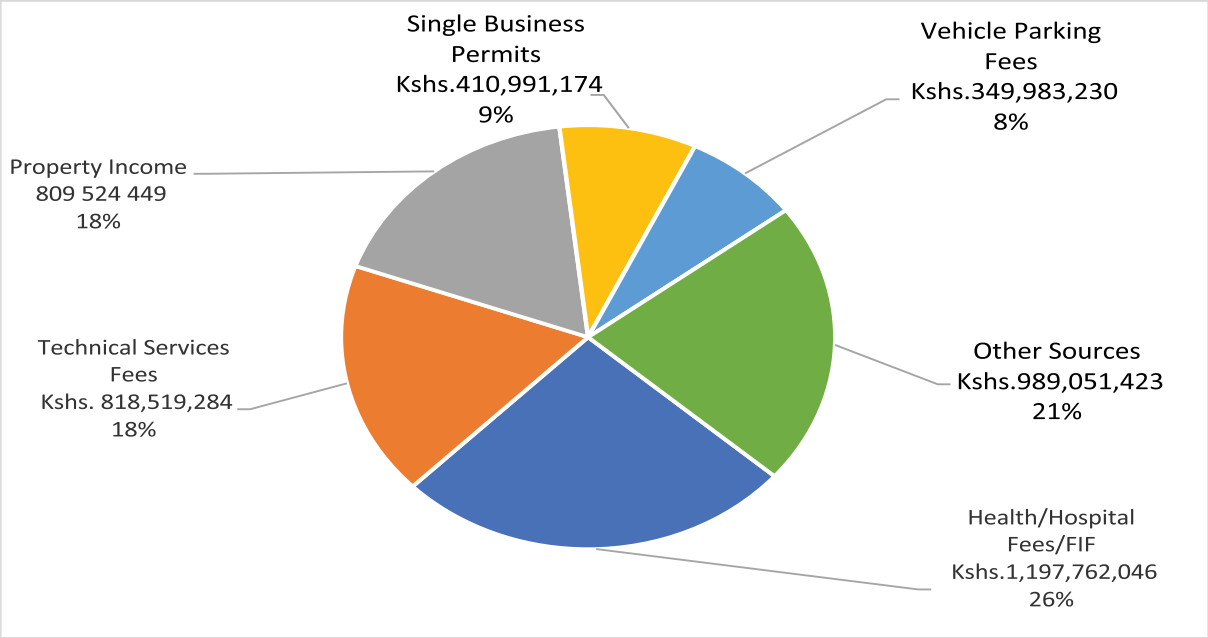
Source: *Kiambu County Treasury*

In the FY 2023/24, the County generated a total of Kshs.4.58 billion from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 26.8 per cent compared to Kshs.3.61 billion realized in FY 2022/23 and was 65.4 per cent of the annual target and 40.7 per cent of the equitable revenue share disbursed during the period. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.267.19 million.

The increase in OSR can be attributed to the introduction of a new ERP revenue system, the issuance of waivers on land rates that encouraged the public to pay, the creation of various task forces in tandem with Huduma Mashinani and RRI initiatives that helped in collection, supervising, and public sensitization on revenue matters through the introduction of bulk SMS as a reminder of payments due.

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

Figure 50: Kiambu County, Top Streams of Own Source Revenue in the FY 2023/24



***Source**: Kiambu County Treasury*

The highest revenue stream, Kshs.1.20 billion, was from Health/Hospital fees, which contributed 26 percent of the total OSR receipts during the reporting period.

3.13.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.17.86 billion from the CRF account during the reporting period, which comprised Kshs.3.57 billion (20.0 per cent) for development programmes and Kshs.14.29 billion (80.0 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.8.02 billion was released towards Employee Compensation and Kshs.6.27 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.19.38 million.

3.13.4 County Expenditure Review

The County spent Kshs.17.78 billion on development and recurrent programmes in the reporting period. The expenditure represented 99.6 per cent of the total funds released by the CoB and comprised of Kshs.3.45 billion and Kshs.14.33 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 49.5 per cent, while recurrent expenditure represented 88.2 per cent of the annual recurrent expenditure budget.

3.13.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.5.94 billion, comprising Kshs.3.57 billion for recurrent expenditure and Kshs.2.36 billion for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.386.80 million, which consisted of Kshs.163.77 million for recurrent expenditure and Kshs.223.03 million for development programmes. As at the end of FY 2023/24, the outstanding amount was Kshs.6.39 billion inclusive of unsettled bills for FY 2023/24.

The County Assembly reported outstanding pending bills of Kshs.100.38 million as of 30 June 2024.

3.13.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.7.32 billion on employee compensation, Kshs.5.59 billion on operations and maintenance, and Kshs.3.45 billion on development activities. Similarly, the County Assembly spent Kshs.601.49 million on employee compensation and Kshs.818.29 million on operations and maintenance.

Table 3.85: 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	**14,620,472,883**	**1,628,986,518**	**12,911,648,804**	**1,419,787,611**	**88.3**	**87.2**
Compensation to Employees	8,094,790,928	571,951,227	7,318,444,290	601,494,438	90.4	105.2
Operations and Maintenance	6,525,681,955	1,057,035,291	5,593,204,514	818,293,173	85.7	77.4
Development Expenditure	**6,838,397,069**	**127,000,000**	**3,451,247,485**	-	**50.5**	-
Total	**21,458,869,952**	**1,755,986,518**	**16,362,896,289**	**1,419,787,611**	**76.3**	**80.9**

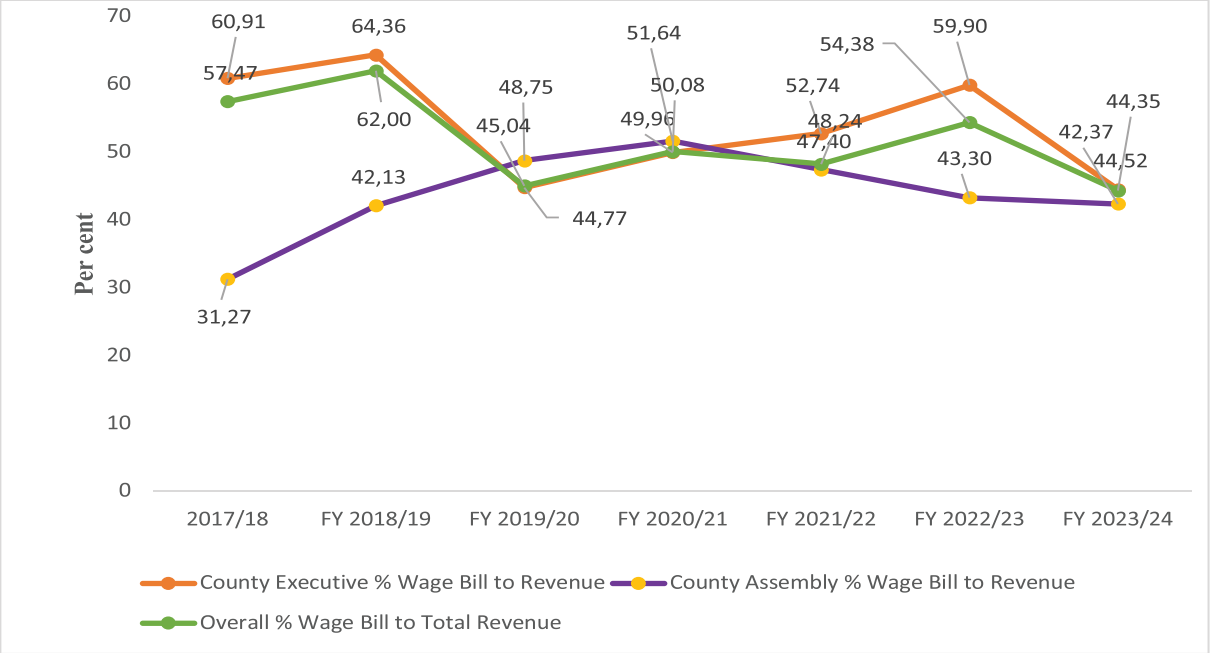
***Source**: Kiambu County Treasury*

3.13.7 Expenditure on Employees' Compensation

In FY 2023/24, expenditure on employee compensation was Kshs.7.92 billion, or 41.5 per cent of the available revenue, which amounted to Kshs.19.11 billion. This expenditure represented an increase from Kshs.7.67 billion reported in FY 2022/23. The wage bill included Kshs.4.12 billion paid to health sector employees, translating to 52.1 per cent of the total wage bill.

Figure 51 shows the trend of personnel expenditures as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 51: Kiambu County, Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: *Kiambu County Treasury*

Further analysis indicates that PE costs amounting to Kshs.7.66 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.261.23 million was processed through manual payrolls. The manual payrolls accounted for 3.3 per cent of the total PE cost.

The County Assembly spent Kshs.74.0 million on committee sitting allowances for the 89 MCAs against the annual budget allocation of Kshs.74.0 million. The average monthly sitting allowance was Kshs.69,289 per MCA. The County Assembly has established 23 Committees.

3.13.8 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.2.56 billion to county-established funds in FY 2023/24, constituting 11.0 per cent of the County's overall budget. Further, the County allocated Kshs.50 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 3.86 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.86: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Submission of Annual Financial Statements (Yes/No.)
County Executive Established Funds					
1	Kiambu Alcoholic Drinks Control Fund	42,000,000	32,000,000	303,151,187	Yes
2	Kiambu County Education Bursary Fund	300,000,000	300,000,000	392,955,620	Yes
3	Kiambu County Emergency Fund	50,000,000	50,000,000	61,743,666	Yes
4	Kiambu County Executive Car Loan & Mortgage Scheme Fund	650,000	-	553,122	Yes
5	Kiambu County Jiinue Fund	-	-	6,348,284	Yes
6	Kiambu County Facility Improvement Fund	1,536,000,000	1,213,497,779	1,116,169,314	Yes
7	Kiambu County Climate Fund	304,061,962	129,578,726	13,705,952	Yes

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Submission of Annual Financial Statements (Yes/No.)
County Assembly Established Funds					
1	Kiambu County Assembly Car Loan & Mortgage Scheme Fund	328,232,000	-	8,119,023	Yes
2	Kiambu County Assembly Staff Mortgage Scheme Fund	-	-	2,951,932	Yes
	Total	**2,560,943,962**	**1,725,076,505**	**1,905,698,100**	

Source: *Kiambu County Treasury*

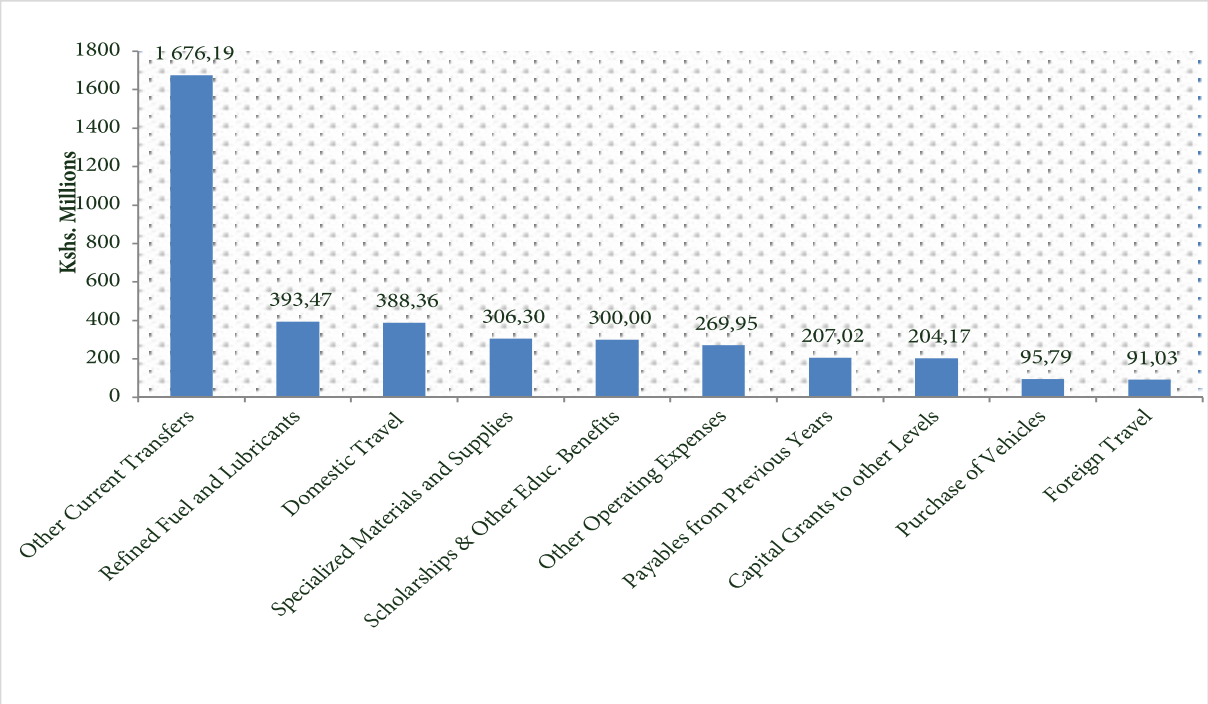
During the reporting period, the CoB received quarterly financial returns from the Fund Administrators of all funds, as indicated in Table 3.86.

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.

3.13.9 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.388.36 million and comprised Kshs.308.08 million spent by the County Assembly and Kshs.80.28 million by the County Executive. Expenditure on foreign travel amounted to Kshs.91.03 million and comprised Kshs.90.50 million by the County Assembly and Kshs.0.53 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.87 below; -

Table 3.87: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	7	15-21 October, 2023	Training on Advanced parliamentary theory and practice programme	Dubai	6,018,472

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	7	15-28 October 2023	Training on Advanced parliamentary theory and practice programme	Uganda	6,632,154
County Assembly	7	15-28 October 2023	Training on Advanced parliamentary theory and practice programme	Tanzania	6,689,960
County Assembly	8	19th-2nd December 2023	Training on Leadership Development Skills	Tanzania	7,571,610
County Assembly	7	19-26 November 2023	Training on Leadership Development Skills	Ethiopia	6,121,470
County Assembly	7	10-15 December 2023	Training on Leadership Development Skills	Dubai	5,160,845
County Assembly	7	3-16 December 2023	Training on Leadership Development Skills	Tanzania	6,779,707
County Assembly	9	3-16 December 2023	Training on Leadership Development Skills	Tanzania	8,409,534
County Assembly	7	10-18 December 2023	Capacity building for the County Assembly of Kiambu	Uganda	4,551,264
County Assembly	7	4-11 February 2024	Training on Leadership Development Skills	Dubai	6,258,067
County Assembly	7	28th January-10th February 2024	Capacity building for the County Assembly of Kiambu	Tanzania	6,974,122
County Assembly	7	11-18 February 2024	Capacity building for the County Assembly of Kiambu	Ethiopia	6,019,257
County Assembly	7	18-23 February 2024	Capacity building for the County Assembly of Kiambu	Dubai	6,183,231
County Assembly	5	27 April to 3 May 2024	Training on Legislative and Oversight responsibilities for legislators and staff	Dubai	3,808,061
County Assembly	7	5-11 May 2024	Training on Legislative and Oversight responsibilities for legislators and staff	Ethiopia	4,712,776
County Assembly	5	5-11 May 2024	Training on Legislative and Oversight responsibilities for legislators and staff	Ethiopia	3,366,268
County Assembly	6	4-10 May 2024	Public Policy on Governance and Leadership Management Course	Dubai	5,772,687

Source: *Kiambu County Treasury and Kiambu County Assembly*

The operations and maintenance costs include an expenditure of Kshs.3.45 million on Legal fees/Dues, arbitration, and compensation payments.

3.13.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.3.45 billion on development programmes, an increase of 184.7 per cent compared to FY 2022/23, when the County spent Kshs.1.21 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.88: 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	Roads	Street lighting installation (1134 No)	All wards	200,000,000	251,696,027	125.8
2	Roads	Purchase of specialized plant	Ruiru	200,000,000	117,453,000	58.7
3	Health	Construction of a multi storey hospital block at Thogoto level 4 hospital	Kikuyu ward	257,304,215	112,624,087	43.8
4	Health	Construction of a level IV Hospital at Gachororo health centre	Juja ward	196,699,815	87,471,495	44.5
5	Health	Construction of a level IV Hospital at Karuri level IV hospital	Karuri ward	180,734,625	34,675,361	19.2

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
6	Industrialization	Establishment of Industrial Park	Githunguri	500,000,000	62,500,000	12.5
7	ICT	Development, installation, testing and commissioning of an Enterprise Resource Planning system (ERP)	All wards	230,000,000	41,333,943	18.0
8	Health	Renovation and refurbishment at Ngorongo health centre	Chania ward	4,596,030	40,960,330	891.2
9	Health	Construction of 4-storeyed type medical ward block at Wangige level 4 hospital	Kabete ward	220,283,842	38,279,815	17.4
10	Health	Construction of a level IV Hospital at Karuri level IV hospital	Karuri ward	180,734,625	34,675,361	19.2

Source: *Kiambu County Treasury*

Two projects, Street lighting installation (1134 No) and Renovation, and refurbishment at Ngorongo Health Centre, had expenditures above the Contract Sums. The County Treasury should investigate appropriately and provide a report to the Oversight Institutions.

3.13.11 Budget Performance by Department

Table 3.89 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.89: Kiambu County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	1,628.99	127.00	1,419.79	-	1,419.79	-	100.0	-	87.2	-
County Executive	401.23	-	311.33	-	363.09	-	116.6	-	90.5	-
County Public Service Board	87.51	-	63.51	-	69.71	-	109.8	-	79.7	-
Finance & Economic Planning & ICT	1,501.47	141.97	1,268.54	55.00	1,323.56	52.69	104.3	95.8	88.2	37.1
Water, Environment & Natural Resources	570.43	628.16	546.90	365.45	512.20	230.48	93.7	63.1	89.8	36.7
Health Services	7,534.40	882.48	6,806.83	500.74	6,657.92	503.30	97.8	100.5	88.4	57.0
Roads, Transport & Public Works	749.11	1,986.65	634.66	1,107.46	653.63	1,065.09	103.0	96.2	87.3	53.6
Administration & Public Service	988.88	68.57	870.50	47.01	862.06	49.48	99.0	105.3	87.2	72.2
Agriculture, Livestock and Cooperatives	482.19	1,319.20	478.96	652.37	425.89	639.39	88.9	98.0	88.3	48.5
Education, Gender, Culture & Social Services	1,558.95	590.44	1,333.23	413.65	1,492.66	452.87	112.0	109.5	95.7	76.7
Youth Affairs, Sports & Communication	159.39	125.99	128.64	36.44	133.18	35.09	103.5	96.3	83.6	27.9
Lands, Housing, Physical Planning & Municipal Adm & Urban Devt	406.23	363.47	297.68	250.14	293.61	256.38	98.6	102.5	72.3	70.5
Trade, Tourism, Industrialization & Investment	180.68	731.47	128.91	142.05	124.13	166.49	96.3	117.2	68.7	22.8
Totals	**16,249.46**	**6,965.40**	**14,289.48**	**3,570.30**	**14,331.44**	**3,451.25**	**100.3**	**96.7**	**88.2**	**49.5**

Source*: Kiambu County Treasury*

Analysis of expenditure by departments shows that the Department of Education, Gender, Culture & Social Services recorded the highest absorption rate of development budget at 76.7 per cent, followed by the Department of Administration & Public Service at 72.2 per cent. The Department of Education, Gender, Culture & Social Services had the highest percentage of recurrent expenditure to budget at 95.7 per cent. In contrast, the Department of Trade, Tourism, Industrialization & Investment had the lowest at 68.7 per cent.

3.13.12 Budget Execution by Programmes and Sub-Programmes

Table 3.90 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.90: Kiambu County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Assembly							
Legislation and oversight	Legislation and oversight	1,021,876,288	-	868,253,818	-	85.0	-
General Administration Planning and Support Services	General Administration Planning and Support Services	458,299,879	127,000,000	410,669,564	-	89.6	-
Representation services	Representation services	148,810,351	-	140,868,183	-	94.7	-
Sub-Total		**1,628,986,518**	**127,000,000**	**1,419,791,565**	**-**	**87.2**	**-**
County Executive							
Leadership & Coordination of County Admin & Departments	General Administration and Support Services	348,533,389	-	313,508,622	-	90.0	-
	Representation Services	52,694,736	-	49,579,664	-	94.1	-
Sub-Total		**401,228,125**	**-**	**363,088,286**	**-**	**90.5**	**-**
County Public Service Board							
Leadership and Administration of Human Resources and Development in County Public Service	Human Resource development and management services	87,510,971	-	69,711,298	-	79.7	-
Sub-Total		**87,510,971**	**-**	**69,711,298**	**-**	**79.7**	**-**
Finance & Economic Planning & ICT							
Public Finance Management and Economic Policy & Strategy	Budget	36,224,547	-	29,159,747	-	80.5	-
	Revenue	337,500,000	10,000,000	246,899,146	-	73.2	-
	Accounting	60,500,000	-	46,424,266	-	76.7	-
	Internal Audit	4,045,000	-	3,040,723	-	75.2	-
General Administration and support services	General Administration and support services	1,038,203,460	12,000,000	974,083,066	6,800,000	93.8	56.7
ICT Services	ICT services	25,000,000	119,966,018	23,951,821	45,888,070	95.8	38.3
Sub-Total		**1,501,473,007**	**141,966,018**	**1,323,558,769**	**52,688,070**	**88.2**	**37.1**
Water, Environment & Natural Resources							
Water and environment administration	Administration, Planning & Support Services	570,432,148	-	512,202,749	-	89.8	-
Water	Water Resource Management and Sanitation	-	237,000,000	-	150,723,073	-	63.6
Natural Resources	Natural Resources, Forest Conservation and Management	-	17,500,000	-	12,788,720	-	73.1
Environment	Environment and Solid Waste Management	-	94,580,000	-	66,968,207	-	70.8

Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Renewable Energy and Climate Change	Climate Change Mitigation &Adaptation	-	279,078,725	-	-	-	-
Sub-Total		**570,432,148**	**628,158,725**	**512,202,749**	**230,480,000**	**89.8**	**36.7**
Health Services							
Health Services	Curative	1,697,000,000	882,480,531	1,262,858,711	503,296,176	74.4	57.0
Health Services	Preventive and Promotive	783,345,000	-	521,490,395	-	66.6	-
Health Services	Pharmaceuticals	120,000,000	-	68,972,433	-	57.5	-
Health Services	Administration and support	4,934,051,296	-	4,804,603,365	-	97.4	-
Sub-Total		**7,534,396,296**	**882,480,531**	**6,657,924,904**	**503,296,176**	**88.4**	**57.0**
Roads, Transport & Public Works							
Maintenance of Roads, Bridges, Transport, Construction and Maintenance	General administration and support services	749,109,521	-	653,634,619	-	87.3	-
	Construction of road and civil works	-	1,986,648,652	-	1,065,085,507	-	53.6
Sub-Total		**749,109,521**	**1,986,648,652**	**653,634,619**	**1,065,085,507**	**87.3**	**53.6**
Administration & Public Service							
Administration & Public Service							
General Administration Planning and Support services	General Administration Planning and Support services	931,385,796	58,573,666	818,678,355	49,480,628	87.9	84.5
Human Resource Management & Development Services	Human Resource Management & Development	25,498,500	-	11,385,722	-	44.7	-
Alcoholic Fund	Alcoholic Drinks Control & Rehabilitation	32,000,000	10,000,000	32,000,000	-	100.0	-
Sub-Total		**988,884,296**	**68,573,666**	**862,064,077**	**49,480,628**	**87.2**	**72.2**
Agriculture, Livestock and Cooperatives							
Agriculture, Livestock and Cooperatives	General Administration, Planning and Support Services	413,131,726	-	401,398,250	-	97.2	-
	Crop Development, Irrigation and Marketing Services	8,000,000	939,410,674	6,120,000	478,872,188	76.5	51.0
	Livestock and Fisheries Management and Development	28,854,781	336,987,731	11,751,044	135,443,484	40.7	40.2
	Co-operative Development and Management	32,200,000	42,800,000	6,625,675	25,070,000	20.6	58.6
Sub-Total		**482,186,507**	**1,319,198,405**	**425,894,969**	**639,385,672**	**88.3**	**48.5**
Education, Gender, Culture & Social Services							
Pre-primary Edu, Promotion of Culture and Social Services	Pre-primary education and youth polytechnics services	505,000,000	577,436,275	494,727,164	443,311,652	98.0	76.8
	Gender, Culture and Social Services	40,000,000	13,000,000	12,864,590	9,559,241	32.2	73.5
	General administration and support services	1,013,953,068	-	985,065,806	-	97.2	-
Sub-Total		**1,558,953,068**	**590,436,275**	**1,492,657,560**	**452,870,893**	**95.7**	**76.7**
Youth Affairs, Sports & Communication							
Youth Affairs, Sports and Communication							
	Youth Affairs	6,343,000	-	6,025,294	-	95.0	-
	Sports	50,500,000	-	47,410,235	-	93.9	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Communication	18,905,401	-	10,713,254	-	56.7	-
	General Administration	83,644,827	-	69,026,734	-	82.5	-
	Improvement of Sports Infrastructure	-	125,990,775	-	35,089,638	-	27.9
S ub-Total		**159,393,228**	**125,990,775**	**133,175,517**	**35,089,638**	**83.6**	**27.9**
Lands, Housing, Physical Planning & Municipal Adm & Urban Devt							
Urban Areas Development & Administration	Urban Areas Administration and Management	134,334,000	40,450,000	91,787,830	4,984,600	68.3	12.3
General Administration, Planning and Support Services	General administration and support services	222,158,746	-	183,519,157	-	82.6	-
Land Use Management, Valuation & Rating and Physical Planning	Land Administration services	49,734,363	89,932,051	18,303,090	26,550,026	36.8	29.5
Housing and Community Development	Housing Development	-	233,088,782	-	224,850,324	-	96.5
Sub-Total		**406,227,109**	**363,470,833**	**293,610,077**	**256,384,950**	**72.3**	**70.5**
Trade, Tourism, Industrialization & Investment							
Trade, Tourism, Industrialization & Investment	Trade Administration, Development and Promotion	69,625,000	-	23,124,065	-	33.2	-
	General Administration, Planning and Support Services	111,053,607	-	101,001,914	-	90.9	-
	Trade and Markets		194,862,366		86,112,614	-	44.2
	Tourism promotion and marketing	-	-	-	-	-	-
	Industrialization	-	534,194,839		77,957,334	-	14.6
	Investment	-	2,416,004	-	2,416,003	-	100.0
Sub-Total		**180,678,607**	**731,473,209**	**124,125,979**	**166,485,951**	**68.7**	**22.8**
Grand Total		**16,249,459,401**	**6,965,397,089**	**14,331,440,369**	**3,451,247,485**	**88.3**	**50.5**

***Source**: Kiambu County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Alcoholics drinks control in the Department of Administration & Public Service at 100 per cent, Investments in the Department of Trade, Tourism, Industrialization & Investment at 100 per cent, Pre-Primary education and youth polytechnics services in the Department of Education, Gender, Culture & Social Services at 98.0 per cent, and General administration and support services in the Education, Gender, Culture & Social Services at 97.2 per cent of budget allocation.

3.13.13 Accounts Operated Commercial Banks

The County government operated a total of 306 accounts with commercial banks. 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.

3.13.14 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;

1. 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 July, 2024.

2. Own-source revenue under performed at Kshs.4.58 billion against an annual target of Kshs.7.0 billion, representing 65.4 percent of the annual target.
3. High level of pending bills which amounted to Kshs.6.39 billion as of 30 June 2024. Further, there was non-adherence to the pending bills payment plan by the County Treasury.
4. High wage bills accounted for 41.5 percent of the County's total revenue in FY 2023/24, which is above the ceiling provided by law.
5. Use of manual payroll. Personnel emoluments amounting to Kshs.261.23 million were processed through the manual payroll, accounting for 3.3 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.
6. 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 306.
7. Low development expenditure which was 19.4 per cent of total expenditure.
10. High expenditure on domestic travel at Kshs.388.36 million

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented during a financial year to ensure expenditure commitments are aligned with available revenue.*
3. *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.*
4. *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.*
5. *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.*
6. *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.*
7. *The County should prioritize expenditure on development projects to ensure adherance with the 30 per cent threshold in law.*
8. *The County should minimize travelling expenditure by holding activities within the County Headqua*

3.14. County Government of Kilifi

3.14.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.20.04 billion, comprising of Kshs.8.45 billion (42.2 per cent) and Kshs.11.59 billion (57.8 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 30.6 per cent compared to the previous financial year when it was Kshs.15.35 billion and comprised of Kshs.5.42 billion towards development expenditure and Kshs.9.93 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.12.11 billion (60.4 per cent) as the equitable share of revenue raised nationally, Kshs.2.67 billion as additional allocations/conditional grants (13.3 per cent), allocation from other sources of Kshs.950.06 million (4.7 per cent), a cash balance of Kshs.2.52 billion (12.6 per cent) was brought forward from FY 2022/23 and generate Kshs.1.79 billion (8.9 per cent) as gross own source revenue. The own-source revenue includes Kshs.200.0 million (1.0 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.1.59 billion (7.9 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.91.

3.14.2 Revenue Performance

In the FY 2023/24, the County received Kshs.11.14 billion as an equitable share of the revenue raised nationally, Kshs.1.63 billion as additional allocations/conditional grants, and a cash balance of Kshs.2.52 billion from FY 2022/23, and raised Kshs.1.21 billion as own-source revenue (OSR). The raised OSR includes Kshs.472.22 million as FIF and Kshs.736.39 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.16.49 billion, as shown in Table 3.91.

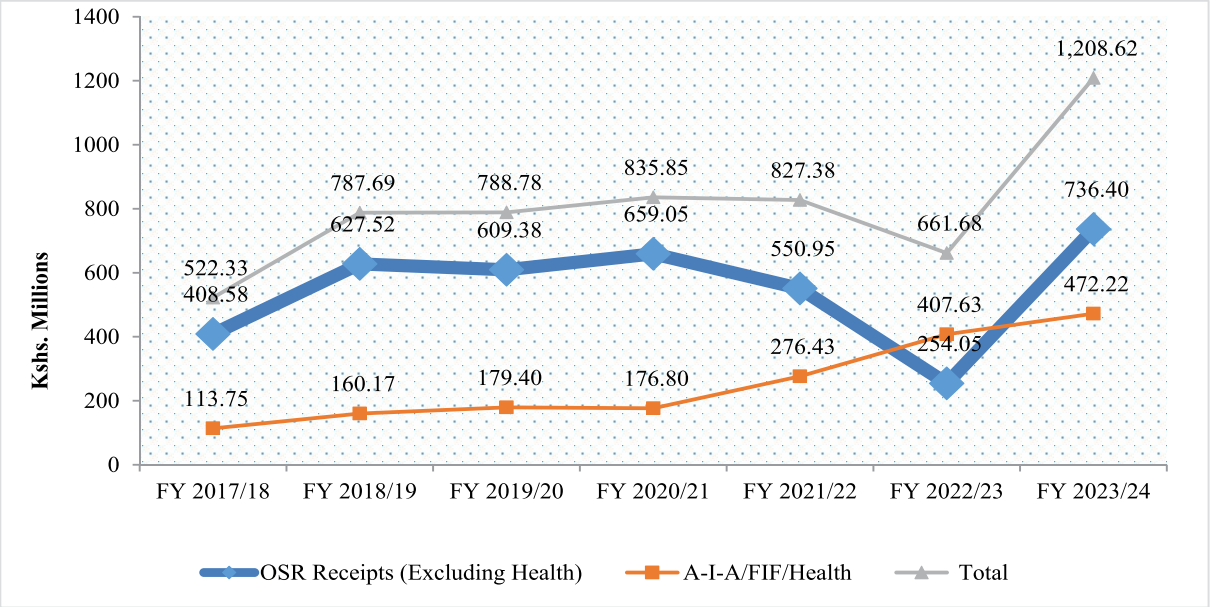
Table 3.91: Kilifi County, Revenue Performance in the FY 2023/24

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**	**12,113,734,119**	**11,140,464,455**	**92**
Sub Total				
B	**Conditional Grants**			
1	Leasing of Medical Equipment	124,723,404	-	-
2	Provision of Fertilizer Subsidy Programme	134,390,478	-	-
3	Aggregated Industrial Parks Programme	100,000,000	-	-
4	Livestock Value Chain Support Project	14,323,680	-	-
5	De-Risking and Value Enhancement (DRIVE)	63,341,980	-	-
6	Kenya Marine Fisheries and Socio-Economic Development (KEMFSED)	98,880,952	-	-
7	Conditional Grant for the Transfer of Library Services	4,533,621	-	-
8	National Agricultural and Rural Inclusive Growth Project (NARIGP)	150,000,000	4,261,826	2.8
9	DANIDA Grant (Universal Healthcare in Devolved System Programme)	19,057,500	19,057,500	100
10	Water&Sanitation Development Programme (WSDP)	1,300,000,000	571,709,518	44
11	World Bank Credit to Finance Locally Led Climate Action Program (County Climate Institutional Support, CCIS) Grant	11,000,000	-	-
12	Financing Locally Led Climate Action Program, County Climate Change Resilience Investment (CCRI) Grant	147,392,926	-	-
13	Agricultural Sector Development Support Programme (ASDSP) II	6,741,231	-	-
14	Kenya Informal Settlement and Improvement Project (KISIP)	250,000,000	250,000,000	100
15	World Bank Credit National Agricultural Value Chain Development Project (NAVCDP)	250,000,000	199,794,540	79.9
Sub-Total		**2,674,385,772**	**1,166,736,526**	**60.9**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	1,588,634,222	736,398,329	46.4
2	Balance b/f from FY2022/23	2,516,966,337	2,516,966,337	100
3	Facility Improvement Fund (FIF)	200,000,000	472,221,668	236.1
4	Other Revenues	950,062,289	-	-
Sub Total		5,255,662,848	3,725,586,334	70.9
Grand Total		**20,043,782,739**	**16,032,787,315**	**80**

Source: *Kilifi County Treasury*

Figure 53 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

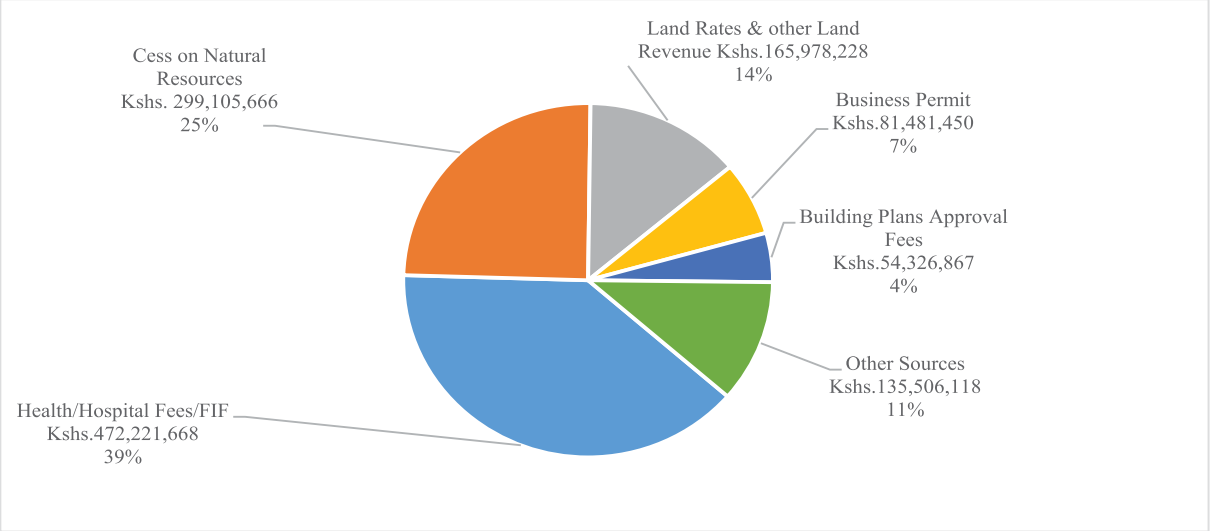
Figure 53: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Kilifi County Treasury*

In the FY 2023/24, the County generated a total of Kshs.1.21 billion from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 45.3 per cent compared to Kshs.661.68 million realized in FY 2022/23 and was 67.5 per cent of the annual target and 10.8 per cent of the equitable revenue share disbursed during the period. The increase in own source revenue can be attributed to the higher collection of FIF, which resulted from stringent revenue collection measures that sealed leakages. The revenue streams which contributed the highest OSR receipts are shown in Figure 54.

Figure 54: Kilifi County, Top Streams of Own Source Revenue in the FY 2023/24



Source: Kilifi County Treasury

The highest revenue stream of Kshs.472.22 million was from Hospital Fees, contributing to 39 per cent of the total OSR receipts during the reporting period.

3.14.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.14.51 billion from the CRF account during the reporting period, which comprised Kshs.4.29 billion (29.6 per cent) for development programmes and Kshs.10.22 billion

(70.4 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.4.36 billion was released towards Employee Compensation and Kshs.5.86 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.1.47 billion.

3.14.4 County Expenditure Review

The County spent Kshs.15.42 billion on development and recurrent programmes in the reporting period. The expenditure represented 106.1 per cent of the total funds released by the CoB and comprised of Kshs.4.71 billion and Kshs.10.68 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 55.8 per cent, while recurrent expenditure represented 92.1 per cent of the annual recurrent expenditure budget.

3.14.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.2.21 billion, comprising of Kshs.870.95 million for recurrent expenditure and Kshs.1.34 billion for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.988.54 million, which consisted of Kshs.238.53 million for recurrent expenditure and Kshs.750.02 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs1.22 billion. This, however, excludes unpaid bills from FY 2023/24.

The County Assembly reported outstanding pending bills of Kshs.12.35 million as of 30th June 2024.

3.14.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.74 billion on employee compensation, Kshs.5.94 billion on operations and maintenance, and Kshs.4.59 billion on development activities. Similarly, the County Assembly spent Kshs.456.26 million on employee compensation, Kshs.540.61 million on operations and maintenance, and Kshs.128.87 million on development activities, as shown in Table 3.92.

Table 3.92: Summary of Budget and Expenditure by Economic Classification

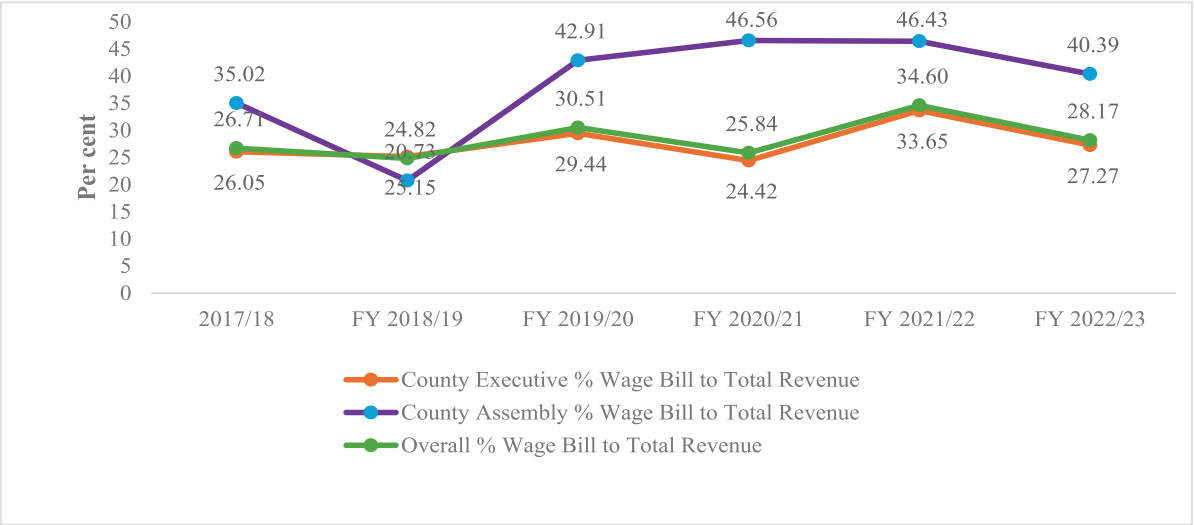
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**10,593,695,922**	**1,009,209,543**	**9,683,344,776**	**996,871,040**	**91.4**	**98.8**
Compensation to Employees	4,492,834,612	468,603,589	3,741,709,842	456,265,086	83.3	97.4
Operations and Maintenance	6,100,861,310	540,605,954	5,941,634,934	540,605,954	97.4	100
Development Expenditure	**8,439,813,593**	**231,274,724**	**4,585,393,870**	**128,875,067**	**54.3**	**55.7**
Total	**19,033,509,515**	**1,240,484,267**	**14,268,738,646**	**1,125,746,107**	**75**	**90.8**

***Source**: Kilifi County Treasury*

3.14.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.19 billion, or 26.2 per cent of the available revenue, which amounted to Kshs.16.03 billion. This expenditure represented a decrease from Kshs.4.77 billion reported in FY 2022/23. The wage bill included Kshs.2,17 billion paid to health sector employees, translating to 51.8 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 55.

Figure 55: Kilifi County, Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Kilifi County Treasury

Further analysis indicates that PE costs amounting to Kshs.3.94 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.256.99 million was processed through manual payrolls. The manual payrolls accounted for 7 per cent of the total PE cost.

The County Assembly spent Kshs.34.45 million on committee sitting allowances for the 56 MCAs against the annual budget allocation of Kshs.36.0 million. The average monthly sitting allowance was Kshs.51,268 per MCA. The County Assembly has established 23 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.1.0 billion to county-established funds in FY 2023/24, constituting 5 per cent of the County's overall budget. Further, the County allocated Kshs.250.0 million to the Emergency Fund 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 FY 2023/24

S/No.	Name of the Fund	Approved Budget (Kshs.)	Exchequer Issues	Actual Expenditure (Kshs.)	Submission of Financial Statements
County Executive Established Funds					
1.	Kilifi County Car Loan & Mortgage Fund	120,000,000	-	-	No
2.	Kilifi County Ward Scholarship Fund	350,000,000	295,000,000	235,000,000	Yes
3.	Kilifi County Emergency Fund	250,000,000	250,000,000	100,000,000	Yes
4.	Kilifi County Wezesha Fund	150,000,000	115,000,000	75,000,000	Yes
5.	Kilifi County Health Services Improvement Fund	25,932,178	-		No
County Assembly Established Funds					
1.	Kilifi County Assembly Car Loan & Mortgage Fund	112,000,000	110,290,000	110,290,000	Yes
Total		**1,007,932,178**	**770,290,000**	**520,290,000**	

***Source**: Kilifi County Treasury*

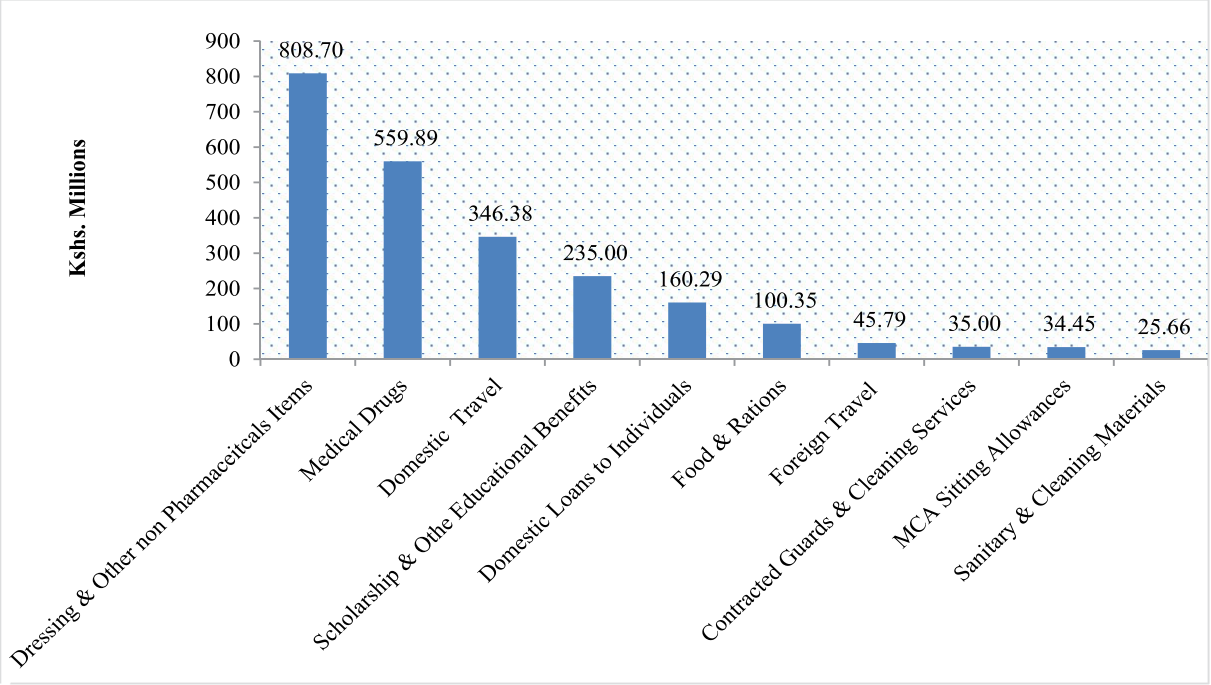
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of the Kilifi County Executive Car Loan and Mortgage Fund, & Kilifi County Health Services Improvement funds, as indicated in Table 3.90, contrary to the requirement of Section 168 of the PFM 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.346.38 million and comprised Kshs.115.33 million spent by the County Assembly and Kshs.231.04 million by the County Executive. Expenditure on foreign travel amounted to Kshs.45.79 million and comprised Kshs.5.78 million by the County Assembly and Kshs.40.01 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.94 below; -

Table 3.94: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

County Department	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Tourism	2	6th Nov 2023 - 17th Nov 2023	World Travel Market Expo-London	London	3,854,515
Office of the Governor	2	25th Aug 2023	Trade conferences for Carbon Credit	Dubai	3,180,160
Roads, Transport & Public Works	2	9th Sept 2023	FIDIC Global Infrastructure Project	Singapore	3,031,600
Office of the Governor	2	15th Sept 2023	Trade mission in Slovakia from 15th -23rd September 2023	Slovakia	2,661,917.75
Office of the Governor	4	4th Sept 2023	Climate Change Seminar	UAE	2,297,184
Finance	1	25th Aug 23-4th Sept 23	Signing of memorandum of understanding for collaboration with Kilifi County Sustainable Project for Carbon Credits Generation in Kenya	Dubai	1,799,560
Finance	2	15th Sept 23-23rd Sept 24	Travel to Slovakia on a Trade Mission	Slovakia	1,779,370
Finance	1	15th Sept 23-23rd Sept 23	Trade Mission with H.E the Governor	Slovakia	1,693,426

County Department	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Tourism	1	23rd Sept 2023 - 6th Oct 2023	Trade Fair in Belgium	Belgium	1,487,668
Agriculture	2	10th July 2023	Sustainable development of coastal communities and study tour	Italy	913,160

Source: Kilifi County Treasury and Kilifi County Assembly

3.14.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.4.71 billion on development programmes, representing an increase of 40.2 per cent compared to FY 2022/23, when the County spent Kshs.3.36 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.95: Kilifi County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract sum	Amount paid to date (Kshs)	Implementation status
1	Education & Early Childhood Development	Provision of Nutritious Porridge at ECDS	Countywide	100,000,000	69,552,000.00	Ongoing
2	Roads & Transport	Maintenance of Roads at County Head Quarters	County Head Quarters	70,000,000	60,841,619	Complete
3	Health & Sanitation	Construction of KCH Complex Phase II	County Head Quarters	389,235,734.52	13,824,345.00	Ongoing
4	Water	Upgrade of Mwavumbo pumping Station	Mariakani	15,991,934	7,000,000	Ongoing
5	Blue Economy	Construction of Shore Protection Wall at Ngomeni	Ngomemi	73,000,000	15,000,000	Ongoing
6	Water	Bodoi Pipeline	Garashi	5,000,000	4,999,999.00	Complete
7	Water	Mazeras Booster Pump	Rabai Kisurutini	5,000,000	4,999,999.00	Complete
8	Water	Maintenance & Repair of 10 No. Boreholes in Sabaki Ward	Sabaki	5,000,000	4,999,999.00	Complete
9	Youth & Sports	Talent search programme	Countywide	12,220,538	4,803,500	Ongoing
10	Water	Maintenance & Repair of 8 No. Boreholes in Matsangoni Ward	Matsangoni	4,000,000	3,999,999.00	Complete

Source: *Kilifi County Treasury*

3.14.11 Budget Performance by Department

Table 3.96 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.96: Kilifi County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	1,000.06	231.27	996.87	128.88	996.87	128.88	100.0	100.0	99.7	55.7
County Division for Office of the Governor	402.73	-	395.48	-	375.77	-	95.0	-	93.3	-
County Division for Finance	574.84	18.44	531.53	-	533.92	-	100.5	-	92.9	-
County Division for Agriculture	91.94	806.93	83.00	377.24	82.23	800.00	99.1	212.1	89.4	99.1
County Division for Lands & Energy	53.39	306.31	49.58	75.44	46.41	115.68	93.6	153.3	86.9	37.8

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 Boards	72.94	28.30	30.00	-	28.30	-	94.3	-	38.8	-
County Division for Public Service Management	4,930.95	75.00	4,371.09	19.47	4,931.07	-	112.8	-	100.0	-
County Division for County Attorney	167.43	26.40	150.00	-	148.87	21.18	99.2	-	88.9	80.2
County Division for Economic Planning	99.89	-	30.06	-	20.00	-	66.5	-	20.0	-
County Division for Livestock	27.21	141.18	26.40	80.57	34.98	80.57	132.5	100.0	128.6	57.1
County Division for Information Communication Technology	29.16	21.03	22.00	-	21.03	13.89	95.6	-	72.1	66.1
County Division for Physical Planning, Urban Development & Housing	362.45	332.19	340.60	298.00	338.50	304.47	99.4	102.2	93.4	91.7
County Division for Cooperative Development	29.82	29.36	29.82	-	32.67	4.39	109.6	-	109.6	14.9
County Division for Resource Mobilization	151.88	132.18	150.80	-	132.18	-	87.7	-	87.0	-
County Division for Blue Economy	23.21	190.29	23.21	98.00	24.60	92.49	106.0	94.4	106.0	48.6
County Division for Water Services	56.56	2,227.94	44.92	1,250.00	48.41	1,183.93	107.8	94.7	85.6	53.1
County Division for Environment and Natural Resources	160.60	13.00	160.50	-	107.74	-	67.1	-	67.1	-
County Division for Forestry and Climate Change	11.00	280.73	-	-	-	24.59	-	-	-	8.8
County Division for Early Childhood Education and Vocational Training	572.40	424.18	525.63	232.98	411.99	252.36	78.4	108.3	72.0	
County Division for Health and Sanitation Services	2,014.94	898.64	1,850.24	475.20	1,850.24	471.38	100.0	99.2	91.8	52.5
County Division for Roads and Transport Services	313.35	1,194.60	217.90	768.39	217.95	737.80	100.0	96.0	69.6	61.8
County Division for Public Works	9.05	-	-	-	2.67	-	-	-	29.5	-
County Division for Gender and Social Services	74.13	177.71	68.40	50.00	45.62	-	66.7	-	61.5	-
Youth Affairs & Sports	50.09	394.64	-	67.62	36.49	67.85	-	100.3	72.8	17.2
County Division for Trade Development	33.31	394.83	26.65	375.00	26.65	374.31	100.0	99.8	80.0	94.8
County Division for Tourism Promotion	40.43	39.55	39.53	-	39.55	-	100.1	-	97.8	-
County Division for Devolution & Civic Education	44.76	25.00	-	-	45.00	23.23	-	-	100.5	92.9
County Division for Special Programs & Disaster Management	125.21	40.32	-	-	49.29	17.27	-	-	39.4	42.8

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 Division for the County Secretary	70.00	-	52.00	-	51.19	-	98.4	-	73.1	-
Total	**11,593.76**	**8,450.03**	**10,216.22**	**4,296.79**	**10,680.22**	**4,714.27**	**104.5**	**109.7**	**92.1**	**55.8**

***Source**: Kilifi County Treasury*

Analysis of expenditure by departments shows that the Department of Agriculture recorded the highest absorption rate of development budget at 99.1 per cent, followed by the Department of Trade at 94.8 per cent. The County Assembly had the highest percentage of recurrent expenditure to budget at 99.7 per cent, while the Department of Forestry & Climate Change did not report any recurrent expenditure.

The départments reported instances of expenditures exceeding exchequer issues, which points to a weak internal control. The County Treasury should review internal control measures to avoid the diversion of funds between spending entities.

3.14.12 Budget Execution by Programmes and Sub-Programmes

Table 3.97 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.97: Kilifi County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Department of Tourism							
Telephone, Telex, Facsimile and Mobile Phone Services		400,000.00	-	370,000	-	92.50	-
Travel Costs (airlines, bus, railway, mileage allowances, etc.)		1,500,000.00	-	1,304,591	-	86.97	-
Accommodation - Domestic Travel		1,000,000.00	-	669,600	-	66.96	-
Daily Subsistence Allowance		2,500,000.00	-	2,388,300	-	95.53	-
Travel Costs (airlines, bus, railway, etc.)		-	-	1,426,492	-	-	-
Accommodation		-	-	-	-	-	-
Daily Subsistence Allowance		4,150,000.00	-	690,223	-	16.63	-
Publishing & Printing Services		-	-	2,733,800	-	-	-
Advertising, Awareness and Publicity Campaigns		3,200,000.00	-	3,500,000	-	109.38	-
Trade Shows and Exhibitions		4,000,000	-	3,294,800	-	82.37	-
Training Expenses - Other (Bud		400,000	-	261,856	-	65.46	-
Catering Services (receptions), Accommodation, Gifts, Food and Drinks		340,000	-	445,900	-	131.15	-
Boards, Committees, Conferences and Seminars		400,000	-	355,800	-	88.95	-
Medals, Awards and Honors		100,000	-	100,000	-	100	-
General Office Supplies (papers, pencils, forms, small office equipment etc)		175,361	-	107,000	-	61.02	-
Sanitary and Cleaning Materials, Supplies and Services		200,000	-	11,850	-	5.93	-
Refined Fuels and Lubricants for Transport		1,000,000	-	975,458	-	97.55	-
Contracted Professional Services		20,000,000	-	19,994,000	-	99.97	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Maintenance of Plant, Machinery and Equipment (including lifts)		700,000	-	573,968	-	82	-
Maintenance of Buildings and Stations -- Non-Residential		100,000	-	-	-	-	-
Maintenance of Computers, Software, and Networks		100,000	-	-	-	-	-
Purchase of Computers, Printers and other IT Equipment		162,319	-	350,000	-	215.62	-
Sub-Total		**40,427,680**	**39,553,638.00**	**39,553,638**	**-**	**97.84**	**-**
TOTALs		40,427,680	39,553,638.00	39,553,638	-	**97.84**	-
County Public Works							
202013110		9,050,000	-	2,670,510	-	0.30	-
Sub-Total		**9,050,000.00**	**-**	**2,670,510.00**	**-**	-	-
Grand Total		**9,050,000.00**	**-**	**2,670,510.00**	**-**	-	-
Roads & Transport Services							
202013110		313,352,447.00	-	217,951,504.80	-	0.70	-
201013110		-	1,415,660,467.00	-	737,797,836.70	-	0.52
Sub-Total		**313,352,447.00**	**1,415,660,467.00**	**217,951,504.80**	**737,797,836.70**	-	-
Grand Total		**313,352,447.00**	**1,415,660,467.00**	**217,951,504.80**	**737,797,836.70**	-	-
County Division for Finance							
S.P 1 Administration, Planning and Support Service		409,712,209.00	30,117,647.00	383,136,109.78	0.94	-	-
S.P 2.1. Budget Formulation, Coordination and Management		60,178,679.00	36,363,429.00	59,200,196.60	0.98	-	-
S.P 2.2: Audit Services		36,247,921.00	21,991,388.00	33,910,535.45	0.94	-	-
S.P 2.3: Accounting Services		22,475,250.00	8,825,250.00	13,845,102.69	0.62	-	-
S.P 2.4: Public Procurement and Disposal Services		46,226,301.00	-	43,830,574.99	0.95	-	-
		574,840,360.00	97,297,714.00	533,922,519.50	0.93	-	-
County Division for Resource Mobilization							
		151,881,869.00	-	132,181,276.50	-	87	-
Grand Total		**151,881,869.00**	**-**	**132,181,276.50**	**-**	**87**	**-**
Department Water Sanitation and Natural Resources							
Administration, planning and support services		56,561,635.00	-	48,413,563.75	-	86	-
Sub Total		**56,561,635.00**	**-**	**48,413,563.75**	**-**	-	-
Department Water Sanitation and Natural Resources							
Water resources management		-	2,140,101,403	-	1,183,928,295.50	-	0.55
Sub-Total		-	**2,140,101,403**	-	**1,183,928,295.50**	-	**0.55**
Grand Total		**56,561,635.00**	**2,140,101,403**	**48,413,563.75**	**1,183,928,295.50**	**86**	**0.55**
Department of County Public Service Board							
Administration, Planning and Support Services		57,126,777	-	23,656,882.40	-	41	-
Recruitment and Selection		15,810,400	-	4,643,500	-	29	-
Grand Total		**72,937,177**	**-**	**28,300,382.40**	**-**	**39**	-
Department: Livestock							
Sub-programme		27,213,627	36,400,000	34,984,068	44,896,514	78	1.23
Sub Total		27,213,627	36,400,000	34,984,068	44,896,514	-	
Sub-programme		-	41,117,647	-	35,671,294	-	0.87

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Grand Total		**27,213,627**	**36,400,000**	-	-	-	-
Department: County Division of Information Technology and Communication							
E-Government		29,159,058	-	21,025,744.20	-	**72**	-
Sub Total		**29,159,058**	-	**21,025,744.20**	-	**72**	-
Grand Total		**29,159,058**	-	**21,025,744.20**	-	**72**	-
Environment Forestry & Climate Change							
1)Administration, planning and support services		160,599,949.00	-	107,740,761.20	-	67	-
Grand Total		**160,599,949**	-	**107,740,761.20**	-	**67**	-
Department of Cooperative Development							
Administration Planning and Support Services		5,365,940.00	-	4,418,360	-	82	-
Sub Total		5,365,940	-	4,418,360	-	-	-
Promotion of Cooperative & Advisory services		24,449,667	29,356,092	28,255,067	4,386,850	116	0.15
Sub-Total		**24,449,667**	**29,356,092**	**28,255,067**	**4,386,850**	-	-
Grand Total		**29,815,607**	**29,356,092**	**32,673,427**	**4,386,850**	-	-
Agriculture Division							
Sub-programme		31,323,555	517,940,629	39,973,628.00	485,328,795	128	0.94
Sub Total		31,323,555	517,940,629	39,973,628.00	485,328,795	-	-
Sub-programme		44,860,000	330,488,572	39,093,342	327,065,388	87	0.99
Sub-Total		44,860,000	330,488,572	39,093,342	327,065,388	-	-
Sub-programme		3,050,000	(4,500,000)	3,164,826	1,500,000	104	-0.33
Sub-Total		**3,050,000**	**(4,500,000)**	**3,164,826**	**1,500,000**	-	-
Grand Total		**79,233,555**	**843,929,201**	**82,231,796**	**813,894,183**	-	-
Department Trade & Development							
Administration Planning and Support Services		13,881,000	5,036,889	10,595,974	5,036,889	0.76	**1.00**
Sub Total		**13,881,000**	**5,036,889**	**10,595,974**	**5,036,889**	-	-
Trade Development		19,427,533	389,791,258	12,980,823	236,225,336	0.67	0.61
Sub-Total		**19,427,533**	**389,791,258**	**12,980,823**	**236,225,336**	-	-
Grand Total		**33,308,533**	**394,828,147**	**23,576,797**	**241,262,225**	-	-
Department Public Service Management							
Administration, planning and support services		4,920,891,722	75,000,000	4,921,887,533	-	1	-
Sub Total		4,920,891,722	75,000,000	4,921,887,533	-	-	-
Strategic Human Resource Development		10,063,182	-	9,182,974	-	-	-
Sub-Total		**10,063,182**	-	**9,182,974**	-	**0.91**	-
Grand Total		**4,930,954,904**	**75,000,000**	**4,931,070,507**	-	**1**	-
Department of Health Services							
Sub Total		66,049,547.00	-	55,424,991.95	-	0.84	-
Sub-Total		1,532,091,307.00	-	1,425,170,040.85	471,381,955.05	0.93	-
Sub-Total		422,407,857	1,484,263,410.00	364,048,347.30	471,381,955.05	0.86	0.32
Sub-Total		**14,514,150**	-	**5,600,000**	-	**0.39**	-
Grand Total		**2,035,062,86**	**1,484,263,410**	**1,850,243,380.10**	**471,381,955.05**	**0.91**	**0.32**

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Division of Lands, Energy, Physical Planning and Development Control							
Sub-programme 1.1 Administration, Planning and Support Services		56,914,209	-	52,830,007.35	-	92.82	-
Sub Total		56,914,209	-	52,830,007.35	-	92.82	-
Sub-Programme 4.1 Land use		-	-	1,875,589	-	-	-
Sub-Programme 4.2 Land Survey, Mapping and Valuation		3,469,440	126,175,719	2,764,040	84,152,682.45	79.67	66.69
Sub-Total		**3,469,440**	**126,175,719**	**4,639,629**	**84,152,682.45**	**133.73**	**66.69**
Sub-Programme 5.1: Physical Planning and Development		2,671,412	-	-	-	-	-
Sub-Total		2,671,412	-	-	-	-	-
Sub Program 7.1: Alternative energy technologies		5,650,000	180,131,117	8,941,390	31,526,835	158.25	17.50
Sub-Total		**5,650,000**	**180,131,117**	**8,941,390**	**31,526,835**	**158.25**	**17.50**
Grand Total		**68,705,061**	**306,306,836**	**66,411,026.35**	**115,679,517.45**	**96.66**	**37.77**
Division of Housing Development & Human Settlement							
Sub-programme 1.1 Administration, Planning and Support Services		335,935,372	-	331,587,133.10	-	98.71	-
Sub Total		335,935,372	-	331,587,133.10	-	98.71	-
Sub-Programme 2.1: Housing Development and Human Settlement		-	36,425,597	-	20,000,000	-	54.91
Sub-Total		-	36,425,597	-	20,000,000	-	54.91
Sub-Programme 3.2: Town Administration Services		26,516,598	295,760,584	6,912,405	284,472,756	26.07	96.18
Sub-Total		**26,516,598**	**295,760,584**	**6,912,405**	**284,472,756**	**26.07**	**96.18**
Grand Total		**362,451,970**	**295,760,584**	**338,499,538.10**	**304,472,756**	**93.39**	**102.95**
Department of Water Sanitation and Natural Resources							
Climate Change Adaptation		11,000,000	280,727,305	-	24,592,369.55	-	0.09
Sub Total		**11,000,000**	**280,727,305**	**-**	**24,592,369.55**	-	-
Grand Total		**11,000,000**	**280,727,305**	**-**	**24,592,369.55**	-	-
Department: County Division of Early Childhood Education and Vocational Training.							
Administration, Planning and Support Services		41,054,740.00	7,000,000	28,282,798.70	-	0.69	-
Sub Total		41,054,740.00	7,000,000	28,282,798.70	-	0.69	-
Early Childhood Education		14,793,803.00	389,284,009	23,781,009.50	245,126,203.55	1.61	0.63
0503023110 SP 2: Ward Scholarship Administration		500,000,000.00	-	996,500.00	-	-	-
0504013110 SP 1: Vocational Education and Training		16,552,880.00	27,897,652	358,092,064.15	7,234,894.95	21.63	0.26
Sub-Total		**531,346,683.00**	**417,181,661**	**382,869,573.65**	**252,361,098.50**	**0.72**	**0.60**
Grand Total		**572,401,423.00**	**424,181,661**	**411,152,372.35**	**252,361,098.50**	**0.72**	**0.59**

***Source**: Kilifi County Treasury*

The report on budget implementation by programmes and sub-programmes was not prepared as per the prescribed templates by the County. Further, the report shows instances of expenditures above approved budget allocations which should be investigated and appropriate corrective actions taken by the County Treasury.

3.14.13 Accounts Operated Commercial Banks

The County government operated a total of 10 accounts with commercial banks. 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.

3.14.14 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;

1. 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 5th August 2024 and was incomplete.
2. The under performance of own-source revenue at Kshs1.21 billion against an annual target of Kshs.1.59 billion, representing 67.9 per cent of the annual target.
3. Failure to refund unspent funds from FY 2022/23 into the CRF account, which led to actual expenditure being above the approved exchequer issues in several departments, as shown in Table 3.96.
4. Failure by Fund Administrators 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 County Executive Car Loan & Mortgage Fund and Kilifi County Health Improvement Fund were not submitted to the Controller of Budget.
5. High level of pending bills which amounted to Kshs.1.22 billion as of 30th June 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
6. Use of manual payroll. Personnel emoluments amounting to Kshs.256.99 million were processed through the manual payroll, accounting for 6.1 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.
7. Failure to report as per the CoB Reporting templates resulted in some departments not reporting their performances in expenditures by programs and sub-programs and others omitting crucial information, i.e. submitting only program and subprograms numbers without titles, budget lines & expenditures, resulting in inconsistency in financial reporting.
8. High expenditure on domestic travel at Kshs.346.38 million

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *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.*
3. *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.*
4. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
5. *The 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.*
6. *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.*

7. *The County should ensure strict reporting using the CoB Templates to eliminate inconsistencies in financial reporting. Responsible officers should be trained on the use of prescribed reporting requirements.*

8. *The County should minimize travelling expenditure by holding activities within the County Headquarters.*

3.15. County Government of Kirinyaga

3.15.1 Overview of FY 2023/24 Budget

The County's approved FY 2023/24 budget was Kshs.7.24 billion, comprising Kshs.2.45 billion (33.8 per cent) and Kshs.4.79 billion (66.2 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 3.0 per cent compared to the previous financial year when it was Kshs.7.03 billion and comprised of Kshs.2.19 billion towards development expenditure and Kshs.4.85 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.5.42 billion (74.9 per cent) as the equitable share of revenue raised nationally, Kshs.201.00 million (2.1 per cent) as Facility Improvement Fund (revenue from health facilities), Kshs. 612.97 million (8.5 per cent) as conditional grants, a cash balance of Kshs. 657.36 million (9.1 per cent) brought forward from FY 2022/23 and generate Kshs. 349.00 million (4.8 per cent) as ordinary own-source revenue and Kshs.0.00 million (0.0 per cent) as Appropriations-in-Aid (A-I-A). A breakdown of the conditional grants is provided in Table 3.98.

3.15.2 Revenue Performance

In the FY 2023/24, the County received Kshs.4.99 billion as an equitable share of the revenue raised nationally, Kshs. 307.12 million as additional allocations/conditional grants, had a cash balance of Kshs.657.36 million from FY 2022/23 and raised Kshs.651.10 million as own-source revenue (OSR). The raised OSR includes Kshs.0.00 million as A-I-A, Kshs.417.54 million as FIF and Kshs.233.56 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs. 6.60 billion, as shown in Table 3.98.

Table 3.98: Kirinyaga County, Revenue Performance in the FY 2023/24

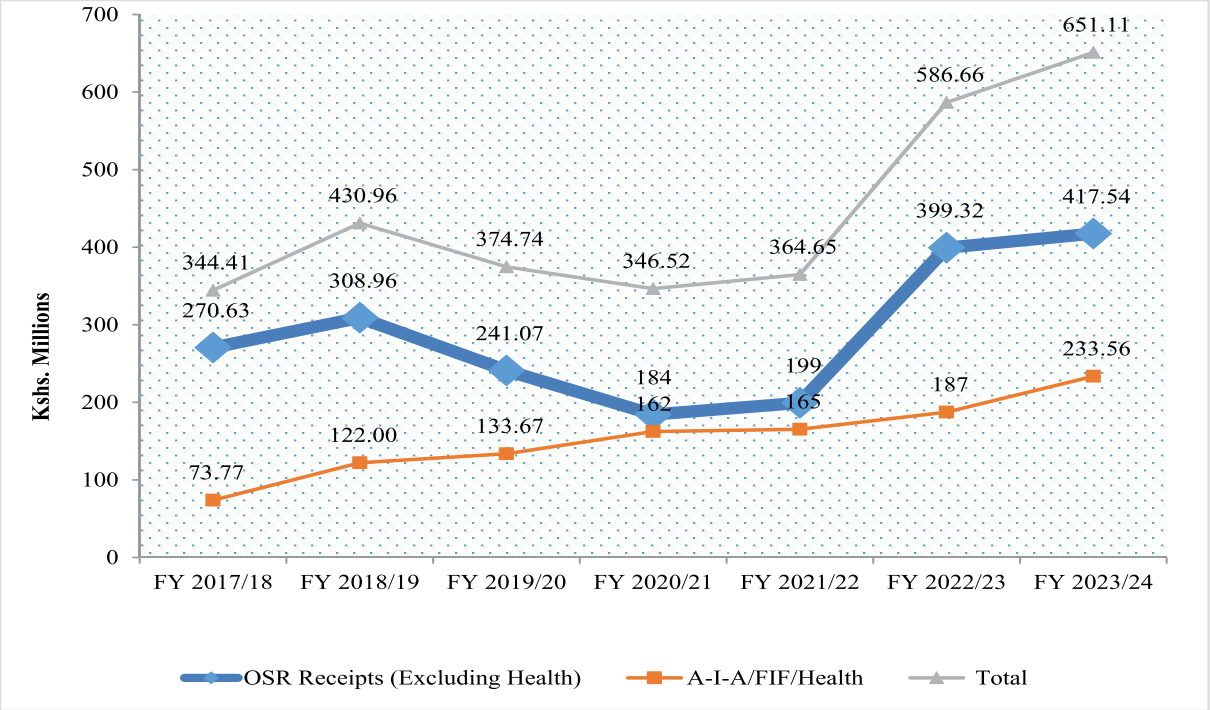
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	5,420,217,528	4,986,600,128.00	**92.0**
Sub Total		**5,420,217,528**	**4,986,600,128**	**92.0**
B	**Conditional Grants**			
1	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	144,370,399.38	4,261,825	3.0
2	IDA- (World Bank)Credit National Agricultural Value Chain Development Project (NAVCDP) FY2022/23	317,307,692.31	199,785,019	63.0
3	DANIDA Grant	7,738,499.93	7,738,500	100.0
4	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	900,970.34	900,970	100.0
5	World Bank (Finance Locally-Led Climate Program (FLLoCA) for County Climate Resilience Investment (CCRI) Grant	11,000,000.00	11,000,000	100.0
6	IDA (World Bank) Credit (Financing Locally- Led Climate Action (FLLoCA) Program – County Climate Resilience Investment Grant (CCRIG)	131,648,937.75	83,432,040.00	8.4
Sub-Total		**612,966,500**	**307,118,354**	**50.1**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	349,000,000.00	417,543,467.00	119.6

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
2	Balance b/f from FY2022/23	657,363,378	657,363,378.00	100.0
3	Facility Improvement Fund (FIF)	201,000,000.00	233,562,098.00	116.2
Sub Total		1,207,363,378	1,308,468,943	108.4
Grand Total		**7,240,547,406**	**6,602,187,425**	**91.2**

Source: *Kirinyaga County Treasury*

Figure 57 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 57: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24

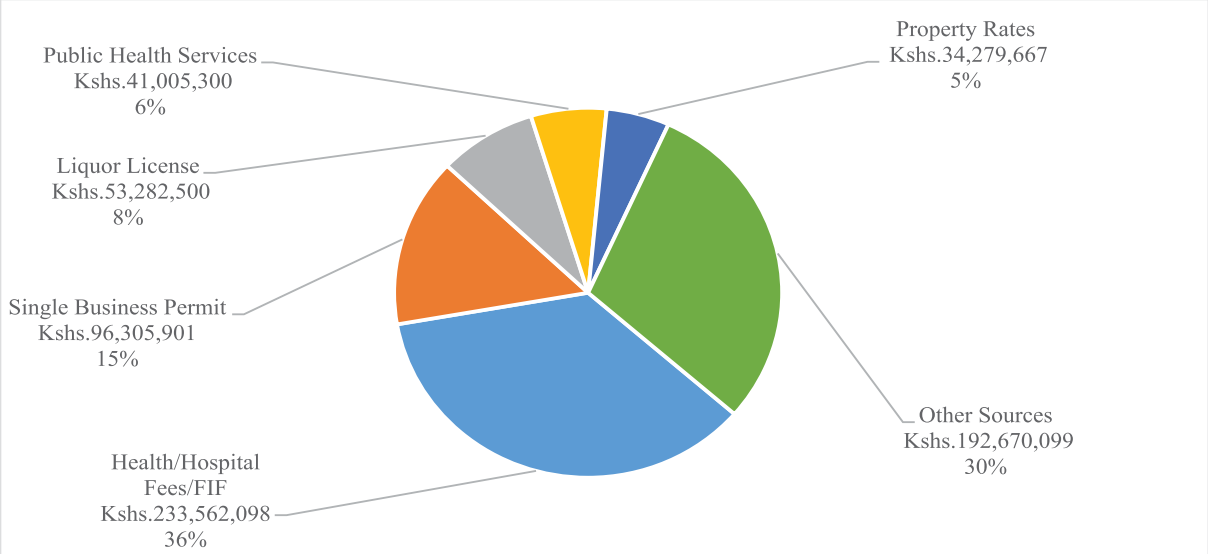


Source: *Kirinyaga County Treasury*

In FY 2023/24, the County generated a total of Kshs.651.10 million from its sources of revenue, including FIF and AIA. This amount represented an increase of 11% per cent compared to Kshs.586.66 million realized in a similar period in FY 2022/23 and was 118.4 per cent of the annual target and 12.0 per cent of the equitable revenue share disbursed during the period.

The revenue streams which contributed the highest OSR receipts are shown in Figure 58.

Figure 58: Kirinyaga County, Top Streams of Own Source Revenue in the FY 2023/24



Source: Kirinyaga County Treasury

The highest revenue stream of Kshs.233.56 million was from Health/Hospital Fees/FIF, contributing to 36.0 per cent of the total OSR receipts during the reporting period.

3.15.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.04 billion from the CRF account during the reporting period comprised of Kshs.1.31 billion (21.7 per cent) for development programmes and Kshs. 4.72 billion (78.3 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.2.9 billion was released towards Employee Compensation and Kshs.1.80 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.568.79 million.

3.15.4 County Expenditure Review

The County spent Kshs.6.04 billion on development and recurrent programmes in the reporting period. The expenditure represented 99.99 per cent of the total funds released by the CoB and comprised of Kshs.1.31 billion and Kshs.4.72 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 53.5 per cent, while recurrent expenditure represented 98.6 per cent of the annual recurrent expenditure budget.

3.15.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.676.15 million, comprising Kshs.415.04 million for recurrent expenditure and Kshs.261.11 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.94.90 million, for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.581.25 million

3.15.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.2.588 billion on employee compensation, Kshs.1.462 billion on operations and maintenance, and Kshs.1.30 billion on development activities. Similarly, the County Assembly spent Kshs.330.26 million on employee compensation, Kshs.342.95 million on operations and maintenance, and Kshs.5.52 million on development activities, as shown in the table below.

Table 3.99: 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	**4,118,123,551**	**673,319,674**	4,050,649,729	673,223,674	**98.4**	**100.0**	**98.6**
Compensation to Employees	2,619,740,688.00	344,575,589.00	2,588,590,318.22	330,269,432.00	98.8	95.8	98.5
Operations and Maintenance	1,498,382,863.20	328,744,085.00	1,462,059,410.31	342,954,242.00	97.6	104.3	98.8
Development Expenditure	**2,363,874,720.44**	**85,229,460.00**	**1,305,955,303.35**	**5,520,678.00**	**55.2**	**6.5**	**53.5**
Total	**6,481,998,272**	**758,549,134**	**5,356,605,032**	**678,744,352**	**82.6**	**89.5**	**83.4**

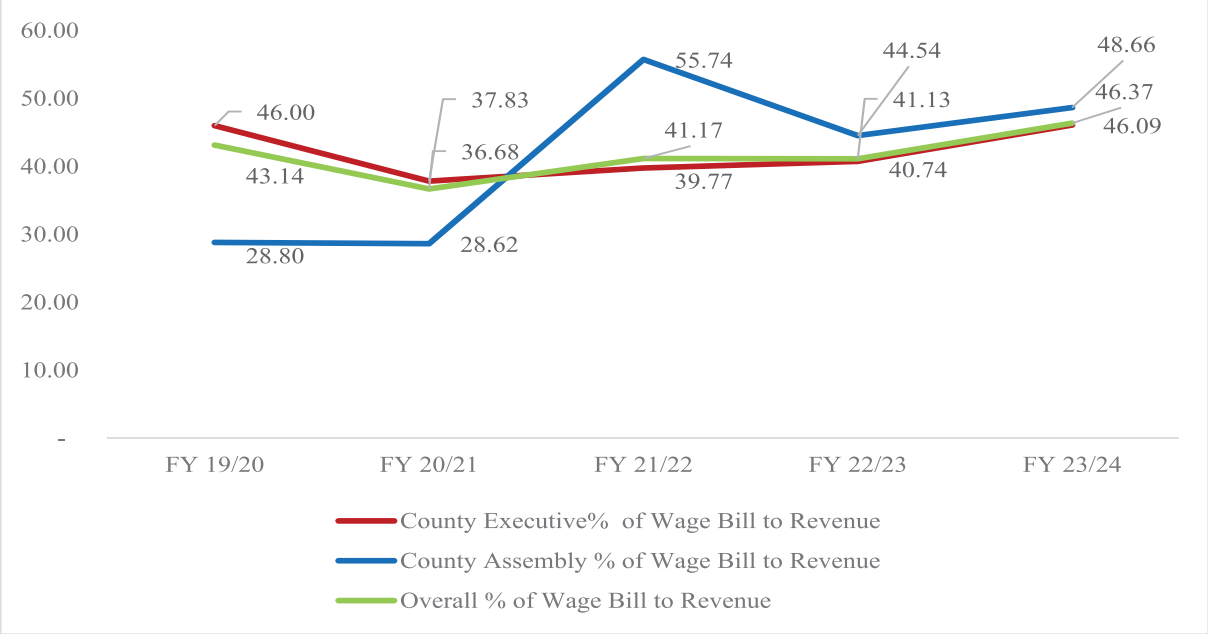
***Source**: Kirinyaga County Treasury*

3.15.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.2.91 billion, or 46.37 per cent of the available revenue, which amounted to Kshs.6.30 billion. This expenditure represented an increase from Kshs.2.90 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.1.45 billion paid to health sector employees, translating to 50.0 per cent of the total wage bill.

The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 59.

Figure 59: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



***Source:** Kirinyaga County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.74 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.174.68 million was processed through manual payrolls. The manual payrolls accounted for 6.0 per cent of the total PE cost.

The County Assembly spent Kshs.23.07 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.56,551 per MCA. The County Assembly has established 23 Committees.

3.15.8 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.187.9 million to county-established funds in FY 2023/24, constituting 2 per cent of the County's overall budget. Further, the County allocated Kshs.8 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.100 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.100: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Submission of Annual Financial Statements (Yes/ No.)
1.	County Emergency Fund	8,000,000.00	8,000,000.00	7,723,775.00	Yes
2.	County Bursary Fund	148,600,000.00	148,000,000.00	38,735,293.00	Yes
3.	Executive Car Loan and Mortgage Fund	31,300,000.00	31,300,000.00	63,970,260.95	Yes
	County Assembly Established Funds				
4.	County Assembly Car Loans and Mortgage Fund	-	-		Yes
	Total	**187,900,000.00**	**187,300,000.00**	**110,429,328.95**	

Source: *Kirinyaga County Treasury*

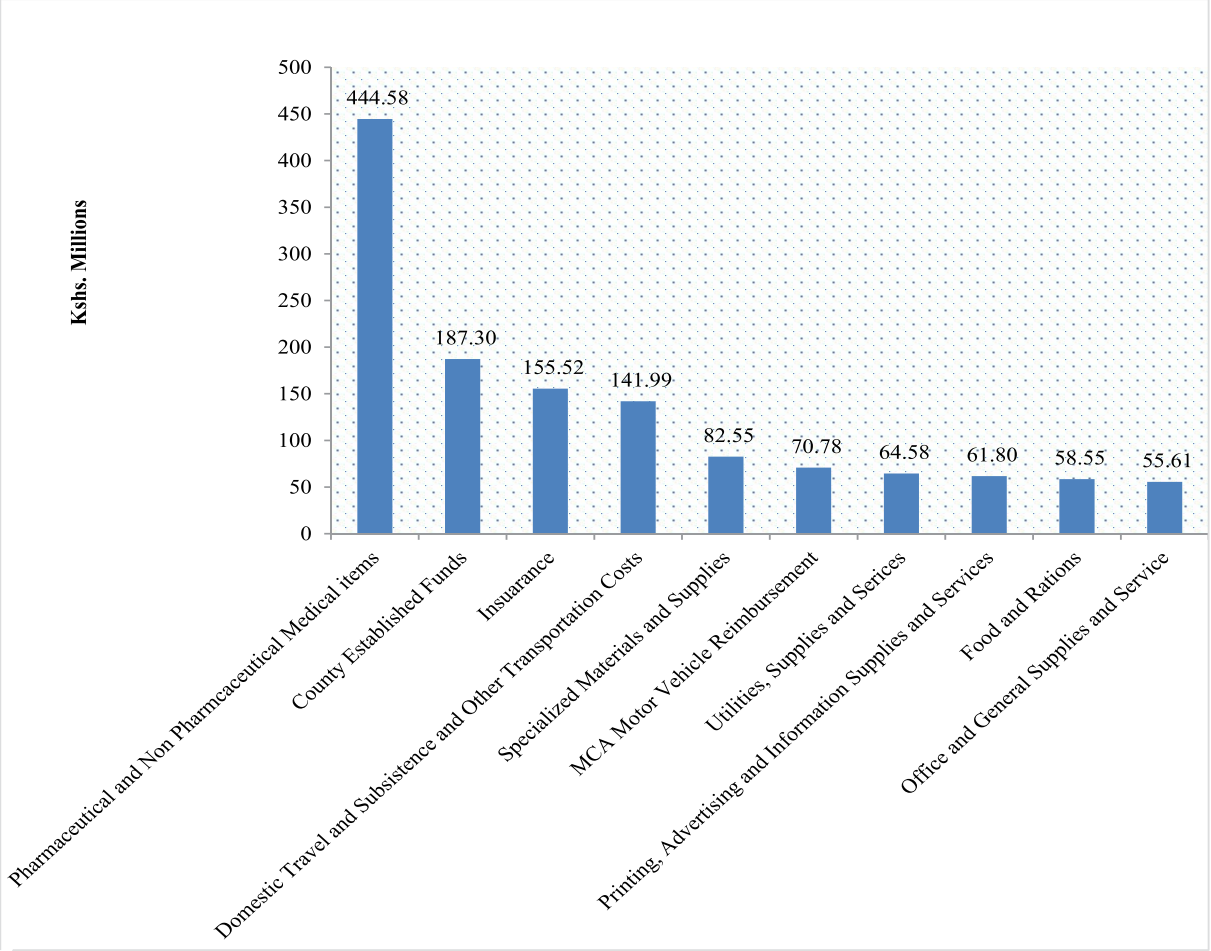
During the reporting period, the CoB did receive quarterly financial returns from the Fund Administrators of 4 funds, as indicated in Table 3.97, as per Section 168 of the PFM Act, 2012. (County Governments) Regulations, 2015.

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.

3.15.9 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*

Expenditure on domestic travel amounted to Kshs.141.99 million and comprised Kshs.91.00 million spent by the County Assembly and Kshs.50.99 million by the County Executive. Expenditure on foreign travel amounted to Kshs.37.48 million and comprised Kshs.18.00 million by the County Assembly and Kshs.19.48 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.101 below;-

Table 3.101: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

S/No.	Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs)
1	County Executive	2	16th Oct 2023 to 20th Oct 2023	Invitation to participate in the third Belt and Road Forum for International Cooperation (BRF) in Beijing, China.	China	1,055,047
2	County Executive	3	30th Nov 2023 to 12th Dec 2023	Invitation to attend the twenty-eighth session of the conference of parties to the United Nations framework on climate change in Dubai UAE From 30th November to 12th December 2023	Dubai UAE	3,830,054
3	County Executive	2	10th Mar 2024 to 24th Mar 2024	Invitation to participate in the forthcoming CSW68 from 10th to 23rd March 2024 in New York City, United States of America.	USA	5,137,126
4	County Executive	2	18th May 2024 to 26th May 2024	Invitation to accompany H.E the President to the United States Of America	USA	1,386,450
5	County Executive	2	17th April 2024 to 20th April 2024	Being payment for the air tickets for Chief of staff to accompany HE governor to attend Amujae high level leadership forum in Kigali, Rwanda.	Rwanda	227,653

Source: *Kirinyaga County Treasury and Kirinyaga County Assembly*

Kirinyaga County has no specific budgetary provision for externally contracted garbage collection services. The County has only a fleet of garbage collection lorries, which are utilized for garbage collection services. The direct costs are Fuel and Wages for Casual employees. The County spent Kshs.28.07 million on Legal fees/Dues, arbitration, and compensation payments.

3.15.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.311 billion on development programmes, a decrease of 22.8 per cent compared to FY 2022/2,3 when the County spent Kshs.1.60 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.102: Kirinyaga County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
1	Medical Services and Public Health	Completion of 220-bed medical Complex at Kerugoya	Kerugoya Ward	1,469,183,864	1,447,111,320	98
2	Medical Services and Public Health	Upgrading of Kianyaga Level 4 Hospital	Baragwi Ward	426,270,794	153,925,035	36
3	Medical Services and Public Health	Upgrading of Kimbimbi Level 4 Hospital	Nyangati Ward	426,070,795	216,723,965	51
4	Finance and Economic Planning	Purchase of project supervision vehicles/ Monitoring & Evaluation	Countywide	19,240,000	19,240,000	100
5	Finance and Economic Planning	Design & Development of a Revenue Management System(RMS)	Countywide	39,893,320	37,925,324	95
6	Finance and Economic Planning	Settlement of pending Bills	County Wide	95,000,000	94,905,600	100
7	Transport and Infrastructure	Proposed Construction Of Wanguru Town Parking Spaces, Street Roads, Walkways And Associated Works.	Wanguru Town	135,745,230	135,000,000	99
		Proposed Construction Of Kagumo Town Parking Spaces, Street Roads, Walkways And Associated Works.	Mutira Ward	43,408,650	37,467,156	86
		Proposed Construction of Sagana Town Parking Spaces, Street Roads, Walkways And Associated Works.	Kariti Ward	25,643,331	23,343,698	91
8	Transport and Infrastructure	Maintenance of roads Equipment (Purchase of tyres, service parts)	Countywide	10,000,000	10,000,000	100
9	Transport and Infrastructure	Road Maintenance Levy Fund (RMLF)	Countywide	75,877,630	75,877,630	100
10	Agriculture, Livestock and Fisheries	IDA- (World Bank) Credit National Agricultural and Rural Inclusive Growth Project (NARIGP) FY2022/23	Conditional Grant	27,156,162	27,156,162	100

Source: *Kirinyaga County Treasury*

3.15.11 Budget Performance by Department

Table 3.103 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.103: Kirinyaga County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock and Fisheries	217,978,626.34	524,997,953.69	214,716,648.50	241,893,507.16	214,716,648.50	241,893,507.16	100	100	98.5	46.1
Cooperative Development Trade and Tourism	47,839,441.00	285,700,000.00	44,368,890.15	272,241,802.88	44,368,890.15	272,241,802.88	100	100	92.7	95.3
County Assembly	673,319,674.00	85,229,460.00	673,223,673.90	5,520,678.00	673,223,673.90	5,520,678.00	100	100	99.9	6.5
County Executive	496,023,805.00	-	476,195,028.90	-	476,192,702.75	-	100	-	96.0	-
Education	356,633,405.00	50,900,000.00	350,816,724.45	28,957,800.00	350,816,724.45	28,957,800.00	100	100	98.4	56.9
Environment and Natural Resources	119,489,239.00	293,492,270.75	113,976,029.40	125,432,036.00	113,976,029.40	125,432,036.00	100	100	95.4	42.7
Finance and Economic Planning	573,091,610.00	126,000,000.00	563,276,686.82	125,905,037.15	563,276,686.82	125,905,037.15	100	100	98.3	99.9
Gender and Youth	43,668,210.00	51,150,000.00	37,830,239.90	12,510,250.05	37,830,239.90	12,510,250.05	100	100	86.6	24.5
Lands, Housing and Urban Development	33,968,028.00	56,433,333.00	28,955,650.35	11,455,307.20	28,955,650.35	11,455,307.20	100	100	85.2	20.3
Medical Services and Public Health	2,116,489,801.86	605,258,331.00	2,110,738,866.17	278,857,454.48	2,110,738,866.17	278,857,454.48	100	100	99.7	46.1
Sports Culture and Social Services	38,208,017.00	21,520,000.00	35,965,089.00	-	35,965,089.00	-	100	-	94.1	-
Transport and Infrastructure	74,733,368.00	348,422,832.00	73,812,201.13	208,810,696.03	73,812,201.13	208,702,108.43	100	99.9	98.8	59.9
Total	**4,791,443,225**	**2,449,104,180**	**4,723,875,729**	**1,311,584,569**	**4,723,873,403**	**1,311,475,981**	**100**	**100**	**98.6**	**53.5**

***Source**: Kirinyaga 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 99.9 per cent, followed by the Department of Cooperative Development Trade and Tourism at 95.3 per cent. The Department of Transport and Infrastructure had the highest percentage of recurrent expenditure to budget at 99.9 per cent, while the Department of Lands, Housing and Urban Development had the lowest at 85.2 per cent.

3.15.12 Budget Execution by Programmes and Sub-Programmes

Table 3.104 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.104: Kirinyaga County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub- Programme	Approved Estimates		Actual Payments of FY 2023-24 (Kshs)		Absorption Rate (%)	
		Recurrent Estimates	Development Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Assembly							
Legislation and Oversight	Legislation and Oversight	673,319,674	85,229,460	673,223,673.90	5,520,678.00	100.0	6.5
Sub Total		**673,319,674**	**85,229,460**	**673,223,674**	**5,520,678**	**100.0**	**6.5**
County Executive							

Programme	Sub- Programme	Approved Estimates		Actual Payments of FY 2023-24 (Kshs)		Absorption Rate (%)	
		Recurrent Estimates	Development Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Office of the Governor and Deputy Governor	070601 County Executive Services	334,594,668	-	334,419,458	-	99.9	-
County Executive Administration	070701County Executive Services	-	-	-	-	-	-
Management of County Affairs	070801 Coordination of County Functions	117,691,297	-	104,326,129	-	88.6	-
County Executive Committee Affairs	070901 Organization of County Business	6,200,000	-	5,592,395	-	90.2	-
County Public Service Board	071001 Human Resource Management	12,906,040	-	11,113,219	-	86.1	-
Administrative Support Services	020202 ICT Governance	3,480,000	-	2,737,047	-	78.7	-
	020701 Government Buildings Services	2,567,000	-	2,222,070	-	86.6	-
	070411 Audit Committee	1,919,000	-	284,000	-	14.8	-
	070412 County Enforcement Activities	4,185,000	-	3,922,300	-	93.7	-
	070413 ICT Infrastructure Development Management	10,958,800	-	10,634,085	-	97.0	-
	070414 ICT Systems Development Management	1,522,000	-	942,000	-	61.9	-
Sub Total		**496,023,805**	**-**	**476,192,703**	**-**	**96.0**	**-**
Finance and Economic Planning							
Public Finance Management	070401 Finance Services	508,173,322	126,000,000	507,443,024	125,905,037	99.9	99.9
	070402 Revenue Services	17,300,000	-	13,941,397	-	80.6	-
	070404 Procurement and Supply Services	9,770,000	-	8,636,680	-	88.4	-
	070405 Internal Audit Services	1,718,200	-	532,180	-	31.0	-
	070408 Budget Formulation, Coordination and Management	8,970,920	-	7,166,340	-	79.9	-
	070409 Accounting Services	7,445,000	-	7,348,300	-	98.7	-
County Planning and Economic Policy Management	070501 Economic Planning Services	19,714,168	-	18,208,766	-	92.4	-
Sub Total		**573,091,610**	**126,000,000**	**563,276,687**	**125,905,037**	**98.3**	**99.9**
Medical Services and Public Health							
Curative and Rehabilitative Services	040301 Curative and Rehabilitative Services	2,116,489,802	605,258,331	2,110,738,866	278,857,454	99.7	46.1
Sub Total		**2,116,489,802**	**605,258,331**	**2,110,738,866**	**278,857,454**	**99.7**	**46.1**
Education							
Basic Education	050101 General Administration	340,514,905	-	339,019,604	-	99.6	-
	050102 Free Pre-Primary Education	15,440,000	-	11,415,120	-	73.9	

Programme	Sub- Programme	Approved Estimates		Actual Payments of FY 2023-24 (Kshs)		Absorption Rate (%)	
		Recurrent Estimates	Development Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
State Education Function Support	050203 Tertiary Education	-	31,000,000	-	28,957,800.00	-	93.4
	050501 Pre-Primary and Child Care Services	-	19,900,000	-	-	-	-
Technical and Vocational Training	050301 Village Poly-technic	678,500	-	382,000	-	56.3	-
Sub Total		**356,633,405**	**50,900,000**	**350,816,724**	**28,957,800**	**98.4**	**56.9**
Agriculture, Livestock and Fisheries							
Livestock Resource Management and Development	010102 Livestock Extension and Capacity Building Services	305,000	-	49,490	-	16.2	-
	010105 Livestock Production Management	-	-	-	-	-	-
	010106 Livestock Disease Management & Control	1,200,000	-	968,095	-	80.7	-
Crop Development and Management	010202 Agricultural Extension Services	1,000,000	-	452,600	-	45.3	-
	010203 Agribusiness and Market Development	100,000	-	65,000	-	65.0	-
	010206 Land and Crop Development	5,149,000		4,278,662	-	83.1	-
	010207 Food Security Initiatives	400,000	-	300,000	-	75.0	-
Kamweti Agricultural Training Centre	Extension and Training	-	-	-	-		-
Fisheries Development	010402 Aquaculture Development	200,000	-	-	-		-
Policy Strategy and Management of Agriculture	010801 Development of Agricultural Policy	543,000	-	232,700	-	42.9	-
	011001 General Administration and Planning	209,081,626	524,997,954	208,370,102	241,893,507	99.7	46.1
Sub Total		**217,978,626**	**524,997,954**	**214,716,649**	**241,893,507**	**98.5**	**46.1**
Gender and Youth							
Culture	090702 Social Welfare Services	10,687,000	-	10,330,950	-	96.7	-
	091201 Gender Administration Services	30,821,210	-	26,167,375	-	84.9	-
	091301 Gender and Social Development	1,490,000	51,150,000	1,110,915	12,510,250.05	74.6	24.5
Youth	090901 Youth Development and Empowerment Services	670,000	-	221,000	-	33.0	-
Sub Total		**43,668,210**	**51,150,000**	**37,830,240**	**12,510,250**	**86.6**	**24.5**
Sports Culture and Social Services							

Programme	Sub- Programme	Approved Estimates		Actual Payments of FY 2023-24 (Kshs)		Absorption Rate (%)	
		Recurrent Estimates	Development Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Sports	090701 General Administration	12,721,217	-	11,505,595	-	90.4	-
	090801 Development of Sports and Sports Facilities	-	21,520,000	-	-	-	-
	091401 Management & Development of Sports and Sports Facilities	18,905,000	-	18,520,900	-	98.0	-
	091601Control & Campaign Against Drug & Substance Abuse	1,549,000	-	1,549,000	-	100.0	-
	091701 Preservation & Promotion of Heritage and Culture	248,800	-	68,800	-	27.7	-
Children Services	091101 Child Community Support Services	4,784,000	-	4,320,794	-	90.3	-
Sub Total		**38,208,017**	**21,520,000**	**35,965,089**	**-**	**94.1**	**-**
Cooperative Development Trade and Tourism							
Trade Development and Investment	030401 General Administration and Planning	-	285,700,000	-	272,241,802.88	-	95.3
	030103 Capacity Building for Traders and SME's	977,000	-	472,530	-	48.4	-
	030104 promotion, Development & Growth of Trade	354,000	-	84,000	-	23.7	-
	030105 Fair Trade Practices and Consumer Protection	205,000	-	55,000	-	26.8	-
Tourism Development and Marketing	030302 Tourism Promotion and Marketing	195,500	-	45,000	-	23.0	-
	030304 International Tourism Promotion and Marketing	310,000	-	50,000	-	16.1	-
	030305 Promotion of Industrial Development	6,268,500	-	5,288,620	-	84.4	-
	030306 Provision of Industrial Training	140,000	-	20,000	-	14.3	-
Cooperative Development and Marketing	030101 General Administration & Planning	38,449,441	-	37,829,340	-	98.4	-
	030405 Cooperative Advisory and Extension Services	295,000	-	147,400	-	50.0	-
	030406 Cooperative Education and Training	416,000	-	204,400	-	49.1	-
	030407 Cooperative Governance and Accountability	159,000	-	155,000	-	97.5	-
Cooperative Audit Services	030603 Inspections and Investigations for Cooperatives	70,000	-	17,600	-	25.1	-
Sub Total		**47,839,441**	**285,700,000**	**44,368,890**	**272,241,803**	**92.7**	**95.3**

Programme	Sub- Programme	Approved Estimates		Actual Payments of FY 2023-24 (Kshs)		Absorption Rate (%)	
		Recurrent Estimates	Development Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Environment and Natural Resources							
Water Supply Services	090101 Water and Irrigation	-	161,843,333	-	-	-	-
Energy Programme	090301 Energy Services	405,000	-	70,000	-	17.3	-
Cleaning and Waste Management	090502 Environment Management and Protection	675,800	-	-	-	-	-
Environment Management and Protection	100401 Environment Management and Protection	11,000,000	131,648,938	11,000,000	125,432,036.00	100.0	95.3
Nema	090401 Waste Management Services	107,408,439	-	102,906,029	-	95.8	-
Sub Total		**119,489,239**	**293,492,271**	**113,976,029**	**125,432,036**	**95.4**	**42.7**
Lands, Housing and Urban Development							
Land and Physical Planning	010601 General Administration and Planning	29,853,028	-	26,835,722	-	89.9	-
	010604 County Spatial Planning	3,190,000	-	1,522,028		47.7	-
	010605 Town Zoning and Mapping	-	56,433,333		11,455,307.20	-	20.3
	010607 Survey and Mapping	505,000	-	366,200	-	72.5	-
Housing Development	010701 Improvement and Development of Human Settlements	420,000	-	231,700	-	55.2	-
Sub Total		**33,968,028**	**56,433,333**	**28,955,650**	**11,455,307**	**85.2**	**20.3**
Transport and Infrastructure							
Transport Management	020301 General Administration and Planning	61,511,285	-	61,157,784	-	99.4	-
Disaster Management	020401 Fire Fighting and Emergency Services	2,222,083	-	1,962,083	-	88.3	-
Roads Development Maintenance and Management	020601 Construction and Maintenance of Roads and Bridges	1,300,000	348,422,832	1,000,000	208,702,108	76.9	59.9
Infrastructure Development, Maintenance and Management	020801 Infrastructure Development Services	9,700,000	-	9,692,336	-	99.9	-
Sub Total		**74,733,368**	**348,422,832**	**73,812,203**	**208,702,108**	**98.8**	**59.9**
Grand Total		**4,791,443,225**	**2,449,104,181**	**4,723,873,405**	**1,311,475,981**	**98.6**	**53.5**

***Source**: Kirinyaga County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were Infrastructure Development Services in the Department of Transport and Infrastructure at 99.9 per cent, Finance Services in the Department of Finance and Economic Planning at 99.9 per cent, General Administration in the Department of Education at 99.6per cent, and General Administration and Planning in the Department of Transport and Infrastructure at 99.4 per cent of budget allocation.

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;

1. 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 02/08/2024.
2. High level of pending bills, which amounted to Kshs.581.25 million as of 30th June 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
3. High wage bills which accounted for 46.4 per cent of the County total revenue in FY 2023/24 which is above the ceiling provided in law.
4. Use of manual payroll. Personnel emoluments amounting to Kshs.174.68 million were processed through the manual payroll, accounting for 6.0 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.
5. Low expenditureon development programmes which accounted for 21.7 per cent of total expenditure.
6. High expenditure on domestic travel at Kshs.364.82 million

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *The County leadership should review all pending bills to ensure that genuine bills are paid promptly in the next financial year. Further, compliance with the payment plan should be enforced.*
3. *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.*
4. *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.*
5. *The County should prioritize expenditure on development programmes to meet the legal threshold of 30 per cent.*

3.16. County Government of Kisii

3.16.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.13.26 billion, comprising Kshs.4.34 billion (32.7 per cent) and Kshs.8.92 billion (67.3 per cent) allocation for development and recurrent programmes. The approved budget estimates represented an increase of 19.3 per cent compared to the previous financial year when it was Kshs.11.1 billion and comprised of Kshs.3.30 billion for development expenditure and Kshs.7.81 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.9.26 billion (64.1 per cent) as the equitable share of revenue raised nationally, Kshs.919.07 million as additional allocations/conditional grants (6.4 per cent), a cash balance of Kshs.2.43 billion (16.8 per cent) was brought forward from FY 2022/23 and generate Kshs.1.84 billion (12.8 per cent) as gross own source revenue. The own-source revenue includes Kshs.1.19 billion (8.3 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.650 million (4.5 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.105.

3.16.2 Revenue Performance

In the FY 2023/24, the County received Kshs.8.52 billion as an equitable share of the revenue raised nationally,

Kshs.409.06 million as additional allocations/conditional grants, had a cash balance of Kshs.2.33 billion from FY 2022/23, and raised Kshs.1.18 billion as own-source revenue (OSR). The raised OSR includes Kshs.683.22 million as FIF and Kshs.496.94 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.12.44 billion, as shown in Table 3.105.

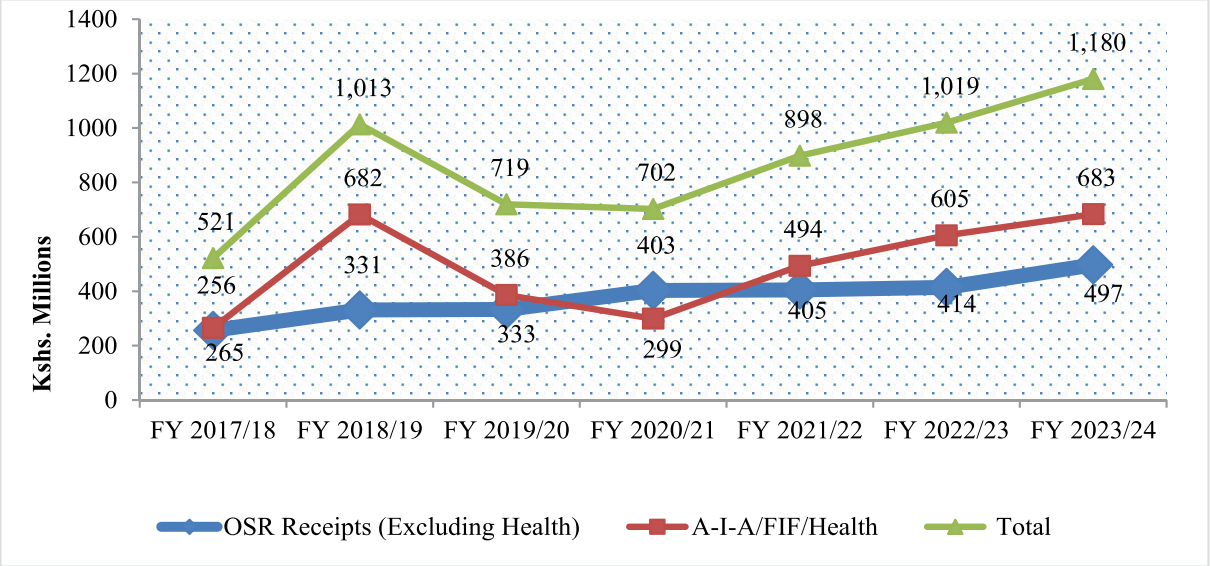
Table 3.105: Kisii County, Revenue Performance in the FY 2023/24

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**	9,258,588,608	8,517,901,520	92.0
Subtotal		**9,258,588,608**	**8,517,901,520**	**92.0**
B	**Additional Allocations/Conditional Grants**			
1	Leasing of Medical Equipment	124,723,404	-	-
2	Aquaculture Business Development Programme	23,165,743	-	-
3	DANIDA	14,206,500	14,206,500	100.0
4	Finance for Locally-Led Climate Action Program (FLLoCA) County Climate Institutional Support (CCIS) Grant	22,000,000	11,000,000	50.0
5	Finance for Locally-Led Climate Action Program (FLLoCA) County Climate Resilient Investment Grant	160,992,006	160,992,006	100.0
6	Finance for Locally-Led Climate Action Program (FLLoCA) County Climate Resilient Investment Grant (KfW)	84,121,480	84,121,480	100.0
7	Agricultural Sector Development Support Programme (ASDSP)	3,168,601	1,668,601	52.7
8	Industrial Park	-	-	-
9	Library Services	8,557,807	-	-
10	National Agricultural and Rural Inclusive Project	5,000,000	4,261,826	85.2
11	Livestock Value Chain Support Program- Poland	35,809,200	-	-
12	Provision of Fertilizer Subsidy	186,645,942	-	-
13	Allocation for Mineral Royalties	682,562	-	-
14	National Agricultural Value Chain Development Project (NAVCDP)-World Bank Credit	250,000,000	132,807,344	53.1
Subtotal		**919,073,245**	**409,057,757**	**44.5**
C	**Own Source Revenue**			
15	Ordinary Own Source Revenue	650,000,000	496,943,902	76.5
16	Facility Improvement Fund (FIF)	1,193,892,198	683,218,135	57.2
Subtotal		**1,843,892,198**	**1,180,162,037**	**75.3**
D	**Other Sources of Revenue**			
17	Unspent balance from FY 2022/23	2,432,460,031	2,330,107,826	95.8
Sub Total		**2,432,460,031**	**2,330,107,826**	**95.8**
Grand Total		**14,454,014,082**	**12,437,229,140**	**86.0**

Source: *Kisii County Treasury*

Figure 61 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 61: Kisii County, Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24

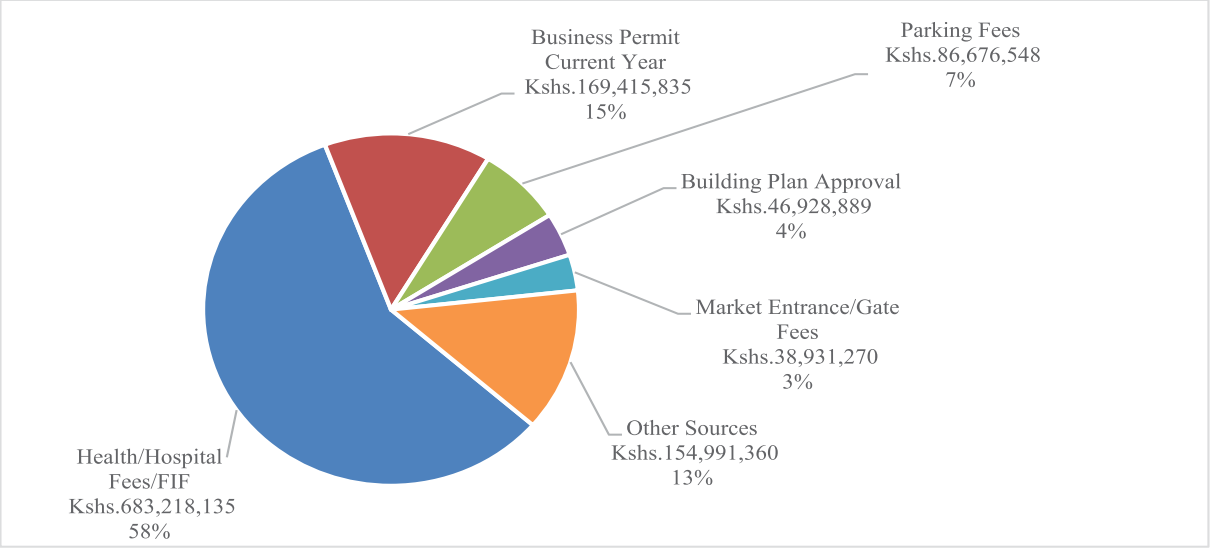


Source: *Kisii County Treasury*

In FY 2023/24, the County generated a total of Kshs.1.18 billion from its revenue sources, inclusive of FIF. This amount represented an increase of 15.76 per cent compared to Kshs.1.02 billion realized in a similar period in FY 2022/23 and was 72.1 per cent of the annual target and 13.9 per cent of the equitable revenue share disbursed during the period.

The revenue streams which contributed the highest OSR receipts are shown in Figure 62.

Figure 62: Kisii County , Top Streams of Own Source Revenue in the FY 2023/24



Source: Kisii County Treasury

The highest revenue stream, Kshs.683.22 million, was from the Facility Improvement Fund, which contributed 58 per cent of the total OSR receipts during the reporting period.

3.16.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.9.54 billion from the CRF account, comprising Kshs.1.56 billion (16.4 per cent) for development programmes and Kshs.7.98 billion (83.6 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in FY 2023/24 indicates

that Kshs.6.29 billion was released towards Employee Compensation and Kshs.1.69 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.2.21 billion.

3.16.4 County Expenditure Review

The County spent Kshs.9.23 billion on development and recurrent programmes in the reporting period. The expenditure represented 96.7 per cent of the total funds released by the CoB and comprised Kshs.1.27 billion and Kshs.7.96 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 29.2 per cent, while recurrent expenditure represented 89.3 per cent of the annual recurrent expenditure budget.

3.16.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.26 billion, comprising of Kshs.295.91 million for recurrent expenditure and Kshs.968.93 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.89.32 million. They consisted of Kshs.26.88 million for recurrent expenditure and Kshs.62.44 million for development programmes. Additional stock of pending bills in FY2023/24 was Kshs.1.14 billion. Therefore, as at end of the FY 2023/24, the outstanding amount was Kshs.2.31 billion.

The County Assembly reported outstanding pending bills of Kshs.56.98 million as of 30th June 2024.

3.16.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.5.65 billion on employee compensation, Kshs.1.09 billion on operations and maintenance, and Kshs.1.23 billion on development activities. Similarly, the County Assembly spent Kshs.639.44 million on employee compensation, Kshs.581.04 million on operations and maintenance, and Kshs.37.15 million on development activities, as shown in Table 3.106.

Table 3.106: 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	**7,690,335,913**	**1,232,890,743**	**6,743,893,199**	**1,220,476,882**	**87.7**	**99.0**
Compensation to Employees	5,707,304,081	642,506,009	5,652,332,330	639,435,867	99.0	99.5
Operations and Maintenance	1,983,031,832	590,384,734	1,091,560,869	581,041,015	55.0	98.4
Development Expenditure	**4,182,404,001**	**154,491,231**	**1,228,759,730**	**37,153,147**	**29.4**	**24.0**
Total	**11,872,739,914**	**1,387,381,974**	**7,972,652,929**	**1,257,630,029**	**67.2**	**90.6**

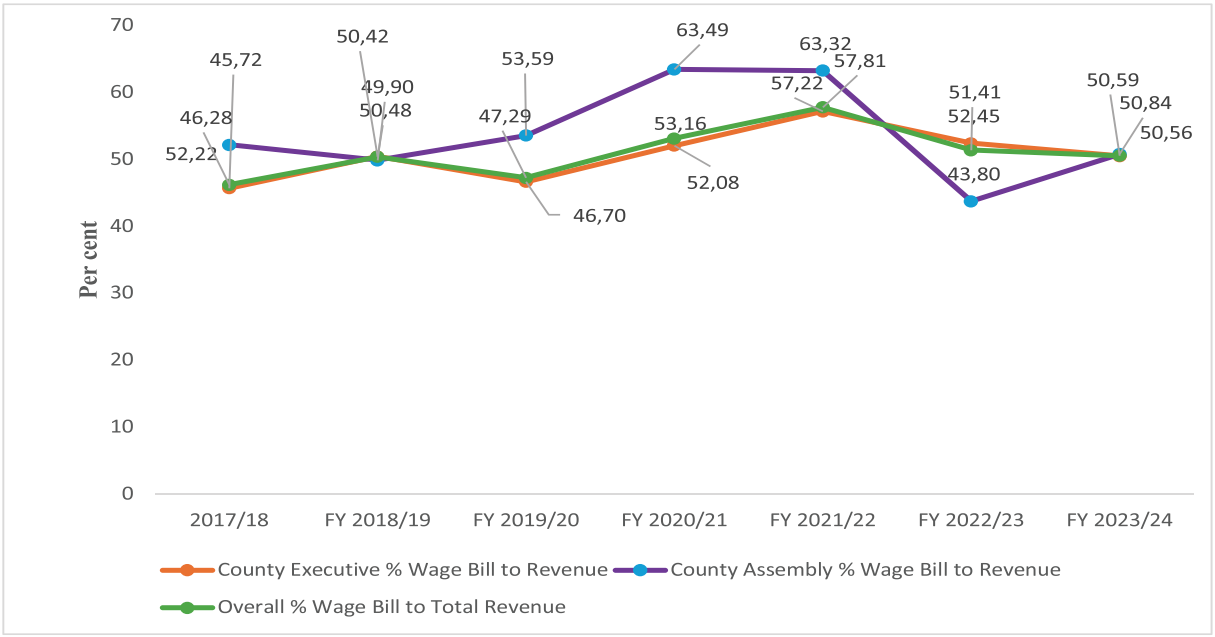
***Source**: Kisii County Treasury*

3.16.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.6.29 billion, or 50.6 per cent of the available revenue, which amounted to Kshs. 12.44 billion. This expenditure represented an increase from Kshs.5.64 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.2.92 billion paid to health sector employees, translating to 46 per cent of the total wage bill.

Figure 63 shows the trend of personnel expenditures as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 63: Kisii County ,Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Kisii County Treasury

Further analysis indicates that PE costs amounting to Kshs.6.22 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.75.29 million was processed through manual payrolls. The manual payrolls accounted for 1.2 per cent of the total PE cost.

The County Assembly spent Kshs. 64.40 million on committee sitting allowances for the 71 MCAs and the Speaker against the annual budget allocation of Kshs.64.40 million. The average monthly sitting allowance was Kshs.75,583 per MCA. The County Assembly has established 20 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.1.63 billion to county-established funds in FY 2023/24, constituting 12.3 per cent of the County's overall budget. Further, the County allocated Kshs.5 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.107 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.107: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1	County Executive Car Loan and Mortgage (Staff) Scheme Fund	40,000,000	40,000,000	40,000,000	40,000,000	Yes
2	County Bursary Fund	245,000,000	245,000,000	245,000,000	245,000,000	Yes
3	County Emergency Fund	5,000,000.00	-	-	-	Yes
4	Health Fund (KTRH)	917,804,371	-	650,741,371	-	Yes
5	Health Fund (FIF)	276,087,827	-	133,707,406	-	Yes
6	Alcoholic Drinks Control fund	10,331,108	-	4,124,655	-	Yes
7	Trade and Credit Scheme Fund	40,000,000	-	-	-	No
	County Assembly Established Funds					

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
1	MCAs Car Loan and Mortgage Fund	100,000,000.00	100,000,000	100,000,000	100,000,000	Yes
	Total	**1,634,223,306**	**385,000,000**	**1,173,573,432**	**385,000,000**	-

Source: *Kisii County Treasury*

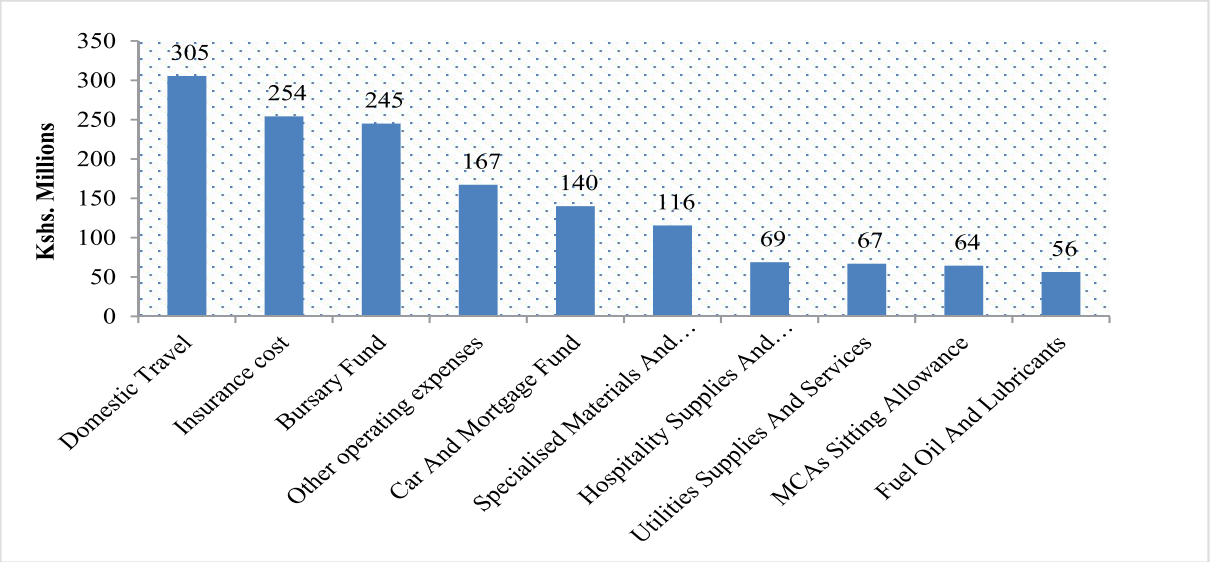
During the reporting period, the CoB received quarterly financial returns from all the Fund Administrators of all the funds indicated in Table 3.104 except for the Trade and Credit Scheme Fund, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.16.9 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.305.45 million and comprised Kshs.225.07 million spent by the County Assembly and Kshs.80.4 million by the County Executive. Expenditure on foreign travel amounted to Kshs.26.53 million by the County Assembly, with no such expenditure by the county executive. Expenditure on foreign travel is summarized in Table 3.108 below; -

Table 3.108: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	3	17th -22nd March 2022	Being Payment to Attend Strategic Leadership, Governance, Continuity and Resilience Planning Masterclass for Counties.	Dubai	587,250.00
County Assembly	1	23rd to 27th January 2023	Being Payment to Attend Speakers of County Assembly Training on Optimizing Institutional Governance in the County Assembly in Dubai, United Arab Emirates	Dubai	190,100.00

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	1	22nd to 30th April 2023	Being payment to attend CPST Training on Leadership and Management of Committees at United Arab Emirates	Dubai	190,100.00
County Assembly	1	1st to 6th March 2023	Being payment to attend the first East African Clinical Officers conference at the State University of Zanzibar Marubi	Tanzania	85,300
County Assembly	39	6th to 11th June 2024	Being Payment to Attend Committee Training	Uganda	12,490,494
County Assembly	35	6th to 11th June 2024	Being payment to attend Committee training	Uganda	10,925,589
County Assembly	10	17th to 22nd March 2024	Being payment to attend A strategic Leadership, Governance, Continuity and work resilience Planning Masterclass for Counties	Dubai	1,111,000
Total					**25,579,833**

Source: *Kisii County Treasury*

Further breakdown of Other Operating Expenses

Item	Approved Budget FY 2023-24	Expenditure FY 2023-24
Membership fees, Dues and Subscriptions to professional and Trade Bodies	14,643,000	2,103,420
Purchase of office furniture and fittings	4,300,000	3,000,000
Contracted guards and cleaning services	46,800,000	45,000,000
Legal Dues/fees, Arbitration and Compensation Payments	43,500,000	31,421,496
Security operations	25,072,000	18,851,404
Contracted Technical services	34,000,000	26,044,170
Advertising, Awareness and publicity campaigns	2,000,000	886,800
Boards, Committees, Conferences and Seminars-Pending bills	9,367,451	695,874
Remittances to Exchequer fines, penalties& forfeitures &other charges (KRA)	35,000,000	5,242,821
Ward office expenses	23,266,416	23,129,876
Temporary committee expenses	10,850,000	10,850,000
Total	**248,798,867**	**167,225,861**

Source: *Kisii County Treasury*

The operations and maintenance costs include an expenditure of Kshs.45 million on garbage collection and Kshs.31.42 million on Legal fees/Dues, arbitration, and compensation payments.

3.16.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.27 billion on development programmes, an increase of 70.7 per cent compared to FY 2022/23, when the County spent Kshs.371.38 million. The table below summarises the development projects with the highest expenditure in the reporting period.

Table 3.109: 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	Proposed Construction of Kisii County Headquarters	Kisii Town	499,995,565	99,999,113	20
2	Trade	Construction of County Aggregation and Industrial Park	Bomachoge Borabu	477,941,470	95,588,294	20
3	Health and Sanitation	Upgrading of Riana Health Centre	Bonchari	58,977,363	58,586,995	99
4	Health and Sanitation	Upgrading of Mosocho Market Health Centre	Kitutu Chache South	58,197,157	47,370,111	81

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
5	Kisii County Assembly	Proposed Construction of the Kisii County Speaker's official residence	Bobaracho	32,970,110	24,490,880	74
6	Roads	Construction, Repair and Maintenance of Lot 7 Roads in Nyaribari Masaba Sub County	Nyaribari Masaba Sub County	57,984,966	24,408,232	42
7	Kisii County Assembly	Renovation of Kisii County Assembly Block A and B	Kisii County Assembly Headquarters	23,513,500	23,513,500	100
8	Kisii County Assembly	Proposed Renovation, Furnishing and Alteration of Kisii County Assembly Chambers	Kisii County Assembly Headquarters	39,997,968	22,127,103	55
9	Roads	Construction, Repair and Maintenance of Lot 8 Roads in Kitutu Chache South Sub-County	Kitutu Chache South Sub County	46,525,193	18,372,839	39
10	Roads	Construction, Repair and Maintenance of Lot 6 Roads in Bobasi Sub County	Bobasi Sub County	62,415,692	15,068,922	24

Source: *Kisii County Treasury*

3.16.11 Budget Performance by Department

Table below summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.110: Kisii 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 Executive and Public Service Board	431.48	140.00	337.77	100.00	337.73	100.00	100.0	100.0	78.3	71.4
Administration And Stakeholder Management	570.94	66.85	502.37	515.65	502.37	515.65	100.0	100.0	88.0	0.8
Finance And Economic Planning	1088.62	159.28	890.34	12.39	890.34	12.39	100.0	100.0	81.8	7.8
Agriculture And Co-operative Development	318.66	724.41	285.76	241.58	285.76	210.38	100.0	87.1	89.7	29.0
Energy, Water, Environment and Natural Resources	151.00	541.39	105.20	395.39	105.20	90.01	100.0	22.8	69.7	16.6
Education, Youth Affairs and Social Development	1010.71	143.21	939.90	7.88	939.90	7.88	100.0	100.0	93.0	5.5
County Health Services	3325.91	631.52	3080.84	19.56	3066.64	66.94	99.5	342.2	92.2	10.6
Lands, Physical Planning and Urban Development	141.95	213.85	125.94	73.25	125.94	73.25	100.0	100.0	88.7	34.3
Roads, Public Works and Transport	218.77	1074.21	190.32	519.61	190.32	511.16	100.0	98.4	87.0	47.6
Trade Development, Industry and Tourism	142.51	236.04	78.76	119.95	78.76	119.95	100.0	100.0	55.3	50.8
Culture And Social Services	131.26	77.46	92.18	19.23	92.18	19.23	100.0	100.0	70.2	24.8
Kisii Municipality	144.53	127.83	125.62	0.00	125.62	0.00	100.0	0.00	86.9	0.0
Ogembo Municipality	14.00	46.37	3.13	17.07	3.13	17.07	100.0	100.0	22.3	36.8

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
Kisii County Assembly	1232.89	154.49	1220.48	37.15	1220.48	37.15	100.0	100.0	99.0	24.0
Total	**8923.23**	**4336.90**	**7978.62**	**1563.57**	**7964.37**	**1265.91**	**99.8**	**81.0**	**89.3**	**29.2**

***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 71.4 per cent, followed by the Department of Trade Development, Industry and Tourism at 50.8 per cent. Kisii County Assembly had the highest percentage of recurrent expenditure to budget at 99.0 per cent, while the Department of Ogembo Municipality had the lowest at 22.3 per cent.

3.16.12 Budget Execution by Programmes and Sub-Programmes

Table below summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.111: Kisii County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Budget Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Assembly	Administration and Support Services	914,466,779	-	903,227,081	-	98.8	-
	Oversight and Legislative Services	318,423,964	154,491,231	317,249,801	37,153,147	99.6	24.0
	Sub Total	**1,232,890,743**	**154,491,231**	**1,220,476,882**	**37,153,147**	**99.0**	**24.0**
Executive (Office of the Governor, Deputy Governor, County Secretary and Public Service Board	Administration, Planning and Support Services	362,396,720	140,000,000	304,463,514	99,999,113	84.0	71.4
	Office of the County Secretary	9,620,000	-	652,400	-	6.8	-
	Legal Services	34,670,000	-	28,582,824	-	82.4	-
	Communication Services	2,230,000	-	661,400	-	29.7	-
	Governor's Advisors, Service Delivery Unit and Efficiency Monitoring	1,960,000	-	1,017,800	-	51.9	-
	Chief of Staff	650,000	-	492,800	-	75.8	-
	County Public Service Board	17,329,000	-	1,861,622	-	10.7	-
	County Liaison Office	2,620,000	-	-	-	-	-
	Sub-Total	**431,475,720**	**140,000,000**	**337,732,360**	**99,999,113**	**78.3**	**71.4**
Administration and Stakeholder Management	Administration, Planning and Support Services	489,121,883	-	452,030,825	-	92.4	-
	Devolved Units Services	2,091,532	40,846,072	1,195,000	515,650	57.1	1.3
	Human Resource Development	4,000,000	-	900,700	-	22.5	-
	Enforcement Services	14,908,000	-	436,900	-	2.9	-
	Stakeholder Management	41,103,018	-	40,348,118	-	98.2	-
	Public Participation and Civic Education	2,700,000	-	500,500	-	18.5	-
	Disaster Management	10,050,000	26,000,000	1,980,100	-	19.7	-
	Fleet Management	5,266,014	-	3,987,309	-	75.7	-
	Strategy Delivery & Project Management	1,700,000	-	993,600	-	58.4	-
	Special Programmes	-	-	-	-	-	-
	Sub-Total	**570,940,447**	**66,846,072**	**502,373,052**	**515,650**	**88.0**	**0.8**

Programme	Sub-Programme	Approved Budget Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Finance and Economic Planning	Administration, Coordination and Support Services	848,468,722	-	786,064,155	-	92.6	-
	Public Financial Management Services	89,870,448	-	43,618,564	-	48.5	-
	County Planning Services	150,282,978	159,280,850	60,653,682	12,385,022	40.4	7.8
	Sub-Total	**1,088,622,148**	**159,280,850**	**890,336,401**	**12,385,022**	**81.8**	**7.8**
Agriculture, Livestock, Fisheries and Cooperative Development	Administrative and Support Services	112,224,568	-	105,171,268	-	93.7	-
	Veterinary Services	5,000,000	49,225,099	868,713	-	17.4	-
	Livestock Development	4,060,000	45,609,200	1,339,000	-	33.0	-
	Fisheries Development	3,370,000	41,471,013	468,337	-	13.9	-
	Crop Development Headquarters	182,428,473	337,361,257	175,525,761	186,927,664	96.2	55.4
	Kisii Agricultural Training Centre	5,240,000	44,700,000	1,371,885	16,205,520	26.2	36.3
	Co-operative Development and Management	1,650,000	5,800,000	450,000	-	27.3	-
	Crop Development	999,809	199,246,662	194,000	7,242,720	19.4	3.6
	Co-operative Audit	1,250,000	-	125,000	-	10	-
	Monitoring And Evaluation	700,000	-	49,000	-	7	-
	Agro-processing, Value Addition and Marketing	550,000	-	100,000	-	18.2	-
	Engineering, Irrigation and Drainage	1,189,000	1,000,000	99,520	-	8.4	-
	Sub-Total	**318,661,850**	**724,413,231**	**285,762,484**	**210,375,904**	**89.67**	**29.0**
Energy, Water, Environment and Natural Resources	Energy Services	-	11,200,000	-	-	-	-
	Environment Management	22,000,000	323,613,486	10,997,588	18,227,536	50.0	5.6
	Water and sanitation services	128,995,000	206,577,397	94,198,555	71,779,237	73.0	34.7
	Sub-Total	**150,995,000**	**541,390,883**	**105,196,143**	**90,006,773**	**69.7**	**16.6**
Education, Youth Affairs and Social Development	General Administration and Planning Services	1,010,708,729	-	939,902,462	-	93.0	-
	Early Childhood Development Education	-	129,841,591	-	7,488,079	-	5.8
	Vocational Training	-	13,366,950	-	392,950	-	2.9
	Sub-Total	**1,010,708,729**	**143,208,541**	**939,902,462**	**7,881,029**	**93.0**	**5.5**
County Health Services	Medical Services	3,271,384,873	631,515,312	3,066,635,953	66,943,535	93.7	10.6
	Public Health	54,530,000	-	-	-	-	-
	Sub-Total	**3,325,914,873**	**631,515,312**	**3,066,635,953**	**66,943,535**	**92.2**	**10.6**
Lands, Physical Planning and Urban Development	Administration, Planning and Support Services	141,950,000	-	125,940,993	-	88.7	-
	Urban Development	-	213,845,336	-	73,247,787	-	34.3
	Land use services	-	-	-	-	-	-
	Sub-Total	**141,950,000**	**213,845,336**	**125,940,993**	**73,247,787**	**88.7**	**34.3**
Roads, Public Works, and Transport	General Administration and Planning Services	154,015,000	-	144,091,363	-	93.6	-
	Roads Development	-	948,541,159	-	421,761,759	-	44.5
	Public Works	64,750,000	125,665,400	46,232,083	89,395,042	71.4	71.1
	Sub-Total	**218,765,000**	**1,074,206,559**	**190,323,446**	**511,156,801**	**87.0**	**47.6**

Programme	Sub-Programme	Approved Budget Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Trade, Development, Industry and Tourism	Administration and Planning Services	130,500,000	236,035,907	76,126,832	119,945,271	58.3	50.8
	Tourism Development	5,512,240	-	1,629,087	-	29.6	-
	Weights and Measures	3,500,000	-	-	-	-	-
	Markets development	3,000,000	-	1,000,000	-	33.3	-
	Sub-Total	**142,512,240**	**236,035,907**	**78,755,919**	**119,945,271**	**55.3**	**50.8**
Culture and Social Services	Administration and Planning Services	95,221,884	-	83,331,347	-	87.5	-
	Cultural Services (Council of Elders and Cultural Activities	1,650,000	6,171,150	-	97,442	-	1.6
	Sports Development (KICOSCA Games and other Sporting Activities)	31,553,116	71,291,170	8,367,600	19,133,627	26.5	26.8
	Social Development Services (Youth, Women and PWDs)	1,550,000	-	485,600	-	31.3	-
	Liquor Licensing	1,050,000	-	-	-	-	-
	Betting, Lotteries and Gaming	230,000	-	-	-	-	-
	Sub-Total	**131,255,000**	**77,462,320**	**92,184,547**	**19,231,069**	**70.2**	**24.8**
Kisii Municipality	General Administration, Planning and Support Services	144,534,906	-	125,624,431	-	86.9	-
	Infrastructure Development	-	127,826294	-	-	-	-
	Sub-Total	**144,534,906**	**127,826,294**	**125,624,431**	-	86.9	-
Ogembo Municipality	General Administration, Planning and Support Services	14,000,000	-	3,125,008	-	22.3	-
	infrastructure development	-	46,372,692	-	17,071,776	-	36.8
	Sub-Total	**14,000,000**	**46,372,692**	**3,125,008**	**17,071,776**	**22.3**	**36.8**
TOTAL		**8,923,226,656**	**4,336,895,232**	**7,964,370,081**	**1,265,912,877**	**89.3**	**29.2**

***Source**: Kisii County Treasury*

The sub-programmes with the highest implementation levels based on absorption rates were Oversight and Legislative Services in the County Assembly at 99.6 per cent, Administration and Support Services in the County Assembly at 98.8 per cent, Stakeholder Management in the Department of Administration and Stakeholder Management at 98.2 per cent, and Crop Development Headquarters at 96.2 per cent of budget allocation.

3.16.13 Accounts Operated Commercial Banks

The County government operated 16 accounts with commercial banks. 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.

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;

1. The County Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report. The full report was received on 2nd August 2024.

2. Low absorption of development funds as indicated by the expenditure of Kshs.1.26 billion from the annual development budget allocation of Kshs.4.34 billion. The development expenditure represented 29.2 per cent of the annual development budget.

3. Own-source revenue under performed at Kshs.496.94 million against an annual target of Kshs.650 million, representing 76. per cent of the annual target.

4. There was a high level of pending bills, which amounted to Kshs.2.36 billion as of 30th June 2024. Further, the County Treasury did not adhere to the payment plan for the pending bills.

5. High wage bills accounted for 50.6 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided by law.

6. Use of manual payroll. Personnel emoluments amounting to Kshs.75.3 million were processed through manual payroll, accounting for 1.2 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.

7. 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.

8. High expenditure on domestic travel at Kshs.305.45 million

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

2. *The County should identify and address issues causing delays in implementing development projects.*

3. *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.*

4. *The county leadership should address the situation of pending bills to ensure that genuine bills are paid promptly. Further, compliance with the payment plan should be enforced.*

5. *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.*

6. *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.*

7. *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.*

8. The *County sho*uld minimize travelling expenditure by holding activities within the County Head-quarters.

3.17. County Government of Kisumu

3.17.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.13.70 billion, comprising Kshs.4.19 billion (30.6 per cent) and Kshs.9.51 billion (69.4 per cent) allocation for development and recurrent programmes, respectively. The approved supplementary budget estimates represented an increase of 8.9 per

cent compared to the previous financial year when it was Kshs.12.48 billion and comprised of Kshs.4.29 billion towards development expenditure and Kshs.8.19 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.8.36 billion (61.0 per cent) as the equitable share of revenue raised nationally, Kshs.1.60 billion (11.7 per cent) as additional allocations/conditional grants, a cash balance of Kshs.1.45 billion (10.6 per cent) from FY 2022/23 and generate Kshs.2.28 billion (16.7 per cent) as gross own source revenue. The own-source revenue includes Kshs.600.00 million (26.3 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.1.68 billion (73.7 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.109

3.17.2 Revenue Performance

In the FY 2023/24, the County received Kshs.7.69 billion as an equitable share of the revenue raised nationally, Kshs.725.56 million as additional allocations/conditional grants, had a cash balance of Kshs.1.45 billion from FY 2022/23, and raised Kshs.1.44 billion as own-source revenue (OSR). The raised OSR includes Kshs.603.38 million as FIF and Kshs.840.23 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.11.31 billion, as shown in Table 3.112.

Table 3.112: Kisumu County, Revenue Performance in the FY 2023/24

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**	8,361,797,770	7,692,853,946	92.0
Subtotal		8,361,797,770	7,692,853,946	92.0
B	**Additional Allocations/Conditional Grants**			
1	DANIDA	36,380,926	12,474,000	34.3
2	Africities	40,000,000	-	-
3	KISIP	600,000,000	300,000,000	50.0
4	Financing Locally-Led Climate Action Plan (FLLoCA)	148,500,000	184,335,666	124.1
5	Kenya Climate Smart Agriculture Project (KCSAP)	139,274,117	-	-
6	Change-Maker	30,000,000	15,051,795	50.2
7	IDA -World Bank Credit to Finance Agricultural Value Chain Development	250,000,000	195,112,951	78.0
8	ASDSP 11	10,698,643	1,036,771	9.7
9	Aquaculture Business Development Project (ABDP)	15,407,244	-	-
10	PRACTICE	28,269,703	17,747,754	62.8
11	Conditional Grant Transfer to Library Services	10,494,779	-	-
12	Allocation for Court Fines	233,000	-	-
13	County Aggregation and Industrial Park	100,000,000	-	-
14	Provision of Fertilizer Subsidy Programme	120,042,858	-	-
15	Livestock Value Chain Support Project	14,323,680	-	-
16	Transforming Health Systems (THS)	10,699,473	-	-
17	TVET	8,332,281	-	-
18	IDEAS	3,898,833	-	-
19	Climate Change	17,950,658	-	-
20	Kenya Devolution Support Programme (KDSP)	12,742,939	-	-
21	Kenya Urban Support Programme (KUSP)	2,339,915	-	-
22	Kenya Roads Board (KRB)	896,372	-	-
23	Common Wealth of Learning Credit Information	2,111,500	-	-
Subtotal		**1,602,596,921**	**725,758,937**	**45.3**
C	**Own Source Revenue**			
24	Ordinary Own Source Revenue	1,682,844,694	840,231,049	49.9
25	Facility Improvement Fund (FIF)	600,000,000	603,376,939	100.6

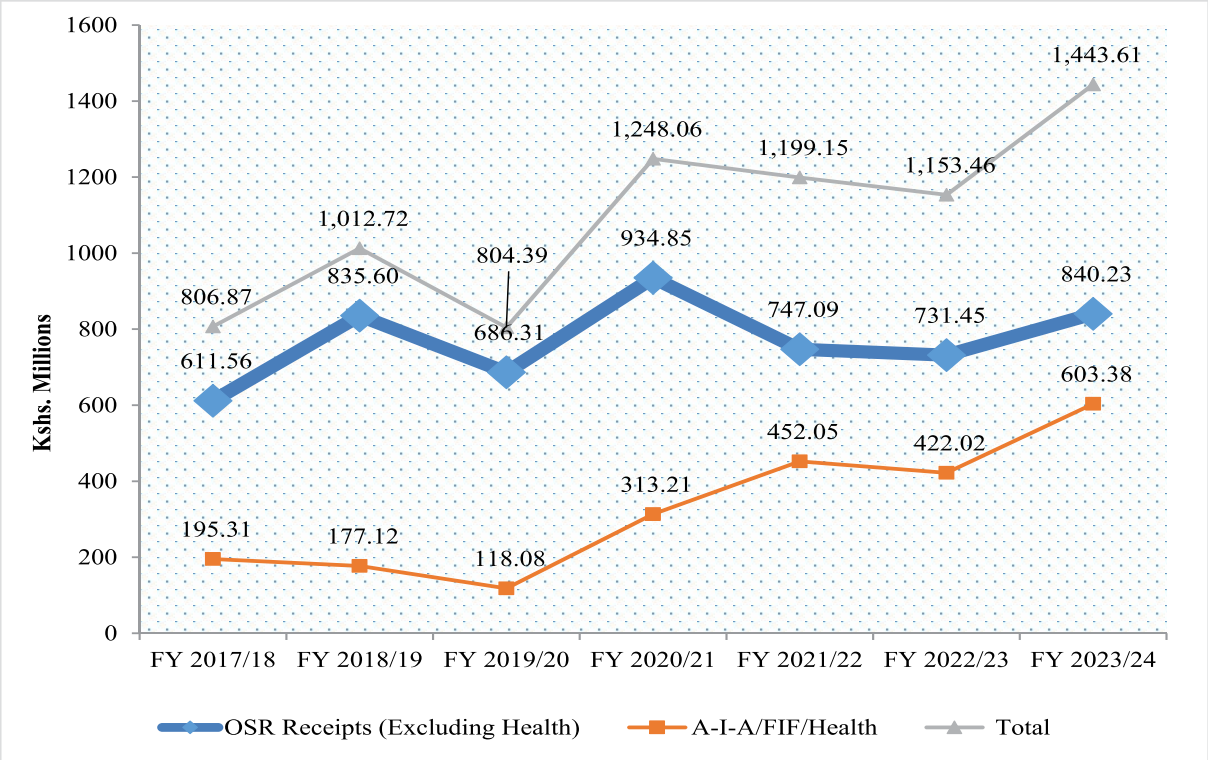
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
Subtotal		**2,282,844,694**	**1,443,607,988**	**63.2**
D	**Other Sources of Revenue**			
26	Unspent balance from FY 2022/23	1,450,625,819	1,450,625,819	100.0
Sub Total		**1,450,625,819**	**1,450,625,819**	**100.0**
Grand Total		**13,697,865,204**	**11,312,846,690**	**82.6**

Source: *Kisumu County Treasury*

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

Figure 65 shows the trend in own-source revenue collection from FY 2017/18 to FY 2023/24.

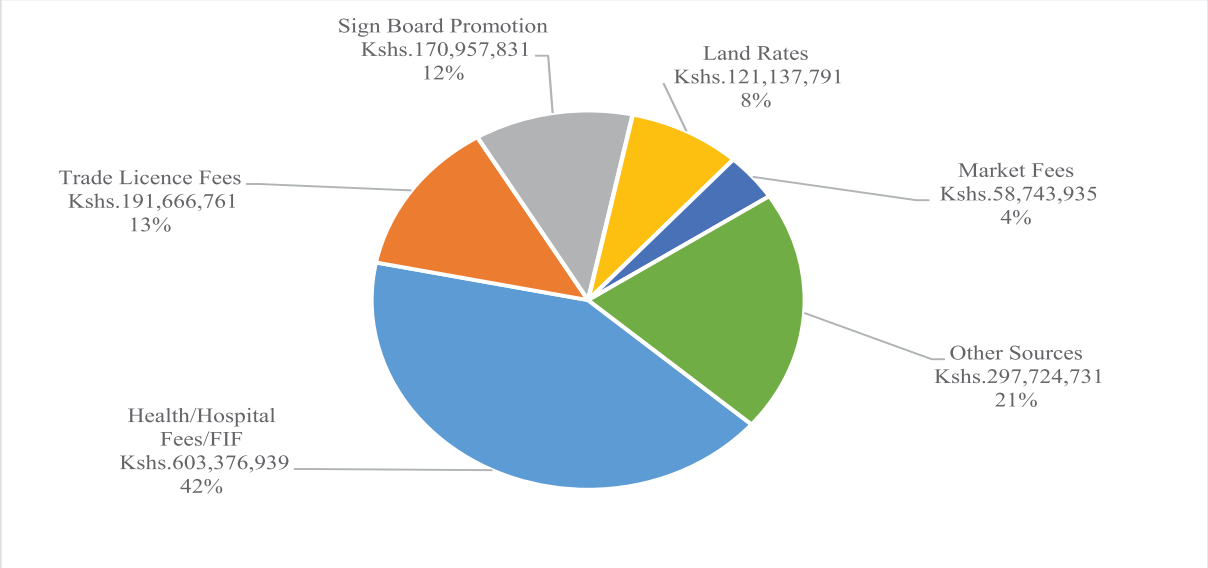
Figure 65: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Kisumu County Treasury*

In the FY 2023/24, the County generated a total of Kshs.1.44 billion from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 25.2 per cent compared to Kshs.1.15 billion realized in FY 2022/23 and was 63.2 per cent of the annual target and 18.7 per cent of the equitable revenue share disbursed during the period. The increase in OSR in the County can be attributed to adopting a new revenue collection 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 FY 2023/24



Source: Kisumu County Treasury

The highest revenue stream, Kshs.603.38 million, was from Health/Hospital Fees/FIF, contributing 42.0 per cent of the total OSR receipts during the reporting period.

3.17.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.9.70 billion from the CRF account during the reporting period, which comprised Kshs.1.69 billion (17.4 per cent) for development programmes and Kshs.7.74 billion (82.6 per cent) for recurrent programmes. An analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.5.32 billion was released towards Employee Compensation and Kshs.2.42 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.27.82 million.

3.17.4 County Expenditure Review

The County spent Kshs.8.87 billion on development and recurrent programmes in the reporting period. The expenditure represented 94.2 per cent of the total funds released by the CoB and comprised of Kshs.1.55 billion and Kshs.7.31 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 37.0 per cent, while recurrent expenditure represented 76.9 per cent of the annual recurrent expenditure budget.

3.17.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.88 billion, comprising Kshs.783.84 million for recurrent expenditure and Kshs.1.10 billion for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.1.31 billion, which consisted of Kshs.532.37 million for recurrent expenditure and Kshs.781.10 million for development programmes.

As of the end of FY 2023/24, the County Treasury reported outstanding pending bills of Kshs.3 billion which included unpaid bills of Kshs.2.43 billion incurred in the FY2023/24. The County Assembly reported outstanding pending bills of Kshs.145.31 million as of 30th June 2024.

3.17.6 Expenditure by Economic Classification

An analysis of expenditure by economic classification indicates that the County Executive spent Kshs.4.72 billion on employee compensation, Kshs.1.76 billion on operations and maintenance, and Kshs.1.55 billion on

development activities. Similarly, the County Assembly spent Kshs.326.11 million on employee compensation, Kshs.509.22 million on operations and maintenance, and Kshs.0.74 million on development activities, as shown in Table 3.113.

Table 3.113: Summary of Budget and Expenditure by Economic Classification

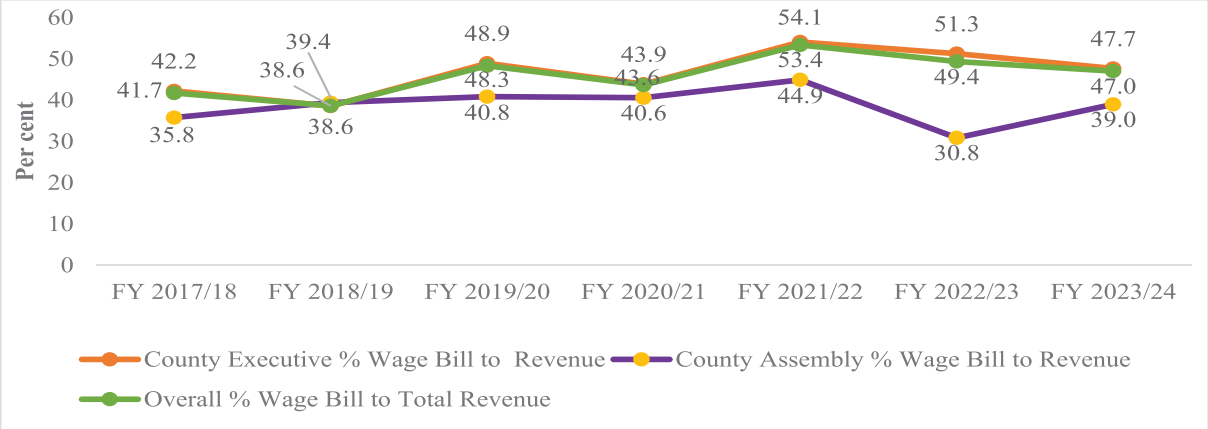
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**8,536,002,061**	**975,311,910**	**6,479,585,943**	**832,330,890**	**75.9**	**85.6**
Compensation to Employees	5,035,965,489	321,603,677	4,717,930,985	326,108,270	93.7	101.4
Operations and Maintenance	3,500,036,572	653,708,233	1,761,654,958	509,222,620	50.3	77.9
Development Expenditure	**4,021,551,233**	**165,000,000**	**1,549,726,667**	**735,000**	**38.5**	**0.4**
Total	**12,557,553,294**	**1,140,311,910**	**8,029,312,610**	**836,065,890**	**63.9**	**73.3**

***Source**: Kisumu County Treasury*

3.17.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.5.04 billion, or 44.6 per cent of the available revenue, which amounted to Kshs.11.31 billion. This expenditure represented an increase from Kshs.4.85 billion reported in FY 2022/23. The wage bill included Kshs.2.59 billion paid to health sector employees, translating to 51.4 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 67.

Figure 67: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Kisumu County Treasury

Further analysis indicates that PE costs amounting to Kshs. 236.04 million were processed through manual payrolls, which accounted for 4.6 percent of the total PE cost.

The County Assembly spent Kshs.38.03 million on committee sitting allowances for the 48 MCAs against the annual budget allocation of Kshs.38.89 million. The average monthly sitting allowance was Kshs.66,029 per MCA. The County Assembly has established 24 Committees.

3.17.8 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.421.46 million to county-established funds in FY 2023/24, constituting 3.4 per cent of the County's overall budget. Further, the County allocated Kshs.105.00 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.114 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.114: Kisumu County, Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds				
1	Kisumu County Bursary Fund	205,000,000	205,000,000	-	No
2	Kisumu County Emergency Fund	105,000,000	72,500,000	-	No
	County Assembly Established Funds				
3	Kisumu County Assembly Car Loan and Mortgage Fund	111,464,000	111,464,000	-	No
	Total	**421,464,000**	**388,964,000**	-	

***Source**: Kisumu County Treasury*

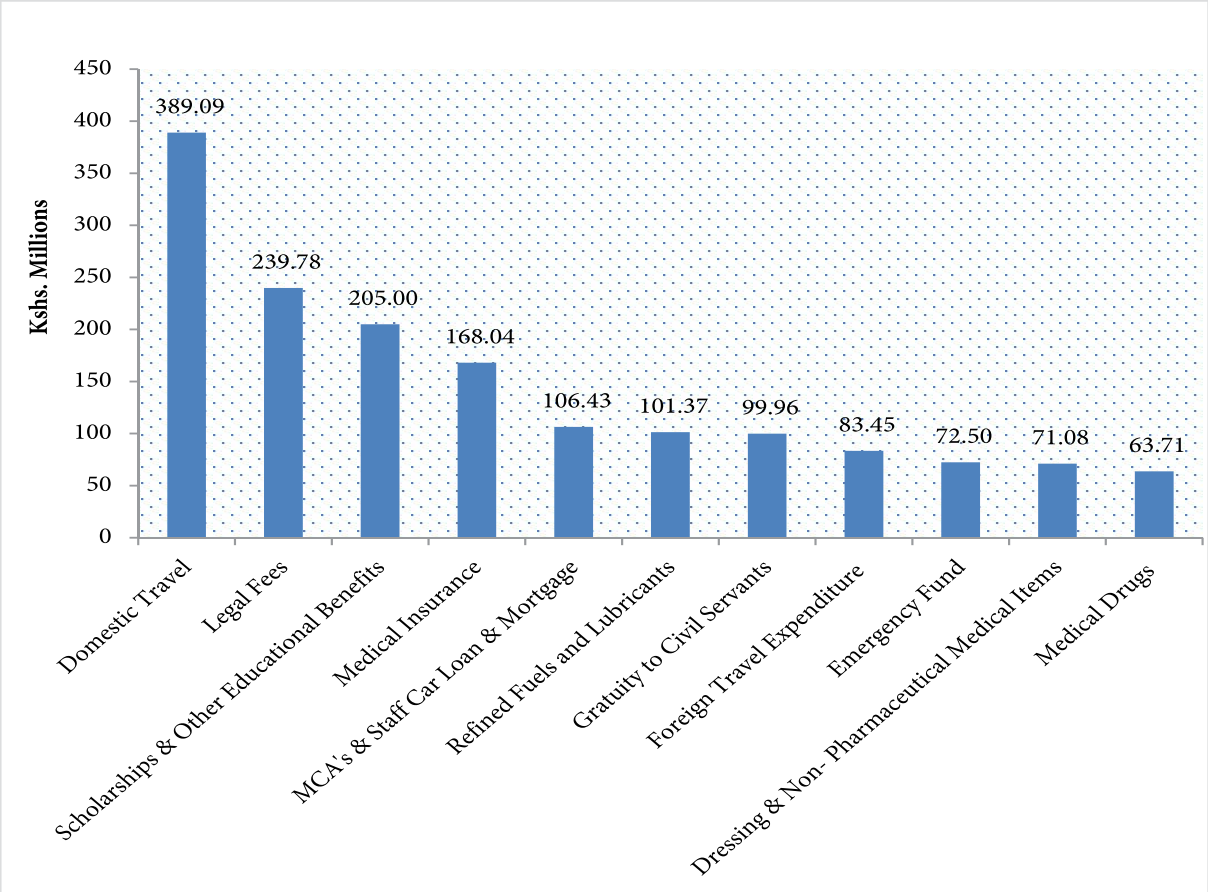
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of Kisumu County Bursary Fund, Kisumu County Emergency Fund and the Assembly car loan and morgage fund as indicated in Table 3.111 contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.17.9 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.389.09 million and comprised Kshs.168.94 million spent by the County Assembly and Kshs.220.15 million by the County Executive. Expenditure on foreign travel amounted to Kshs.83.45 million and comprised Kshs.36.56 million by the County Assembly and Kshs.46.89 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.115 below;-

Table 3.115: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	6	14th August to 18th August 2023	Workshop on Political Empowerment and Democracy	Norway	5,374,146.00
County Assembly	9	2nd to March 2024	Attending clima-tech learning expedition for Industry and urban Environment and Conference on Ethics compliance and Good Governance In Public Sector	Dubai, UAE	4,105,100.00
County Assembly	15	11th to 15th October, 2023	Study tour visit to Mulango National Referral Hospital	Uganda	4,004,917.00
County Assembly	7	23rd to 29th May 2024	Attending the African Heritage Expo in Tanzania	Tanzania	3,975,245.00
County Executive	4	8th April, 2023	Agribusiness Meeting	Tanzania	891,455.00

Source: Kisumu County Treasury and County Assembly

The operations and maintenance costs include Kshs.11.43 million for garbage collection and Kshs.239.78 million for legal fees.

3.17.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.55 billion on development programmes, representing an increase of 14.4 per cent compared to FY 2022/23, when the County spent Kshs.1.81 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.116: 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	Finance, Economic Planning and ICT Services	Improvement Works at Kibuye Market	Kisumu Central	127,630,708	127,630,708	100.0
2	Infrastructure, Energy and Public Works	Upgrading of Namba – Kapiyo Bitumen Road	Seme	222,183,469	28,000,000	12.6
3	Finance, Economic Planning and ICT Services	Rice plant installation at Nyangande Kanyagwal	Nyando	29,980,000	29,980,000	100.0
4	Agriculture, Irrigation, Livestock and Fisheries	Completion of Pap Konam Agricultural Training Centre	Seme	39,869,732	25,458,485	63.9
5	Finance, Economic Planning and ICT Services	Construction of Kaloleni Community Centre and Fencing	Kisumu Central	24,650,354	24,650,354	100.0
6	Public Service, County Administration, Participatory Development and Office of the Governor	Construction of Governor's Residence	Kisumu Central	14,818,170	14,818,170	100.0
7	Finance, Economic Planning and ICT Services	Construction Works at Jomo Kenyatta Sports Ground	Kisumu Central	111,328,291	13,618,667	12.2
8	Finance, Economic Planning and ICT Services	Construction of Boundary Wall, Gate Houses, and Cabro Paving at Moi Stadium	Kisumu East	89,957,360	13,000,000	14.5
9	Finance, Economic Planning and ICT Services	Supply and Delivery of Drum Roller	Kisumu East	11,020,000	11,020,000	100.0
10	Finance, Economic Planning and ICT Services	Construction Works at Oile Park	Kisumu Central	111,756,241	6,350,339	5.7

Source: Kisumu County Treasury

3.17.11 Budget Performance by Department

Table 3.117 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.117: Kisumu 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 and Fisheries	297.38	496.80	245.81	40.12	245.81	40.12	100.0	100.0	82.7	8.1
County Assembly of Kisumu	975.31	165.00	836.07	0.74	835.33	0.74	99.9	100.0	85.6	0.4
City of Kisumu	469.42	369.30	302.27	97.68	302.27	97.68	100.0	100.0	64.4	26.4
County Public Service Board	103.26	-	61.00	-	61.00	-	100.0	-	59.1	-
Education, Technical Training, Innovation and Social Services	729.42	200.83	609.07	20.95	609.07	20.95	100.0	100.0	83.5	10.4
Public Services, County Administration, Participatory Development and Office of the Governor	1,171.06	118.50	724.60	22.85	672.68	22.85	92.8	100.0	57.4	19.3
Medical Services, Public Health and Sanitation	3,369.41	229.87	3,008.64	44.77	2,908.64	42.77	96.7	95.5	86.3	18.6
Trade, Energy, Industry and Tourism	130.85	184.15	110.88	10.10	60.88	10.10	54.9	100.0	46.5	5.5
Sports, Culture, gender and Youth Affairs	195.03	22.00	108.20	1.00	108.20	1.00	100.0	100.0	55.5	4.5
Roads Infrastructure, transport and Public Works	242.53	540.30	232.68	130.49	132.68	130.49	57.0	100.0	54.7	24.2
Lands, Housing, Physical Planning and Urban Development	165.60	370.00	105.17	236.34	85.17	236.34	81.0	100.0	51.4	63.9
Finance, Economic Planning and ICT Services	1,503.67	1,062.14	1,315.21	1,043.13	1,215.21	910.12	92.4	87.2	80.8	85.7
Water, Environment and Natural Resources	158.38	427.65	77.99	37.30	77.99	37.30	100.0	100.0	49.2	8.7
Total	**9,511.31**	**4,186.55**	**7,737.57**	**1,685.47**	**7,314.92**	**1,550.46**	**94.5**	**92.0**	**76.9**	**37.0**

Source: *Kisumu County Treasury*

An analysis of expenditure by departments shows that the Department of Finance, Economic Planning and ICT Services recorded the highest absorption rate of the development budget at 85.7 per cent, followed by the Department of the City of Kisumu at 26.4 per cent. The Department of County Assembly had the highest percentage of recurrent expenditure to budget at 85.6 per cent, while the Department of Trade, Energy, Industry and Tourism had the lowest at 46.5 per cent.

3.17.12 Budget Execution by Programmes and Sub-Programmes

Table 3.118 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.118: Kisumu County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Agriculture, Livestock and Fisheries							
Agriculture Productivity Improvement	Management of Agriculture Advisory Services	13,935,428		3,349,000	-	24.0	-
	Management of Stations		217,000,000	-	-	-	-
	Promotion of Crop production Value Chains	3,079,981		2,363,381	-	76.7	-
	Promotion of Livestock Production Value Chains	18,269,703	-	13,721,489	-	75.1	-
	Management of stations	55,370,253	-	23,746,903.40	-	42.9	-
	Development of Product Quality Assurance	632,500	-	507,900	-	80.3	-
	Agriculture credit access	127,789	-	-	-	-	-
	Agriculture input Access	411,000	-	328,500	-	79.9	-
	Sub Total	**91,826,654**	**217,000,000**	**44,017,173**	**-**	**47.9**	**-**
County Assembly of Kisumu							
Administration, Planning and Services	Financial Services	163,239,576	-	152,172,250.60	-	93.2	-
ICT Services	ICT Services	9,919,112	-	8,621,084	-	86.9	-
General Administration	General Administration	195,391,068	165,000,000	143,460,358.60	735,000	73.4	0.4
	Human Resource Development Services	162,764,665	-	142,954,767.80	-	87.8	-
Public Finance Management	Management of Public Resources	9,455,400	-	8,540,515.25	-	90.3	-
Legislation & Oversight Services	Legislation and Oversight Services	148,106,044	-	113,311,513.75	-	76.5	-
	Policy Services (Speaker's Office)	42,762,217	-	30,841,054.35	-	72.1	-
County Assembly Service Board	SP2 Committee Services	155,654,920	-	136,237,342.50	-	87.5	-
	Representation and Public Participation	88,018,908	-	68,722,242.15	-	78.1	-
	Sub-Total	**975,311,910**	**165,000,000**	**804,861,129.00**	**735,000**	82.5	**0.4**
County Public Service Board							
County Public Service Board	General Administration and Support Services	1,130,430,391	459,300,000	818,395,535	115,439,437	72.4	25.1
	Human Resource Recruitment and Development	255,236,788	-	122,478,421.60	-	48.0	-
	Promotion of Values and Principles	4,689,314	-	1,598,200	-	34.1	-
	Sub -Total	**1,390,356,493**	**459,300,000**	**942,472,157.50**	**115,439,437**	**154.5**	**25.1**

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Education, Technical training, Innovation and Social Services							
Early Childhood Development	Promotion of Early Childhood Education	33,411,122	-	32,776,070.70	-	89.1	-
Pre-Primary Policy and Legislation	Primary Policy and Legislation	70,220,000	-	9,547,312	-	13.6	-
	Sub - Total	**103,631,122**		**42,323,382.70**	-	**40.8**	-
Public Service, County Administration, Participatory Development and Office of the Governor							
General Administration and Planning Services	Planning and Coordination Services	95,664,176	17,000,000	71,630,323.75	2,997,996	74.9	17.6
	Planning and Administration	278,809,478	491,804,276	220,175,931.30	301,732,685.70	79	61.4
	Development and Management of County Administrative Systems	-	28,500,000	-	4,993,602.80	-	17.5
Administration, Planning and Support Services	Administrative Services	1,002,095,339	-	858,208,035.80	-	85.6	-
General Administration and Planning Services	Development and Management of County Administrative Systems	55,270,000	-	21,700,144	-	39.3	-
Management of County Affairs and Special Programmes	Emergency, Relief, Disaster Management and Control	35,200,000	-	13,050,603	-	37.1	-
Inter-Governmental Relations, Communication and Protocol	Governor's Press Service and Communication	22.500,000	-	10,365,378	-	46.1	-
	Internal Auditing Services	15,000,000	-	9,120,650	-	60.8	-
Management of County Affairs and Special Programmes	Inter-Government Coordination and Protocol	10,800,800	-	-	-	-	-
	Sub -Total	**1,515,339,802**	**537,304,276**	**1,204,251,105.85**	**309,724,284.50**	**79.5**	**57.6**
Medical Services, Public Health and Sanitation							
Jaramogi Oginga Odinga Teaching and Referral Hospital	Jaramogi Oginga Odinga Teaching and Referral Hospital	-	25,000,000	-	25,000,000	-	100
Medical and Bio-Medical Services	County and Sub-County Hospital Services	-	204,874,534	-	42,774,808.90	-	20.9
Preventive and Promotive Health Services	Environmental Health and Sanitation	62,621,434		61,081,449.20	-	97.5	-
	Disease Surveillance	600,000	-	513,500	-	85.6	-
	Health Promotion Service	45,290,823	-	38,380,006.30	-	84.7	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Health Curative Services	Essential Service	360,000	-	158,000	-	43.9	-
	Elimination of Communicable and non-communicable Disease	360,000	-	203,700	-	56.6	-
	Reproductive Health	1,730,000	-	85,800.00	-	5.0	-
General Administration, Operational Research and Planning	Governance and Leadership	422,935,920	-	188,442,079.30	-	44.6	-
	Human Resource for Health	2,717,244,548	-	2,595,475,912.85	-	95.5	-
Preventive Health Care	Primary Healthcare	39,050,398	-	29,342,087.00	-	75.1	-
Health Sector Support Program (DANIDA)	Health Promotive Services	11,132,698	-	4,594,683	-	41.3	-
Jaramogi Oginga Odinga Teaching and Referral Hospital	Jaramogi Oginga Odinga Teaching and Referral Hospital	90,000,000	-	60,000,000	-	66.7	-
Kisumu County Referral Hospital	Kisumu County Referral Hospital	42,000,000	-	42,000,000	-	100	-
Medical and Bio-Medical Services	County and Sub-County Hospital Services	42,000,000	-	41,922,110	-	99.8	-
	Sub - Total	**3,475,325,821**	**229,874,534**	**3,062,199,327.65**	**67,774,808.90**	**88.1**	**29.5**
Trade, Tourism, Industry and Marketing							
Promotion of Market Access and Products Development	Promotion of Value Addition	-	5,000,000.00	-	1,988,000	-	39.8
Energy Production	Energy Production	-	66,800,000.00	-	9,956,705	-	14.9
General Administration and Policy-Making Services	Trade Support Services	-	57,647,203	-	10,098,002	-	17.5
Regulation and Verification of Weights	Verification and Calibration of Weighing Equipment	-	11,500,000	-	-	-	-
Enterprise Development	Business Development Services	-	115,000,000	-	-	-	-
Promotion of Market Access and Products Development	Promotion of Value Addition	50,000.00	-	-	-	-	-
Energy Production	Climate Change	9,156,532.00	-	4,279,190	-	46.9	-
Mining Efficiency	Mining Efficiency	373,400.00	-	185,800	-	49.8	-
	Resource Mobili-zation	27,420,000	-	23,484,564		85.6	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
General Administration and Services	Infrastructure Development	20,887,614.00	-	6,737,750	-	32.3	-
	Trade Support Services	3,100,000.00	-	605,210	-	19.5	-
Regulation and Verification of Weights	Verification and Calibration of Weighing Equipment	7,720,000.00	-	1,204,400.10	-	15.6	-
Tourism Development and Management	Tourism Development	3,900,002	-	1,093,070.00	-	0.4	-
	Tourism Event Management	19,822,994	-	4,253,575.00	-	1.4	-
Administration, Planning and Support Services	Administration Planning	155,890,509.00	-	100,176,627.55	-	64.3	-
Cooperative Development and Management	Cooperative Governance	5,400,000.00	-	1,728,800.00	-	32	-
Enterprise Development	Business Development Services	920,600,000	-	274,700.00	-	29.8	
Cooperative Development and Management	Cooperative Governance	33,411,122.00	-	32,776,070.70	-	98.1	-
Alcoholic Drinks	Alcoholic Drinks	100,000.00	-	-	-	-	-
	Sub - Total	**1,207,832,173.00**	**255,947,203.00**	**176,799,757.35**	**22,042,707.00**	**20.4**	**8.6**
Sports, Culture, Gender and Youth Affairs							
Youth Training and Development	Youth Training Facilities	655,848.00	-	386,433.00	-	58.9	-
Sports Management and Development	Sports Management	-	5,000,000.00	-	-	-	-
Gender and Social Development	Gender and Disability Mainstreaming	563,250.00	-	-	-	-	-
	Social Development Facilities	804,000.00	-	501,000.00	-	62.3	-
	Betting Control Services	200,000.00	-	-	-	-	-
Sports Management and Development	Sports Management	2,332,235.00	-	1,463,800.00	-	62.8	-
	Talent Development	21,780,010.00		13,012,447.50		59.7	
Sports Stadia Development	Sports Academy	9,916,500.00	-	2,013,383.00	-	20.3	-
Routine Nutritional Survey	Routine Nutritional Survey	2,000,000.00	-	256,200.00	-	12.8	-
Culture and Heritage Development	Culture and Heritage Development	14,226,375.00	-	10,060,407.50	-	70.7	-
Artistic Talent Development	Artistic Talent Development	2,496,900.00	-	1,185,150.00	-	47.5	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Sub - Total	**54,975,118.00**	**5,000,000.00**	**28,878,821.00**	-	**52.5**	-
Infrastructure, Energy and Public Works							
County Roads and Public Works Management	General Administration and Public Works	160,404,479	-	87,674,335.30	-	54.7	-
	Road Construction and Maintenance Services	86,000,000	-	36,000,000	-	41.9	-
Roads, General Administration and Planning	Public Works	2,500,000	-	2,476,934	-	99.1	-
	Mechanical Engineering Services	23,551,994	-	13,358,496	-	56.7	-
County Roads and Public Works Management	General Administration and Planning Services	-	370,000,000	-	299,999,842	-	81.1
	Road Construction and Maintenance Services	-	473,500,000	-	129,083,087	-	27.3
	Sub - Total	**272,456,473**	**843,500,000**	**139,509,765.30**	**429,082,929.00**	**51.2**	**50.9**
Lands, Housing, Physical Planning and Urban Development							
Physical Planning and Housing	Physical Planning Services	12,948,375	-	9,814,813	-	75.8	-
Promotion of Sustainable Land Use	Promotion of Soil and Water Management	290,800	-	176,000	-	60.5	-
Urban Planning and Development Control	Urban Planning and Development	105,007,461	-	65,101,218.45	-	62	-
	Sub - Total	**118,246,636**	-	**75,092,031.45**	-	**63.5**	-
Finance, Economic Planning and ICT Services							
Public Finance Management	Revenue Mobilization	-	50,000,000	-	20,822,670.00	-	41.6
	Budget Formulation and Coordination Services	-	12,142,939	-	12,086,230.00	-	99.5
Revenue Generation and Management	Local Revenue Mobilization	21,855,964	-	19,892,087.75	-	71.0	-
ICT Services	ICT Services	70,074,676	-	43,409,838.10	-	61.9	-
Financial Management	Revenue Mobilization	80,000,000	-	78,268,380	-	97.8	-
	Management of Public Financial Resources	22,600,000	-	12,750,400	-	56.4	-
	Budget Formulation and Coordination Services	81,988,631	-	59,804,239.95	-	72.9	-
County Planning and Development Coordination Services	Policy Formulation and Planning	99,993,700	-	49,414,645	-	49.4	-
	Monitoring and Evaluation	62,299,369	-	30,830,649.10	-	49.5	-
County Communication and ICT Services	Management Information System	8,789,943	-	2,383,557.00	-	27.1	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Representation Services and Public Participation	Public Participation Services	3,300,000	-	2,000,000.00	-	60.6	-
County Planning and Development Coordination Services	County Planning and Development Coordination Services	12,530,000	-	5,634,225.00	-	45.0	-
Administration, Planning and Support Services	Administrative Services	-	1,000,000,000	-	768,347,817.40	-	76.8
	Sub - Total	**463,432,283**	**1,062,142,939**	**304,388,021.90**	**801,256,717.40**	**65.7**	**75.4**
Water, Environment, Natural Resources and Climate Change							
Conservation and Management of Natural Ecosystems	Water Resources and Sewerage services	59,169,033.00	210,650,000	50,182,142.80	57,171,950.45	84.8	27.1
	Sustainable Access to Safe Water	1,327,600.00	-	1,061,200.00	-	79.9	-
Environmental Planning and Management	Environmental Conservation and Natural Resources	960,244.00	-	93,900.00	-	9.8	-
	Solid Waste Management	3,453,200.00	-	2,034,000.00	-	58.9	-
Pollution Control	Pollution Control	3,453,200.00	-	487,200.00	-	36.4	-
	Sub-Total	**66,248,277.00**	**210,650,000**	**53,858,442.80**	**57,171,950.45**	**81.3**	**27.1**
Grand Total		**9,734,982,762.00**	**3,985,718,952.00**	**6,878,651,115.50**	**1,803,227,834.25**	**70.7**	**45.2**

***Source**: Kisumu County Treasury*

The sub-programmes with the highest levels of implementation based on absorption rates were Budget formulation and coordination Services in the Department of Finance, Economic Planning and ICT Services at 99.5 per cent, General Administration and Planning Services in the Department of Infrastructure, Roads and Public Works at 81.1 per cent, Planning and Administration in the Department of Public Service, County Administration and Participatory Development and Office of the Governor at 61.4 per cent, and Revenue Mobilization at 41.6 per cent of budget allocation.

3.17.13 Accounts Operated Commercial Banks

The County government operated a total of 8 accounts with commercial banks. These accounts include Kisumu County Education Fund; Kisumu County Emergency Fund; Kisumu County Assembly MCA's and staff Car Loan and Mortgage Fund; Kisumu County Trade Fund; Kisumu County Women Youth and PWD Fund; Kisumu County Executive Car Loan and Mortgage Fund; Kisumu county Emergency Response Fund; and Kisumu Costs and Contingency Fund. 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.

3.17.14 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;

1. 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 2nd August 2024.

2. Own-source revenue under performed at Kshs.1.43 billion against an annual target of Kshs.2.28 billion, representing 63.2 per cent of the annual target.

3. Failure by Fund Administrators to submit quarterly financial and non-financial reports to the COB within the timelines provided in law, which is against the requirement of Section 168 of the PFM Act, 2012. The Kisumu County Emergency Fund, Kisumu County Bursary Fund and Kisumu County Assembly car and Morgage Fund reports were not submitted to the Controller of Budget.

4. There was a high level of pending bills, which amounted to Kshs.3.15 billion as of 30th June 2024. Further, the County Treasury did not adhere to the payment plan for the pending bills.

5. High wage bills accounted for 44.6 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided in law.

6. Use of manual payroll. Personnel emoluments amounting to Kshs.236.04 million were processed through manual payroll, accounting for 4.6 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.

7. 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: Kisumu County Education Fund; Kisumu County Emergency Fund; Kisumu County Assembly MCA's and staff Car Loan and Mortgage Fund; Kisumu County Trade Fund; Kisumu County Women Youth and PWD Fund; Kisumu County Executive Car Loan and Mortgage Fund; Kisumu County Emergency Response Fund; and Kisumu Costs and Contingency Fund.

8. Weak budgeting practice, as shown in Table 3.118 where the total allocations and actual expenditures per department are not reconcilable with the corresponding vote books.

9. Low expenditure on development activities which was 17.5 per cent of total expenditure in FY 2023/24.

11. High expenditure on domestic travel at Kshs.389.09 million

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *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.*
3. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
4. *The 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.*
5. *The County Leadership should develop strategies to ensure the wage bill is within the legal limit of 35.0 per cent of total revenue, as provided under Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.*
6. *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.*
7. *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.*
8. *The County Treasury should improve the vote book and budgetary control to ensure expenditure is within the approved budget. This will enhance the credibility of budget implementation reports.*

9. *The County Government should develop and implement strategies to increase expenditure on the development budget to acheive the 30 per cent threshold provided in the law.*

10. *The County should minimize travelling expenditure by holding activities within the County Headquarters.*

3.18. County Government of Kitui

3.18.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.14.24 billion, comprising Kshs.5.38 billion (37.7 per cent) and Kshs.8.88 billion (62.3 per cent) allocation for development and recurrent programmes, respectively. The approved supplementary budget estimates represented an increase of 14 per cent compared to the previous financial year when it was Kshs.12.47 billion and comprised of Kshs.5.38 billion towards development expenditure and Kshs.8.89 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.10.82 billion (75.9 per cent) as the equitable share of revenue raised nationally, Kshs.572.9 million (4 per cent) as additional allocations/conditional grants, a cash balance of Kshs.2.01 billion (14.1 per cent) from FY 2022/23 and generate Kshs.847.3 million (6.0 per cent) as gross own source revenue. The own-source revenue includes Kshs.262.3 million (30.0 per cent) as other sources of revenue and Kshs.585.00 million (70.0 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.119.

3.18.2 Revenue Performance

In the FY 2023/24, the County received Kshs.9.96 billion as an equitable share of the revenue raised nationally, Kshs.571.25 million as additional allocations/conditional grants, and a cash balance of Kshs.2.01 billion from FY 2022/23, and raised Kshs.1.32 billion as own-source revenue (OSR). The raised OSR includes Kshs.272.31 million as A-I-A and Kshs.298.74 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.13.06 billion, as shown in Table 3.119.

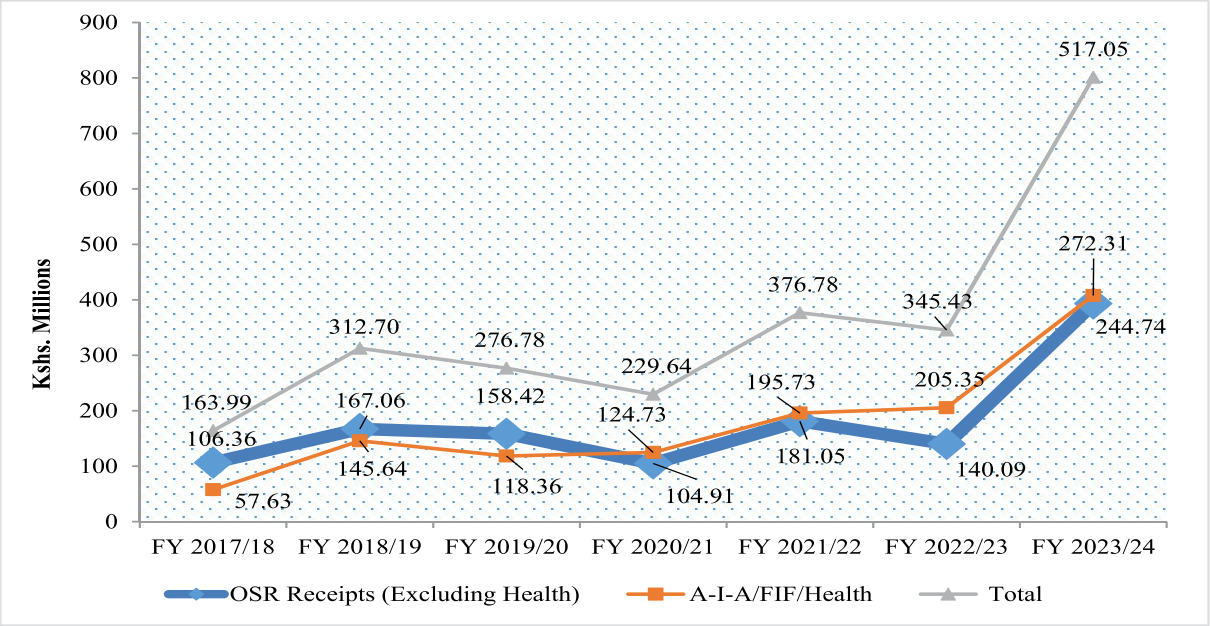
Table 3.119: Kitui County, Revenue Performance in the FY 2023/24

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**	10,824,785,855	9,958,426,904	92
Sub Total		**10,824,785,855**	**9,958,426,904**	**92**
B	**Conditional Grants**			
1	World Bank (Emergency Locust Response Project (ELRP)	133,683,244	132,498,510	99.1
2	HSSP/HSPS/DANIDA/IDA	16,112,250	16,112,250	100
3	World Bank loan for National Agricultural and Rural Inclusive Growth Project	5,000,000	4,261,826	85.2
4	IDA (World Bank) credit (National Agricultural Value Chain Development Project (NAVCDP)	200,000,000	199,781,563	99.9
5	Agricultural Sector Development of Youth Polytechnic (ASDSP)	1,292,965	1,292,965	100
5	Agricultural Sector Development of Youth Polytechnic (ASDSP)	-	500,000	-
6	World Bank Program to Finance Locally Led Climate Action Program (FLLoCA)	216,807,064	216,807,064	100
Sub-Total		**572,895,523**	**571,254,178**	**99.7**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	585,000,000	517,049,816	88.4
2	Balance b/f from FY2022/23	2,012,204,897	2,012,204,897	100
3	Facility Improvement Fund (FIF)	-	272,308,709	-
4	Other Revenues	262,252,439	4,701,081	-
Sub Total		2,859,457,336	2,533,955,794	88.6
Grand Total		**14,257,138,714**	**13,063,636,876**	**93.5**

Source: *Kitui County Treasury*

Figure 69 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

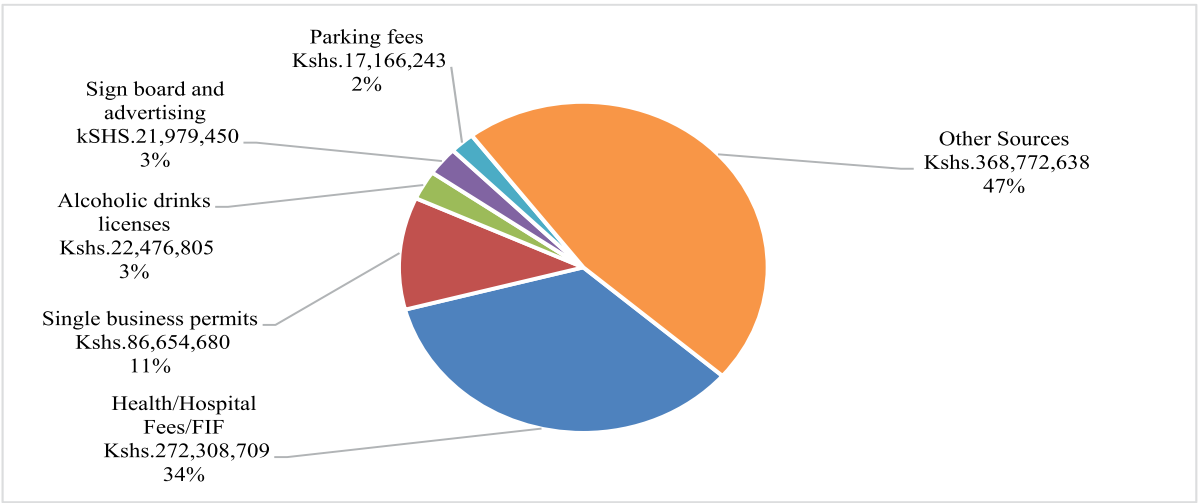
Figure 69: Kitui County, Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Kitui County Treasury*

In the FY 2023/24, the County generated a total of Kshs.517.05 million from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 49.7 per cent compared to Kshs.464.35 million realized in FY 2022/23 and was 93.7 per cent of the annual target and 13.2 per cent of the equitable revenue share disbursed during the period. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.0.76 million. The increase can be attributed to revenue systems automation and training of revenue collection officers. The revenue streams which contributed the highest OSR receipts are shown in Figure 70.

Figure 70: County, Top Streams of Own Source Revenue in the FY 2023/24



Source: Kitui County Treasury

The highest revenue stream of Kshs.272.31 million was from Health/Hospital fees, contributing to 34 per cent of the total OSR receipts during the reporting period.

3.18.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.12.68 billion from the CRF account during the reporting period, which comprised Kshs.3.88 billion (30.6 per cent) for development programmes and Kshs.8.81 billion (69.4 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24

indicates that Kshs.5.47 billion was released towards Employee Compensation and Kshs.3.13 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.1,470.52 million.

3.18.4 County Expenditure Review

The County spent Kshs.12.42 billion on development and recurrent programmes in the reporting period. The expenditure represented 97.9 per cent of the total funds released by the CoB and comprised of Kshs.3.83 billion and Kshs.8.59 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 71.3 per cent, while recurrent expenditure represented 96.7 per cent of the annual recurrent expenditure budget.

3.18.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.645.30 million, comprising Kshs.168.97 million for recurrent expenditure and Kshs.476.32 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.251.32 million which consisted of Kshs.68.84 million for recurrent expenditure and Kshs.182.48 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.393.98 million. This excludes pending bills incurred in FY 2023/24.

The County Assembly did not report any outstanding pending bills as of 30th June 2024.

3.18.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.5.07 billion on employee compensation, Kshs.2.52 billion on operations and maintenance, and Kshs.3.8 billion on development activities. Similarly, the County Assembly spent Kshs.996.76 million on employee compensation, Kshs.602.49 million on operations and maintenance, and Kshs.26.2 million on development activities, as shown in Table 3.120.

Table 3.120: Summary of Budget and Expenditure by Economic Classification

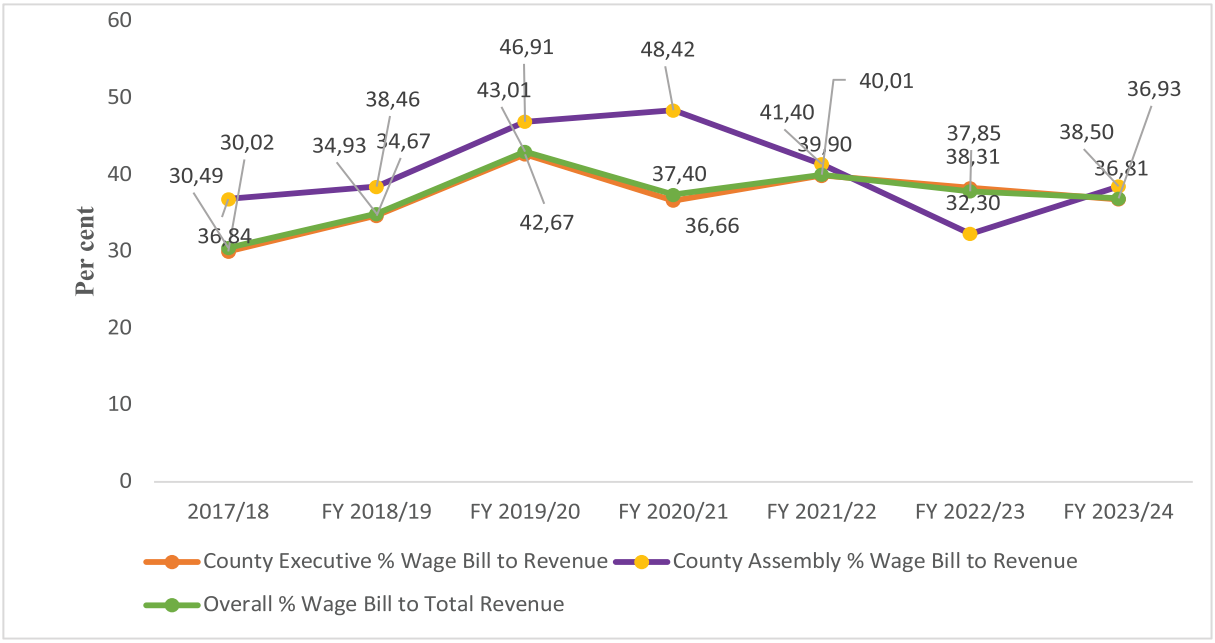
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**7,700,844,679**	**1,180,814,288**	**7,593,721,107**	**996,761,294**	**98.6**	**84.4**
Compensation to Employees	4,961,231,599	433,448,761	5,071,969,279	394,270,337	102.2	91
Operations and Maintenance	2,739,613,080	747,365,527	2,521,751,828	602,490,957	92	80.6
Development Expenditure	**5,146,421,193**	**229,058,553**	**3,804,686,978**	**26,200,000**	**73.9**	**11.4**
Total	**12,847,265,872**	**1,409,872,841**	**11,398,408,085**	**1,022,961,294**	**88.7**	**72.6**

***Source**: Kitui County Treasury*

3.18.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.5.47 billion, or 40.5 per cent of the available revenue, which amounted to Kshs.13.51 billion. This expenditure represented an increase from Kshs.4.56 billion reported in FY 2022/23. The wage bill included Kshs.2.59 billion paid to health sector employees, translating to 47.3 per cent of the total wage bill. The increase in the wage bill may be associated with the conversion of ECDE teachers from casual to permanent and pensionable terms in FY 2023/24. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 71.

Figure 71: Kitui County, Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Kitui County Treasury

Further analysis indicates that PE costs amounting to Kshs.4.8 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.137.83 million was processed through manual payrolls. The manual payrolls accounted for 5.1 per cent of the total PE cost.

The County Assembly spent Kshs.20.06 million on committee sitting allowances for the 61 MCAs against the annual budget allocation of Kshs.21 million. The average monthly sitting allowance was Kshs.27,406 per MCA. The County Assembly has established 22 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.136.4 million to county-established funds in FY 2023/24, constituting 0.4 per cent of the County's overall budget. Table 3.121 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.121: Performance of County Established Funds in the FY 2023/24 Source:

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24(Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1	Kitui County Pro-Poor Programme Account/Bursary Fund	86,400,000	86,400,000.00	86,400,000	832,700,000.00	Yes
2	Empowerment fund	-	-	-	160,000,000.00	No
3	Executive Car and Mortgage Fund	50,000,000	40,000,000.00	-	Not provided	Yes
	County Assembly Established Funds					
4	Kitui County Assembly Car Loan (Members) Schemes Fund	-	-	-	92,405,337	Yes
5	Kitui County Assembly Service Board Employees' Car & Mortgage Fund	-	-	-	49,839,756	Yes
	Total	**136,400,000**	**126,400,000.00**	**86,400,000**	**1,134,945,093**	-

Kitui County Treasury

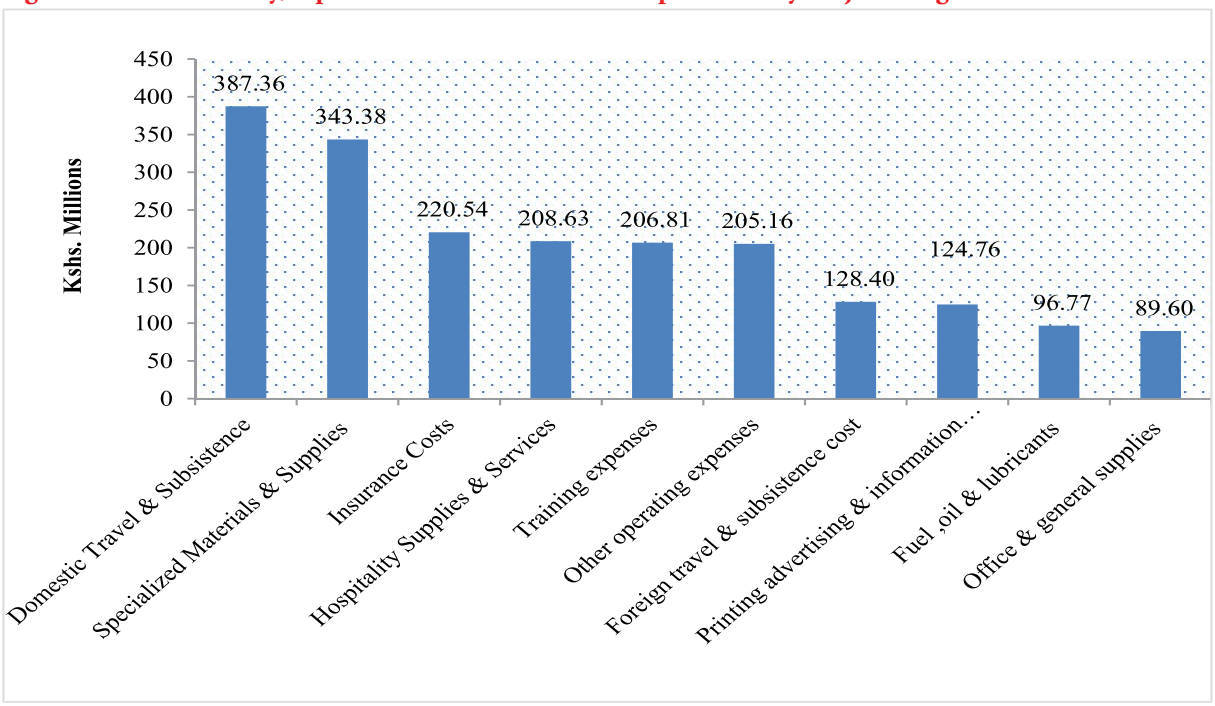
During the reporting period, the CoB received quarterly financial returns from the Fund Administrators except for the Empowerment Fund, as indicated in Table 3.118, contrary to the requirement of Section 168 of the PFM Act, 2012. The administration costs of all the funds were below the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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.

3.18.9 Expenditure on Operations and Maintenance

Figure 72 summarises the Operations and Maintenance expenditure by significant categories.

Figure 72: Kitui County, Operations and Maintenance Expenditure by Major Categories



Source: *Kitui County Treasury*

Expenditure on domestic travel amounted to Kshs.387.36 million and comprised Kshs.137.12 million spent by the County Assembly and Kshs.250.24 million by the County Executive. Expenditure on foreign travel amounted to Kshs.128.4 million which was utilized entirely by the County Assembly. Expenditure on foreign travel is summarized in Table 3.122 below; -

Table 3.122: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly of Kitui	7	26th to 30th June 2023	Training Workshop on advanced parliamentary theory and practice organized by ESAMI (Committee on Lands Infrastructure and Urban Development)	Istanbul, Turkey	5,449,400
County Assembly of Kitui	1	26th June -30th June 2023	Training on strategic leadership and corporate governance in the public sector.	Turkey	998,900
County Assembly of Kitui	1	26th June -7th July 2023	International Conference on post-pandemic Strategic Public Administration and management	Australia	1,589,635
County Assembly of Kitui	7	27th Nov 2023-1st Dec 2023	Training Workshop on advanced parliamentary theory and practice organized by ESAMI (Committee on Lands Infrastructure and Urban Development)	Istanbul, Turkey	9,389,170
County Assembly of Kitui	1	20th-28th Oct 2023	Training on the international Transformative leadership	United Kingdom	2,318,850

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly of Kitui	7	30th Oct 2023-3rd Nov 2023	Training workshop on value chain addition on Agriculture organized by ESAMI (Committee on Agriculture, Water and Irrigation)	Singapore	11,639,250
County Assembly of Kitui	1	27th Oct 2023-5th Nov 2023	Attending an international workshop on performance management systems and localization of SDGs	London, United Kingdom	2,310,750
County Assembly of Kitui	7	30th Oct 2023-3rd Nov 2023	A workshop on the role of PIAC Committee scrutinizing public expenditure organized by ESAMI (Public Investments Accounts committee- PIAC).	Singapore	14,126,796
County Assembly of Kitui	7	16th -20th Oct 2023	Training on strengthening Healthcare systems in the County Governments organized by ESAMI (Committee on Health and Sanitation)	Istanbul, Turkey	9,423,050
County Assembly of Kitui	7	5th-9th Feb 2024	Training on the Role of Legislature in Labour Practice and Vetting Nominees to Public Office organized by ESAMI (Labour and Appointment Committee)	Singapore	11,226,614
County Assembly of Kitui	7	29th Feb-1st Mar 2024	Training on the Role of Legislature in Justice and Legal Affairs organized by ESAMI (Justice and Legal Affairs Committee)	Singapore	11,567,150
County Assembly of Kitui	4	4th -8th Mar 2024	Training on Infrastructure Project Management Program organized by Soft Skills Limited	Tokyo, Japan	9,360,260
County Assembly of Kitui	7	11th-15th Mar 2024	Training on Legislative, Policy Intervention and Role of Committee organized by ESAMI (Trade Industry ICT and Cooperatives and Education Committee)	Singapore	10,867,150
County Assembly of Kitui	7	3rd-7th June 2024	Training on Disaster preparedness Response and mitigation offered to the Justice & Legal Affairs Committee and Tourism and Natural Resources Committee organized by Soft Skills	Dubai-UAE	7,758,205
County Assembly of Kitui	7	20th -27th May 2024	Training to Trade and Education committees on contemporary public administration, leadership management, good governance and Twinning	Dubai-UAE	7,829,255
County Assembly of Kitui	7	29th April-3rd may 2024	Training on Public Administration, Powers and Privileges Course. Organized by ESAMI.	Dubai-UAE	7,609,105
County Assembly of Kitui	1	13th May-17th May 2024	Training on Leadership Program offered to assembly members and minority leaders, organized by the Intelligent Business Centre.	Istanbul Turkey	1,279,530
County Assembly of Kitui	7	24th-28th June 2024	CASB members will attend the International Summit on Transformational Leadership, Governance and Resilience Planning bench marking.	Dubai-UAE	3,653,055
Sub Total		-	-	-	**128,396,125**

Source: Kitui County Treasury and Kitui County Assembly

3.18.10 Development Expenditure

In the FY 2023/24, the County reported an expenditure of Kshs.3.83 billion on development programmes, representing an increase of 80 per cent compared to FY 2022/23 when the County spent Kshs.2.13 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.123: Kitui County, List of Development Projects with the Highest Expenditure

No	SECTOR	PROJECT NAME	Project Location	CONTRACT SUM (Kshs.)	AMOUNT PAID (Kshs.)	Percentage of Completion (%)
1	Office of the Governor	Supply of consultancy services to develop Kitui County aggregation and industrial park	Kitui Central	7,963,516	7,963,516	100
2	Ministry of roads and public works	Construction of Mjwinga Stream in Zombe	Kitui east	9,300,344.08	9,300,344.08	100

No	SECTOR	PROJECT NAME	Project Location	CONTRACT SUM (Kshs.)	AMOUNT PAID (Kshs.)	Percentage of Completion (%)
3	Ministry of Public Works	Construction of Kitumbi Itumbi road and construction of Mbitini and Kilea drift	Kitui rural	9,906,803.45	9,906,803.45	100
4	Office of the Governor	Construction of police station at Mandongoi	Mwingi north	10,689,612.00	10,689,612.00	100
5	Ministry of water and irrigation	The construction of the Imuumba sump well and other civil works at the Imuumba sump well in Thua River, Kyamatu ward.	Kitui east	11,014,806.00	11,014,806.00	100
6	Ministry of Lands, Housing and Physical Planning	Payment for maintenance of KATSE-Musosya Market Road	Mwingi North	14,458,861.32	14,458,861.32	100
7	Ministry of Lands, Housing and Physical Planning	Payment for improvement of Thaana Nzau Kithyoke river & drift	Mwingi West	15,273,321.75	15,273,321.75	100
8	Office of the governor	Being payment for Mbitini dustless	Kitui rural	15,699,353.00	15,699,353.00	100
9	Ministry of water and irrigation	being payment for the construction of the Tyaa sump well and other civil works at the Tyaa sump well in Tyaa river	Mwingi central	15,957,431.97	15,957,431.97	100
10	Ministry of roads and public works	Maintenance of Mbitini/Voo junction Kinakoni Market	Kinakoni	18,637,826.26	18,637,826.26	100

Source: Kitui County Treasury

3.18.11 Budget Performance by Department

Table 3.124 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.124: Kitui 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	1,275.45	1,285.75	1,658.33	989.91	1,290.40	1,046.14	77.8	-	101.2	81.4
Ministry Of Health and Sanitation	3,467.53	250.33	3,180.12	127.95	3,454.50	220.43	108.6	-	99.6	88.1
Kitui County Public Service Board	64.33	15.00	64.35	-	61.52	-	95.6	-	95.6	-
County Assembly	1,180.81	229.06	997.82	26.20	996.76	26.20	99.9	-	84.4	11.4
Kitui Municipality	92.56	99.90	90.81	55.39	90.49	86.43	99.6	-	97.8	86.5
Mwingi Town Municipality	65.12	32.01	65.29	27.35	60.62	31.99	92.8	-	93.1	99.9
Office of the Deputy Governor	185.32	49.94	199.01	6.19	174.69	47.34	87.8	-	94.3	94.8
Ministry of Water and Irrigation	115.78	789.75	106.41	634.81	105.17	664.08	98.8	-	90.8	84.1
Ministry of Education Training and Skills Development	854.33	193.74	857.39	147.77	851.06	159.87	99.3	-	99.6	82.5

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
Ministry of Roads And Public Works	194.72	504.87	208.90	505.98	184.18	490.02	88.2	-	94.6	97.1
Ministry of Trade Industry And MSMS	188.42	292.15	172.64	307.07	165.18	160.05	95.7	-	87.7	54.8
Ministry of Energy Environment Forestry and Natural Resources	91.61	369.77	93.68	360.02	91.82	138.11	98.0	-	100.2	37.4
Ministry of Culture Gender Youth ICT Sports And Social Services	112.49	123.08	114.10	91.61	103.24	110.84	90.5	-	91.8	90.1
Ministry of Finance Economic Planning and Revenue Management	517.74	139.96	521.49	-	507.49	101.59	97.3	-	98	72.6
Ministry Of Agriculture And Livestock	361.57	904.94	371.87	493.13	356.92	496.36	96.0	-	98.7	54.9
Ministry of Lands Housing And Urban Development	113.86	95.23	103.26	121.26	96.45	51.43	93.4	-	84.7	54.0
Total	**8,881.66**	**5,375.48**	**8,805.46**	**3,894.66**	**8,590.48**	**3,830.89**	**97.6**	**98.4**	**96.7**	**71.3**

***Source**: Kitui County Treasury*

Analysis of expenditure by departments shows that the Mwingi Town Municipality recorded the highest absorption rate of development budget above 99.9 per cent, followed by the Ministry of Roads and Public Works at 97.1 per cent. The Office of the Governor had the highest percentage of recurrent expenditure to budget at 101.2 per cent while the Ministry of Lands Housing and Urban Development had the lowest at 84.7 per cent.

3.18.12 Budget Execution by Programmes and Sub-Programmes

Table 3.125 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.125: Kitui County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
3711-Kitui - Office of The Governor							
Cabinet Affairs, Public Affairs and Human Resources	Decentralized Unit Headquarters	66,239,097	158,059,406	60,264,415	26,414,373	91	17
Devolution Services	Decentralized Units Service Delivery	30,321,998	-	24,509,494	-	81	
General Administration Planning and Support Services	General Administration and Planning Headquarters	855,403,200	1,072,405,539	881,079,982	964,814,788	103	90
National Social Safety Net	General Administration Headquarters	104,977,143	55,184,474	112,516,785	54,913,127	107	100
Enforcement Unit	Service Delivery Unit -H/Qs	67,863,410	-	52,176,647	-	77	-
Monitoring And Evaluation	Service Delivery Unit -H/Qs	21,951,280	-	35,940,838	-	164	-
Governors Services	Delivery Unit Headquarters	45,862,672	-	44,415,879	-	97	-
Chief Of Staff	Chief Of Staff Headquarters	31,958,000	-	28783696	-	90	

Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Office Of the County Attorney	Office Of Attorney Headquarters	50,875,866.00	-	50713416	-	100	-
Office Of the County Secretary	County Secretary Headquarters	-	-	-	-	-	-
TOTAL	-	**1,275,452,666.00**	**1,285,649,419.00**	**1,290,401,152.00**	**1,046,142,288.00**	101	81
Ministry Of Health and Sanitation							
Curative Health Services	Curative And Rehabilitative Services Headquarters	-	34,767,495	-	30,721,685	-	88
General Administration Planning and Support Services	Medical Services Headquarters	69,671,076	2,999,805	68,765,794	2,999,000	99	100
General Administration Planning and Support Services	Medical Services Headquarters	852,175,390	169,205,523	852,132,731	151,819,120	100	90
Curative Health Services	Medical Services	1,525,415,917	21,274,334	1,511,323,131	20,208,894	99	95
Maternal And Child Health	Public Health	148,878,249	-	149,047,622	-	100	-
Preventive And Promotive Health Services	Public Health	871,389,880	22,087,656	873,231,597	14,680,665	100	66
Total	-	**3,467,530,512**	**250,334,813**	**3,454,500,875**	**220,429,364**	100	88
County Public Service Board							
General Administration, Planning and Support Services	General Administration and Planning Headquarters	46,475,589	**15,000,000**	44,869,346	-	97	-
Human Resource Management & Development	HRM Headquarters	13,194,096	-	12,168,885	-	92	-
Governance And County Values	Governance Headquarters	4,664,118	-	4,480,695	-	96	-
Total	-	**64,333,803**	**15,000,000**	**61,518,926**	-	96	-
County Assembly							
General Administration, Planning and Support Services	General Administration, Planning and Support Services Headquarters	318,725,913	**229,058,553**	309,750,616	**26,200,000**	97	11
Legislative Representation and Oversight	Legislative Headquarters	862,088,375	-	687,010,678	-	80	-
		1,180,814,288	**229,058,553**	**996,761,294**	**26,200,000**	84	11
Kitui Municipality							
General Administration, Planning and Support Services	General Administration, Planning and Support Services Headquarters	7,580,839	1,480,545	6,366,046	1,476,950	84	100
Social Protection, Culture and Recreation	Planning Development Control and Infrastructure	64,683,174	83,701,157	64,629,097	75,477,136	100	90
Trade Development and Promotion	Trade, Commerce and Industrialization	-	9,580,478	-	4,338,951	-	45
Road Transport	Environment, Culture, Recreation and Community Development	20,291,830	5,135,186	19,491,700	5,134,686	96	100
Total		**92,555,843**	**99,897,366**	**90,486,843**	**86,427,723**	98	87
Mwingi Town Municipality							
General Administration, Planning and Support Services	General Administration, Planning and Support Services Headquarters	40,802,031	1,607,595	41,543,421	1,607,595	102	100
Environmental Policy Management	Environment, Culture, Recreation and Community Development	740,897	8,222,466	689,596	8,222,222	93	100

Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Government Building	General Administration, Planning and Support Services Headquarters	5,777,726	4,744,530	5,931,852	4,724,144	103	100
Devolution Services	General Administration, Planning And Support Services Headquarters	479,107	2,179,802	454,814.00	2,179,802	95	100
Urban And Metropolitan Development	Planning Development Control and Infrastructure		8,879,517		8,879,515		100
Urban And Metropolitan Development	Planning Development Control and Infrastructure	17,320,108	6,380,944	11,995,754	6,380,944	69	100
		65,119,869	**32,014,854**	**60,615,437**	**31,994,222**	93	100
Office Of the Deputy Governor							
Performance Contracting, Disaster and Emergency Services	Performance Management & Disaster Mitigation Headquarters	66,281,731	17,653,942	64,351,001	14,842,851	97	84
Tourism Development and Promotion	Tourism Development and Mitigation Headquarters	47,939,588	3,781,102	44,230,020	4,638,645	92	123
Tourism Development and Promotion	Tourism Development and Mitigation Headquarters	31,997,399	11,994,472	29,990,373	11,994,471	94	100
General Administration and Planning	General Administration and Planning Headquarters	39,102,141	16,508,885	36,122,902	15,860,657	92	96
Total		**185,320,859**	**49,938,401**	**174,694,296**	**47,336,624**	94	95
Ministry Of Water and Irrigation							
General Administration and Planning	General Administration Headquarters	64,481,730	-	64,268,188	-	100	
Irrigation And Drainage Infrastructure	Irrigation Headquarters	15,287,837	336,358,006	14,486,671	286,208,618	95	85
Water Resource Management	Water Headquarters	14,378,830	329,901,130	5,830,420	267,234,375	41	81
Water Resource Management	Water Headquarters	21,632,308	123,487,989	20,586,450	110,638,667	95	90
Total		**115,780,705**	**789,747,125**	**105,171,729**	**664,081,660**	91	84
Education Training and Skills Development							
Primary Education	Basic Education ECDE & Childcare Facilities	700,375,477	124,140,594	698,542,081	103,409,911	100	83
Youth Training and Development	Polytechnics, Vocational Centres and Home Craft Headquarters	117,893,531	67,604,000	117,366,363	54,263,299	100	80
Youth Training and Development	Polytechnics, Vocational Centres and Home Craft Headquarters	36,063,512	2,204,000	35,149,026	2,201,100	97	100
Total		**854,332,520**	**193,948,594**	**851,057,470**	**159,874,310**	100	82
Ministry Of Roads, Public Works and Transport							
General Administration and Planning	**General Administration and Planning Headquarters**	**129,062,997**	-	**127,840,282**	-	99	-
Government Buildings	Public Works	29,955,290	8,000,000	25,158,284	7,673,918	84	96
Road Transport	Road Transport Headquarters	4,274,000	367,407,070	6,029,681	365,064,545	141	99
Government Buildings	Public Works	**31,427,760**	129,466,400	**25,148,955**	117,277,479	80	91
Total		**194,720,047**	**504,873,470**	**184,177,202**	**490,015,942**	95	97
Ministry Of Trade Industry And MSMS							
General Administration and Support -H/Qs	General Administration Headquarters	114,188,485	292,244,755	112,781,080	160,050,905	99	55

Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Trade Development and Promotion	Trade And Markets Headquarters	20,646,524	-	19,711,650	-	95	-
Cooperatives	Cooperative Headquarters	53,588,822	-	32,683,243	-	61	-
Total		**188,423,831**	**292,244,755**	**165,175,973**	**160,050,905**	88	55
Ministry Of Energy Environment and Forestry							
General Administration and Planning	General Administration Headquarters	31,768,904.00	-	31,825,880.00	-	100	
Power Transmission and Distribution	Energy, Mineral & Natural Resources	34,798,917.00	10,000,000.00	35,188,824.00	8,779,153.00	101	88
Alternative Energy Technologies	Energy, Mineral & Natural Resources	-	64,583,638.00	-	63,541,783.00	-	98
Mineral Resources Management	Energy, Mineral & Natural Resources	-	10,549,632.00	-	4,219,032.00	-	40
Environment Management and Protection	Environment And Forestry	3,450,293.00	4,800,000.00	3,230,914.00	4,757,690.00	94	99
Environment Management and Protection	Environment And Forestry	21,595,602.00	279,839,024.00	21,572,182.00	56,816,651.00	100	20
Total		**91,613,716.00**	**369,772,294.00**	**91,817,800.00**	**138,114,309.00**	100	37
Ministry Of Culture Gender Youth ICT Sports and Social Services							
General Administration and Planning	General Administration Headquarters	40,317,632	-	40,393,260	-	100	-
Social Services	Social Services Headquarters	2,453,400	27,715,358	2,377,798	23,674,211	97	85
Culture	Culture Headquarters	24,932,288	6,474,899	21,802,907	3,890,850	87	60
Gender	Gender Headquarters	-	76,240,185	-	72,317,826		95
Sports	Sports Headquarters	28,979,449	11,950,000	26,692,629	10,377,417	92	87
ICT & Innovation	ICT Headquarters	15,812,011	700,000	11,977,591	578,610	76	83
Total	-	**112,494,780**	**123,080,442**	**103,244,185**	**110,838,914**	92	90
Ministry Of Finance Economic Planning and Revenue Management							
Training And Skills Development	General Administration, Planning and Support Services	380,619,631	139,956,716	365,532,903	101,587,735	96	73
Accounts	Accounts Headquarters	29,449,800	-	30,485,877	-	104	-
Budgetary Supplies	Budgetary Headquarters	23,798,791	-	24,837,853	-	104	-
Economic Planning	Economic Planning Headquarters	28,055,576	-	28,517,227	-	102	-
Internal Audit	Internal Audit Headquarters	10,957,200	-	11,480,857	-	105	-
Revenue Management	Revenue Management Headquarters	44,858,219	-	46,633,421	-	104	-
Total		**517,739,217**	**139,956,716**	**507,488,138**	**101,587,735**	98	73
Ministry Of Agriculture and Livestock							
General Administration and Planning	General Administration Headquarters	285,049,220	-	286,307,193	-	100	
Crop Development and Management	Agriculture Headquarters	7,299,273	427,799,019.00	7,057,327.00	188,986,218	97	44
Agricultural Extension Services	Agriculture Headquarters	54,415,320	291,256,173	50,018,148	226,322,785	92	78
Agribusiness And Information Management	Agriculture Headquarters	-	92,542,032	-	65,757,767	-	71
Fisheries Development and Management	Livestock Headquarters	723,997	85,165,660	495,748	7,498,825	68	9
Livestock Resources Management and Development	Livestock Headquarters	14,081,942	8,173,650	13,046,061	7,795,750	93	95
Total		**361,569,752**	**904,936,534**	**356,924,477**	**496,361,345**	99	55

Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Lands, Infrastructure, Housing and Urban Development							
General Administration and Planning	General Administration Headquarters	72,900,914.00	-	62,937,734.00	-	86	-
Land Information & Management	Land Information and Management Headquarters	-	27,554,707.00	-	6,427,204.00	-	23
Land Policy and Planning	Land Information and Management Headquarters	15,101,200	11,900,000.00	13,139,408.00	-	87	-
Land Policy and Planning	Land Survey	7,676,600	1,936,922	5,111,820	-	67	-
Housing Development and Human Settlement	Urban Development	18,178,844	53,838,781	15,256,642	45,004,433	84	84
Total		**113,857,558**	**95,230,410**	**96,445,604**	**51,431,637**	85	54
GRAND TOTAL		**8,881,659,966**	**5,375,683,746**	**8,590,481,401**	**3,830,886,978**	**97**	**71**

***Source**: Kitui County Treasury*

The report on budget execution by programmes and sub-programmes showed that programmes under the Office of the Governor, Finance, Economic Planning and Revenue Management, Energy Environment and Forestry, Roads, Public Works and Transport and Mwingi Municipality had expenditures above approved budget allocations. The absorption rate above 100 per cent is irregular and should be addressed by respective accounting officers.

3.18.13 Accounts Operated Commercial Banks

The County government operated a total of 5 accounts with commercial banks. 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.

3.18.14 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;

1. 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 30th July 2024.
2. Failure by Fund Administrators to submit quarterly financial and non-financial reports to the COB within the timelines provided in 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.
3. High level of pending bills which amounted to Kshs.393.98 million as of 30th June 2024. Further, there was non-adherence to the pending bills payment plan by the County Treasury.
4. High wage bills which accounted for 40.5 per cent of the County total revenue in FY 2023/24 which is above the ceiling provided in law.
5. Use of manual payroll. Personnel emoluments amounting to Kshs.137.83 million were processed through the manual payroll, accounting for 5.1 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.
6. Excessive foreign travel by the County Assembly, which is not prudent.
7. High expenditure on domestic travel at Kshs.387.36 million

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

2. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
3. *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.*
4. *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.*
5. *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.*
6. *The County Assembly should curb the excessive foreign travel and instead train locally,if need be, to conserve resources.*
7. *The County should minimize travelling expenditure by holding activities within the County Headquarters.*

3.19. County Government of Kwale

3.19.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.14.26 billion, comprising Kshs.6.13 billion (43.0 per cent) and Kshs.8.13 billion (57.0 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 19.5 per cent compared to the previous financial year when it was Kshs.11.93 billion and comprised of Kshs.4.87 billion towards development expenditure and Kshs.7.06 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.8.58 billion (60.2 per cent) as the equitable share of revenue raised nationally, Kshs.2.98 billion as additional allocations/conditional grants (20.9 per cent), a cash balance of Kshs.2.10 billion (14.7 per cent) from FY 2022/23 and generate Kshs.600 million (4.2 per cent) as gross own source revenue. The own-source revenue includes Kshs.265.75 million (1.9 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.334.25 million (2.3 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.123.

3.19.2 Revenue Performance

In the FY 2023/24, the County received Kshs.7.90 billion as an equitable share of the revenue raised nationally, Kshs.1.19 billion as additional allocations/conditional grants, and Kshs had a cash balance of Kshs.2.10 billion from FY 2022/23, and raised Kshs.427.38 million as own-source revenue (OSR). The raised OSR includes Kshs.169.53 million as FIF and Kshs.257.84 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.11.61 billion, as shown in 3.126.

Table 3.126: Kwale County Revenue Performance in the FY 2023/24

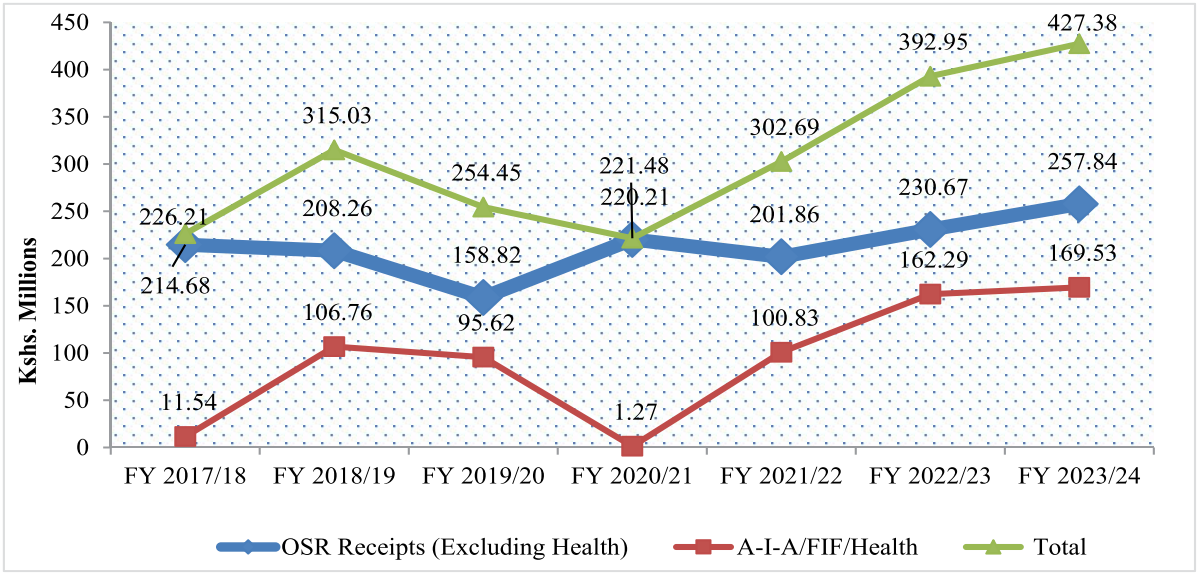
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	8,584,103,693	7,897,375,394	92.0
Sub Total		**8,584,103,693**	**7,897,375,394**	**92.0**
B	**Conditional Grants**			
1	Provision of Fertilizer Subsidy Programme	90,011,220	-	-
2	Allocation for Mining Royalties (Unconditional Grant)	1,166,507,886	-	-

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
3	Urban Institutional Grant (UIG)	11,426,233	-	-
4	DANIDA Grant to Supplement Financing of Health Facilities	14,206,500	14,206,500	100.0
5	World Bank Grant for Universal Health Care Project -	22,171,888	-	-
6	European Union IDEAS Grant Trench III	11,000,000	-	-
7	National Agricultural and Rural Inclusive Growth Project	38,900,000	4,261,826	11.0
8	National Agricultural Value Chain Development Project	252,807,271	199,781,175	79.0
9	Agricultural Sector Development Support Programme	31,711,863	1,111,669	3.5
10	Water and Sanitation Development Project (WSDP)	900,000,000	629,262,672	69.9
11	Kenya Informal Settlement Improvement Project KISIP II	112,211,667	112,211,667	100.0
12	Financing Locally Led Climate Action (FLLoCA)-Institutional Grant	11,000,000	11,000,000	100.0
13	De-risking and Value Enhancement (DRIVE)	63,341,980	-	-
14	World Bank Loan for Kenya Urban Support Program	33,395,288	-	-
15	Kenya Marine Fisheries &Socio-Economic Development (KEMFSED)	100,730,260	100,730,260	100.0
16	County Climate Change Resilient Investment (CCCRI)	117,811,727	117,811,727	100.0
Sub-Total		**2,977,233,783**	**1,190,377,496**	**40.0**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	334,245,200	257,844,508	77.1
2	Balance b/f from FY2022/23	2,098,331,286	2,098,331,286	100.0
3	Facility Improvement Fund (FIF)	265,754,800	169,533,420	63.8
Sub Total		**2,698,331,286**	**2,525,709,214**	**93.6**
Grand Total		**14,259,668,762**	**11,613,462,104**	**81.4**

Source: *Kwale County Treasury*

Figure 73 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 73: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24

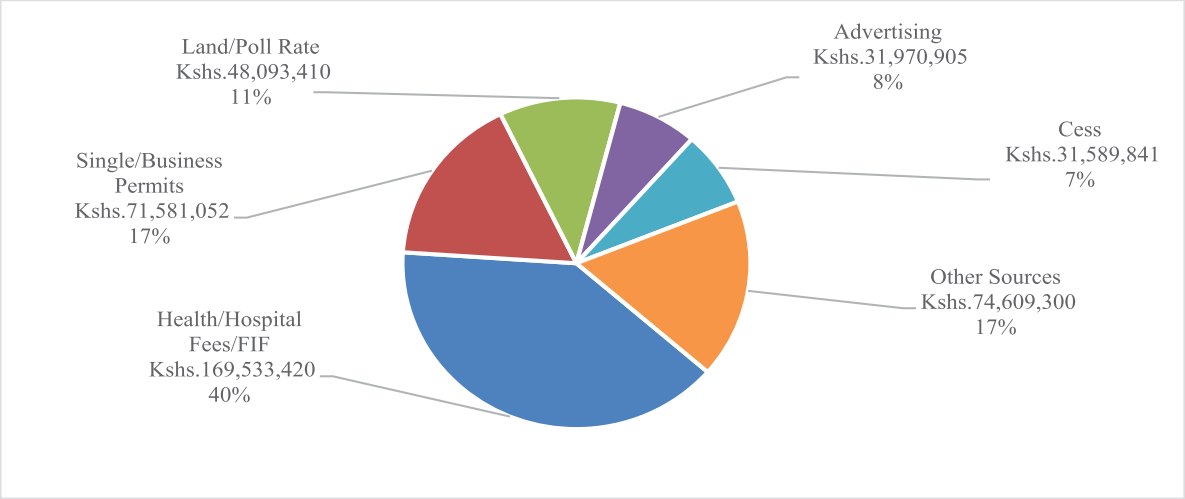


Source: *Kwale County Treasury*

In FY 2023/24, the County generated a total of Kshs.427.38 million from its sources of revenue, including FIF and AIA. This amount represented an increase8.8 per cent increase compared to Kshs.392.95 million realized in FY 2022/23 and was 71.2 per cent of the annual target and 5.4 per cent of the equitable revenue share disbursed

during the period. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.92.00 million. The revenue streams which contributed the highest OSR receipts are shown in Figure 74.

Figure 74: Kitui County, Top Streams of Own Source Revenue in the FY 2023/24



Source: Kwale County Treasury

The highest revenue stream, Kshs.169.53 million, was from health/hospital fees, contributing 40.0 per cent of the total OSR receipts during the reporting period.

3.19.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.10.24 billion from the CRF account comprised Kshs.3.17 billion (31.0 per cent) for development programmes and Kshs.7.07 billion (69.0 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.3.92 billion was released towards Employee Compensation and Kshs.3.15 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.692.87 million.

3.19.4 County Expenditure Review

The County spent Kshs.10.14 billion on development and recurrent programmes in the reporting period. The expenditure represented 99.0 per cent of the total funds released by the CoB and comprised Kshs.2.96 billion and Kshs.7.17 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 48.3 per cent, while recurrent expenditure represented 88.2 per cent of the annual recurrent expenditure budget.

3.19.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.176.07 million for recurrent expenditure. In the FY 2023/24, the County settled pending bills amounting to Kshs.103.57 million.

At the end of FY 2023/24, the County Treasury reported an outstanding amount of Kshs.2.21 billion. The County Assembly did not report outstanding pending bills as of 30th Jun 2024.

3.19.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.53 billion on employee compensation, Kshs.2.90 billion on operations and maintenance, and Kshs.2.81 billion on

development activities. Similarly, the County Assembly spent Kshs.276.99 million on employee compensation, Kshs.468.26 million on operations and maintenance, and Kshs.155.69 million on development activities, as shown in Table 3.127.

Table 3.127: Summary of Budget and Expenditure by Economic Classification

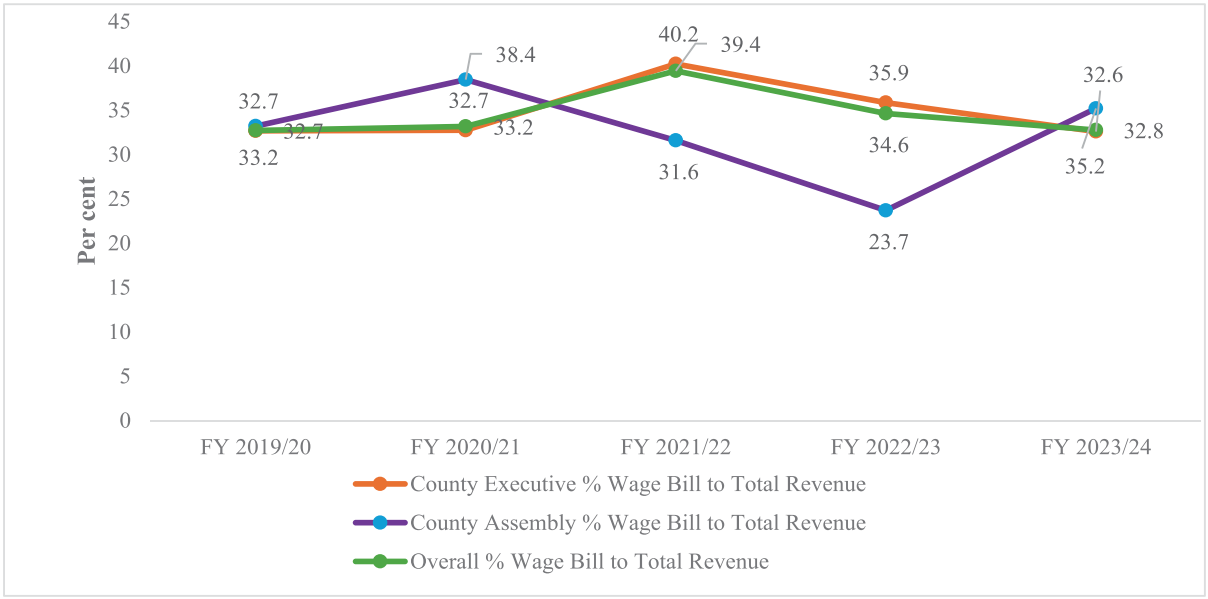
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**7,337,214,463**	**794,128,805**	**6,428,170,356**	**745,244,052**	**87.6**	**93.8**
Compensation to Employees	3,705,162,065	293,276,232	3,528,397,192	276,987,889	95.2	94.4
Operations and Maintenance	3,632,052,398	500,852,573	2,899,773,164	468,256,163	79.8	93.5
Development Expenditure	**5,831,241,734**	**297,083,761**	**2,806,794,399**	**155,691,234**	**48.1**	**52.4**
Total	**13,168,456,197**	**1,091,212,566**	**9,234,964,755**	**900,935,286**	**70.1**	**82.6**

***Source**: Kwale County Treasury*

3.19.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.3.81 billion, or 32.8 per cent of the available revenue, which amounted to Kshs.11.61 billion. This expenditure represented an increase from Kshs.3.29 billion reported in FY 2022/23. The wage bill included Kshs.1.95 billion paid to health sector employees, translating to 51.0 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 75.

Figure 75: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



***Source:** Kwale County Treasury*

Further analysis indicates that PE costs amounting to Kshs.3.71 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.91.46 million was processed through manual payrolls. The manual payrolls accounted for 2.4 per cent of the total PE cost.

The County Assembly spent Kshs.24.48 million on committee sitting allowances for the 31 MCAs against the annual budget allocation of Kshs.26.97 million. The average monthly sitting allowance was Kshs.65,816 per MCA. The County Assembly has established 22 Committees.

3.19.8 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.703.85 million to

county-established funds in FY 2023/24, constituting 4.9 per cent of the County's overall budget. Further, the County allocated Kshs.5.0 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 3.128 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.128: Performance of County Established Funds in the FY 2023/24

Name of the Fund	Approved Supplementary Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs.)	Submission of Annual Financial Statements (Yes/No)
County Executive Established Funds					
1. Bursary &Scholarship Fund	506,210,000	506,210,000	452,505,059	3,456,210,000	Yes
2. Emergency Fund	5,000,000	5,000,000	-	10,000,000	Yes
3. Trade Revolving Fund	-	-	-	123,490,000	No
4. Youth, Women & PWD Fund	-	-	-	52,000,000	Yes
5. Kwale County Climate Change Fund	66,229,482	58,905,864	14,295,744	139,811,728	Yes
Total	**577,439,482**	**570,115,864**	**466,800,803**	-	-
1. Car Loan &Mortgage Fund (County Assembly)	126,416,396	53,000,000	3,350,029	286,800,000	Yes
Total	**126,416,396**	**53,000,000**	**3,350,029**	**286,800,000**	-
Grand Total	**703,855,878**	**623,115,864**	**470,150,832**	**286,800,000**	-

Source: Kwale County Treasury

During the reporting period, the COB did not receive quarterly financial returns from the Fund Administrators of the Trade Revolving Fund, as indicated in Table 3.125, contrary to the requirement of Section 168 of the PFM Act, 2012.

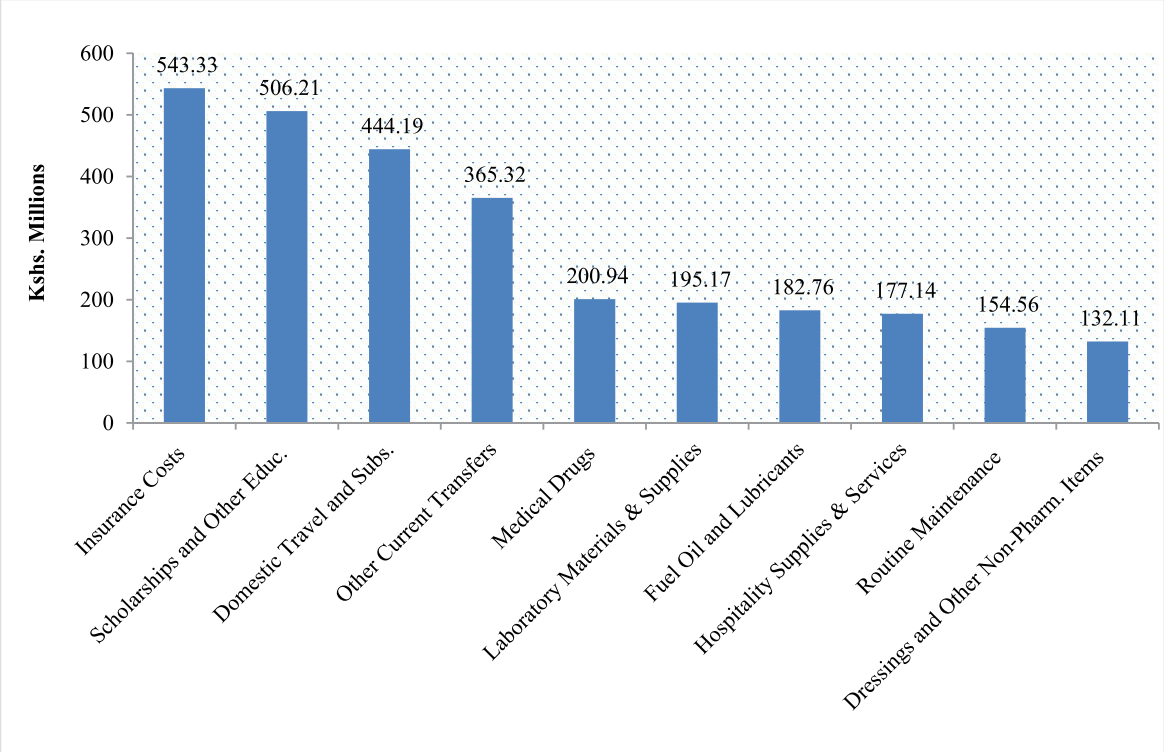
The administration costs of the Bursary &Scholarship Fund, Kwale County Climate Change Fund, and Car Loan &Mortgage Fund (County Assembly) were above the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

The County 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.

3.19.9 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.444.19 million and comprised Kshs.143.93 million spent by the County Assembly and Kshs.300.26 million by the County Executive. Expenditure on foreign travel amounted to Kshs.55.76 million and comprised Kshs.45.54 million by the County Assembly and Kshs.10.22 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.129 below; -

Table 3.129: Summary of Highest Expenditure on Foreign Travel as of 30th Jun 2024

Arm of County Government	No. of Officers Travelled	Dates Travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Office of the Governor	4	08/05/2024	Training	Morocco	2,382,466
Office of the Governor	1		Training	Italy	329,880
Office of the Governor	1		Training	Italy	279,844
County Assembly of Kwale	6		Directors and Speaker official visit Turkey	Turkey	2,156,182
County Assembly of Kwale	9	3-9th Nov 2023	Study tour for the MCAs and Staff	Arusha, Tanzania	4,333,490
County Assembly of Kwale	12	5-11th Nov 2023	bench marking trip to Kigali, Rwanda	Kigali, Rwanda	4,473,924
County Assembly of Kwale	1	28th Oct-7th Nov 2023	Attending Centre for Regional and International Development Programme in the UK.	United Kingdom	1,464,458
County Assembly of Kwale	10	16th-22nd Nov 2023	MCAs and Staff study tour to Malaysia	Malaysia	4,831,910
County Assembly of Kwale	14	28th Nov 2023	MCAs and Staff at Zanzibar Study Tour	Zanzibar	5,588,866
County Assembly of Kwale	7	17th -22nd July 2023	CASB during Study Tour to Dubai	Dubai	3,915,299
County Assembly of Kwale	1	30th Dec 2023	Hon. Speaker at Conference Dubai	Dubai	984,443
County Assembly of Kwale	9	16th Feb 2024	Staff on a Study tour at Arusha	Arusha, Tanzania	2,553,764
County Assembly of Kwale	1	24th Mar 2024	Hon. Speaker at EALSS Conference at Bujumbura	Burundi -Bujumbura	473,558

Arm of County Government	No. of Officers Travelled	Dates Travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly of Kwale	10	06th May2024	Staff on a Study tour at Arusha, Tanzania	Arusha, Tanzania	3,073,380
County Assembly of Kwale	9	24th Jun 2024	Staff on a Study tour at Dar salaam, Tanzania	Dar-Salam Tanzania	2,033,831
Executive	1	03rd Mar 2024	Participation in ITB Berlin 2024	Germany	876,788
Executive	1	03rd Mar 2024	Participation in ITB Berlin 2024	Germany	666,150
Executive	1	03rd Mar 2024	Participation in ITB Berlin 2024	Germany	1,164,520
Executive-Tourism and ICT	2	1st-10th March 2024	To attend the Tourism Expo	Berlin-Germany	1,070,135

Source: *Kwale County Treasury and Kwale County Assembly*

The operations and maintenance costs include an expenditure of Kshs.46.67 million on legal fees/dues, arbitration, and compensation payments.

3.19.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.2.96 billion on development programmes, representing an increase of 0.4 per cent compared to FY 2022/23, when the County spent Kshs.2.95 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.130: Kwale County, List of Development Projects with the Highest Expenditure

No.	Project Name	Project Location	Contract Sum {Kshs.}	Amount Paid To date {Kshs.}	Implementation Status {%}
1.	Water and Sanitation Project Grant	Kwale HQ	900,000,000	634,435,802	70
2.	Assembly complex- Fittings & Fixtures	Tsimba-Golini Ward	136,525,897	136,051,793	100
3.	Construction of Governor Residence	Tsimba/Golini	149,216,375	124,239,639	70
4.	Assembly complex- Proposed External Works	Tsimba-Golini Ward	156,399,413	116,195,999	74
5.	Construction of Bofu Dam	Kasemeni Ward	68,082,925	68,078,459	100
6.	Construction of fruit processing plant in Shimba Hills Phase I - Kubo south	Kubo southward	67,794,770	67,794,770	100
7.	Assembly Complex- Mechanical Works	Tsimba-Golini Ward	69,486,668	55,017,012	79
8.	Hansard Equipment for the County Assembly	Tsimba-Golini Ward	110,000,000	47,501,722	43
9.	Proposed construction of Lemba (Diani) market phase 1	Ukunda	46,730,483	46,730,483	100
10.	Tarmacking of National Cereals and Produce Board-Godoni Road Phase II	Kwale	147,441,525	44,327,303	30

Source: Kwale County Treasury

3.19.11 Budget Performance by Department

Table 3.131 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.131: Kwale 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	1,341.53	28.38	1,143.56	20.00	1,270.19	20.00	111.1	100.0	94.7	70.5
Agriculture, Livestock and Fisheries	201.84	762.00	169.80	344.64	162.30	243.24	95.6	70.6	80.4	31.9

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
Land, Environment, Mining and natural resources	98.81	434.13	68.33	309.56	76.93	89.44	112.6	28.9	77.9	20.6
Medical and Public Health Services	2,924.36	399.88	2,798.52	174.25	2,747.71	173.70	98.2	99.7	94.0	43.4
County Assembly	794.13	297.08	687.27	99.67	745.24	155.69	108.4	156.2	93.8	52.4
Trade, Investment and Cooperative Development	91.03	256.74	54.76	141.97	58.09	154.38	106.1	108.7	63.8	60.1
Community Development	138.87	233.92	104.02	113.08	111.99	113.08	107.7	100.0	80.6	48.3
Executive Services	177.40	11.84	164.57	-	153.05	-	93.0	-	86.3	-
Education	1,272.78	516.28	1,191.79	237.25	1,154.20	239.50	96.8	100.9	90.7	46.4
Water Services	139.74	1,705.10	103.86	1,136.18	108.04	1,132.80	104.0	99.7	77.3	66.4
Roads and Public Works	165.01	848.03	110.32	302.68	109.78	338.57	99.5	111.9	66.5	39.9
Tourism and ICT	91.99	79.64	36.70	39.71	38.76	39.55	105.6	99.6	42.1	49.7
County Public Service Board	75.58	-	56.04	-	56.73	-	101.2	-	75.1	-
Public Service & Administration	404.04	41.93	269.90	32.79	274.32	32.79	101.6	100.0	67.9	78.2
Kwale Municipality	14.36	101.77	5.10	61.53	5.78	72.97	113.3	118.6	40.3	71.7
Diani Municipality	28.10	79.10	16.74	46.98	16.45	46.98	98.3	100.0	58.5	59.4
County Attorney	70.16	-	47.13	-	46.33	-	98.3	-	66.0	-
Lunga Lunga Municipality	3.90	50.60	0.81	13.48	1.15	13.48	142.0	100.0	29.5	26.6
Kinango Municipality	3.10	46.90	1.65	22.38	1.59	22.38	96.4	100.0	51.3	47.7
Preventive Health Services	94.60	235.00	37.60	73.90	34.77	73.93	92.5	100.0	36.8	31.5
Total	**8,131.33**	**6,128.32**	**7,068.47**	**3,170.05**	**7,173.40**	**2,962.48**	**101.5**	**93.5**	**88.2**	**48.3**

***Source**: Kwale County Treasury*

Analysis of department expenditure shows that the Department of Public Service and Administration recorded the highest absorption rate of the development budget at 78.2 per cent, followed by the Department of Finance and Economic Planning at 71.7 per cent. The Department of Finance and Economic Planning had the highest percentage of recurrent expenditure to budget at 94.7 per cent. In comparison, the Department of Lunga Lunga Municipality had the lowest at 29.5 per cent.

Budget Execution by Programmes and Sub-Programmes

Table 3.132 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.132: Kwale County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Vote:3061-Kwale - Finance and Economic Planning							
102003061	102053060 - General administration and support services	-	-	-	-	-	-

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
703003061	703033060 - Monitoring and evaluation of county programmes and projects	-	-	-	-	-	-
	703053060 - Establishment of proper financial reporting system	-	-	-	-	-	-
	703013060 - Enhanced revenue collection for the county	-	-	-	-	-	-
	703063060 - Fiscal Planning	-	-	-	-	-	-
	703023060 - Budget formulation, coordination and management	210,702,925	-	204,415,134	-	97	-
704003061	704013060 - Audit Services	264,607,391	-	264,505,097	-	100	
	704043060 - General Administration	675,743,172	28,380,000	628,640,913	20,000,000	93	70
	704023060 - Purchasing and Supplies Management	-	-	-	-	-	-
710003061	710013060 - Revenue Collection Management	130,643,833	-	119,572,434	-	92	-
	710023060 - Revenue Collection System Automation	-	-	-	-	-	-
711003061	711023060 - Procurement Services	14,080,000	-	14,069,588	-	100	-
	711033060 - Risk Assurance Services	19,965,000	-	14,154,163	-	71	-
	711013060 - Public Finance and Accounting Services	25,791,841	-	24,832,385	-	96	-
Total		**1,341,534,162**	**28,380,000**	**1,270,189,713**	**20,000,000**	**95**	**70**
Vote:3062-Kwale - Agriculture, Livestock and Fisheries							
102003062	102023060 - Livestock resources management and development	-	-	(2,256,480)	-	-	-
	102013060 - Crop development and productivity	-	-	-	-	-	-
	102063060 - Personnel Services	156,172,416	-	144,628,574	-	93	-
	102033060 - Fisheries development	-	-	-	-		-
	102053060 - General administration and support services	13,334,830	332,947,092	6,695,540	62,061,107	50	19
107003062	107033060 - Farm Land Utilization, Mechanization and Crop Storage	20,286,996	25,980,573	5,225,292	20,958,578	26	81
	107013060 - Crop Production and Food Security	3,130,000	281,578,393	3,649,757	121,659,742	117	43
	107023060 - Agricultural Extension, Research and Training	650,000	4,999,225	330,000	-	51	-
108003062	108033060 - Livestock Disease Control	4,630,000	67,692,125	600,834	15,720,908	13	23
	108013060 - Dairy and Meat Production	1,620,000	-	1,793,189	-	111	-
	108023060 - Value Addition of Livestock and Livestock Products	-	24,355,000	626,000	14,938,750	-	61

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
109003062	109023060 - Value Addition and Marketing	-	24,446,165	-	7,897,454	-	32
	109013060 - Fish Production Management	2,020,000	-	1,009,949	-	50	-
Total		**201,844,242**	**761,998,573**	**162,302,655**	**243,236,539**	**80**	**32**
Vote:3063-Kwale - Land, Environment, Mining and Natural Resources							
101003063	101013060 - Facilitation of Town Planning	-	-	-	-	-	-
	101023060 - Coordination of Urban infrastructure development	-	-	-	-	-	-
102003063	102063060 - Personnel Services	49,055,744	-	45,941,055	-	94	-
	102073060 - Urban Development Support Services	-	-	-	-	-	-
	102053060 - General administration and support services	30,754,169	179,120,365	23,405,759	50,501,204	76	28
103003063	103043060 - Administration and support services	-	-	-	-	-	-
104003063	104013060 - Physical development plans	-	10,000,000	-	1,331,276	-	13
105003063	105023060 - Survey and conservation of cultural forest sites (Kaya forests)	-	-	-	-	-	-
	105033060 - Identification and acquisition of land for development	-	-	-	-	-	-
	105013060 - Establishment of squatter settlement schemes	10,500,000	44,973,500	3,625,300	15,611,990	35	35
	105043060 - Establishment of land information system	-	-	-	-	-	-
106003063	106033060 - Rehabilitation of degraded natural landscapes	-	-	540,090	-	-	-
	106023060 - County Environmental Awareness Initiative	8,496,900	200,038,440	3,418,616	22,000,000	40	11
	106013060 - School greening initiative	-	-	-	-	-	-
110003063	110013060 - Management of Quarrying and Sand Harvesting	-	-	-	-	-	-
111003063	111013060 - Kwale municipality	-	-	-	-	-	-
112003063	112013060 - Diani Municipality	-	-	-	-	-	-
901003063	901013060 - Identification and securing of mineral-rich land areas	-	-	-	-	-	-
	901023060 - Empowering communities in the extractive industry	-	-	-	-	-	-
Total		**98,806,813**	**434,132,305**	**76,930,820**	**89,444,470**	**78**	**21**
Vote:3064-Kwale - Health Services							

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
401003064	401053060 - Public health Hygiene	-	-	-	-	-	-
	401013060 - Community health strategy	-	-	-	-	-	-
	401023060 - Maternal newborn and child health	-	-	-	-	-	-
	401033060 - TB/HIV/ Malaria	-	-	-	-	-	-
402003064	402083060 - National Health Insurance Fund(NHIF)	-	-	-	-	-	-
	402073060 - Reproductive Health	-	-	-	-	-	-
	402023060 - Operational Rural Health Facilities	-	11,000,000	-	-	-	-
	402033060 - Operations and maintenance of hospitals	-	-	-	-	-	-
	402063060 - Communicable and Non-Communicable Diseases	-	-	-	-	-	-
	402053060 - Health Infrastructure Development	-	-	-	-	-	-
	402043060 - Medical Health Drugs	531,665,374	-	542,485,582	-	102	-
403003064	403023060 - Operational Research	-	-	-	-	-	-
	403013060 - General Administration	147,559,388	292,553,572	94,222,918	137,666,905	64	47
	403053060 - Personnel Services	2,032,406,939	-	1,952,531,366	-	96	-
	403043060 - HMIS	-	-	-	-	-	-
404003064	404013060 - Ambulance Services	-	-	-	-	-	-
405003064	405013060 - Msambweni hospital	92,990,000	55,325,000	63,781,347	13,435,380	69	24
406003064	406013060 - Kinango Hospital	35,961,700	9,700,000	28,733,777	9,492,560	80	98
407003064	407013060 - Kwale Hospital	41,095,000	11,300,000	32,673,440	5,175,821	80	46
408003064	408013060 - Tiwi Rural Health Facility	-	-	-	-		
409003064	409013060 - Samburu Hospital	22,121,500	11,000,000	16,270,739	3,433,998	74	31
410003064	410013060 - Lunga Lunga Hospital	20,556,059	9,000,000	17,010,703	4,500,000	83	50
411003064	411013060 - Public Health	-	-	-	-	-	-
412003064	412013060 - Rural Health Facilities	-	-	-	-	-	-
413003064	413013060 - Diani Health Centre	-	-	-	-	-	-
Total		**2,924,355,960**	**399,878,572**	**2,747,709,873**	**173,704,664**	**94**	**43**
Vote:3065-Kwale - County Assembly							
704003065	704013060 - Audit Services	293,276,232	-	277,502,229	-	95	
	704043060 - General Administration	303,111,536	186,550,939	280,691,508	155,691,234	93	83

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
705003065	705013060 - Oversight and legislation of county affairs	197,741,037	110,532,822	187,050,315	-	95	-
	705023060 - General Administration and Support Services	-	-	-	-	-	-
Total		**794,128,805**	**297,083,761**	**745,244,052**	**155,691,234**		
Vote:3066-Kwale - Industry, Trade and Investments							
301003066	301023060 - Availing Affordable credit to entrepreneurs for wealth creation	-	-	-	-	-	-
	301033060 - Market infrastructure development	-	-	-	-	-	-
	301043060 - Enforcement of Weights & Measures Act	2,750,077	3,000,000	1,442,863	3,000,000	52	100
	301013060 - Building capacity of traders for better market access	5,289,500	3,000,000	1,902,380	-	36	-
	301053060 - General administration and support services	-	-	-	-	-	-
302003066	302023060 - Investment publicity and promotion	5,962,000	-	1,755,768	-	29	-
	302013060 - To enhance the County government's participation in investment	-	-	-	-	-	-
303003066	303023060 - Popularizing the cooperative movement as a business model	-	-	-	-	-	-
	303013060 - Increase market share of MSMSEs in local & external markets	-	-	-	-	-	-
305003066	305023060 - Administration Services	29,666,563	84,436,108	11,024,084	63,750,694	37	76
	305013060 - Personnel Services	41,583,708	-	39,767,432	-	96	
306003066	306013060 - Rehabilitation of Existing Markets	3,892,000	-	1,509,015	-	39	-
	306023060 - Construction of New Markets	-	51,006,113	-	26,364,530	-	52
307003066	307013060 - Investment Promotion Services	1,888,607	115,293,420	685,910	61,266,146	36	53
Total		**91,032,455**	**256,735,641**	**58,087,452**	**154,381,370**	**64**	**60**
Vote:3067-Kwale - Community Development, Youth and Women Empowerment and Social Services							
305003067	305023060 - Administration Services	-	-	-	-	-	-
903003067	903023060 - Community development	10,045,739	-	7,570,245	-	75	-
	903013060 - Social services	18,525,000	-	15,624,362	-	84	-
	903033060 - Drug and substance abuse management	3,500,000	-	3,430,390	-	98	-
904003067	904023060 - Talent search and development	-	-	-	-		-

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	904013060 - Protection and promotion of positive culture and heritage	15,500,000	4,129,200	12,654,865	-	82	-
	904033060 - Culture and heritage investment promotion	-	-	-	-	-	-
905003067	905033060 - Youth empowerment program	-	-	-	-	-	-
	905013060 - Youth sporting talent search and development	27,300,000	-	17,978,350	-	66	-
	905023060 - Sports development program	-	170,243,525	-	78,676,773	-	46
906003067	906023060 - Administration Services	23,696,992	59,543,600	15,242,226	34,406,256	64	58
	906013060 - Personnel Services	40,306,465	-	39,491,208	-	98	
Total		**138,874,196**	**233,916,325**	**111,991,646**	**113,083,029**	**81**	**48**
Vote:3068-Kwale - Office of the Governor and the Deputy Governor							
701003068	701013060 - Administration and support services	-	-	-	-	-	-
	701033060 - General Administration and Support Services	-	-	-	-	-	-
	701023060 - Media and communication	-	-	-	-	-	-
	701043060 - County Coordination Services	-	-	-	-	-	-
702003068	702013060 - County Coordination Services	7,330,000	-	3,691,565	-	50	-
704003068	704073060 - Support services and efficiency enhancement	-	-	-	-	-	-
	704043060 - General Administration	82,490,490	11,840,486	67,111,728	-	81	-
	704063060 - Other Recurrent	-	-	-	-	-	-
	704033060 - County Coordination Services	-	-	-	-	-	-
	704013060 - Audit Services	78,809,427	-	74,899,672	-	95	-
706003068	706013060 - Human Resource Planning	-	-	-	-	-	-
707003068	707013060 - Legal Advisory Services	-	-	-	-	-	-
	707023060 - Economic Advisory Services	-	-	-	-	-	-
	707033060 - Media and Communication Services	8,772,521	-	7,351,030	-	84	-
Total		**177,402,438**	**11,840,486**	**153,053,995**	-	**86**	-
Vote:3069-Kwale - Education							
501003069	501033060 - General administration and support services	-	-	-	-	-	-
	501023060 - Youth training and development	-	-	-	-	-	-

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	501043060 - Infrastructure Development	-	208,026,165	-	77,393,312	-	37
	501013060 - Early childhood and development	63,654,884	-	25,654,270	-	40	-
502003069	502013060 - Administration Planning and support services	49,906,680	222,360,702	24,697,828	126,092,859	49	57
	502023060 - Personnel Services	640,808,811	-	592,299,931	-	92	
503003069	503023060 - Infrastructure Development	-	85,888,315	-	36,017,758		42
	503013060 - Administration	12,200,000	-	5,340,293	-	44	-
504003069	504013060 - Scholarship and Bursary	506,210,000	-	506,210,000	-	100	-
Total		**1,272,780,375**	**516,275,182**	**1,154,202,321**	**239,503,929**	**91**	**46**
Vote:3070-Kwale - Water and Urban Planning and Decentralized Units							
305003070	305023060 - Administration Services	-	-	-	-	-	-
701003070	701013060 - Administration and support services	-	-	-	-	-	-
902003070	902043060 - Administration and Support Services	-	-	-	-	-	-
1001003070	1001033060 - Development of Borehole water supply systems	-	149,154,025	-	66,136,547	-	44
	1001063060 - Community Water Project	-	35,920,000	-	27,831,628	-	77
	1001023060 - Construction and maintenance of water pipeline supply systems	-	135,690,375	-	61,586,850	-	45
	1001043060 - Development/ Construction of Surface water supply systems	-	176,126,975	-	64,815,733	-	37
	1001013060 - Assessment, Survey and Design of Water sources/supply systems	-	-	-	-	-	-
	1001053060 - Construction and maintenance of Rainwater Harvesting systems	-	-	-	-	-	-
	1002023060 - Administration Services	90,508,372	1,208,211,345	63,298,088	912,430,069	70	76
	1002013060 - Personnel Services	49,230,993	-	44,739,366	-	91	-
Total		**139,739,365**	**1,705,102,720**	**108,037,454**	**1,132,800,827**	**77**	**66**
Vote:3071-Kwale - Infrastructure and Public Works							
101003071	101023060 - Coordination of Urban infrastructure development	-	-	-	-	-	-
102003071	102053060 - General administration and support services	-	-	-	-	-	-

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	102063060 - Personnel Services	-	-	-	-	-	-
103003071	103013060 - Improvement of transport and connectivity	-	-	-	-	-	-
	103043060 - Administration and support services	-	-	-	-	-	-
	103033060 - Enhanced lighting in urban centres	-	-	-	-	-	-
202003071	202013060 - Rehabilitation of Roads, Drainage and Bridges	-	486,369,099	-	121,521,761	-	25
	202033060 - Fire fighting and Emergency Services	-	-	-	-	-	-
203003071	203013060 - Installation of Street Lighting Facilities	-	61,229,981	-	27,687,362	-	45
305003071	305013060 - Personnel Services	68,742,682	-	61,161,507	-	89	-
	305023060 - Administration Services	96,266,683	300,433,036	48,618,181	189,356,317	51	63
Total		**165,009,365**	**848,032,116**	**109,779,688**	**338,565,439**	**67**	**40**
Vote:3072-Kwale - ICT and Tourism							
201003072	201033060 - Data Center, information and information system security.	-	-	-	-	-	-
302003072	302013060 - To enhance the county government's participation in investment	-	-	-	-	-	-
304003072	304013060 - Tourism promotion	5,732,749	18,457,802	2,856,835	10,816,232	50	59
	304023060 - Majimoto eco-resort	-	-	-	-	-	-
	304063060 - Baseline Survey on Home Stays.	-	-	-	-	-	-
	304033060 - Beach management	-	-	-	-	-	-
	304043060 - Kaya Conservation	-	-	-	-	-	-
305003072	305023060 - Administration Services	51,097,227	54,205,374	6,544,302	23,773,385	13	44
	305013060 - Personnel Services	27,400,616	-	25,344,487	-	92	-
307003072	307013060 - Investment Promotion Services	-	-	-	-	-	-
308003072	308033060 - Data and Information Security	-	-	-	-	-	-
	308013060 - Local Area Network Installation/ICT Support	7,760,934	6,981,814	4,014,006	4,966,006	52	71
	308023060 - Fibre Optic Connectivity	-	-	-	-	-	-
	308043060 - Radio Programme	-	-	-	-	-	-
Total		**91,991,526**	**79,644,990**	**38,759,629**	**39,555,624**	**42**	**50**
Vote:3073-Kwale - County Public Service Board							

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
701003073	701033060 - General Administration and Support Services	-	-	-	-	-	-
704003073	704013060 - Audit Services	-	-	-	-	-	-
	704043060 - General Administration	-	-	-	-	-	-
706003073	706063060 - Staff Rationalization	6,570,000	-	5,382,010	-	82	-
	706053060 - Human Resource Planning	3,320,000	-	1,940,260	-	58	-
	706043060 - Compensation to employees	31,996,290	-	28,855,185	-	90	-
	706033060 - HR Management and Skill Development	-	-	-	-	-	-
	706013060 - Human Resource Planning	23,845,000	-	13,356,532	-	56	-
	706023060 - Transformation of service delivery in the public service	9,850,000	-	7,198,100	-	73	-
Total		**75,581,290**	-	**56,732,086**	-	**75**	-
Vote:3074-Kwale- Public Service and Administration							
701003074	701043060 - County Coordination Services	-	-	-	-	-	-
704003074	704043060 - General Administration	135,744,173	41,929,989	23,501,563	32,786,958	17	78
	704013060 - Audit Services	224,040,583	-	214,189,012	-	96	-
706003074	706043060 - Compensation to employees	-	-	-	-		-
708003074	708033060 - County compliance and enforcement	6,605,000	-	1,865,172	-	28	-
	708023060 - Devolved Units	-	-	-	-	-	-
	708013060 - Public Participation	-	-	-	-	-	-
709003074	709013060 - Infrastructure Development	-	-	-	-	-	-
712003074	712013060 - Sub-County Admin Msambweni	6,556,000	-	6,092,500	-	93	-
	712023060 - Sub County Admin Lunga Lunga	6,935,600	-	6,367,052	-	92	-
	712033060 - Sub County Admin Matuga	5,651,000	-	8,206,600	-	145	-
	712043060 - Sub County Admin Kinango	8,441,747	-	5,786,797	-	69	-
713003074	713013060 - County garbage and Cleaning Services	4,045,364	-	6,570,575	-	162	-
714003074	714013060 - General Administration Livestock Development	6,020,000	-	1,740,427	-	**29**	-

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Total		**404,039,467**	**41,929,989**	**274,319,698**	**32,786,958**	**68**	**78**
Vote:3075-Municipality of Kwale							
	102053060 - General administration and support services	14,357,105	-	5,783,226	-	40	-
	102063060 - Personnel Services	-	-	-	-	-	-
	111013060 - Kwale municipality	-	101,774,548	-	72,969,515	-	72
Total		**14,357,105**	**101,774,548**	**5,783,226**	**72,969,515**	**40**	**72**
Vote:3076-Municipality of Diani							
102003076	102053060 - General administration and support services	28,104,000	-	16,446,875	-	**59**	-
	102063060 - Personnel Services	-	-	-	-	-	-
112003076	112013060 - Diani Municipality	-	79,102,237	-	46,984,287	-	59
Total		**28,104,000**	**79,102,237**	**16,446,875**	**46,984,287**	**59**	**59**
Vote:3077-Kwale - County Attorney							
	0 - Default - Non Programmatic	-	-	46,700	-	-	-
704003077	704013060 - Audit Services	-	-	-	-		-
	704043060 - General Administration	70,163,600	-	46,287,081	-	66	-
Total		**70,163,600**	**-**	**46,333,781**	**-**	**66**	**-**
Vote:3078-Kwale - Lungalunga Municipality							
102003078	102053060 - General administration and support services	3,898,788	50,601,212	1,151,870	13,475,901	30	27
104003078	104013060 - Physical development plans	-	-	-	-	-	-
704003078	704043060 - General Administration	-	-	-	-	-	-
	704013060 - Audit Services	-	-	-	-	-	-
Total		**3,898,788**	**50,601,212**	**1,151,870**	**13,475,901**	**30**	**27**
Vote:3079-Kwale - Kinango Municipality							
102003079	102053060 - General administration and support services	3,100,000	46,900,000	1,588,983	22,376,722	51	48
104003079	104013060 - Physical development plans	-	-	-	-	-	-
704003079	704043060 - General Administration	-	-	-	-	-	-
	704013060 - Audit Services	-	-	-	-	-	-
Total		**3,100,000**	**46,900,000**	**1,588,983**	**22,376,722**	**51**	**48**
Vote:3080-Kwale - Preventive Health Services							
401003080	401033060 - TB/HIV/ Malaria	5,605,000	-	-	-	-	-
	401043060 - Neglected tropical diseases	1,000,000	-	-	-	-	-

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	401063060 - Healthcare Waste Management	4,803,000	-	-	-	-	-
	401013060 - Community health strategy	2,100,000	-	-	-	-	-
	401053060 - Public health Hygiene	5,839,657	-	1,199,700	-	21	-
	401073060 - Epidemics Control	1,000,000	-	-	-	-	-
403003080	403013060 - General Administration	-	77,385,608	-	38,508,200	-	50
408003080	408013060 - Tiwi Rural Health Facility	9,074,000	10,000,000	950,000	7,646,772	10	76
412003080	412013060 - Rural Health Facilities	62,665,167	147,611,230	32,391,771	27,770,156	52	19
413003080	413013060 - Diani Health Centre	2,512,492	-	227,120	-	9	-
Total		**94,599,316**	**234,996,838**	**34,768,591**	**73,925,128**	**37**	**31**
GRAND TOTAL		**8,131,343,268**	**6,128,325,495**	**7,173,414,408**	**2,962,485,637**	**88.2**	**48.3**

Source: *Kwale County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: County Garbage and Cleaning Services in the Department of Public Services and Administration at 162.0per cent, Sub-county Administration Matuga in the Department of Public Services and Administration at 145.0 per cent, Crop Production and Food Security in the Department of at Agriculture, Livestock and Fisheries at 117.0 per cent, and Dairy and Meat production at 111.0 per cent of budget allocation.

3.19.12 Accounts Operated Commercial Banks

The County government operated 35 accounts with commercial banks. 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.

3.19.13 Key Observations and Recommendations

While overseeing and reporting on the county budget implementation, the COB identified the following challenges that hampered effective budget implementation.

1. 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 30th Jul,2024.

2. The under performance of own-source revenue at Kshs.427.38 million against an annual target of Kshs.600 million, representing 71.2 per cent of the annual target.

3. High level of pending bills amounted to Kshs.2.21 billion as of 30th June 2024.

4. Use of 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, established Funds, Conditional grants, revenue collection and health facilities.

5. The reported expenditure on development activities accounted for 29.2 per cent of total expenditure, which is below the threshold of 30 per cent as provided under Regulation 25 (1) of the Public Finance Management (County Governments) Regulations 2015.

6. The administration costs of the Bursary &Scholarship Fund, Kwale County Climate Change Fund, and Car Loan & Mortgage Fund (County Assembly) 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.

7. High expenditure on domestic travel at Kshs.444.19 million

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

2. *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.*

3. *The County leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the next financial year. Adherence to the approved payment plan should be observed.*

4. *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.*

5. *The County Government should develop and implement strategies to increase expenditures on the development budget to achieve the 30 per cent threshold provided in law.*

6. *The CECM-Finance should review the administration costs of established funds to ensure that they are within the legal limits provided in law.*

7. *The County should minimize* travelling expenditure by holding activities within the County Headquarters.

3.20. County Government of Laikipia

3.20.1 Overview of FY 2023/24 Budget

The County's approved supplementary II budget for FY 2023/24 was Kshs.7.73 billion, comprising Kshs.2.78 billion (36.0 per cent) and Kshs.4.95 billion (64.0 per cent) allocation for development and recurrent programmes. The approved supplementary budget estimates represented an increase of 12.7 per cent compared to the previous financial year when it was Kshs.6.85 billion and comprised of Kshs.1.80 billion towards development expenditure and Kshs.5.05 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.5.36 billion (69.3 per cent) as the equitable share of revenue raised nationally, Kshs.746.74 million (9.7 per cent) as additional allocations/conditional grants, a cash balance of Kshs.103.9 million (1.3 per cent) brought forward from FY 2022/23 and generate Kshs.1.45 billion (18.7 per cent) as gross own source revenue. The own source revenue includes Kshs 602.5 million (7.8 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.842.5 million (10.9 per cent) as ordinary own-source revenue, AIA of Kshs.30 million (0.4 per cent) and other revenues of Kshs.42.49 million (0.5 per cent) A breakdown of the additional allocations/conditional grants is provided in Table 3.133.

3.20.2 Revenue Performance

In the FY 2023/24, the County received Kshs.4.93 billion as the equitable share of the revenue raised nationally, Kshs.151.75 million as additional allocations/conditional grants, a cash balance of Kshs.103.99 million from FY 2022/23 and raised Kshs.1.08 billion as own-source revenue (OSR). The raised OSR includes Kshs.16.62 million as A-I-A, Kshs.561.02 million as FIF and Kshs.499.99 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.6.29 billion, as shown in Table 3.133.

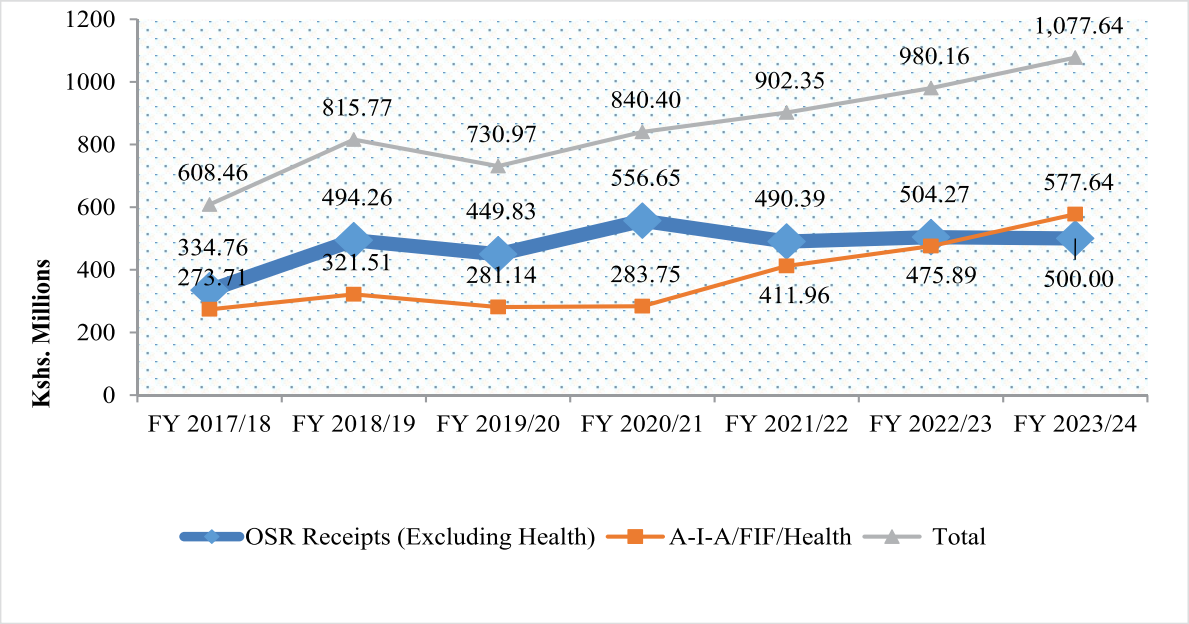
Table 3.133: Laikipia County, Revenue Performance in the FY 2023/24

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**	5,358,246,532	4,929,586,810	92.0
Sub Total		**5,358,246,532**	**4,929,586,810**	**92.0**
B	**Conditional Grants**			
1	Kenya Climate Smart Agriculture Project (KCSAP)	94,870,868	-	-
2	DANIDA Grant	7,623,000	7,623,000	100.0
3	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	1,933,282	1,933,282	100.0
4	Financing Locally Led Climate Action Programme (FLLoCA)	159,500,000	117,008,284	73.4
5	Provision of Fertilizer subsidy	66,899,161	-	-
6	Aggregated Industrial Parks Programme	100,000,000	-	-
7	EU Ideas (opening balance)	10,119,996	-	-
8	Livestock Value Chain Support Project	28,647,360	-	-
9	De-risking and Value Chain Enhancement (DRIVE)	90,941,980	-	-
10	Unconditional Allocations from Court fines	1,515,334	-	-
11	Equalization fund	119,083,799	-	-
12	Kenya Food Systems Resilience Program (KFSRP)	50,000,000	-	-
13	Kenya Agriculture Business Development Program (KABDP)	15,602,837	-	-
14	Kenya Devolution Support Project Level 2	-	1,753,500	-
15	KDSP Level 1 - Capacity Building (Opening Balance)	-	294,497	-
16	Stimulus Fund balance (returns to CRF)	-	23,136,132	-
Sub-Total		**746,737,617**	**151,748,695**	**20.3**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	842,500,000	499,999,607	59.3
2	Balance b/f from FY2022/23	103,993,512	103,993,512	100.0
3	Facility Improvement Fund (FIF)	602,500,000	561,020,491	93.1
4	Other Revenues	42,487,611	23,412,771	55.1
5	Appropriation in Aid (AIA)	30,000,000	16,616,000	55.4
Sub Total		**1,621,481,123**	**1,205,042,381**	**74.3**
Grand Total		**7,726,465,272**	**6,286,377,886**	**81.4**

Source: *Laikipia County Treasury*

Figure 77 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

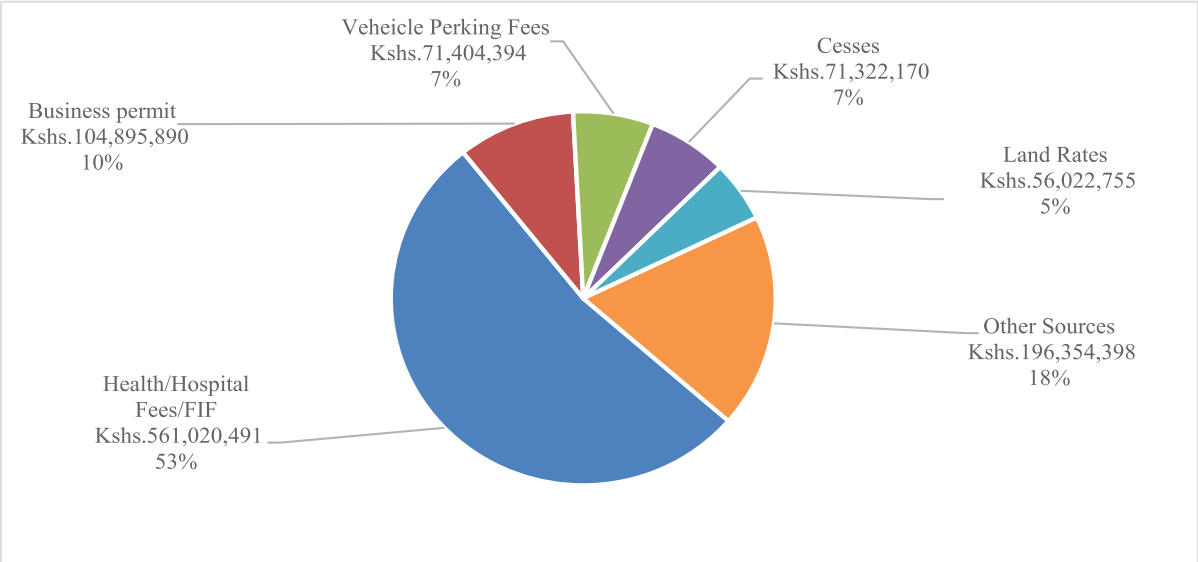
Figure 77: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Laikipia County Treasury*

In FY 2023/24, the County generated a total of Kshs.1.08 billion from its revenue sources, inclusive of FIF and AIA. This amount represented an increase of 9.9 per cent compared to Kshs.980.16 million realized in FY 2022/23 and was 73 per cent of the annual target and 22 per cent of the equitable revenue share disbursed during the period.The revenue streams that contributed the highest OSR receipts are shown in Figure 78.

Figure 78: Top Streams of Own Source Revenue in the FY 2023/24



Source: Laikipia County Treasury

The highest revenue stream, Kshs.561.02 million, was from the Health or Hospital Facility Improvement Fund, which contributed 53 per cent of the total OSR receipts during the reporting period.

3.20.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.02 billion from the CRF account during the reporting period, which comprised Kshs.1.54 billion (25.6 per cent) for development programmes and Kshs.4.48 billion (74.4 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24

indicates that Kshs.3.13 billion was released towards Employee Compensation and Kshs.1.35 billion for Operations and Maintenance expenditure.

3.20.4 Borrowing by the County

The County has an arrangement with the National Bank for the payment of salaries whenever there is a delay in the disbursement of the equitable share.

3.20.5 County Expenditure Review

The County spent Kshs.5.84 billion on development and recurrent programmes in the reporting period. The expenditure represented 97.0 per cent of the total funds released by the CoB and comprised of Kshs.1.35 billion and Kshs.4.49 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 48.7 per cent, while recurrent expenditure represented 90.7 per cent of the annual recurrent expenditure budget.

3.20.6 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.2.05 billion, comprising Kshs.1.09 billion for recurrent expenditure and Kshs.954.32 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.409.65 million, which consisted of Kshs.215.94 million for recurrent expenditure and Kshs.193.72 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.1.65 billion. This does not include unsettled bills from the 2023/24 financial year.

The County Assembly reported outstanding pending bills of Kshs.3.98 million as of 30th June 2024.

3.20.7 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.06 billion on employee compensation, Kshs.906.22 million on operations and maintenance, and Kshs.1.29 billion on development activities. Similarly, the County Assembly spent Kshs.218.34 million on employee compensation, Kshs.367.15 million on operations and maintenance, and Kshs.64.99 million on development activities, as shown in Table 3.134.

Table 3.134: Summary of Budget and Expenditure by Economic Classification

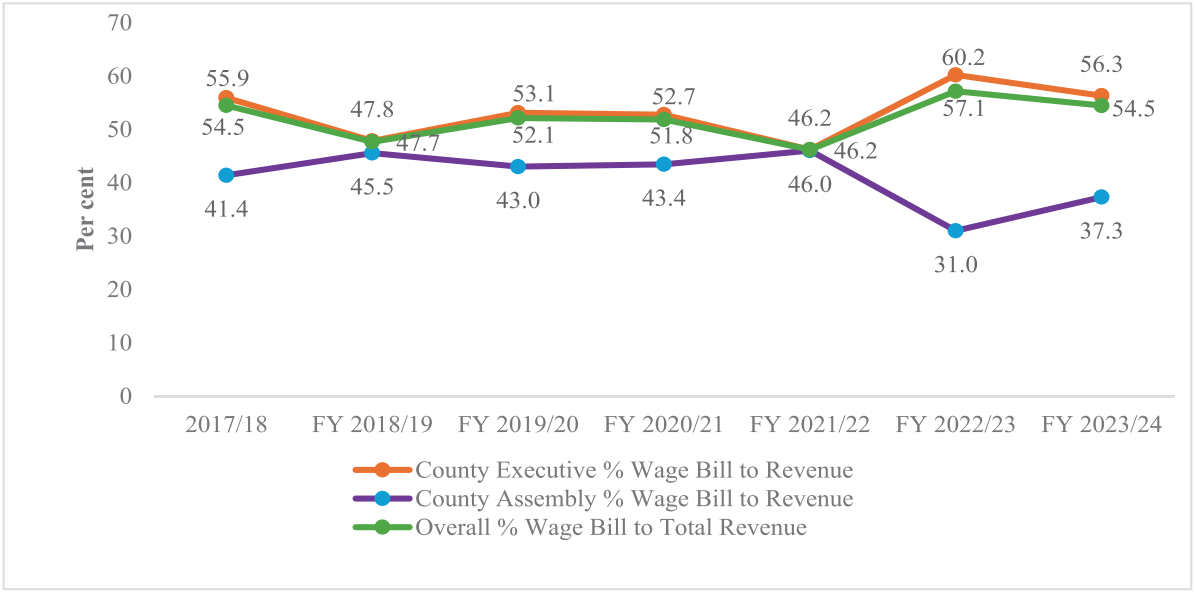
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**4,382,098,723**	**646,613,243**	**3,967,350,881**	**585,482,020**	**90.5**	**90.5**
Compensation to Employees	3,123,136,916	272,661,653	3,061,130,521	218,336,525	98.0	80.1
Operations and Maintenance	1,258,961,807	373,951,590	906,220,360	367,145,495	72.0	98.2
Development Expenditure	**2,698,557,500**	**80,000,000**	**1,289,486,941**	**64,990,079**	**47.8**	**81.2**
Total	**7,080,656,223**	**726,613,243**	**5,256,837,822**	**650,472,099**	**74.2**	**89.5**

***Source**: Laikipia County Treasury*

3.20.8 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs. 3.27 billion, or 54.2 per cent of the available revenue, which amounted to Kshs.6.02 billion. This expenditure represented a 10.3 per cent decrease from Kshs 3.65 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.1.72 billion paid to health sector employees, translating to 53 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 79.

Figure 79: Laikipia County ,Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Laikipia County Treasury

Further analysis indicates that PE costs amounting to Kshs.2.74 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.528.21 million was processed through manual payrolls. The manual payrolls accounted for 16.1 per cent of the total PE cost.

The County Assembly spent Kshs.9.22 million on committee sitting allowances for the 22 MCAs against the annual budget allocation of Kshs.21.19 million. The average monthly sitting allowance was Kshs.34,938 per MCA. The County Assembly has established 18 Committees.

3.20.9 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.251.06 million to county-established funds in FY 2023/24, constituting 3 per cent of the County's overall budget. Further, the County allocated Kshs.50.07 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 3.135 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.135: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Submission of Annual Financial Statements (Yes/No.)
	Laikipia County Development Authority	10,990,000	11,490,000	11,490,000	Yes
	Laikipia County Education Bursary Fund	75,000,000	-	75,000,000	Yes
	Laikipia County Emergency Fund	50,071,625	24,528,856	24,528,856	Yes
	Laikipia County Cooperative Development Revolving Fund	10,000,000	-	-	-
	Laikipia County Leasing Fund	85,000,000	70,882,827	70,882,827	Yes
	County Assembly Established Funds	20,000,000	20,000,000	20,000,000	Yes
	Total	**251,061,625**	**201,901,683**	**201,901,683**	-

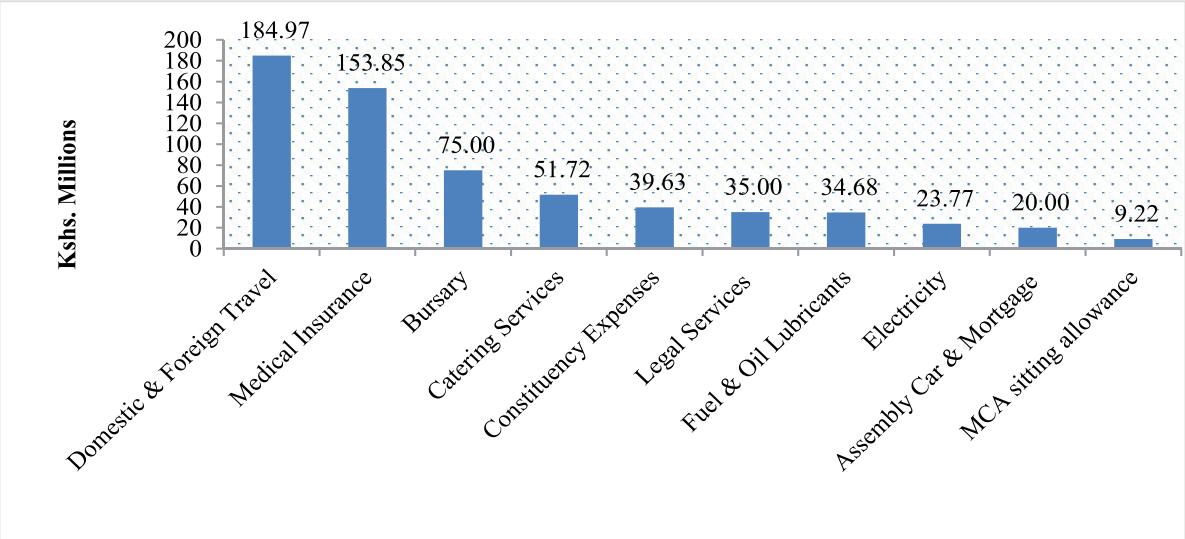
Source: Laikipia County Treasury

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.

3.20.10 Expenditure on Operations and Maintenance

Figure 80 summarises the Operations and Maintenance expenditure by major categories.

Figure 80: Laikipia County, Operations and Maintenance Expenditure by Major Categories



Source: *Laikipia County Treasury*

Expenditure on domestic travel amounted to Kshs.133.6 million and comprised Kshs.60.9 million spent by the County Assembly and Kshs.73,5 million by the County Executive. Expenditure on foreign travel amounted to Kshs. 51.37 million and comprised Kshs.46.65 million by the County Assembly and Kshs.4.7 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.136 below; -

Table 3.136: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel
Executive (County Administration)	2	24th-31st July 2023	Participating in due diligence of irrigation, technology & resource mobilization	Israel	2,775,256
Department Of Agriculture Livestock And Fisheries	2	24th July -31st July 2023	to attend an agriculture visit at Avnon Academy in Israel	Israel	1,947,395
Laikipia County Assembly	25	10th-16th September 2023	Training	Arusha	14,253,378
Laikipia County Assembly	20	10th-16th December 2024	Training	Arusha	11,378,658
Laikipia County Assembly	28	08th January-12th January 2024	Training	Arusha	20,754,739

Source: Laikipia County Treasury and County Assembly

3.20.11 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.35 billion on development programmes, an increase of 9.7 per cent compared to FY 2022/23, when the County spent Kshs.1.23 billion. The table 3.137 summarises the development projects with the highest expenditure in the reporting period.

Table 3.137: Laikipia County, List of Development Projects with the Highest Expenditure

No.	Project Name	Project Location	Budget (Kshs.)	Amount paid to date (Kshs)	Implementation status (%)
1	Proposed Construction of Modern Kiosk at Sosian	Sosian	3,996,200	3,996,200	100
2	Construction of Maternity Block at Melwa Dispensary	Melwa	3,959,323	3,959,323	100

No.	Project Name	Project Location	Budget (Kshs.)	Amount paid to date (Kshs)	Implementation status (%)
3	Grading, gravelling and culvert installation at Graton Lenaishio	Mukogondo East	3,844,588	3,844,588	100
4	Supply and Delivery of Vaccines	County Wide	2,840,000	2,840,000	100
5	Construction of Modern Kiosk at Kimanju Market	Kimanju Market	3,964,416	3,964,416	100
6	Rehabilitation of Kaguaru Spring Water	Igwamiti	2,912,712	2,912,712	100
7	Rehabilitation of Machunguru Borehole	Rumuruti	2,917,500	2,917,500	100
8	Drilling & development of Ngumo Secondary Borehole	Ngumo Secondary	1,907,500	1,907,500	100
9	Construction of 3 10m3 plastic tank base & pipping at Suguroi IDP Camp	Suguroi IDP Camp	1,517,601	1,517,601	100
10	Construction of Bodaboda sheds at Simoto, Ndurumo, Olenyiro and Kapkures	Rumuruti	1,526,444	1,526,444	100

Source: Laikipia County Treasury

3.20.12 Budget Performance by Department

Table 3.138 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.138: 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
County Administration, Public Service and Office of the Governor	3,345.96	19,100.0	3,193.54	14,81	3,195.81	14,81	100.1	100.0	95.5	77.5
Finance, Economic Planning and the County Treasury	227.996	630.73	224.29	487,.14	214.54	473.57	95.7	97.2	94.1	75.1
Health and Sanitation	369.61	712.44	303.05	333.39	299.06	340.19	98.7	102.0	80.9	47.8
Agriculture, Livestock and fisheries	209.92	234.99	25.25	67.14	37.61	62.33	149.0	92.8	17.9	26.5
Infrastructure & Public Works	47.62	385.30	38.75	196.48	42.99	194.09	112.9	98.8	90.3	50.4
Education, Youth & Sports	102.00	63.91	101.75	11.29	101.69	10.28	99.9	91.1	99.7	16.1
Trade, Tourism & Enterprise Development	20.00	375.80	17.22	78.96	18.08	78.96	105.0	100.0	90.4	21.0
Gender, Culture and Social Services	24.50	21.70	23.07	15.17	23.19	14.99	100.5	98.9	94.6	69.1
Water	26.00	248.60	25.96	191.97	25.88	94.27	99.7	49.1	99.6	37.9
Nanyuki Municipality	6.0	1.0	6.0	1.0	6.0	1.0	100.0	100.0	100.0	100.0
Rumuruti Municipality	2.5	5.0	2.5	5.0	2.5	5.5	100.0	100.0	100.0	100.0
County Assembly	565.81.00	80.00	520.49	64.99	521.48	64.99	100.2	100.0	92.2	81.2
Total	**4,947.90**	**2,778.56**	**4,481.19**	**1,467.34**	**4,488.83**	**1,354.48**	**100.2**	**92.3**	**90.7**	**48.7**

Source: *Laikipia County Treasury*

Analysis of expenditure by departments shows that the Department of Nanyuki Municipality and Rumuruti Municipality recorded the highest absorption rate of development budget at 100 per cent, followed by the

Department of County Administration at 77 per cent. The Department of Education had the highest percentage of recurrent expenditure to budget at 99.7 per cent, while the Department of Agriculture had the lowest at 17.9 per cent.

3.20.13 Budget Execution by Programmes and Sub-Programmes

Table 3.139 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.139: Laikipia County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure July 2023-June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
COUNTY ADMINISTRATION							
P3 General Administration and Planning	Headquarter Administration Services	27,000,000		25,681,365	-	95	-
Information communication and technical	ICT Infrastructure and Connectivity	1,800,000	1,600,000	1,722,680	1,513,200	96	95
General Administration and Planning	County Administration - Laikipia East	1,800,000		1,546,569	-	86	-
General Administration and Planning	County Administration - Laikipia North	400,000		316,324	-	79	-
General Administration and Planning	County Administration - Laikipia West	450,000		369,696	-	82	-
Sub-Total		**31,450,000**	**1,600,000**	**29,636,634**	**1,513,200**	**94**	95
COUNTY ADMINISTRATION							
General Administration and Planning	Compensation To Employees	3,226,955,793		3,085,191,125	-	96	-
Sub-Total		**3,226,955,793**	-	**3,085,191,125**	-	**96**	-
COUNTY ADMINISTRATION				-	-		-
County Executive Committee Support	Executive Support Service	54,000,000		49,950,374	-	93	-
County Executive Committee Support	Legal Services	4,900,000		4,313,660	-	88	-
County Executive Committee Support	Intergovernmental & Donor Liaison	1,050,000		690,260	-	66	-
Sub-Total		**59,950,000**	-	**54,954,294**	-	**92**	-
COUNTY ADMINISTRATION -							
County Administration	Public Participation	2,400,000		2,397,300	-	100	-
County Administration	County Services Delivery and Result Report	1,000,000		1,000,000	-	100	-
County Administration	Decentralized Services		13,000,000	-	10,875,426		84
Sub-Total		**3,400,000**	**13,000,000**	**3,397,300**	**10,875,426**	**100**	84
COUNTY ADMINISTRATION -							
Security and Policing Support Services	Urban Facilities Management Services	2,000,000		2,000,000	-	100	-
Human Capital Management and Devolution	County Public Service Board	14,500,000	1,500,000	13,571,780	1,500,000	94	100
Human Capital Management and Devolution	Information and Records Management	2,000,000		2,309,850	-	115	-

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure July 2023-June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Sub-Total		**18,500,000**	**1,500,000**	**17,881,630**	**1,500,000**	**97**	100
COUNTY ADMINISTRATION							
County Administration	Fleet	800,000		640,100	-	80	-
Sub-Total		**800,000**	-	**640,100**	-	**80**	-
COUNTY ADMINISTRATION							
Public Safety, Enforce and Disaster Management	Disaster Reduction Management	2,450,000	1,000,000	2,351,735	918,500	96	92
Public Safety, Enforce and Disaster Management	Fire Services	1,250,000	2,000,000	1,069,250	-	86	-
Public Safety, Enforce and Disaster Management	Enforcement And Disaster Management	800,000		599,000	-	75	-
Public Safety, Enforce and Disaster Management	Alcohol Control Committee	400,000		87,100	-	22	-
Sub-Total		**4,900,000**	**3,000,000**	**4,107,085**	**918,500**	**84**	31
Total County Administration		**3,345,955,793**	**19,100,000**	**3,195,808,168**	**14,807,126**	**96**	78
DEPARTMENT: FINANCE, ECONOMIC PLANNING AND THE COUNTY TREASURY -							
707004510 Financial Services	County Treasury administrative services	20,000,000	119,083,799	15,177,791	-	**76**	-
	Financial Automation Services	500,000	-	470,780	-	**94**	-
	Laikipia County Emergency Fund	-	45,054,500	-	24,528,856	-	54
	Revenue management services	-	43,900,000	-	43,900,000	-	100
Sub-Total		**20,500,000**	**208,038,299**	**15,648,571**	**68,428,856**		33
0709004510 Administration and Support Services	Generation administration and support services	133,496,457	419,700,000	127,308,310	402,155,282	**95**	96
Sub-Total		**133,496,457**	**419,700,000**	**127,308,310**	**402,155,282**		96
0725004510 Public Finance Management Services	County Treasury Accounting and Reporting Services	3,900,000	-	3,682,724	-	**94**	-
	Budget Management	8,500,000	-	8,171,394	-	**96**	-
	Internal Audit Services	5,000,000	-	4,885,482	-	**98**	-
	Supply Chain Management Services	3,600,000	-	3,214,580	-	**89**	-
Sub-Total		**21,000,000**	-	**19,954,180**	-		-
0706004510 Departmental administrative services/ Centralized services	Revenue collection services	36,000,000	-	36,000,000	-	**100**	-
Sub-Total		**36,000,000**	-	**36,000,000**	-		-
0726004510 Development Planning Services	Integrated Planning Services	1,700,000	-	1,191,150	-	**70**	-
	Participatory Budgeting support services	4,950,000	-	4,685,540	-	**95**	-
	Research Statistics and Documentation services	2,350,000	-	1,756,288	-	**75**	-
	Strategic Partnership and Collaboration	8,000,000	2,990,000	8,000,000	2,990,000	**100**	**100**
Sub-Total		**17,000,000**	**2,990,000**	**15,632,978**	**2,990,000**		
TOTAL FINANCE		**227,996,457**	**630,728,299**	**214,544,039**	**473,574,138**		
DEPARTMENT: HEALTH							

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure July 2023-June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
CURATIVE AND RELIABILITY HEALTH	health products and technologies support	40,000,000	169,250,000	40,000,000	143,921,057	100.00	85.03
	health infrastructure development	-	150,000,000	-	63,218,600		42.15
	Emergency referral and rehabilitative service-	239,423,000	393,185,500	185,606,388	133,050,033	77.52	33.84
	subtotal	**279,423,000**	**712,435,500**	**225,606,388**	**340,189,690**	**81**	**48**
GENERAL ADMINISTRATION AND PLANNING SERVICES	administration, project planning and implementation services	10,000,000	-	9,250,000	-	92.50	-
	human resource development-	25,000,000	-	19,452,939	-	77.81	-
	standards and quality assurance	10,000,000	-	8,038,670	-	80.39	-
	health leadership and governance	5,832,080	-	3,845,551	-	65.94	-
	health policy, governance, planning and financing -	2,000,000	-	1,986,150	-	99.31	-
	health information standards and quality assurance	2,000,000	-	985,350	-	49.27	-
	sub-total	**54,832,080**	**-**	**43,558,660**	**-**	**79**	**-**
PREVENTIVE HEALTH SERVICES	community health strategy, advocacy and surveillance	12,000,000	-	10,350,596	-	86.25	-
	family planning, maternal, and child health services	2,000,000	-	1,957,550	-	97.88	-
	non -Non-communicable disease control and prevention	2,000,000	-	801,650	-	40.08	-
	public health promotion and nutrition services	9,350,000	-	8,801,150	-	94.13	-
	social health insurance scheme	6,000,000	-	5,887,500	-	98.13	-
	TB/HIV/aids prevention and control	4,000,000	-	2,094,150	-	52.35	-
	Sub-Total	**35,350,000**	**-**	**29,892,596**	**-**		
TOTAL HEALTH		**369,605,080**	**712,435,500**	**299,057,644**	**340,189,690**		
DEPARTMENT: AGRICULTURE LIVESTOCK AND FISHERIES							
Headquarters	SP1 Headquarter Administration Services	10,800,000	10,500,000	10,800,000	500,000	100.00	4.76
	SP3 Agriculture Sector Extension Management	1,933,282	94,870,868	1,933,282	8,870,868	100.00	9.35
Livestock Production	SP2 Livestock Resource Development and Management	121,389,340	11,000,000	1,800,000	10,979,668	1.48	99.82
Veterinary Services	SP5 Animal Health and Disease Management	1,800,000	10,500,000	1,800,000	9,789,593	100.00	93.23
Fisheries Production	SP1 Fisheries Development and Management	1,500,000	5,000,000	1,500,000	4,989,575	100.00	99.79

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure July 2023-June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Crop Production & Horticulture	SP2 Land and Crop Productivity Enhancement and Management	3,800,000	6,400,000	3,800,000	6,379,462	100.00	99.68
	SP4 Strategic Food Security Service	66,899,161	-	14,174,333	-	21.19	-
	SP4 Climate Change Adaptation & Mitigation	1,800,000	20,990,000	1,800,000	20,819,874	100.00	99.19
TOTAL AGRICULTURE		**209,921,783**	**159,260,868**	**37,607,615**	**62,329,041**	17.92	39.14
DEPARTMENT: LANDS, INFRASTRUCTURE, HOUSING AND URBAN DEVELOPMENT							
P3-0103004510-General Administration and Planning Services	SP1 Administration Services-	6,619,610	-	5,688,942	-	86	-
P12-0112004510 - Physical Planning and Survey	SP1-Survey and Planning services	5,000,000	9,000,000	3,167,612	8,731,470	63	97
	SP2-- Land management services	-	6,055,360	-	6,055,360		100
	SP3-- Strategic project monitoring and intervention	-	944,640	-	944,640		100
	SP4- -policy management, public mobilization and participation	-	6,500,000	-	717,900		11
P13-0113004510- Land and Housing Management	SP2 Housing Policy Development-	1,000,000	20,000,000	258,532	1,605,600	26	8
P14-0114004510-Public Works Service Delivery Improvement	SP4 County Building Construction Standard-	1,000,000	2,500,000	960,670	-	96	-
P15-0115004510-Roads Network Improvement Housing and Urban Development	SP1 Road Network improvement-	2,000,000	260,000,000	1,499,000	148,323,564	75	57
	SP3- Road network maintenance-	-	15,300,000	-	-		-
	SP4 Heavy Equipment Maintenance-	-	10,000,000		7,440,460		74
	SP5-- Mechanization Services	-	30,000,000		13,908,400		46
	SP Urban Development-	-	15,000,000		4,908,071		33
P18-0118004510-Renewable /Green Energy Services	SP1 County renewable/ green energy services-	32,000,000	10,000,000	31,414,192	1,450,000	98	15
TOTAL INFRASTRUCTURE		**47,619,610**	**385,300,000**	**42,988,948**	**194,085,465**	**90**	**50**
DEPARTMENT: EDUCATION AND LIBRARY SERVICES							
Administration and planning services							
	Administration Services		4,110,000		4,100,000		100
	Headquarter Services	3,500,000	-	3,339,614	-	95	
	Personnel services	1,500,000	-	1,489,400	-	99	-
Sub Total		**5,000,000**	**4,110,000**	**4,829,014**	**4,100,000**		**100**
Early childhood development (ECD) and childcare facilities							
	Education Empowerment	75,000,000	-	75,000,000	-	100	-
	ECDE Infrastructure Improvement	-	39,800,000	-	2,099,965		5
	ECDE Teacher Services	2,000,000		1,934,600	-	97	-

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure July 2023-June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Sub Total		**77,000,000**	**39,800,000**	**76,934,600**	**2,099,965**		
Youth,Polytechnics, Vocational Training							
	Vocational Education and Training	19,500,000	20,000,000	19,447,500	**4,081,669**	100	20
	Library	500,000		481,713		96	
Sub Total		**20,000,000**	**20,000,000**	**19,929,213**	**4,081,669**		
TOTAL EDUCATION		**102,000,000**	**63,910,000**	**101,692,827**	**10,281,634**	**100**	**16**
DEPARTMENT: TRADE, TOURISM AND COOPERATIVE DEVELOPMENT-							
Administration, planning and support services						-	-
	SP1 Administration Service	4,350,000	-	3,751,650	-	**86**	-
	SP2 Personnel Services	1,800,000	-	1,789,100	-	**99**	-
	SP3 Policy Services	3,450,000	-	2,951,000	-	**86**	-
Sub Total		**9,600,000**	**-**	**8,491,750**	**-**	**88**	-
Cooperative Development						-	-
	SP3 Research and Development	2,300,000	-	2,119,600	-	**92**	-
	SP2 Cooperative Revolving fund	-	6,500,000	-	5,114,140	-	**79**
Sub Total		**2,300,000**	**6,500,000**	**2,119,600**	**5,114,140**	**92**	**79**
Trade and Investment						-	-
	SP1 Market Infrastructure Development	-	17,000,000	-	2,023,240	-	**12**
	SP5 Industrial Development and Investment Promotion	6,500,000	347,000,000	5,889,491	70,790,820	**91**	**20**
	SP6 Informal Sector Development	-	1,500,000	-	-	-	-
Sub Total		**6,500,000**	**365,500,000**	**5,889,491**	**72,814,060**	**91**	**20**
Tourism Development and Promotion-							
	SP1 Tourism Promotion and Marketing	1,600,000	-	1,579,118	-	**99**	-
	SP2 Tourism Infrastructural Development	-	3,800,000	-	1,027,969	-	**27**
Sub Total		**1,600,000**	**3,800,000**	**1,579,118**	**1,027,969**	**99**	**27**
TOTAL TRADE		**20,000,000**	**375,800,000**	**18,079,959**	**78,956,169**		**21**
DEPARTMENT: GENDER, CULTURE AND SOCIAL SERVICES							
		Recurrent Expenditure	**Development Expenditure**	**Recurrent Expenditure**	**Development Expenditure**	**Recurrent Expenditure**	**Development Expenditure**
Administration and planning services	Use of goods and services	7,200,000	3,300,000	7,200,000	3,279,248	**100**	**99**
	Purchase of Software	-	3,000,000	-	-		-
Sub Total		**7,200,000**	**6,300,000**	**7,200,000**	**3,279,248**		
CEDC	Children's Institutions Support Program (CEDC)	3,400,000	3,400,000	2,667,769	-	**78**	**78**
Sub Total		**3,400,000**	**3,400,000**	**2,667,769**	**-**		
Culture and Social Services	Cultural events promotion services	4,100,000	-	3,520,406	-	**86**	

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure July 2023-June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Social services infrastructure	-	-	-	-		
Sub Total		**4,100,000**	**-**	**3,520,406**	**-**		
Sports	Talent identification programme	-	-	-	-		
	Youth mainstreaming initiative	-	1,000,000	-	820,000		82
	Sports promotion services	6,700,000	-	6,700,000	-	**100**	
	Sports Facility Improvement	100,000	11,000,000	100,000	10,894,300	**100**	-
	Cultural events promotion services	3,000,000	-	3,000,000	-	**100**	-
Sub Total		**9,800,000**	**12,000,000**	**9,800,000**	**11,714,300**		
TOTAL GENDER		**24,500,000**	**21,700,000**	**23,188,175**	**14,993,548**		
WATER, ENVIRONMENT, NATURAL RESOURCES AND CLIMATE CHANGE							
Water Development	Rural water supply and sanitation	-	14,280,000	-	9,651,198	-	68
General administration and support services	Administrative and Planning Services	17,000,000	1,000,000	16,975,145	1,000,000	100	100
	Motor vehicle maintenance and fuel provision	9,000,000		8,908,361	-	99	-
Environment and Natural Resources	Solid Waste Management		23,320,000		11,804,438	-	51
	Human-Wildlife Conflict Prevention		-			-	-
	Natural Resources Management		-	-	-	-	-
	Climate Change Adaptation & Mitigation		**210,000,000**	**-**	**71,814,494**	-	34
	Integrated land rehabilitation		-			-	-
TOTAL WATER		**26,000,000**	**248,600,000**	**25,883,506**	**94,270,130**		
DEPARTMENT: NANYUKI MUNICIPALITY							
P3-0103004510-General Administration and Planning Services	SP1 Administration Services	**6,000,000**	**-**	**6,000,000**	**-**	100	-
P15-0115004510-Roads Network Improvement Housing and Urban Development	SP1-Road Network improvement		**1,000,000**		**1,000,000**	-	100
TOTAL		**6,000,000**	**1,000,000**	**6,000,000**	**1,000,000**	**100**	**100**
DEPARTMENT: RUMURUTI MUNICIPALITY							
P3-0103004510-General Administration and Planning Services	SP1 Administration Services	**2,500,000**	**-**	**2,500,000**	**-**	100	-
P15-0115004510-Roads Network Improvement Housing and Urban Development	SP1-Road Network improvement	-	**5,000,000**	-	**5,000,000**	-	100
TOTAL		**2,500,000**	**5,000,000**	**2,500,000**	**5,000,000**		
ASSEMBLY							
General administration support services	Compensation of employees/MCAs	226,209,653	-	218,336,525.00		**97%**	
	Other recurrent expenditure	93,275,776		74,550,886.40		**80%**	

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure July 2023-June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	County Assembly Staff Car & Mortgage Scheme	20,000,000		20,000,000		**100%**	
	Training of staff					**0%**	
	Sub total	**339,485,429**		**312,887,411.40**		**92%**	
Legislative and oversight	Other recurrent expenditure	214,834,780		197,200,727.60		**92%**	
	Training	7,119,160		7,038,540		**99%**	
	Public participation	4,369,680		4,352,340		**100%**	
	Sub total	**226,323,620**		**208,591,607.60**		**92%**	
County Assembly infrastructure services	Purchase of motor vehicles		-			**0%**	
	Refurbishment of non -residential buildings-		78,000,000		64,990,079	**0%**	83%
	Refurbishment of residential buildings		2,000,000		-	**0%**	0%
	Sub total		**80,000,000**		**64,990,079**	**0%**	81%
TOTAL		**565,809,049**	**80,000,000**	**521,479,019.00**	**64,990,079**	**92%**	81%
GRAND TOTAL		**4,947,907,772**	**2,702,834,667**	**4,488,829,900**	**1,354,477,020**	**91%**	**50%**

***Source**: Laikipia County Treasury*

The sub-programmes with the highest levels of implementation based on absorption rates were: Educational scholarship in the Department of Education at 100 per cent, Planning and Implementation of Infrastructure at 100 per cent, Car loan and mortgage in the Department of Assembly at 100 per cent of budget allocation.

3.20.14 Accounts Operated Commercial Banks

The County government operated 12 accounts with commercial banks. 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.

3.20.15 Key Observations and Recommendations

While overseeing and reporting on the county budget implementation, the COB identified the following challenges that hampered effective budget implementation.

1. 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 31st July,2024.

2. The under performance of own-source revenue at Kshs.499.99 million against an annual target of Kshs.842.5 million, representing 59.3 per cent of the annual target.

3. High level of pending bills, which amounted to Kshs.1.65 billion as of 30th June 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.

4. High wage bills which accounted for 54.3 per cent of the County total revenue in FY2023/24 which is above the ceiling provided in law.

5. Use of manual payroll. Personnel emoluments amounting to Kshs.528.21 million were processed through the manual payroll, accounting for 16.1 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.

6. Use of 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.

7. There was low expenditure on development programmes, which was 23 per cent of total expenditure in FY 2023/24. This is below the legal threshold of 30 per cent.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

2. 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.*

3. *The 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.*

4. *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.*

5. *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.*

6. *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.*

7. *The County should prioritize expenditure on development programmes to ensure the legal provision of 30 per cent is met.*

3.21. County Government of Lamu

3.21.1 Overview of FY 2023/24 Budget

The County's approved supplementary II budget for FY 2023/24 was Kshs.4.54 billion, comprising Kshs.1.54 billion (34 per cent) and Kshs.3.0 billion (66 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 4 per cent compared to the previous financial year when it was Kshs.4.37 billion, comprised of Kshs.1.37 billion for development expenditure and Kshs.3.0 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.3.24 billion (71.3 per cent) as the equitable share of revenue raised nationally, a cash balance of Kshs.755.66 million (16.6 per cent) brought forward from FY 2022/23, Kshs.367.83 million as conditional grants, and generate Kshs.180 million (4.0 per cent) as gross own source revenue. The own-source revenue includes Kshs.120 million (66.7 per cent) as ordinary own-source revenue and Kshs.60 million (33.3 per cent) as Facility Improvement Fund (revenue from health facilities). A breakdown of conditional grants is provided in Table 3.140.

3.21.2 Revenue Performance

In the FY 2023/24, the County received Kshs.2.98 billion as an equitable share of the revenue raised nationally, Kshs.227.05 million as conditional grants, had a cash balance of Kshs.755.66 million from FY 2022/23 and raised Kshs.209.10 million as own-source revenue (OSR). The raised OSR includes Kshs.85.84 million as FIF

and Kshs.123.26 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.4.17 billion, as shown in Table 3.140.

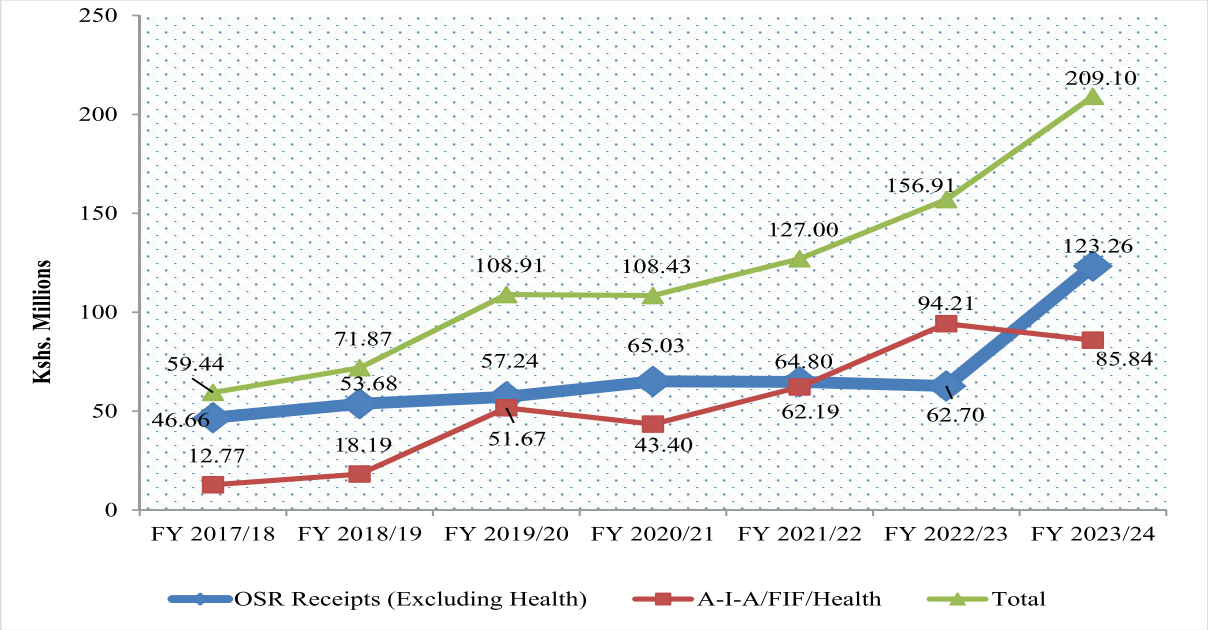
Table 3.140: Lamu County, Revenue Performance in the FY 2023/24

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**	3,237,350,707	2,978,362,651	92.0
Subtotal		**3,237,350,707**	**2,978,362,651**	**92.0**
B	**Additional Allocations/Conditional Grants**			
	Agricultural Sector Development Support Program	2,122,700	2,122,700	100
	FLLoCA	81,196,114	70,196,114	86.5
.	DANIDA	13,519,125	4,735,500	35
	KISIP II	200,000,000	150,000,000	75
	Fuel Levy	8,631,794	-	-
	KDSDP	5,132,506	-	-
	Urban Institutional Grant	5,508,061	-	-
	Covid 19 Grant	41,214	-	-
	Urban Development Grant	2,839,717	-	-
Subtotal		**367,831,231**	**227,054,314**	**61.7**
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	120,000,000	123,262,548	102.7
	Facility Improvement Fund (FIF)	60,000,000	85,840,210	143.1
Subtotal		**180,000,000**	**209,102,758**	**116.1**
D	**Other Sources of Revenue**			
1.	Unspent balance from FY 2022/23	755,656,014	755,656,014	100
Sub Total		**755,656,014**	**755,656,014**	**100**
Grand Total		**4,540,837,952**	**4,170,175,737**	**91.8**

Source: *Lamu County Treasury*

The County has legislation governing the operation of FIF. Figure 81 shows the trend in own-source revenue collection from FY 2017/18 to FY 2023/24.

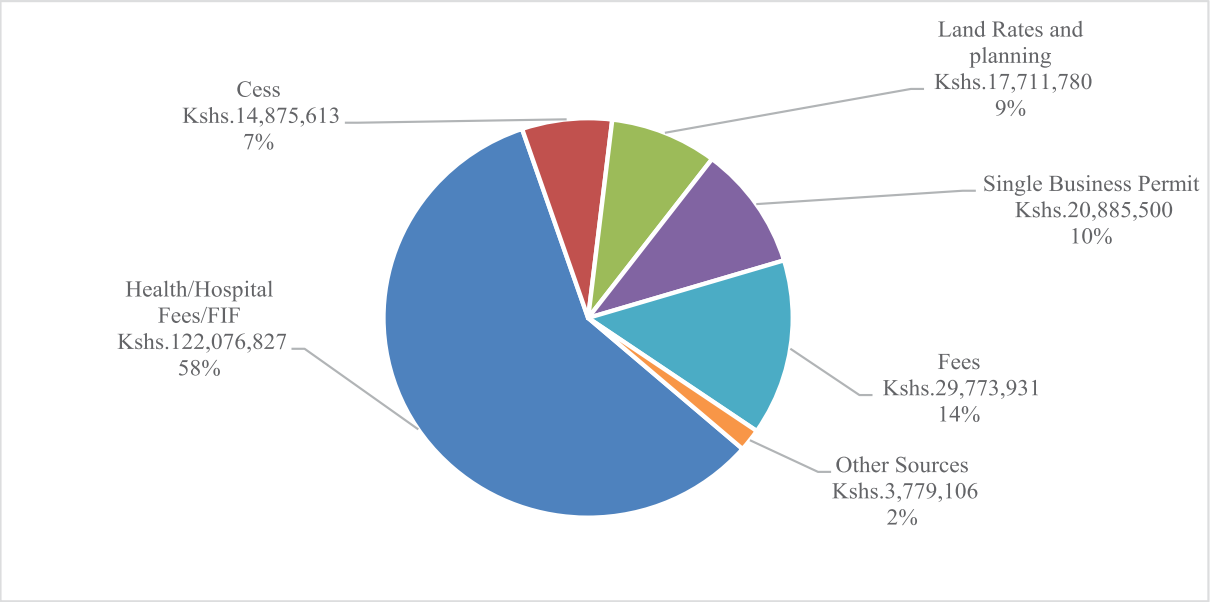
Figure 81: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Lamu County Treasury*

In FY 2023/24, the County generated a total of Kshs.209.10 million from its sources of revenue, including FIF and AIA. This amount represented an increase of 33.3 per cent compared to Kshs.156.91 million realized in FY 2022/23 and was 116.1 per cent of the annual target and 7.0 per cent of the equitable revenue share disbursed during the period. The revenue streams which contributed the highest OSR receipts are shown in Figure 82.

Figure 82: Top Streams of Own Source Revenue in the FY 2023/24



***Source**: Lamu County Treasury*

The highest revenue stream, Kshs.122.08 million, was from the Health Sector (Health Centres and Facility Improvement Fund), which contributed 58 per cent of the total OSR receipts during the reporting period.

3.21.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.87 billion from the CRF account during the reporting period, which comprised Kshs.1.07 billion (27.5 per cent) for development programmes and Kshs.2.81 billion (72.5 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.1.82 billion was released towards Employee Compensation and Kshs.988.04 million for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.271.55 million.

3.21.4 County Expenditure Review

The County spent Kshs.3.47 billion on development and recurrent programmes in the reporting period. The expenditure represented 89.7 per cent of the total funds released by the CoB and comprised of Kshs.805.04 million and Kshs.2.67 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 52.2 per cent, while recurrent expenditure represented 89 per cent of the annual recurrent expenditure budget.

3.21.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.69.2 million, comprising Kshs.42.09 million for recurrent expenditure and Kshs.27.10 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.29.67 million, which consisted of Kshs.20.9 million for recurrent expenditure and Kshs.8.77 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.39.53 million. However, this amount did not include FY

2023/24 pending bills.

3.21.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.1.65 billion on employee compensation, Kshs.797.98 million on operations and maintenance, and Kshs.790.26 million on development activities. Similarly, the County Assembly spent Kshs.198.68 million on employee compensation, Kshs.211.96 million on operations and maintenance, and Kshs.14.78 million on development activities, as shown in Table 3.138.

Table 3.141: Summary of Budget and Expenditure by Economic Classification

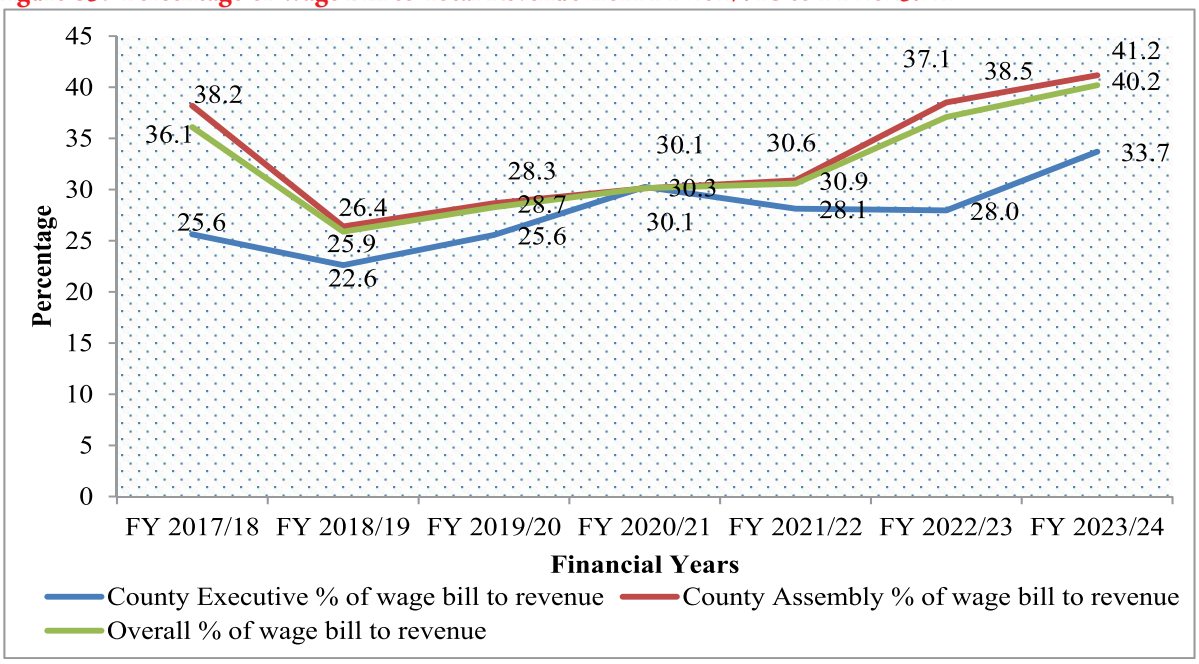
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**2,528,787,945**	**470,000,000**	**2,449,771,836**	**410,637,193**	**96.9**	**87.4**
Compensation to Employees	1,596,036,870	229,491,470	1,651,792,528	198,681,010	103.5	86.6
Operations and Maintenance	932,751,075	240,508,530	797,979,308	211,956,183	85.6	88.1
Development Expenditure	1,422,550,007	119,500,000	790,262,402	14,778,277	55.6	12.4
Total	**3,951,337,952**	**589,500,000**	**3,240,034,238**	**425,415,470**	**82.0**	**72.2**

***Source**: Lamu County Treasury*

3.21.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.1.85 billion, or 44.4 per cent of the available revenue, which amounted to Kshs.4.17 billion. This expenditure represented an increase from Kshs.1.62 billion reported in FY 2022/23. The wage bill included Kshs.863.35 million paid to health sector employees, translating to 46.6 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 83.

Figure 83: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



***Source**: Lamu County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.46 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.190.43 million was processed through manual payrolls. The manual payrolls accounted for 11.5 per cent of the total PE cost.

The County Assembly spent Kshs.14.15 million on committee sitting allowances for the 20 MCAs against the annual budget allocation of Kshs.16.38 million. The average monthly sitting allowance was Kshs.63,138 per MCA. The County Assembly has established 17 Committees.

3.21.8 County Emergency Fund and County-Established Funds

Section 116 of the PFM Act 2012 allows County governments to establish other public funds with approval from the County Executive Committee and the County Assembly. The County allocated Kshs.254.36 million to county-established funds in FY 2023/24, constituting 5.6 per cent of the County's overall budget. Further, the County allocated Kshs.37.25 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 3.142 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.142: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Submission of Annual Financial Statements (Yes/No.)
	Emergency funds	37,253,157.90	33,800,000.00	29,480,152.00	Yes
	Bursary Fund	147,777,911.00	126,977,782.00	125,049,807.70	Yes
	Fisheries Revolving Fund	2,767,651.00	-	2,162.00	Yes
	Housing Fund	37,231,755.00	-	-	Yes
	Disability Fund	8,731,217.00	-	7,693,895.00	Yes
	Youth Fund	10,568,566.00	2,000,000.00	6,989,700.00	Yes
	Women Fund	10,030,388.00	1,645,889.00	8,351,720.00	Yes
	Total	**254,360,645.90**	**164,423,671.00**	**177,567,436.70**	-

***Source**: Lamu County Treasury*

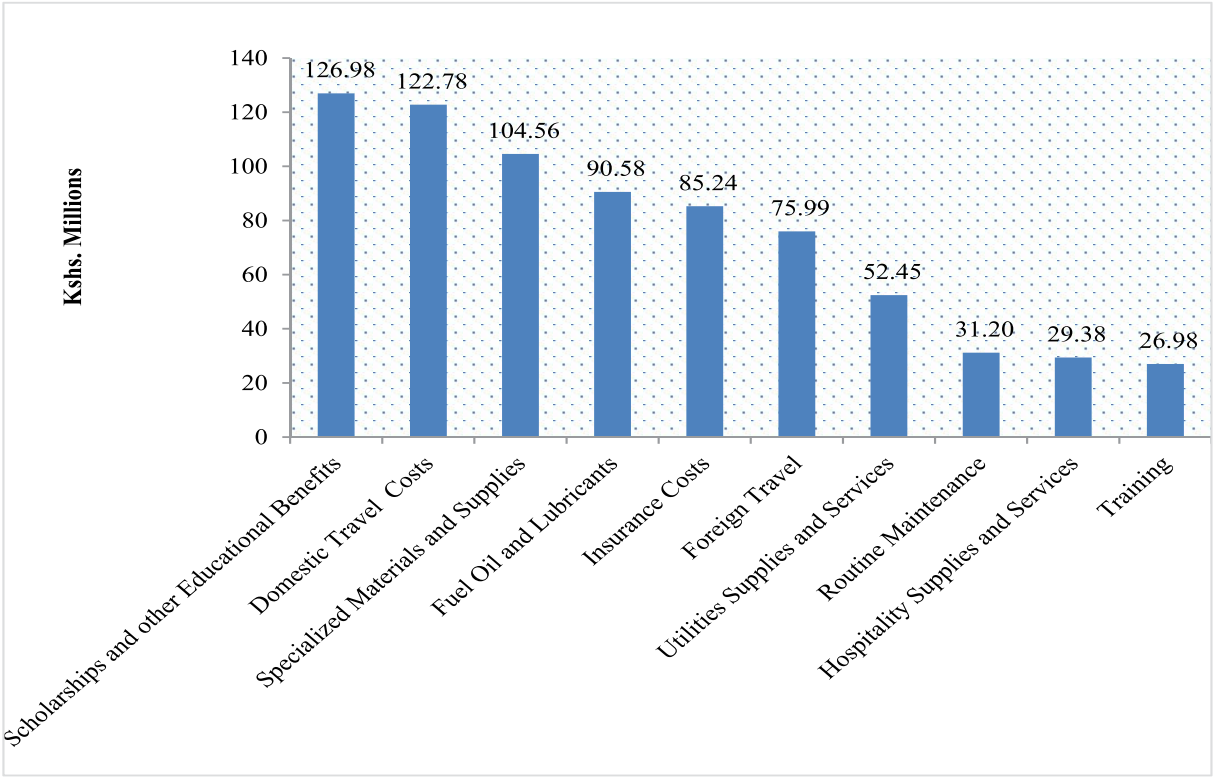
During the reporting period, the CoB received the quarterly financial returns from the Fund Administrators of all seven funds, as indicated in Table 3.139, as required by Section 168 of the PFM Act, 2012.

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.

3.21.9 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.122.78 million and comprised Kshs.53.46 million spent by the County Assembly and Kshs.69.33 million by the County Executive. Expenditure on foreign travel amounted to Kshs.75.99 million and comprised Kshs.71.55 million by the County Assembly and Kshs.4.43 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.143 below;-

Table 3.143: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date Travelled	Purpose of the Travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	9	24th March -6th April 2024	Facilitation to attend the role of Corporate Governance, Board Competence and Performance Management	Dubai	9,616,040
County Assembly	10	15th -29th July,2023	Claim for the CASB Members to attend Managing Inter generational Workforce hosted by ESAMI	Tanzania	8,124,648
County Assembly	5	19th August-1st September,2023	Claim for the CASB Members to attend training hosted by ESAMI	Dubai	5,884,970
County Assembly	5	25th May-8th June 2024	Claim to attend Capacity Building training on Managing Public Sector Performance in Developing Countries	Dubai	5,276,180

Arm of County Government	No. of Officers Travelled	Date Travelled	Purpose of the Travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	7	20th-26th January 2024	Claim to attend Leadership for Result course program	Dubai	4,335,520
County Assembly	3	2nd November-15th December 2023	Facilitation for the Lamu County Assembly members to attend training hosted by ESAMI	Dubai	3,872,876
County Assembly	5	11th-25th November 2023	Claim to attend a Public Policy Designing and Management Program	Tanzania	3,374,138
County Assembly	3`	18th 22nd July,2023	Claim to attend the 3rd Executive Leadership Summit hosted by ICPAK	Dubai	3,367,770
County Assembly	6	9th-15th March 2024	Facilitation the role of the Legislature in influencing Government Policies	Dubai	3,367,770
County Assembly	4	12th-24th November 2023	Facilitation for the Lamu County Assembly Service Board to attend Training hosted by ESAMI	Tanzania	3,078,140

***Source**: Lamu County Assembly*

3.21.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.805.04 million on development programmes, an increase of 5.4 per cent compared to FY 2022/23, when the County spent Kshs.763.51 million. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.144: 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	Devolution, Disaster Management & Resource Mobilization	Construction of sub-county headquarters offices	Lamu Island	97,484,051	48,365,894	50
2	Agriculture & Food Security	Purchase certified seeds countywide	Countywide	30,130,228	30,133,628	100
3	Medical services	Equipping of Lamu County referral County Hospital	Lamu Island	22,448,010	22,448,010	100
4	Education and Vocational Training	Purchase of TVET Teaching and Learning Materials	County Wide	19,500,000	19,500,000	100
5	Water and Energy	Manda Yawi-Raskitau Water Project	Manda	15,000,000	14,978,117	100
6	Water and Energy	Mokowe Pipeline Extension	Mokowe	17,500,000	14,793,542	85
7	County Executive	Construction of Governor's Residence	Lamu Island	39,410,080	13,499,921	34
8	Public Works and Infrastructure	Paved walkways in Kiunga town	Kiunga	14,824,220	13,467,948	91
9	Agriculture & Food Security	Establish irrigation projects	County Wide	15,000,000	11,969,660	80
10	Medical Services	Construction of In-patient wards for Mpeketoni Sub-County Hospital	Mpeketoni	14,700,000	11,217,500	76

***Source**: Lamu County Treasury*

3.21.11 Budget Performance by Department

Table 3.145 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.145: Lamu 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	470.00	119.50	412.59	14.78	410.64	14.78	99.5	100.0	87.4	12.4
County Executive and PSM	370.40	90.31	356.36	24.54	342.28	24.54	96.0	100.0	92.4	27.2
Finance, Economy & Strategic Planning	141.40	6.50	134.26	5.00	128.80	5.00	95.9	100.0	91.1	76.9
Agriculture, Irrigation & Food Security	66.29	78.44	64.98	66.41	60.82	64.18	93.6	96.6	91.7	81.8
Land, Physical Planning, & Urban Development	37.57	286.89	35.93	265.18	32.96	72.68	91.8	27.4	87.7	25.3
Education, Technology, Gender, Youth Affairs, Sports & Social Services	297.17	97.81	296.09	54.67	277.91	54.67	93.9	100.0	93.5	55.9
Medical Services	1,056.32	237.56	1,040.80	166.27	972.97	166.27	93.5	100.0	92.1	70.0
Trade, Investment & Tourism	41.79	42.95	37.81	37.84	37.81	37.84	100.0	100.0	90.5	88.1
Climate Change, Information, Communication, E-Government & Citizen Participation	18.42	130.12	18.10	104.93	13.31	47.27	73.5	45.0	72.3	36.3
Fisheries, Blue Economy, Livestock, Veterinary & Cooperative Development	53.16	46.46	50.87	39.98	47.61	39.98	93.6	100.0	89.6	86.1
County Public Service Board	59.90	-	57.29	-	53.55	-	93.5	-	89.4	-
Water & Energy	74.16	137.40	74.16	84.14	69.43	84.14	93.6	100.0	93.6	61.2
Public Health, Environment And Sanitation	82.20	13.25	76.46	21.79	73.22	12.46	95.8	57.2	89.1	94.1
Budget And Economic Planning	22.19	-	19.29	-	18.62	-	96.5	-	83.9	-
Road, Transport, Infrastructure & Public Works	31.59	111.93	26.28	104.84	26.28	104.84	100.0	100.0	83.2	93.7
Lamu Municipality	55.46	37.43	47.59	22.31	47.59	22.31	100.0	100.0	85.8	59.6
Devolution, Disaster And Resource Mobilization	60.77	105.48	59.16	54.09	55.57	54.08	93.9	100.0	91.4	51.3
Total	**2,938.79**	**1,542.05**	**2,808.02**	**1,066.77**	**2,669.38**	**805.04**	**95.1**	**75.1**	**89.3**	**55.6**

Source: *Lamu County Treasury*

Analysis of expenditure by departments shows that the Department for Public Health, Environment and Sanitation recorded the highest absorption rate of development budget at 94.1 per cent, followed by the Department of Road, Transport,Infrastructure and Public Health at 93.7 per cent. The Department of Water and Energy had the highest percentage of recurrent expenditure to budget at 93.6 per cent. In contrast, the Department of Climate Change, Information, Communication-Government and Citizen Participation had the lowest at 72.3 per cent.

3.21.12 Budget Execution by Programmes and Sub-Programmes

Table 3.146 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.146: Lamu County, Budget Execution by Programmes and Sub-Programmes

Program	Sub Program	Approved Estimated FY 2023/2023		Actual Expenditure for the period ended 30th June 2024		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
COUNTY ASSEMBLY							
	General Administration and Planning	244,367,160.00	-	**209,694,708.00**	-	85.81	-
	Legislation. Representation and Oversight	225,632,840.00	119,500,000.00	200,942,535.00	14,778,277.00	89.06	12.4
	Sub Total	**470,000,000.00**	**119,500,000.00**	**410,637,243.00**	**14,778,277.00**	**87.4**	**12.4**
COUNTY EXECUTIVE							
703003212		**370,401,381.00**	**90,310,930.00**	**342,283,970.00**	**24,537,673.00**	**92.4**	**27.2**
	Administration Services	370,401,381.00	90,310,930.00	342,283,970.00	24,537,673.00	92.4	27.2
	Sub Total	**370,401,381.00**	**90,310,930.00**	**342,283,970.00**	**24,537,673.00**	**92.4**	**27.2**
FINANCE							
711003213		**126,691,225.00**	-	**115,188,950.05**	**4,996,932.00**	**90.9**	-
	Administration Services	126,691,225.00	-	115,188,950.05	-	90.9	-
712003213		**14,710,624.00**	-	**13,613,978.95**	-	**92.5**	-
	Resource mobilization	1,738,455.00	-	1,513,426.55	-	87.1	-
	Internal Audit	1,390,702.00	-	1,239,462.15	-	89.1	-
	Procurement	2,013,705.00	-	1,629,781.55	-	80.9	-
	Public Finance & Accounting	4,435,256.00	-	4,101,308.70	-	92.5	-
	Management of Public finance	5,132,506.00	-	5,130,000.00			
		141,401,849.00	-	**128,802,929.00**		**91.1**	-
712003213			**6,500,000.00**	-	**4,996,932.00**	-	**76.9**
	Resource mobilization	-	6,500,000.00	-	4,996,932.00	-	76.9
	Sub Total	**141,401,849.00**	**6,500,000.00**	**128,802,929.00**	**4,996,932.00**	**91.1**	**76.9**
AGRICULTURE							
201003214		**66,293,687.00**	-	**60,815,772.90**	-	**91.7**	-
	Administration, Personnel & Policy Formulation	66,293,687.00	-	60,815,772.90	-	91.7	-
		66,293,687.00	-	**60,815,772.90**	-	**91.7**	-
116003214		-	**63,442,700.00**	-	**52,211,574.40**		**82.3**
	Agricultural Extension Research & Training	-	13,306,772.00	-	5,850,216.40	-	**44.0**
	Promotion of Mechanized Agriculture	-	10,000,000.00	-	9,970,000.00	-	**99.7**
	Promotion of Agro-Processing & Value Addition Technologies	-	3,605,700.00	-	2,461,235.00	-	**68.3**
	Demonstration Farm Fund	-	2,000,000.00	-	1,996,595.00	-	**99.8**
	Promotion of the Cashew nuts Programme	-	1,800,000.00	-	1,799,900.00	-	**100.0**

Program	Sub Program	Approved Estimated FY 2023/2023		Actual Expenditure for the period ended 30th June 2024		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
	Provision of Relief seeds to vulnerable farmers	-	32,730,228.00	-	30,133,628.00	-	**92.1**
117003214		**-**	**15,000,000.00**	**-**	**11,969,660.00**	**-**	**79.8**
	Irrigated Farming	-	15,000,000.00		11,969,660.00	-	**79.8**
	Sub Total	**66,293,687.00**	**78,442,700.00**	**60,815,772.90**	**64,181,234.40**	**91.7**	**81.8**
LANDS AND PHYSICAL PLANNING							
101003215		**27,566,324.00**	**-**	**24,317,360.95**	**-**	**88.2**	**0.0**
	Administration Services	27,566,324.00	-	24,317,360.95	-	**88.2**	**0.0**
102003215		**5,000,000.00**	**86,893,549.00**	**4,943,719.05**	**72,682,672.00**	**-**	**83.6**
	Physical planning	5,000,000.00	76,893,549.00	4,943,719.05	64,738,992.00	-	**84.2**
	Land Adjudication & Regularization	-	10,000,000.00	-	7,943,680.00	-	**79.4**
104003215		**5,000,000.00**	**200,000,000.00**	**3,702,520.00**	**-**	**-**	**-**
	Infrastructure Development	5,000,000.00	200,000,000.00	3,702,520.00	-	-	-
	Sub Total	**37,566,324.00**	**286,893,549.00**	**32,963,600.00**	**72,682,672.00**	**87.7**	**25.3**
EDUCATION, GENDER, SOCIAL SERVICE							
501003216		**187,997,669.00**	**-**	**168,737,921.70**	**-**	**89.8**	**0.0**
	Administration Services	187,997,669.00	-	168,737,921.70	-	**89.8**	**0.0**
502003216		**99,977,782.00**	**44,750,114.00**	**99,977,782.30**	**21,610,488.65**	**100.0**	**48.3**
	Promotion of Early Childhood Education	99,977,782.00	44,750,114.00	99,977,782.30	21,610,488.65	**100.0**	**48.3**
503003216		**7,548,400.00**	**39,498,099.00**	**7,548,400.00**	**25,581,223.70**	**100.0**	**55.1**
	Village Polytechnics	-	28,500,000.00	-	21,174,810.70	-	**74.3**
	Development of Sports facilities	-	8,998,099.00	-	2,461,413.00	-	**27.4**
	Youth and Sports	7,548,400.00	2,000,000.00	7,548,400.00	1,945,000.00	**100.0**	**97.3**
504003216		**1,645,889.00**	**13,565,462.00**	**1,645,889.00**	**7,476,278.30**	**-**	**55.1**
	Social Development	1,645,889	13,565,462.00	1,645,889.00	7,476,278.30	-	**55.1**
	Sub Total	**297,169,740.00**	**97,813,675.00**	**277,909,993.00**	**54,667,990.65**	**93.5**	**55.9**
MEDICAL SERVICE							
101003217		-	**500,000.00**	-	-	-	-
	Administration Services	-	500,000.00	-	-	-	-
402003217		**1,093,033,060.00**	**197,057,689.00**	**949,735,510.65**	**128,619,527.70**	**86.9**	**65.3**
	Human Resource & Development	893,186,924.00	-	817,568,897.50	-	91.5	-
	Primary Health Care Services	139,846,136.00	5,071,593.00	128,234,740.15	3,901,840.00	91.7	-
	SP4 curative Services	60,000,000.00	88,780,944.00	3,931,873.00	44,032,200.70	6.6	**49.6**
	Hospital Services		103,205,152.00	-	80,685,487.00	-	**78.2**
403003217		**23,285,744.00**	**40,000,000.00**	**23,238,484.35**	**40,000,000.00**	**99.8**	**100.0**
	SP4 Preventive and Promotive Services	23,285,744.00	40,000,000.00	23,238,484.35	40,000,000.00	99.8	-
	Sub Total	**1,056,318,804.00**	**237,557,689.00**	**972,973,995.00**	**166,266,519.00**	**92.1**	**70.0**
TRADE, INVESTMENT, CULTURE AND TOURISM							

Program	Sub Program	Approved Estimated FY 2023/2023		Actual Expenditure for the period ended 30th June 2024		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
301003218		**19,626,312.00**	-	**18,614,508.70**	-	**94.8**	-
	Administration Services	19,626,312.00	-	18,614,508.70	-	94.8	-
302003218		**1,252,579.00**	-	**1,247,554.00**	-	**99.6**	-
	Promotion & Marketing	1,252,579.00	-	1,247,554.00	-	99.6	-
304003218		**20,476,000.00**	-	**19,730,413.60**	-	**96.4**	-
	Cultural Festival	20,476,000.00	-	19,730,413.60	-	96.4	-
303003218		**438,920.00**	**41,224,926.00**	**408,407.70**	**36,885,271.25**	**93.0**	**89.5**
	Trade Promotion	438,920.00	5,000,000.00	408,407.70	4,598,600.00	**93.0**	**92.0**
	Market development	-	36,224,926.00	-	32,286,671.25	-	**89.1**
305003218		-	**1,726,066.00**	-	**955,723.00**	-	**55.4**
	SME Development		1,726,066.00	-	955,723.00	-	**55.4**
	Sub Total	**41,793,811.00**	**42,950,992.00**	**37,806,326.00**	**37,840,994.25**	**90.5**	**88.1**
ICT & E-GOVERNANCE							
101003219		**10,626,239.00**	**125,712,874.00**	**6,669,236.95**	**36,203,327.15**	**62.8**	**28.8**
201003219	Administration Services	10,626,239.00	125,712,874.00	6,669,236.95	36,203,327.15	62.8	**28.8**
Administration, Personnel & Policy Formulation							
202003219		**1,500,000.00**	-	**806,841.00**	-		
	Communication & Citizen Participation	1,500,000.00		806,841.00			
203003219		**6,297,000.00**	**4,402,387.00**	**4,643,273.05**	**4,385,865.85**	-	**99.6**
	Networking Infrastructure	6,297,000.00	4,402,387.00	4,643,273.05	4,385,865.85	-	**99.6**
	Sub Total	**18,423,239.00**	**130,115,261.00**	**13,312,772.00**	**47,268,422.00**	**72.3**	**36.3**
FISHERIES, LIVESTOCK ,VERTINERY AND COOPERATIVE							
106003220		**46,960,860.00**	-	**42,333,727.00**	-	**90.1**	-
	Administration, Planning and Monitoring & Evaluation	46,960,860.00	-	42,333,727.00	-	**90.1**	-
108003220		**575,000.00**	-	**422,220.00**	-	**73.4**	-
	Co-management	575,000.00	-	422,220.00	-	**73.4**	-
109003220		**1,975,500.00**	**24,000,000.00**	**1,824,572.00**	**20,045,463.35**	**92.4**	**83.5**
	Fish farming	1,975,500.00	24,000,000.00	1,824,572.00	20,045,463.35	**7.6**	**83.5**
111003220		**863,350.00**	**14,000,000.00**	**519,990.00**	**13,982,184.00**	**60.2**	**99.9**
	Livestock Extension Services	863,350.00	14,000,000.00	519,990.00	13,982,184.00	**3.7**	**99.9**
112003220		**2,781,500.00**	**8,464,746.00**	**2,512,476.00**	**5,956,380.60**	**90.3**	**70.4**
	Veterinary Service Management	2,781,500.00	8,464,746.00	2,512,476.00	5,956,380.60	**29.7**	**70.4**
	Sub Total	**53,156,210.00**	**46,464,746.00**	**47,612,985.00**	**39,984,027.95**	**89.6**	**86.1**
COUNTY PUBLIC SERVICE BOARD							
709003221		**50,022,887.00**	-	**45,339,321.00**	-	**90.6**	-
	Administration Services	50,022,887.00	-	45,339,321.00	-	**90.6**	-
710003221		**9,879,721.00**	-	**8,206,950.00**	-	**83.1**	-

Program	Sub Program	Approved Estimated FY 2023/2023		Actual Expenditure for the period ended 30th June 2024		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
	Human Resource Management and Development	9,879,721.00	-	8,206,950.00	-	**83.1**	-
	Sub Total	**59,902,608.00**	-	**53,546,271.00**	-	**89.4**	-
WATER MANAGEMENT & CONSERVATION							
105003223		**74,160,858.00**	**137,399,688.00**	**69,432,457.00**	**88,471,173.75**	**0.9**	**64.4**
	Water management, Conservation & Provision	74,160,858.00	137,399,688.00	69,432,457.00	88,471,173.75	**0.9**	**64.4**
	Sub Total	**74,160,858.00**	**137,399,688.00**	**69,432,457.00**	**84,144,953.00**	**93.6**	**61.2**
PUBLIC HEALTH, ENVIRONMENT AND SANITATION							
501003225		**82,195,555.00**	-	**73,182,760.00**	-	**89.0**	-
	Administration Services	82,195,555.00	-	73,182,760.00	-	**89.0**	-
403003225		-	**5,668,576.00**	-	**4,938,422.05**	-	**87.1**
	Community Health	-	5,668,576.00	-	4,938,422.05	-	**87.1**
404003225		-	**7,581,390.00**	-	**7,523,784.20**	-	**99.2**
	Waste management	-	4,581,390.00	-	4,575,420.80	-	**99.9**
	Public Health & licensing	-	3,000,000.00	-	2,948,363.40	-	**98.3**
	Sub Total	**82,195,555.00**	**13,249,966.00**	**73,218,315.00**	**12,462,206.25**	**89.1**	**94.1**
BUDGET, ECONOMIC AND PLANNING							
711003227		**12,170,448.00**	-	**10,061,648.30**	-	**82.7**	-
	Administration Services	12,170,448.00	-	10,061,648.30	-	**82.7**	-
713003227		**10,023,417.00**	-	**6,398,818.00**	-	**63.8**	-
	Budget and Economic Planning	10,023,417.00	-	6,398,818.00	-	**63.8**	-
	Sub Total	**22,193,865.00**	-	**18,619,473.00**	-	**83.9**	-
INFRASTRUCTURE ENERGY, ROADS AND URBAN DEVELOPMENT							
104003228		**31,588,511.00**	**111,932,001.00**	**26,283,084.00**	**104,841,267.00**	**83.2**	**93.7**
	Administration Services	31,588,511.00	-	26,283,084.00	-	**83.2**	**0.0**
	Infrastructure Development	-	111,932,001.00	-	104,841,267.00		**93.7**
	Sub Total	**31,588,511.00**	**111,932,001.00**	**26,283,084.00**	**104,841,267.00**	**83.2**	**93.7**
MUNICIPALITY OF LAMU							
104003229		**55,455,193.00**	**34,447,600.00**	**47,593,069.00**	**21,326,553.60**	**85.8**	**61.9**
	Administration Services	55,455,193.00	-	47,593,069.00	-	85.8	
	Infrastructure Development	-	34,447,600.00		21,326,553.60	-	**61.9**
404003229		-	**2,987,159.00**	-	**980,065.35**	-	**32.8**
	Waste management	-	2,987,159.00		980,065.35	-	32.8
	Sub Total	**55,455,193.00**	**37,434,759.00**	**47,593,069.00**	**22,306,618.95**	**85.8**	**59.6**
DEVOLUTION, DISASTER MANAGEMENT AND RESOURCE mobilization							
101003230		**60,766,310.00**	**105,484,051.00**	**55,568,951.00**	**54,080,843.05**	**91.4**	**51.3**
	Administration Services	60,766,310.00	105,484,051.00	55,568,951.00	54,080,843.05	91.4	51.3
	Sub Total	**60,766,310.00**	**105,484,051.00**	**55,568,951.00**	**54,080,843.05**	**91.4**	**51.3**

Program	Sub Program	Approved Estimated FY 2023/2023		Actual Expenditure for the period ended 30th June 2024		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
	Grand Total	2,938,787,945.00	1,542,050,007.00	2,669,381,205.90	805,040,630.50	90.8	52.2

***Source**: Lamu County Treasury*

The sub-programmes with the highest levels of implementation based on absorption rates were Promotion of early childhood education and Social Services at 100 per cent, Youth and Sports in the Department of Education, Technology, Youth Affairs, Gender and Sports at 100 per cent, and Preventive and Promotive services in the Department of Medical Services at 100 per cent of budget allocation.

3.21.13 Accounts Operated Commercial Banks

The County government operated 24 accounts with commercial banks. 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.

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;

1. High wage bills which accounted for 44.4 per cent of the County total revenue in FY 2023/24 which is above the ceiling provided in law.

2. Use of manual payroll. Personnel emoluments amounting to Kshs.190.43 million were processed through the manual payroll, accounting for 11.5 per cent of the total payroll cost. The manual payroll is prone to abuse and may lead to the loss of public funds where there is a lack of proper controls.

3. 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.

4. Low expenditure on development activities which was 23.2 per cent of total expenditure in FY 2023/24 and below the 30 per cent threshold provided in law.

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

1. *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.*
2. *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. *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.*
4. *The County Treasury should prioritize expenditure on development activities to ensure that the legal limit of 30 per cent of the approved budget is achieved.*

3.22. County Government of Machakos

3.22.1 Overview of FY 2023/24 Budget

The County's approved supplementary III budget for FY 2023/24 was Kshs.15.81 billion, comprising Kshs.5.03 billion (31.8 per cent) and Kshs.10.77 billion (68.2 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 26.0 per cent compared to the previous financial year when it was Kshs.12.54 billion and comprised of Kshs.3.77 billion towards development expenditure and Kshs.8.78 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.9.55 billion (60.4 per cent) as the equitable share of revenue raised nationally, Kshs.1.37 billion (8.7 per cent) as additional allocations/conditional grants, a cash balance of Kshs.1.46 billion (9.2 per cent) brought forward from FY 2022/23 and generate Kshs.3.43 billion 21.7 per cent) as gross own source revenue. The own source revenue includes Kshs.100 million (2.9 per cent) as Appropriations-in-Aid (A-I-A), Kshs.1.01 billion (29.4 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.2.32 billion (67.7 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.147.

3.22.2 Revenue Performance

In the FY 2023/24, the County received Kshs.8.78 billion as an equitable share of the revenue raised nationally, Kshs.531.36 million as additional allocations/conditional grants, had a cash balance of Kshs.1.46 billion from FY 2022/23, and raised Kshs.1.55 billion as own-source revenue (OSR). The raised OSR includes Kshs.204.41 million as FIF and Kshs.1.34 billion as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.12.32 billion, as shown in Table 3.147.

Table 3.147: Machakos County Revenue Performance in the FY 2023/24

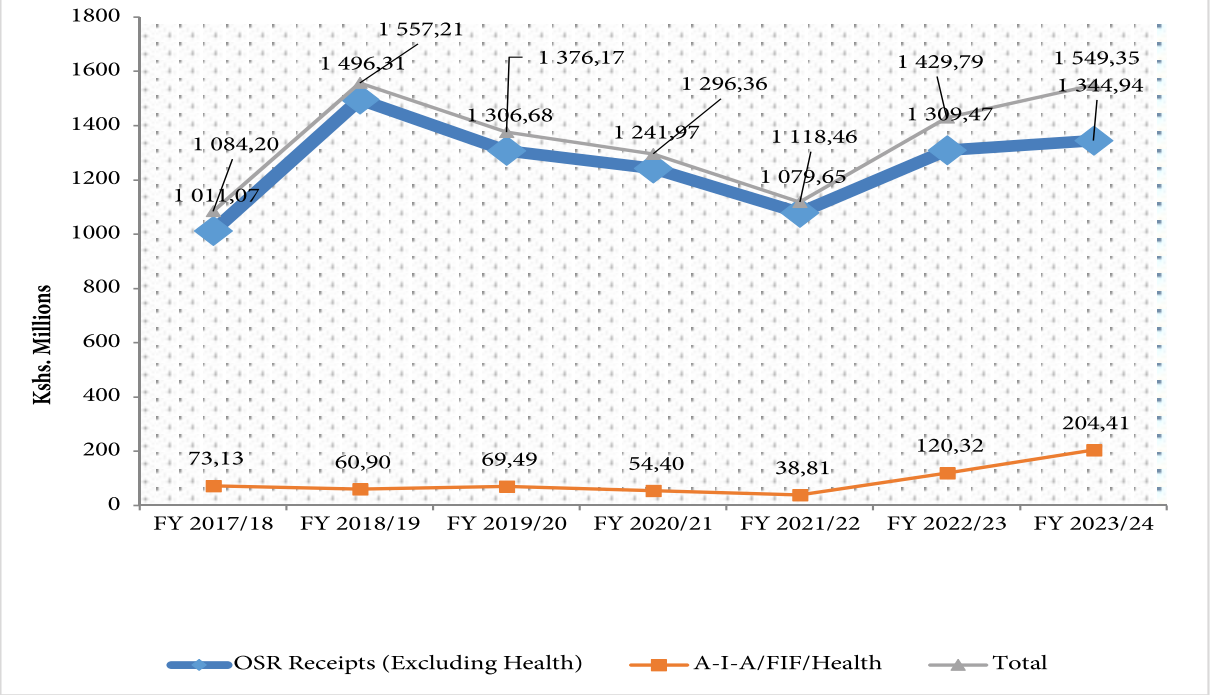
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	9,547,295,309	8,783,511,686	**92.0**
Subtotal		**9,547,295,309**	**8,783,511,686**	**92.0**
B	**Additional Allocations/Conditional Grants**			
1	Industrial Park & Aggregation Centers Grant	250,000,000	64,000,000	25.60
2	Provision of fertilizer subsidy programme	195,350,986	-	-
3	Court Fines	14,436,324	-	-
4	Mineral Royalties	99,716	-	-
5	IDA (World bank) National Agricultural Value Chain] development Project (NAVCDP)	267,192,729	199,404,350	74.63
6	DANIDA Grant- Primary Health care Devolved	23,086,144	-	-
7	IDA (World Bank) FLLoCA- County climate institutional support (CCIS) Grant	11,000,000	11,000,000	100.00
8	IDA (World bank) FLLoCA- County climate Resilience Investment Grant	199,527,852	153,047,116	76.70
9	Sweden-Agricultural sector Development support programme -ASDSPII	7,261,966	-	-
10	World Bank - Emergency Locust Response Project (ELRP)	105,095,560	103,910,828	98.87
11	Aquaculture Business Development Project (ABDP)	12,262,438	-	-
12	Livestock value chain support project	35,809,200	-	-
13	Kenya Urban Support Project (UDG)-World Bank	96,640,253	-	-
14	Kenya Devolution Support Program	142,185,298	-	-
15	Equalization Fund	12,923,347	-	-
Subtotal		**1,372,871,813**	**531,362,294**	**38.7**
C	**Own Source Revenue**			

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
16	Ordinary Own Source Revenue	2,324,286,060	1,344,939,101	57.9
17	Appropriation in Aid (A-I-A)	100,000,000	-	-
18	Facility Improvement Fund (FIF)	1,008,000,000	204,409,376	20.28
Subtotal		**3,432,286,060**	**1,549,348,478**	**45.1**
D	**Other Sources of Revenue**			
19	Unspent balance from FY 2022/23	1,456,001,038	1,456,001,038	100
Sub Total		**15,808,454,220**	**12,320,223,494**	**77.9**

Source: *Machakos County Treasury*

The County, however, does not have governing legislation on the operation of ordinary A-I-A and FIF. Figure 85 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

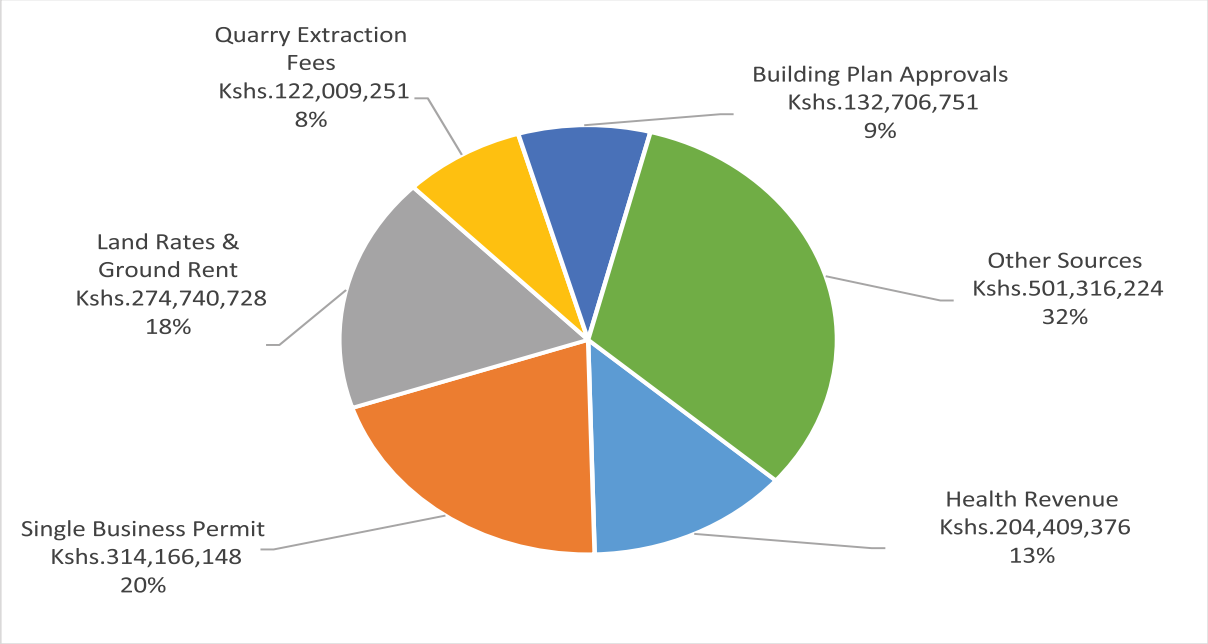
Figure 85: Machakos County,Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Machakos County Treasury*

In the FY 2023/24, the County generated a total of Kshs.1.55 billion from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 8.4 per cent compared to Kshs.1.43 billion realized in FY 2022/23 and was 45.1 per cent of the annual target and 17.6 per cent of the equitable revenue share disbursed during the period. The revenue streams which contributed the highest OSR receipts are shown in Figure 86.

Figure 86: Top Streams of Own Source Revenue in the FY 2023/24



Source: Machakos County Treasury

The highest revenue stream of Kshs.314.17 million was from single business permits, contributing to 20 per cent of the total OSR receipts during the reporting period.

3.22.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.12.63 billion from the CRF account during the reporting period, which comprised Kshs.3.01 billion (23.9 per cent) for development programmes and Kshs.9.62 billion (76.1 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.6.24 billion was released towards Employee Compensation and Kshs.3.38 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.5.63 million.

3.22.4 County Expenditure Review

The County spent Kshs.12.53 billion on development and recurrent programmes in the reporting period. The expenditure represented 87.0 per cent of the total funds released by the CoB and comprised Kshs.2.95 billion and Kshs.9.58 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 58.6 per cent, while recurrent expenditure represented 88.9 per cent of the annual recurrent expenditure budget.

3.22.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.3.07 billion, comprising of Kshs.1.45 billion for recurrent expenditure and Kshs.1.62 billion for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.553.25 million, which consisted of Kshs.142.85 million for recurrent expenditure and Kshs.410.39 million for development programmes. As of the end of FY 2023/24, the outstanding amount was Kshs.4.26 billion inclusive of unsettled bills incurred in FY 2023/24.

The County Assembly reported outstanding pending bills of Kshs.81.07 million as of 30 June 2024.

3.22.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.6.28 billion on employee compensation, Kshs.2.29 billion on operations and maintenance, and Kshs.2.89 billion on

development activities. Similarly, the County Assembly spent Kshs.522.52 million on employee compensation, Kshs.486.48 million on operations and maintenance, and Kshs.55.81 million on development activities, as shown in Table 3.148.

Table 3.148: Summary of Budget and Expenditure by Economic Classification

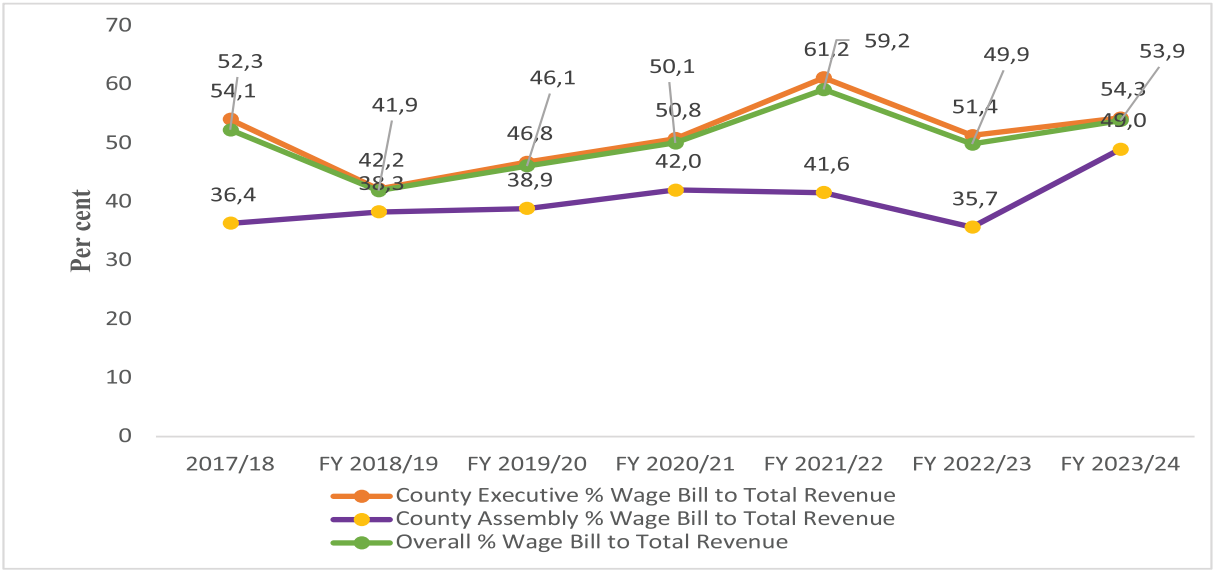
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**9,765,239,219**	**1,008,995,826**	**8,573,080,955**	**1,008,995,590**	**87.8**	**100.0**
Compensation to Employees	6,129,685,741	491,404,060	6,281,855,438	522,519,013	102.5	106.3
Operations and Maintenance	3,635,553,478	517,591,766	2,291,225,517	486,476,577	63.0	94.0
Development Expenditure	**4,742,219,176**	**292,000,000**	**2,894,119,678**	**55,807,462**	**61.0**	**19.1**
Total	**14,507,458,395**	**1,300,995,826**	**11,467,200,633**	**1,064,803,052**	**79.0**	**81.8**

***Source**: Machakos County Treasury*

3.22.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.6.80 billion, or 55.2 per cent of the available revenue, which amounted to Kshs.12.32 billion. This expenditure represented an increase from Kshs.5.72 billion reported in FY 2022/23. The wage bill included Kshs.3.31 billion paid to health sector employees, translating to 48.6 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 87.

Figure 87: Percentage of Wage Bill to Total Revenue from FY 2018/19 to FY 2023/24



Source: Machakos County Treasury

Further analysis indicates that PE costs amounting to Kshs.6.20 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.599.51 million was processed through manual payrolls. The manual payrolls accounted for 8.8 per cent of the total PE cost.

The County Assembly spent Kshs.42.91 million on committee sitting allowances for the 61 MCAs against the annual budget allocation of Kshs.43.0 million. The average monthly sitting allowance was Kshs.58,617 per MCA. The County Assembly has established 25 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.604.95 million to county-established funds in FY 2023/24, constituting 3.8 per cent of the County's overall budget. Further, the

County allocated Kshs.20 million to the Emergency Fund, which was yet to be established in line with Section 110 of the PFM Act, 2012, as at the end of the FY 2023/24.

Table 3.149 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.149: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1	Machakos County Education Bursary Fund	162,000,930	160,000,000	160,415,754	160,415,754	Yes
2	Machakos County Executive Mortgage & Car Loan Scheme	-	-	-	96,000,000	Yes
3	Machakos County Climate Fund	392,566,129	210,713,859	299,421,503	210,713,503	Yes
	County Assembly Established Funds					
1	Machakos County Housing & Car Loan Scheme Fund - MCA	20,384,166	20,000,000	16,968,445	20,000,000	Yes
2	Machakos County Housing & Car Loan Scheme Fund - Staff	30,000,000	30,000,000	9,919,981	30,000,000	Yes
	Total	**604,951,225**	**420,713,859**	**486,725,683**	**517,129,257**	

Source: *Machakos County Treasury*

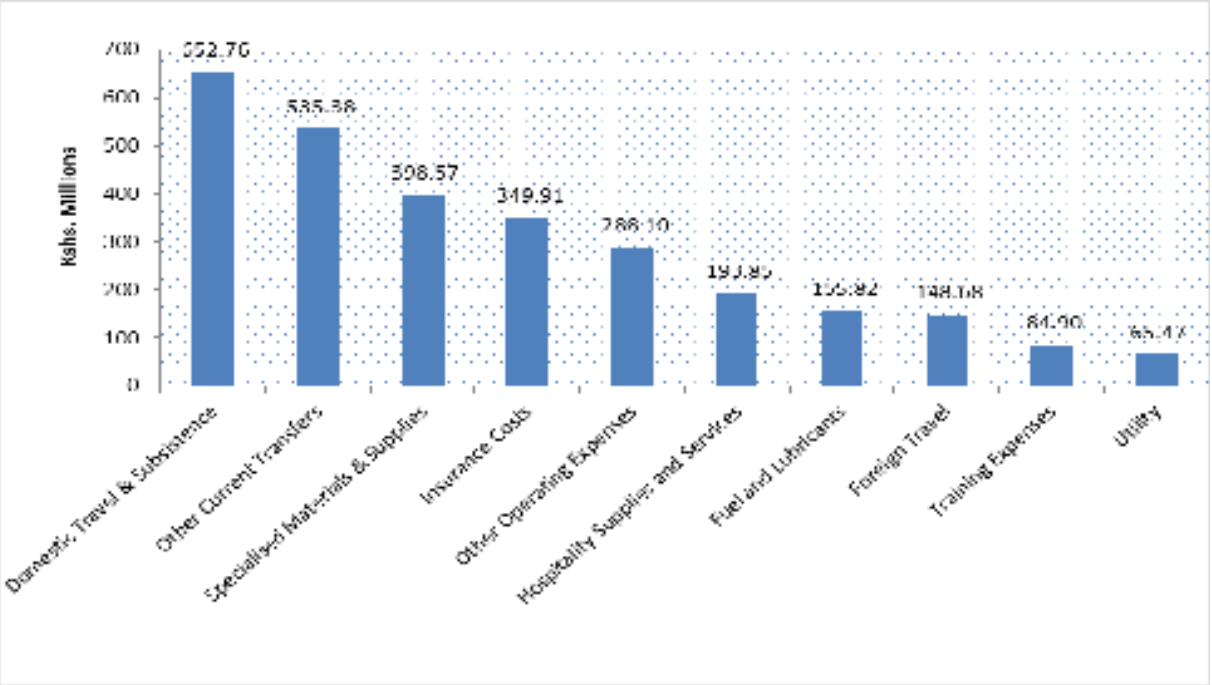
During the reporting period, the CoB received quarterly financial returns from the Fund Administrators of five established county funds, as indicated in Table 3.149.

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.

3.22.9 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.652.76 million and comprised Kshs.196.90 million spent by the County Assembly and Kshs.455.86 million by the County Executive. Expenditure on foreign travel amounted to Kshs.148.68 million and comprised Kshs.65.93 million by the County Assembly and Kshs.82.76 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.150 below; -

Table 3.150: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	2	16th -23rd September, 2023	Attend Emergency Response Bench marking and exposure trip	Germany	1,731,407
County Executive	7	31st July-5th August, 2023	Attending Energy, Physical Planning and Infrastructure Learning trip through invitation by Paddy Group Pty Ltd	South Africa	2,611,361
County Executive	4	11th -22nd December, 2023	Attend the 4th Executive Leadership Summit at the Hilton Bomonti Hotel and Conference Center.	Turkey	6,649,900
County Executive	2	21st -25th November 2023	Attending the International Trade Fair, Business and Investors Summit in Calgary, Berta, Canada	Canada	2,031,511
County Executive	6	5th -15th December 2023	Attend EAC MSME Trade Fair in Bujumbura Burundi	Rwanda	3,342,815
County Executive	1	12th - 22nd May 2023	Being Payment of Facilitation While Attending IAMRA Meeting	USA	1,784,254
County Executive	4	30th Nov-12th Dec 2023	Attending Cop 28 In Use	Dubai	4,348,345
County Executive	4	1st to 10th March 2024	Facilitation for The Officer Travelling to Turkey	Turkey	4,136,540
County Executive	1	29th January to 16th February 2024	Attending Monitoring and Evaluation of Projects Course at ESAMI Hq Arusha Tanzania	Tanzania	1,114,624
County Executive	2	4th -10th March 2024	Attending E-ICT Hubs in Dubai 2024	Dubai	1,345,456
County Executive	2	11th to 22nd March 2024	Attending United Nations 68th Commission on Status of Women Session In New York, USA	USA	1,422,714
County Executive	2	4th to 10th March 2024	Visiting Dubai In Pursuit of E Hubs Piloting in Machakos County	Dubai	1,509,986
County Executive	2	06th to 10th May 2024	Attending the 13th Edition of the Aim Congress in Abu Dhabi Arab Emirates	Dubai	2,054,425
County Executive	3	17th to 27th June 2024	42nd Contemporary Public Administration Management Program at the Galilee Institute of Management in Israel	Israel	3,401,505
County Executive	4	7th to 16 July 2024	Training on Project Planning, Monitoring and Evaluation	Singapore	4,560,515
County Executive	4	15th to 26th July-2023	Attending A Course on Understanding and analyzing the Public Sector	Tanzania	2,535,365
County Executive	2	22nd to 25th May 2024	Accompanying His Excellence, The President to the USA during the State Visit	USA	1,546,154
County Executive	3	28th May to 2nd June 2024	Attending an Investment Forum in Ohio State USA	USA	1,419,471
County Executive	1	6th to 10th May 2024	Attending the 13th Edition of the Annual Investment Meeting in Abu Dhabi	Dubai	1,379,793
County Executive	3	11th to 22nd March 2024	Air ticket To Network While Attending 68th Un Section of Commission on Status of Women	USA	3,468,095
County Executive	6	10th to 21st July 2023	Facilitation to Attend ICPAK Leadership Conference	Dubai	3,138,480
County Assembly	8	30th June-10th July,2023	Attending meetings on Legislative Procedures and Processes at the East Africa Legislative Assembly.	Arusha, Tanzania	4,307,509

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	7	19th to 26th November,2023	Attending Leadership Training	Dubai, United Arab Emirates	5,847,179
County Assembly	7	11th to 17th October,2023	Attending training on Leadership Planning for Public Administration	United Kingdom	4,464,172
County Assembly	7	24th to 30th September,2023	Attending training on Food Security	Tel Aviv, Israel	4,902,236
County Assembly	7	8th to 12th October,2023	Attending the Annual Meeting of the Internet Governance Forum.	Tokyo, Japan	5,536,670
County Assembly	1	27th October to 5th November, 2023	Attending a Programme on Performance Management Systems and localization of Sustainable Development Goals (SDGs)	Kent, United Kingdom	1,106,086
County Assembly	7	8th to 15th October, 2023	Attending a 7-Day Workshop on Amazon Web Services (AWS) for Local Governments	Dubai, United Arab Emirates	3,998,534
County Assembly	7	12th to 18th November, 2023	Attending a Workshop at the East African Community on Good Governance and Promotion of Justice by the Justice and Legal Affairs Committee	Arusha, Tanzania	2,707,129
County Assembly	14	11th to 17th September, 2023	Tour at the East African Community Secretariat	Arusha, Tanzania	4,560,595
County Assembly	7	11th to 17th September, 2023	East African Community Secretariat	Arusha, Tanzania	2,370,980
County Assembly	7	21st to 26th November, 2023	Official duty at the East African Community Secretariat	Arusha, Tanzania	1,893,251
County Assembly	7	6th to 12th November, 2023	Treaty on Exhibition and Interaction on Cultural Diversity at the EAC by the Culture and Tourism Committee	Arusha, Tanzania	2,396,875
County Assembly	5	21st to 27th January 2024	Attending a Leadership Experiential Certified Leadership Masterclass	Dubai, United Arab Emirates	4,271,220
County Assembly	7	14th to 20th January 2024	Attending training on Budget Making Process	Dubai, United Arab Emirates	5,038,146
County Assembly	7	10th to 16th December, 2023	Workshop on Good Governance and Promotion of Justice by the Justice and Legal Committee at the East African Secretariat	Arusha, Tanzania	2,378,242
County Assembly	7	11th to 17th December, 2023	Work tour at the East African Community and Interact with the Department of Youth Affairs to share best practices	Arusha, Tanzania	2,557,242
County Assembly	2	6th to 11th February, 2024	Attending Progressive and Transformative Public Service Leadership and Management Conference	Dubai, United Arab Emirates	1,425,264
County Assembly	7	4th to 10th February, 2024	Devolution Committee on Official duty at the EAC Offices	Arusha, Tanzania	2,508,128
County Assembly	7	3rd to 9th March, 2024	Attending the Agricultural Exhibition at the EAC Offices by the Agricultural Committee	Arusha, Tanzania	2,222,136

Source: Machakos County Treasury and Machakos County Assembly

Included in the operations and maintenance costs is an expenditure of Kshs.37.86 million on Legal fees/Dues, arbitration and compensation payments.

3.22.10 Development Expenditure

In the FY 2023/24, the County reported an expenditure of Kshs.2.95 billion on development programmes, representing an increase of 84.4 per cent compared to FY 2022/23, when the County spent Kshs.1.60 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.151: 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	Infrastructure	Construction of Office Block (Thin Tall Building)	Machakos	399,999,999	251,728,760	70.0
2	Medical Services	New specialist Level 5 Hospital	Machakos Central	1,495,000,000	112,053,613	7.0
3	Industry and Innovation	County Aggregation and industrial park	Mikuyu	476,634,987	106,000,000	30.0
4	Medical Services	Masii Level 4	Masii	161,906,472	92,185,829	95.0
5	Infrastructure	Kincar - Githunguri Road (Phased) 3 kms	Mlolongo	84,017,246	84,013,692	98.0
6	Infrastructure	Kathalani – Kaviani Road (Phased) 3.2 kms	Kathiani	154,580,347	69,941,202	55.0
7	Youth & Sports	Designing & Building of Sports Complex	Mua	70,000,000	69,542,183	0.0
8	Infrastructure	Katangi – Kinyaata – Kithimani Road (Phased) 5 kms	Yatta	244,514,716	49,584,765	27.0
9	ICT Services	Purchase of Computers, Printers and other IT Equipment	Countywide	55,606,577	55,606,577	100.0
10	Public Health	Construction of Syokimau Health Centre	Mlolongo/ Syokimau	41,670,499	22,010,519	65.0

Source: Machakos County Treasury

3.22.11 Budget Performance by Department

Table 3.152 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.152: Machakos 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	590.87	19.58	538.68	18.81	478.79	732,271	92.0	3.9	81.0	3.7
County Public Service Board	38.01	3.00	37.03	3.00	30.16	-	81.4	-	79.3	-
Roads, Transport and Public Works.	251.49	565.33	246.53	476.14	211.58	425.37	88.9	3.9	84.1	75.2
Health	4,345.38	836.60	4,166.43	492.14	4,101.15	403.91	81.4	-	94.4	56.2
Water, Irrigation, Environment and Climate Change	146.19	855.03	131.30	518.56	117.13	443.48	85.8	89.3	80.1	82.1
Agriculture, Food security and Co-operative Development.	390.07	796.15	274.74	445.55	255.33	702.14	98.4	95.5	65.5	-
Finance, Economic Planning & Revenue Management	1,340.48	719.80	1,022.36	621.97	1,112.43	568.48	89.2	135.4	83.0	79.0
Gender, Youth, Sports & Social Welfare	212.88	206.46	134.39	119.47	146.18	125.59	92.9	-	68.7	60.8
Trade, Industry, Tourism & Innovation	197.98	448.78	128.82	129.53	179.33	114.95	108.8	91.4	90.6	25.6
Education	663.86	122.43	542.66	6.00	528.67	-	108.8	105.1	79.6	-
Lands, Urban Development, Housing & Energy	240.77	264.40	208.96	84.59	226.96	42.09	139.2	88.7	94.3	15.9
Devolution	1,263.68	108.36	1,105.03	41.62	1,133.93	1.23	97.4	-	89.7	1.1
Office of the County Attorney	83.56	9.30	69.53	-	51.44	-	108.6	49.8	61.6	-
County Assembly	1,009.0	79.00	1,009.00	57.13	1,009.0	55.81	102.6	3.0	100.0	70.6
Totals	**10,774.24**	**5,034.22**	**9,615.47**	**3,014.52**	**9,582.08**	**2,949.93**	**99.7**	**97.9**	**88.9**	**58.6**

Source: *Machakos County Treasury*

Analysis of expenditure by departments shows that the Department of Water, Irrigation, Environment and Climate Change recorded the highest absorption rate of development budget at 82.1 per cent, followed by the Department of Finance, Economic Planning & Revenue Management at 79.0 per cent. The County Assembly had the highest percentage of recurrent expenditure to budget at 100 per cent, while the Department of Agriculture, Food Security and Co-operative Development. had the lowest at 65.5 per cent.

3.22.12 Budget Execution by Programmes and Sub-Programmes

Table 3.153 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.153: Machakos County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Assembly							
Representation, Oversight & Legislative	Representation, Oversight & Legislative	1,008,995,826	79,000,000	1,008,995,590	55,807,462	100	70.6
Sub-Total		**1,008,995,826**	**79,000,000**	**1,008,995,590**	**55,807,462**	**100**	**70.6**
Office of the Governor							
Co-ordination and Supervisory Services	Office of the Governor	314,336,718	12,243,690	295,907,564	-	94.1	-
	Transport Services	31,733,750	-	30,711,206	-	96.8	-
	Human Resource and Administration Section	55,250,000	-	51,800,590	-	93.8	-
	ICT Section	21,641,444	-	9,487,679	-	43.8	-
	Hospitality Services Section	20,973,355	-	14,563,023	-	69.4	-
	Cabinet Office	6,493,175	-	2,757,745	-	42.5	-
	Office of the Deputy Governor	74,457,386	7,334,480	66,912,714	732,271	89.9	10
	Office of the County Secretary	45,816,786	-	2,217,667	-	4.8	-
	Office of the County Advisors	20,171,540	-	4,429,641	-	22	-
Sub-Total		**590,874,154**	**19,578,170**	**478,787,829**	**732,271**	**81**	**3.7**
County Public Service Board							
Human Resource and Administration	Human Resource and Administration	38,013,709	3,000,000	30,161,926	-	79.3	-
Sub-Total		**38,013,709**	**3,000,000**	**30,161,926**	-	**79.3**	-
Roads, Transport and Public Works.							
General Administration & Support Services	General Administration & Support Services	199,956,258	86,500,000	161,351,428	73,554,815	80.7	85
Road Development Management	Road Development and Management	350,000	356,500,000	-	270,580,265	-	75.9
County Government Building Services	County Government Buildings	1,082,939	52,331,765	150,000	17,910,285	13.9	34.2
County Fleet Management	County Fleet Management	50,100,000	70,000,000	50,076,794	63,328,988	100	90.5
Sub-Total		**251,489,197**	**565,331,765**	**211,578,222**	**425,374,353**	**84.1**	**75.2**
Health							
General Administration and Support Services	General Administration and support services	3,556,536,552	463,071,574	3,489,810,343	347,902,347	98.1	75.1
Curative and Rehabilitative health	Machakos Level 5	233,960,800	32,000,000	141,649,250	23,000,000	60.5	71.9

Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Kangundo Level 4	51,997,889	22,000,000	44,220,043	5,041,082	85	22.9
	Matuu Level 4	42,600,000	40,000,000	37,878,110	28,109,483	88.9	70.3
	Kathiani Level 4	52,189,155	12,258,937	43,986,946	1,562,381	84.3	12.7
	Mwala Level 4	43,600,000	13,000,000	40,659,173	7,000,000	93.3	53.8
	Kimiti Level 4	38,600,000	4,000,000	34,054,494	-	88.2	-
	Masinga Level 4	40,600,000	4,000,000	31,727,922	-	78.1	-
	Athi River Level 4	30,600,000	4,000,000	24,505,778	-	80.1	-
	Mutituni Level 4	28,600,000	4,000,000	21,168,821	-	74	-
	Ndithini Level 4	29,600,000	21,000,000	24,494,906	13,030,951	82.8	62.1
	Kalama Level 4	29,029,533	4,000,000	26,279,971	-	90.5	-
Preventive and promotive services	Public Health and Community Outreach	167,466,838	213,273,125	140,719,111	44,394,000	84	20.8
Sub-Total		**4,345,380,767**	**836,603,636**	**4,101,154,867**	**470,040,244**	**94.4**	**56.2**
Irrigation, Environment and Climate Change							
Water Resources Management	Water Resources Management	107,924,249	320,000,000	99,076,806	150,591,201	91.8	47.1
Development and Promotion of Irrigation	Development and Promotion of Irrigation	1,550,000	99,561,724	655,000	36,053,200	42.3	36.2
Sewerage System and Sanitation Management	Sewerage System and Sanitation Management	5,250,000	29,000,000	3,776,485	146,466	71.9	0.5
General Administrative and Support Services	General administrative and Support Services	9,546,172	-	351,724	-	3.7	-
Environment and Natural Resources	Environment and Natural Resources	21,917,699	24,900,000	13,268,195	-	60.5	-
Climate Change	Climate Change		381,566,128		256,693,086	-	67.3
Sub-Total		**146,188,120**	**855,027,852**	**117,128,210**	**443,483,954**	**80.1**	**51.9**
Agriculture, Food Security and Co-operative Development							
Agriculture and Food Security	General Administration and support services	340,820,165	498,879,819	216,957,540	589,207,440	63.7	118.1
	Crop Development and Management	2,235,005	82,459,386	1,940,000	74,592,718	86.8	90.5
	Livestock Resources Management and Development	2,216,548	54,809,200	2,203,068	16,567,969	99.4	30.2
	Fisheries Development	1,056,906	14,190,578	660,780	227,960	62.5	1.6
	Veterinary Services	1,355,993	21,126,331	623,000	8,868,736	45.9	42
	Agriculture Training Centre	3,439,704	92,260,000	1,878,205	2,679,182	54.6	2.9
Co-operative Development	Co-operative Development and Marketing	32,648,493	10,000,000	27,732,198	-	84.9	-
	Capacity Building to Co-operative Societies	1,000,000	-	528,500	-	52.9	-
	Promotion of Co-operative Marketing and Value Chain	1,000,000	20,000,000	100,000	10,000,000	10	50
	Co-operative Financial Services	1,500,000	-	750,000	-	50	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Promotion and growth of Co-operative Societies	1,250,000	2,425,498	840,000	-	67.2	-
	Co-operative Audit Support Services	1,550,000	-	1,114,600	-	71.9	-
Sub-Total		**390,072,814**	**796,150,812**	**255,327,891**	**702,144,004**	**65.5**	**88.2**
Finance, Economic Planning & Revenue Management							
Resource mobilization	Revenue Management	510,983,593	86,750,745	451,649,716	41,968,322	88.4	48.4
County Treasury	Budget formulation, Coordination and Implementation	67,818,780	2,059,500	28,053,639	-	41.4	-
	Supply Chain Management Section	15,926,490	-	9,609,919	-	60.3	-
	Accounts Services	259,472,569	514,828,131	237,004,513	456,464,230	91.3	88.7
	Audit Section	17,640,360	15,500,000	11,308,141	-	64.1	-
	Human Resource Management and Support Services	204,628,123	-	193,425,981	-	94.5	-
Economic Planning & External Resource Mobilization	Economic Planning and Statistical Services	57,147,205	-	37,255,398	-	65.2	-
	Monitoring and Evaluation	33,950,248	-	29,428,204	-	86.7	-
	External Resource Mobilization	19,449,126	-	9,423,298	-	48.5	-
Directorate of Governors Project Delivery Unit	Directorate of Governors Project Delivery Unit	44,850,000	-	29,317,976	-	65.4	-
ICT	ICT General Administration and support services	51,300,361	100,666,177	46,616,361	70,047,734	90.9	69.6
	ICT Infrastructure	6,143,554	-	579,700	-	9.4	-
	Closed Circuit Television	1,525,000	-	-	-	-	-
	Public Communication	49,645,000	-	28,758,021	-	57.9	-
Sub-Total		**1,340,480,409**	**719,804,553**	**1,112,430,868**	**568,480,286**	**83**	**79**
Gender, Youth, Sports & Social Welfare							
Youth and Sports	Administrative Services	134,536,382	-	94,169,884	-	70	-
	Stadium Management	-	31,000,000	-	1,463,685	-	4.7
	Sports	-	80,000,000	-	72,880,953	-	91.1
	Youth Empowerment	-	12,500,000	-	5,876,897	-	47
Gender and Social Welfare	Administrative Services	78,343,386	82,955,003	52,007,506	45,370,482	66.4	54.7
Sub-Total		**212,879,768**	**206,455,003**	**146,177,389**	**125,592,017**	**68.7**	**60.8**
Trade, Industry,Tourism & Innovation							
Trade,Industry and Innovation	Headquarter & Administrative Services	45,838,357	8,000,000	43,612,401	-	95.1	-
	Trade Development	2,715,433	39,298,083	2,615,517	19,298,083	96.3	49.1
	International Trade	-	2,000,000	-	-	-	-
	Business and Enterprise Development	10,000,000	53,666,647	7,775,692	12,210,523	77.8	22.8

Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Industrialization and Innovation	45,695,102	300,000,000	44,947,196	72,374,314	98.4	24.1
	Investment Facilitation and Support	10,000,000	-	7,063,529	-	70.6	-
Tourism Administrative & Support Services	Tourism Administrative & Support Service	58,147,873	5,164,002	54,603,953	-	93.9	-
	Heritage & Culture	5,999,722	2,450,000	5,253,450	-	87.6	-
	Liquor Management	5,501,270	-	3,871,400	-	70.4	-
	Tourism Development and Marketing	2,087,350	-	1,784,137	-	85.5	-
	Management of Recreational Services	1,299,502	18,000,000	800,000	4,131,928	61.6	23
	Macha wood	5,998,308	20,000,000	3,067,726	6,934,381	51.1	34.7
	County Image Directorate	1,001,198	200,000	300,000	-	30	-
	Digital Economy	3,700,000	-	3,638,900	-	98.3	-
Sub-Total		**197,984,115**	**448,778,732**	**179,333,901**	**114,949,228**	**90.6**	**25.6**
Education							
General Administration and Support Service	Headquarter Administrative services	640,411,437	35,000,000	525,935,948	-	82.1	-
Basic Education	Basic Education	11,350,000	15,000,000	1,841,675	-	16.2	-
	Youth Development Services		72,434,883	-	-	-	-
	Vocational Training	12,100,000	-	887,779	-	7.3	-
Sub-Total		**663,861,437**	**122,434,883**	**528,665,402**	**-**	**79.6**	**-**
Lands, Urban Development, Housing & Energy							
Lands and Physical Planning	Lands and Physical Planning	62,346,321	42,755,550	59,088,731	-	94.8	-
County Electrification	County Electrification	28,076,213	75,000,000	26,490,147	30,743,204	94.4	41
Housing and Urban Development	Housing and Urban Development	98,643,736	1,400,000	95,370,467	-	96.7	-
	Machakos Municipality	17,000,000	100,417,607	15,501,036	5,141,858	91.2	5.1
	Mavoko Municipality	19,000,000	12,328,536	17,693,177	1,546,551	93.1	12.5
	Kangundo Tala Municipality	15,700,000	32,494,110	12,818,741	4,662,708	81.6	14.3
Sub-Total		**240,766,270**	**264,395,803**	**226,962,298**	**42,094,320**	**94.3**	**15.9**
Devolution							
Public Service Administration and Support Services	General Administration and support services	548,971,916	2,000,000	527,104,277	-	96	-
	Performance Management	2,500,000	-	238,200	-	9.5	-
	Training, Research and Development	47,841,500	-	33,970,485	-	71	-
County Administration & Decentralized Units	County Administration & Decentralized Units	407,409,131	-	368,028,178	-	90.3	-
	Civic Engagement	2,750,000	-	90,100	-	3.3	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Administration and Co-ordination	6,350,000	49,500,000	2,602,159	-	41	-
	Other capital grants and transfers (Equalization fund)		12,923,347	-	-	-	-
	Solid Waste Management	3,500,000	2,205,000	1,231,811	-	35.2	-
Inspectorate, Firefighting and Emergency Services	Inspectorate Services and Management	225,222,199	41,729,618	200,018,568	1,229,000	88.8	2.9
	Emergency Services	19,139,000	-	647,800	-	3.4	-
Sub-Total		**1,263,683,746**	**108,357,965**	**1,133,931,577**	**1,229,000**	**89.7**	**1.1**
Office of the County Attorney							
	Legal Services	83,564,716	9,300,000	51,440,570	-	61.6	-
Sub-Total		**83,564,716**	**9,300,000**	**51,440,570**	**-**	**61.6**	**-**
Grand Total		**10,774,235,048**	**5,034,219,174**	**9,582,076,542**	**2,949,927,140**	**88.9**	**58.6**

***Source**: Machakos County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: General administration and support services in the Department of Agriculture, Food Security and Co-operative Development at 118.1 per cent, representation, oversight and legislation in the County Assembly at 100 per cent, County fleet management in the Department of Roads, Transport and Public Works at 100 per cent, and Industrialization and Innovation Trade, Industry, Tourism & Innovation at 98.4 per cent of budget allocation.

3.22.13 Accounts Operated Commercial Banks

The County government operated a total of 33 bank accounts with commercial banks. 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.

3.22.14 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the county budget, the COB identified the following challenges that hampered effective budget implementation.

1. 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 July, 2024.

2. The under performance of own-source revenue at Kshs.1.55 billion against an annual target of Kshs.3.43 billion, representing 45.1 per cent of the annual target.

3. The diversion of funds by the County Treasury and weak budgeting practice, as shown in Table 3.152, where the county incurred expenditure over approved exchequer issues.

4. High level of pending bills which amounted to Kshs.4.26 billion as of 30 June 2024. Further, there was non-adherence to the pending bills payment plan by the County Treasury.

5. High wage bills accounted for 55.3 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided in law.

6. Use of manual payroll. Personnel emoluments amounting to Kshs.599.51 million were processed through the manual payroll, accounting for 8.8 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.

7. 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 twenty-nine (33).

8. Law expenditure on domestic travel at 652.76 million which should be addressed to avail funds for key development activities.

12. High expenditure on domestic travel at Kshs.364.82 million

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *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.*
3. *The County Treasury should improve the Vote book and budgetary control to ensure expenditure is within the approved budget.*
4. *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.*
5. *The County 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.*
6. *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.*
7. *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.*
8. *The County should prioritize expenditures on development programme to ensure it meets the legal limit of 30 per cent .*
9. *The County should reduce expenditure on travelling by holding their activities within the County.*

3.23. County Government of Makueni

3.23.1 Overview of FY 2023/24 Budget

The County's approved second supplementary budget for FY 2023/24 was Kshs.11.18 billion, comprising Kshs.3.33 billion (29.8 per cent) and Kshs.7.85 billion (70.2 per cent) allocation for development and recurrent programmes. The approved supplementary budget estimates represented an increase of 3.9 per cent compared to the previous financial year when it was Kshs.10.76 billion comprised of Kshs.3.27 billion for development expenditure and Kshs.7.49 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.8.46 billion (68.1 per cent) as the equitable share of revenue raised nationally, Kshs.845.86 million (6.8 per cent) as additional allocations/conditional grants, a cash balance of Kshs.641.01 million (5.2 per cent) brought forward from FY 2022/23, and generate Kshs.1.24 billion (10.0 per cent) as gross own source revenue. The own-source revenue includes Kshs.370.0 million (3.0 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.870.0 million (7.0 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.151.

3.23.2 Revenue Performance

In the FY 2023/24, the County received Kshs.7.78 billion as an equitable share of the revenue raised nationally, Kshs.424.51 million as additional allocations/conditional grants, had a cash balance brought forward from FY 2022/23 of Kshs.587.96 million, and raised Kshs.1.04 billion as own-source revenue (OSR). The raised OSR includes Kshs.554.09 million as FIF and Kshs.490.59 million as ordinary OSR. The County did not have A-I-A funds during the reporting period. The total funds available for budget implementation during the period amounted to Kshs.9.84 billion, as shown in Table 3.151.

Table 3.154: Makueni County, Revenue Performance in the FY 2023/24

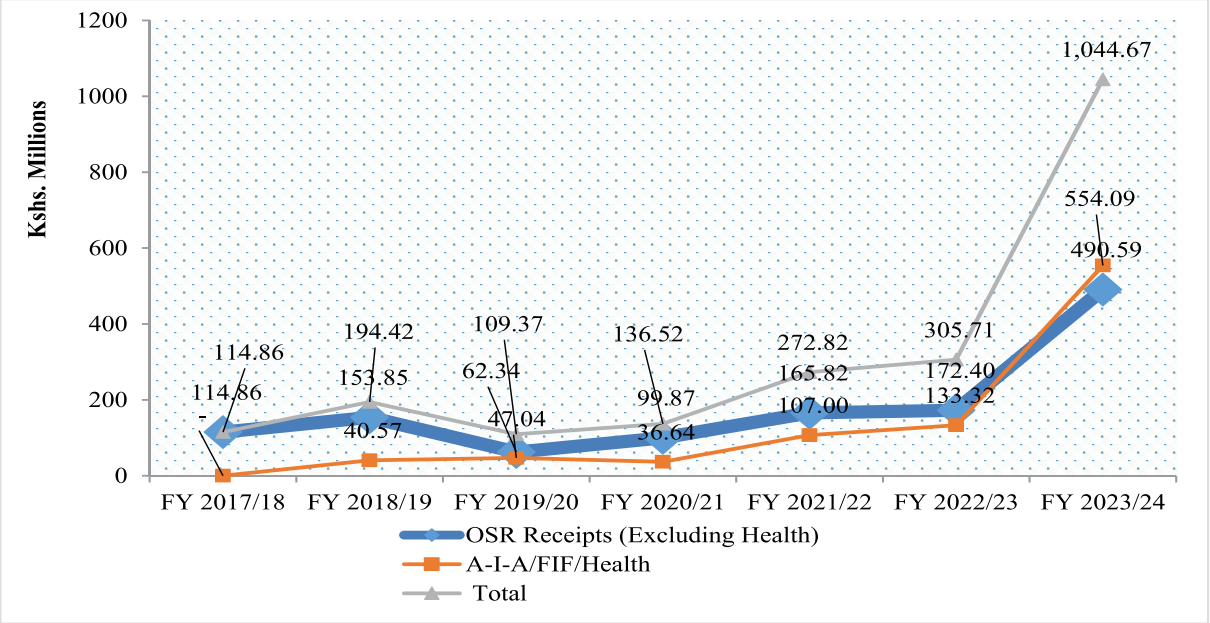
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	8,455,460,962	7,779,024,084	**92.0**
Subtotal		**8,455,460,962**	**7,779,024,084**	**92.0**
B	**Additional Allocations/Conditional Grants**			
1	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	1,101,751	1,101,751	100.0
2	IDA(World Bank) Credit National Agricultural Value Chain Development Project(NAVCDP)	200,000,000	199,802,201	99.9
3	Conditional Grant for Provision of Fertilizer Subsidy Programme	162,562,856	-	-
4	IDA (World Bank) Credit National Agricultural and Rural Inclusive Growth Project (NARIGP)	60,000,000	51,141,910	85.2
5	De-Risking and Value Enhancement (DRIVE) project	63,341,980	-	-
6	Livestock Value Chain Support Project	21,485,520	-	-
7	DANIDA Grant - Primary Health Care in Devolved Context	13,513,500	13,513,500	100.0
8	Conditional Grant for Leasing of Medical Equipment	124,723,404	-	-
9	Nutrition International Donor funding	21,013,780	-	-
10	20% Share of Mineral Royalties	99,857	-	-
11	IDA (World Bank) Credit Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Resilience Investment (CCRI) Grant	142,746,435	142,746,435	100.0
12	IDA (World Bank) Credit Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant	11,000,000	11,000,000	100.0
13	Conditional Grant for transfer Library services	11,273,357	-	-
14	Anglican Development Services	13,000,000	5,205,000	40.0
Subtotal		**845,862,440.00**	**424,510,797.00**	**50.2**
C	**Other Sources Revenue**			
15	Ordinary Own Source Revenue	870,000,000	490,586,795	56.4
16	Facility Improvement Fund (FIF)	370,000,000	554,088,153	149.8
17	Balance b/f from FY 2022/23	641,011,699	587,960,798	91.7
Subtotal		**1,881,011,699.00**	**1,685,686,647.00**	**86.8**
Grand Total		**11,182,335,101.00**	**9,836,170,626.95**	88.0

***Source: Makueni** County Treasury*

The County has legislation (The Makueni County Health Services Act 2017) to govern the operation of Health FIF/A-I-A.

Figure 89 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 89: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



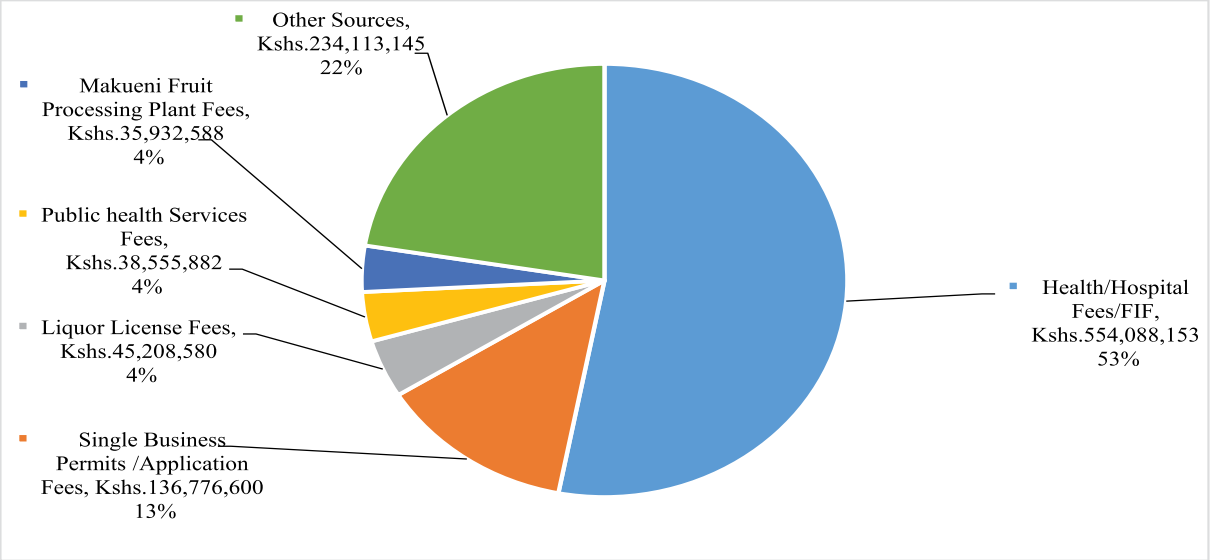
Source: *Makueni County Treasury*

In FY 2023/24, the County generated a total of Kshs.1.04 billion from its sources of revenue, inclusive of FIF. This amount represented an increase of 241.7 per cent compared to Kshs.305.71 million realized in FY 2022/23 and was 84.2 per cent of the annual target and 13.2 per cent of the equitable revenue share disbursed during the period. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.16.18 million.

An increase in Own-Source Revenue (OSR) can be attributed to the timely issuing of invoices and demand notes to clients following consultative meetings. To enhance the collected fees, the County has improved revenue generation in semi-autonomous entities, such as the Makueni Fruit Processing and the Sand Authority. Additionally, the County is transitioning to a cashless revenue collection system by automating its revenue services.

The revenue streams which contributed the highest OSR receipts are shown in Figure 90.

Figure 90: Makueni County ,Top Streams of Own Source Revenue in the FY 2023/24



Source: Makueni County Treasury

The highest revenue stream of Kshs.554.09 million (53.0) was from Hospital fees – (Medical Health Services Fees; NHIF and Linda Mama Reimbursement EDU Afya Fees and Universal Health Care Registration Fees), followed by Kshs.136.78 million for Single Business Permits contributing to 13.1 per cent of the total OSR receipts during the reporting period.

3.23.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.9.13 billion from the CRF account comprised Kshs.2.17 billion (23.7 per cent) for development programmes and Kshs.6.96 billion (76.3 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.4.43 billion was released towards Employee Compensation and Kshs.2.61 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.641.01 million.

3.23.4 County Expenditure Review

The County spent Kshs.9.05 billion on development and recurrent programmes in the reporting period. The expenditure represented 99.1 per cent of the total funds released by the CoB and comprised of Kshs.2.07 billion and Kshs.6.98 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 62.2 per cent, while recurrent expenditure represented 88.9 per cent of the annual recurrent expenditure budget.

3.23.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.332.96 million, comprising Kshs.288.69 million for recurrent expenditure and Kshs.44.28 million for development activities. In the FY 2023/24, the County accumulated Kshs. 494.83 million of pending bills. During the same period, the County settled pending bills amounting to Kshs.155.75 million which comprised Kshs.150.98 million for recurrent expenditure and Kshs.4.77 million for development programmes. As of the end of FY 2023/24, the outstanding cumulative amount was Kshs.672.04 million for both the county executive and county assembly.

The County Assembly reported outstanding pending bills of Kshs.137.18 million as of 30th Jun 2024.

3.23.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.4.06 billion on employee compensation, Kshs.2.08 billion on operations and maintenance, and Kshs.2.05 billion on development activities. Similarly, the County Assembly spent Kshs.371.41 million on employee compensation, Kshs.470.07 million on operations and maintenance, and Kshs.19.60 million on development activities, as shown in Table 3.155.

Table 3.155: 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	**6,968,542,212**	**882,052,960**	**6,135,346,689**	**841,481,839**	**88.0**	**95.4**
Compensation to Employees	4,254,048,855	399,788,951	4,058,960,309	371,409,613	95.4	92.9
Operations and Maintenance	2,714,493,356	482,264,009	2,076,386,380	470,072,226	76.5	97.5
Development Expenditure	**3,264,791,441**	**66,948,488**	**2,052,136,347**	**19,595,125**	**62.9**	**29.3**
Total	**10,233,333,653**	**949,001,448**	**8,187,483,036**	**861,076,964**	80.0	90.7

***Source**: Makueni County Treasury*

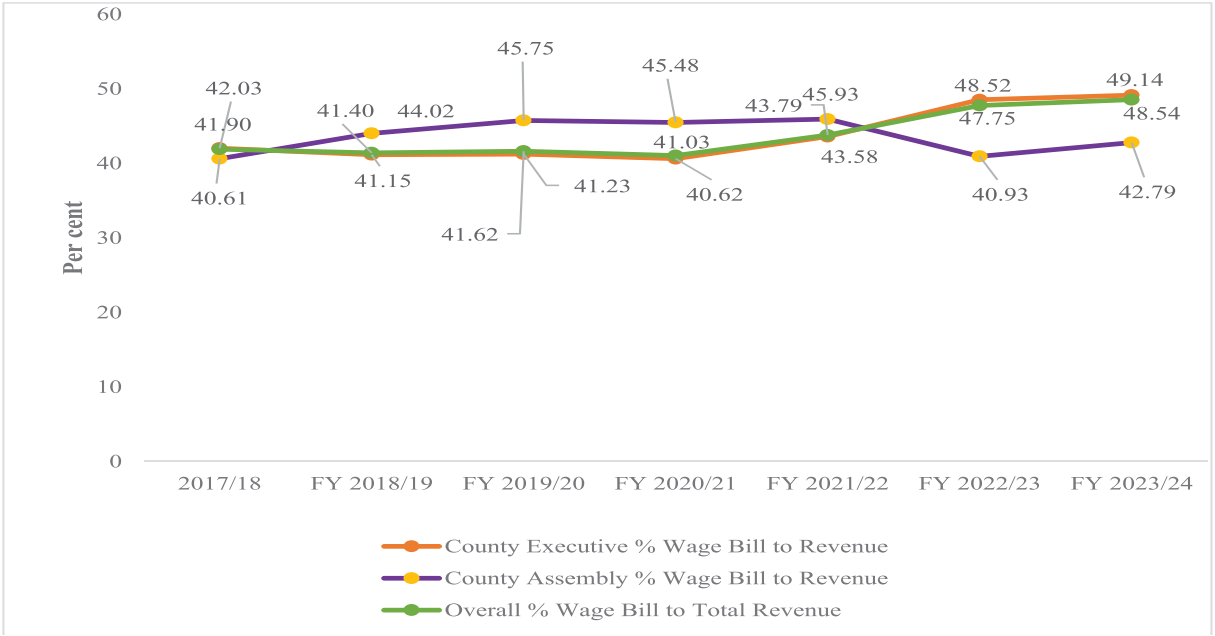
3.23.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.43 billion, or 39.6 per cent of the available revenue, which amounted to Kshs.11.18 billion. This expenditure represented an increase from

Kshs.4.41 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.2.11 billion paid to health sector employees, translating to 47.6 per cent of the total wage bill.

The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 91.

Figure 91: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Makueni County Treasury

Further analysis indicates that PE costs amounting to Kshs.4.06 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.371.41 million was processed through manual payrolls. The manual payrolls accounted for 8.4 per cent of the total PE cost.

The County Assembly spent Kshs.33.29 million on committee sitting allowances for the 49 MCAs against the annual budget allocation of Kshs.33.58 million. The average monthly sitting allowance was Kshs.56,617 per MCA. The County Assembly has established 23 Committees.

3.23.8 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.295.44 million to county-established funds in FY 2023/24, constituting 2.6 per cent of the County's overall budget. Further, the County allocated Kshs.50.0 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.156 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.156: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Submission of Annual Financial Statements (Yes/No.)
County Executive Established Funds					
	Makueni Emergency Fund	50,000,000	44,926,351	-	No
	Makueni County Bursary Fund	153,000,000	135,968,156	-	No
	Makueni County State and Public officers Car loan and Mortgages Fund	30,000,000	30,000,000	-	No
	Makueni County Youth, Women, PWDs and Table Banking Fund (Tetheka Fund)	500,000	-	-	No

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Submission of Annual Financial Statements (Yes/No.)
County Assembly Established Funds					
	Makueni County Assembly MCAs and Public officers Car loan and Mortgages Fund (MCAs Car Reimbursements Benefit)	61,936,000	61,936,000	-	No
Total		**295,436,000**	**272,830,507**	-	

Source: Makueni *County Treasury*

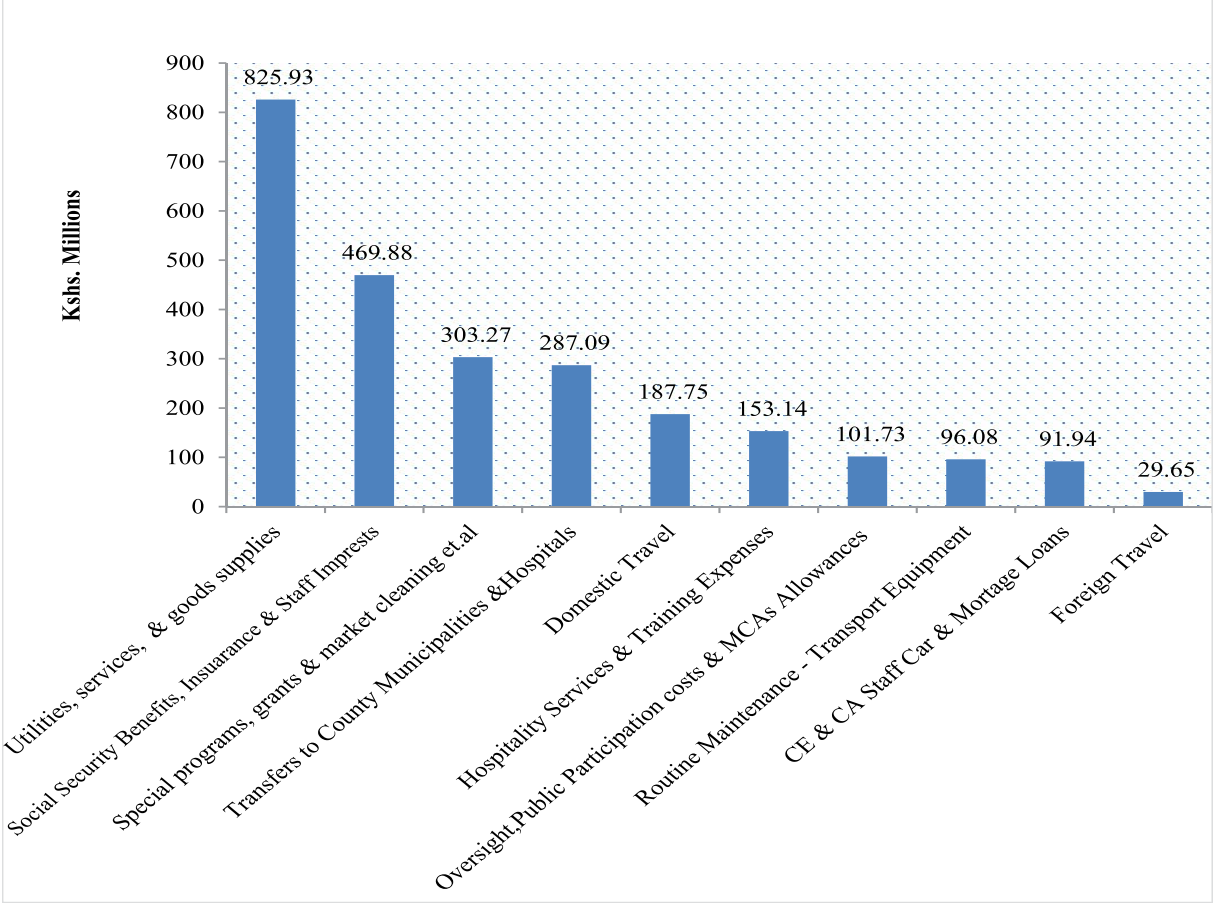
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of 5 funds, as indicated in Table 3.156, contrary to the requirement of Section 168 of the PFM Act, 2012.

The County government uses commercial bank accounts to operate the above-established public funds except for the Emergency fund (Emergency Account at CBK), 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.

3.23.9 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*

Expenditure on domestic travel amounted to Kshs.187.75 million and comprised Kshs.71.56 million spent by the County Assembly and Kshs.116.19 million by the County Executive. Expenditure on foreign travel amounted to Kshs.29.65 million and comprised Kshs.21.66 million by the County Assembly and Kshs.8.0 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.157 below;-

Table 3.157: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of the Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs)
County Assembly	5	26th Nov to 1st Dec 2023	Study visit	Uganda	2,355,075.00
County Assembly	2	27th July to 10th Aug 2023	To attend the National conference of State Legislatures	USA	2,692,346.00
County Executive	8	16th-20th October 2023	To attend training on the Strategic Human Resources Leadership Programme	Tanzania	2,303,117.00
County Assembly	4	25th to 30th November 2023	Study visit in the Parliament of Singapore	Singapore	2,110,864.00
County Assembly	5	26th November to 2nd Dec 2023	Study visit in the Parliament of Uganda	Uganda	2,077,850.00
County Assembly	3	3rd Aug to 10th Aug 2023	To attend Board induction	Singapore	2,045,915.00
County Assembly	1	28th June 2023 to 11th July 2023	To attend an international conference on post-pandemic strategic public administration and management	Australia	1,189,512.00

ource: Makueni County Treasury and Makueni County Assembly

3.23.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.2.07 billion on development programmes, a decrease of 18.4 percent compared to FY 2022/23, when the County spent Kshs.2.54 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.158: 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	Infrastructure	Rural Electrification Programme - REREC Matching grant	Countywide	30,000,000	29,909,465	99.7
2	Water and Sanitation	Athi Tunguni to Kilema Hill Water Project	Makindu Ward, Nguumo Ward and Kikumbultyu North	37,500,000	35,399,093	94.4
3	Water and Sanitation	Kyamakuthi earth dam	Kalawa Ward,	14,910,012	14,910,011	100
4	Makueni Fruit Development Authority	Purchase of mangoes for puree production	HQ	14,400,000	14,262,531	99
5	Makueni Fruit Development Authority	Puree production	HQ	13,549,224	13,549,224	100
6	Infrastructure	Road Maintenance - all wards	All Wards	13,014,219	13,014,219	100
7	Water	Purchase of a Backhoe to excavate communal household small dams of 500M cubic and desilting of earth dams	Kathonzweni	13,500,000	13,000,000	96.4
8	Infrastructure	Roads improvement programme	Countywide	12,007,102	11,662,099	97.1
9	Water	Kyamakuthi earth dam in Kimeeni sub-location-Surveying, redesigning, desilting, rehabilitation, protection, setting up draw-off systems, water treatment systems and distribution	Kalawa	14,910,012	11,070,902	74.3
10	ICT, Education & Internship	CTTI Development and Capitation	HQ	20,553,968	10,488,847	51
11	Emali-Sultan Municipality	Development of Municipal Integrated Development Plan (IDEP) and Municipal Spatial Plan	Emali-Sultan Municipality	10,000,000	9,999,999	100

Source: Makueni County Treasury

3.23.11 Budget Performance by Department

Table below summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.159: Makueni 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
Governorship	470.50	-	389.43	-	442.87	-	113.7	-	97.4	-
County Secretary	419.94	-	410.80	-	408.86	-	99.5	-	-	-
County Attorney	48.85	-	41.14	-	-	-	-	-	89.5	-
Devolution, Public Participation, County administration and Special Programs	325.19	22.83	308.87	20.35	291.10	21.58	94.2	106.1	85.5	94.5
Finance and Socio-Economic Planning	513.48	54.79	507.51	10.55	438.90	25.17	86.5	238.7	86.4	45.9
Agriculture, Irrigation, Livestock, Fisheries and Cooperative Development	302.24	699.19	273.67	401.43	261.12	374.75	95.4	93.4	59.3	53.6
Makueni County Fruit Development and Marketing Authority	50.36	58.05	31.92	58.05	29.86	58.04	93.5	100.0	83.5	100.0
ICT, Education and Internship	701.57	249.91	624.89	179.20	585.58	172.59	93.7	96.3	94.1	69.1
Gender, Children, Youth, Sports and Social Services	135.53	92.38	55.60	78.37	127.47	76.27	229.3	97.3	87.4	82.6
Health Services	3,272.98	531.11	2,817.83	296.33	2,862.02	296.46	101.6	100.0	90.7	55.8
Trade, Marketing, Industry, Culture and Tourism	148.68	19.89	128.71	12.94	134.80	14.22	104.7	109.9	75.6	71.5
Infrastructure, Transport, Public Works, Housing and Energy	160.07	570.63	146.97	406.35	121.07	443.55	82.4	109.2	86.1	77.7
Lands, Urban Planning & Development, Environment and Climate change	94.26	287.14	77.79	201.53	81.15	71.75	104.3	35.6	99.4	25.0
Wote Municipality	48.98	15.09	45.70	6.10	48.68	15.06	106.5	247.0	99.7	99.8
Emali-Sultan Hamud Municipality	27.65	26.55	31.92	26.54	27.56	22.52	86.4	84.9	79.8	84.8
Water and Sanitation	111.49	627.00	106.34	439.15	89.01	449.97	83.7	102.5	94.9	71.8
Sand Conservation and Utilization Authority	63.94	10.23	52.80	7.50	60.66	10.21	114.9	136.1	94.1	99.8
County Public Service Board	72.81	-	63.44	-	68.50	-	108.0	-	87.8	
Sub Totals	**6,968.54**	**3,264.79**	**6,115.32**	**2,144.38**	**6,115.75**	**2,052.14**	**100.0**	**95.7**	**97.6**	**62.9**
County Assembly	882.05	66.95	846.57	21.49	861.08	19.60	101.7	91.2	88.9	29.3
Totals	**7,850.60**	**3,331.74**	**6,961.88**	**2,165.87**	**6,976.83**	**2,071.73**	**100.2**	**95.7**	**88.9**	**62.2**

Source: *Makueni County Treasury*

Analysis of expenditure by departments shows that Makueni County Fruit Development and Marketing Authority 100 per cent. The Department of Wote Municipality had the highest percentage of recurrent expenditure to budget at 99.7 per cent. In contrast, the Departments of Agriculture, Irrigation, Livestock, Fisheries and Cooperative Development had the lowest at 59.3 per cent.

3.23.12 Budget Execution by Programmes and Sub-Programmes

Table 3.160 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.160: Makueni County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Budget	Development Budget	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Department of Land, Physical Planning & Mining							
Programme 1: General administration & planning	SP1. General administration & planning	67,528,620	-	57,455,476	-	85	
Programme 2: : Land Survey & Mapping	SP2. Land Survey & Mapping	4,205,728	28,631,905	4,205,728	17,945,714	100	63
Programme 3 : Urban planning	SP3. 1 Urban planning	5,018,450	23,459,469	4,269,855	13,053,267	85	56
Programme 4: Mining mapping & development	SP4. 1 Mining mapping & development	2,420,000	2,599,857	2,059,012	807,600	85	31
Programme 5: Environment management and protection	SP 5. 1 Environment management and protection	15,089,274	232,452,528	13,155,648	39,943,527	87	17
	Sub Total	**94,262,072**	**287,143,759**	**81,145,719**	**71,750,108**	**86**	**25**
Wote Municipality							
Wote Municipality	SP 1. 1 Wote Municipality	48,981,275	15,091,169	48,679,376	15,060,929	99	100
	Sub Total	**48,981,275**	**15,091,169**	**48,679,376**	**15,060,929**	**99**	**100**
Emali-Sultan Municipality							
Emali-Sultan Municipality	SP 1. 1 Emali-Sultan Municipality	27,653,364	26,546,800	27,563,748	**22,523,749**	100	85
	Sub Total	**27,653,364**	**26,546,800**	**27,563,748**	**22,523,749**	**100**	**85**
Sand Authority							
General administration & planning	SP 1.1: General Administration & Planning	63,935,887	10,228,589	60,656,625	10,205,325	95	100
	Sub Total	**63,935,887**	**10,228,589**	**60,656,625**	**10,205,325**	**95**	**100**
Department pf Health Services							
General administration & planning	SP1. 1 General administration & planning	2,838,919,580	465,788,246	2,482,203,578	285,390,944	87	61
Curative healthcare services	SP2. 1 : Curative health care services	298,375,306	28,760,665	261,101,774	907,030	88	3
Preventive and promotive healthcare services	SP3. 1 Preventive and promotive healthcare services	135,684,656	36,559,292	118,717,247	10,158,547	87	28
	Sub Total	**3,272,979,542**	**531,108,203**	**2,862,022,599**	**296,456,521**	**87**	**56**
Department of Infrastructure, Transport, Public works, Housing & Energy							
General administration & planning	SP1. 1 General administration & planning	139,185,488	-	105,269,049	-	76	-
Road Transport	SP2.1: Road transport	3,671,300	468,853,702	2,777,249	348,904,378	76	74
Infrastructure development	SP3.3: Infrastructure development	2,350,000	-	1,777,357	-	76	-
Energy Infrastructure & development	SP4.1:Energy Infrastructure & development	14,863,468	101,775,000	11,241,568	94,646,538	76	93
	Sub Total	**160,070,256**	**570,628,702**	**121,065,223**	**443,550,917**	**76**	**78**
Department of ICT, Education and Internship							

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Budget	Development Budget	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
General administration & planning	SP1. 1 General administration & planning	508,919,401	-	424,777,739	-	83	-
Early childhood development education	SP2.1: Early Childhood Development Education	22,990,229	132,629,868	19,189,163	89,629,896	83	68
Technical training & non-formal education	SP3.3: Technical training & non-formal education	1,300,000	75,642,704	1,085,066	48,690,095	83	64
Support to Education and Library Services	SP4.1:Support to Education and Library Services	144,764,902	1,000,000	120,830,347	940,500	83	94
ICT Infrastructure & Systems Development	SP5.1:ICT Infrastructure & Systems Development	15,446,830	37,736,469	12,892,944	31,840,351	83	84
Internship, Mentorship and Volunteerism	SP6.1: Internship, Mentorship and Volunteerism	8,150,215	2,904,785	6,802,708	1,490,530	83	51
	Sub Total	**701,571,576**	**249,913,826**	**585,577,967**	**172,591,372**	**83**	**69**
Department of Trade, Industry & Cooperatives							
General administration & planning	SP1. 1 General administration & planning	101,675,276	3,375,725	92,215,135	3,073,260	91	91
Trade development & promotion	SP2.1; Trade development & promotion	17,647,340	14,877,397	15,987,815	9,505,550	91	64
Industrial development and promotion	SP3. 1 Industrial development and promotion	650,000	-	588,875	-	91	-
Tourism development & promotion	SP4. 1 Tourism development & promotion	11,311,267	940,600	10,247,575	940,600	91	100
Culture, Art and the Music promotion	SP5. 1 Culture, Art and the Music promotion	17,400,000	700,000	15,763,734	700,000	91	100
	Sub Total	**148,683,883**	**19,893,722**	**134,803,134**	**14,219,410**	**91**	**71**
Department of Gender, Children, Youth, Sports, and Social Services							
General administration & planning	P1: General administration & planning	45,280,787		44,725,496		99	-
Gender and Social Development	P2: Gender and Social Development	28,694,571	40,962,030	26,308,495	33,945,320	92	83
Sports development	P3: Sports development	44,350,164	37,368,386	40,662,258	33,484,621	92	90
Youth empowerment	P4: Youth empowerment	17,207,166	14,047,324	15,776,317	8,835,570	92	63
	Sub Total	**135,532,688**	**92,377,740**	**127,472,566**	**76,265,511**	**94**	**83**
County Attorney							
General Administration & Support Services	P1: General administration & planning	48,854,412	-	36,552,227	-	75	-
	Sub Total	**48,854,412**	**-**	**36,552,227**	**-**	**75**	-
Governorship							
General Administration & Support Services	P1: General administration & planning	470,500,469	-	442,865,921	-	94	-
Sub Total		**470,500,469**	**-**	**442,865,921**	**-**	**94**	-
County Secretary							

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Budget	Development Budget	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Leadership & coordination of departments	SP1. 1 Leadership & coordination of departments	419,944,772	-	408,857,845	-	97	-
	Sub Total	**419,944,772**	-	**408,857,845**	-	**97**	-
CPSB							
Public Service Human Resource Management and Development.	SP2: Public Service Human Resource Management and Development.	72,813,647	-	68,500,576	-	94	-
	Sub Total	**72,813,647**	-	**68,500,576**	-	**94**	-
Finance & Socio-Economic Planning							
General Administration & Support Services	SP1: General administration & planning	355,316,256	54,787,552	303,709,673	25,169,295	85	46
Public financial management	SP2: Public financial management	158,162,488		135,191,380		85	
	Sub Total	**513,478,744**	**54,787,552**	**438,901,053**	**25,169,295**	**85**	**46**
Devolution, Public participation, County Administration and Special Programmes							
General Administration & Planning	SP1: General Administration & Planning	264,036,926	22,834,646	236,352,959	21,584,886	90	95
Participatory Development.& civic education	SP2: Participatory Development.& civic education	16,727,425	-	14,973,654	-	90	-
Research, Documentation and Knowledge Management	SP3: Research, Documentation and Knowledge Management	3,560,000	-	3,186,755	-	90	-
Coordination of Service Delivery and Enforcement	SP4: Coordination of Service Delivery and Enforcement	26,401,460	-	23,633,423	-	90	-
Disaster Risk Preparedness and Mitigation	SP5: Disaster Risk Preparedness and Mitigation	8,711,240	-	7,797,918	-	90	-
Alcoholic Drinks Control and Licensing	SP6: Alcoholic Drinks Control and Licensing	5,756,480	-	5,152,947	-	90	-
	Sub Total	**325,193,532**	**22,834,646**	**291,097,656**	**21,584,886**	**90**	**95**
Water and Sanitation							
General administration & planning	SP1: General Administration & Planning	87,804,325	56,390,781	70,101,290	44,520,890	80	79
Water infrastructure Development	SP 2.1: Water harvesting and storage	10,004,280	195,284,593	7,987,225	71,369,346	80	37
	SP2: Piped water supply infrastructure	3,850,000	222,899,071	3,073,766	216,853,112	80	97
	SP.3: Groundwater development	9,830,000	152,426,248	7,848,084	117,227,794	80	77
	Sub Total	**111,488,605**	**627,000,693**	**89,010,366**	**449,971,142**	**80**	**72**
Agriculture, Irrigation, Livestock, Fisheries And Cooperative							
General administration & planning	SP1: General Administration & Planning	67,678,207	283,241,973	58,284,396	263,499,087	86	93
Land, Crop development & productivity	SP 2: Land, Crop development & productivity	77,116,777	254,312,052	66,686,872	58,519,157	86%	23
Agribusiness and information management	SP3; Agribusiness and information management	13,800,000	86,132,517	11,933,575	26,570,463	86	31

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Budget	Development Budget	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Livestock Production, Management and Development	SP 4:Livestock Production, Management and Development	120,401,520	70,915,837	104,117,432	22,429,467	86	32
Cooperative Development	SP 5:Cooperative Development	23,244,573	4,583,930	20,100,787	3,731,210	86	81
	Sub Total	**302,241,077**	**699,186,309**	**261,123,063**	**374,749,384**	**86**	**54**
Makueni Fruit Development and Marketing Authority							
General Administration & Support Services	P1: General administration & planning	**50,356,413**	**58,049,729**	**29,856,201**	**58,037,799**	59	10
	Sub Total	**50,356,413**	**58,049,729**	**29,856,201**	**58,037,799**	**59**	**100**
County Assembly							
Legislation and Representation	SP1: Legislation and Representation	882,052,960	66,948,488	826,660,211	19,595,126	94	29
	Sub Total	**882,052,960**	**66,948,488**	**861,076,965**	**19,595,126**	98	29
Total County Budget		**7,850,595,172**	**3,331,739,928**	**6,976,828,828**	**2,071,731,473**	**89**	**62**

***Source**: Makueni County Treasury*

Sub-programmes with the highest levels of development implementation were Wote Municipality and Subprogram Culture, Art and Music promotion at 100 per cent.

3.23.13 Accounts Operated Commercial Banks

The County government operated 17 accounts with commercial banks. 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, Own Source Revenue collection, and sweeping accounts.

3.23.14 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;

1. Late submission of Financial returns, OCoB noted partial inconsistencies in reported County non-financial and financial returns as of June 2024.

2. Use of manual payroll. Personnel emoluments amounting to Kshs.371.41 million were processed through manual payroll, accounting for 8.4 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.

3. 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 the County Funds, receipt and management of Hospital funds.

4. Table 3.156 show the failure to observe fiscal discipline in the utilization of authorized exchequers, with ratios between some departments and granted exchequers greater than 100 per cent.

5. High pending bills of Kshs. 672.04 million and failure to adhere to the payment plan.

6. Failure to submit financial statements for the County Established funds as per the requirements of Section 168 of the PFM Act,2012.

7. Law expenditure on development programmes which was 22.9 per cent of total expenditure in the period.

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

1. *The county is to observe the submission of statutory returns and the accuracy of the financial returns.*
2. *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. *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 and revenue collection accounts are exempted.*
4. *The County should observe fiscal discipline in the utilization of authorized exchequers.*
5. *The County should address the situation of pending bills to ensure genuine bills are paid promptly in the next financial year.Further , compliance with the payment plan should be enforced.*
6. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports inline with PFM Act,20212.*
7. *The County should prioritise expenditure on development programmes to meet the legal requirement of 30 per cent.*

3.24. County Government of Mandera

3.24.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.13.0 billion, comprising Kshs.4.71 billion (36.3 per cent) and Kshs.8.29 billion (63.7 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 2.3 per cent compared to the previous financial year when it was Kshs.12.71 billion and comprised of Kshs.4.29 billion towards development expenditure and Kshs.8.42 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.11.63 billion (89.5 per cent) as the equitable share of revenue raised nationally, Kshs.512.08 million as additional allocations/conditional grants, a cash balance of Kshs.525.03 million (4 per cent) brought forward from FY 2022/23, and generate Kshs.330.53 million (2.5 per cent) as gross own source revenue. The own-source revenue includes Kshs.51.79 million (0.4 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.278.75 million (2.1 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.161.

3.24.2 Revenue Performance

In the FY 2023/24, the County received Kshs.10.7 billion as an equitable share of the revenue raised nationally, Kshs.401.9 million as additional allocations/conditional grants, a cash balance of Kshs.525.03 million from FY 2022/23 and raised Kshs.168.75 million as own-source revenue (OSR). The raised OSR includes Kshs.26.25 million as FIF and Kshs.142.5 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.11.80 billion, as shown in Table 3.161.

Table 3.161: Mandera County, Revenue Performance in the FY 2023/24

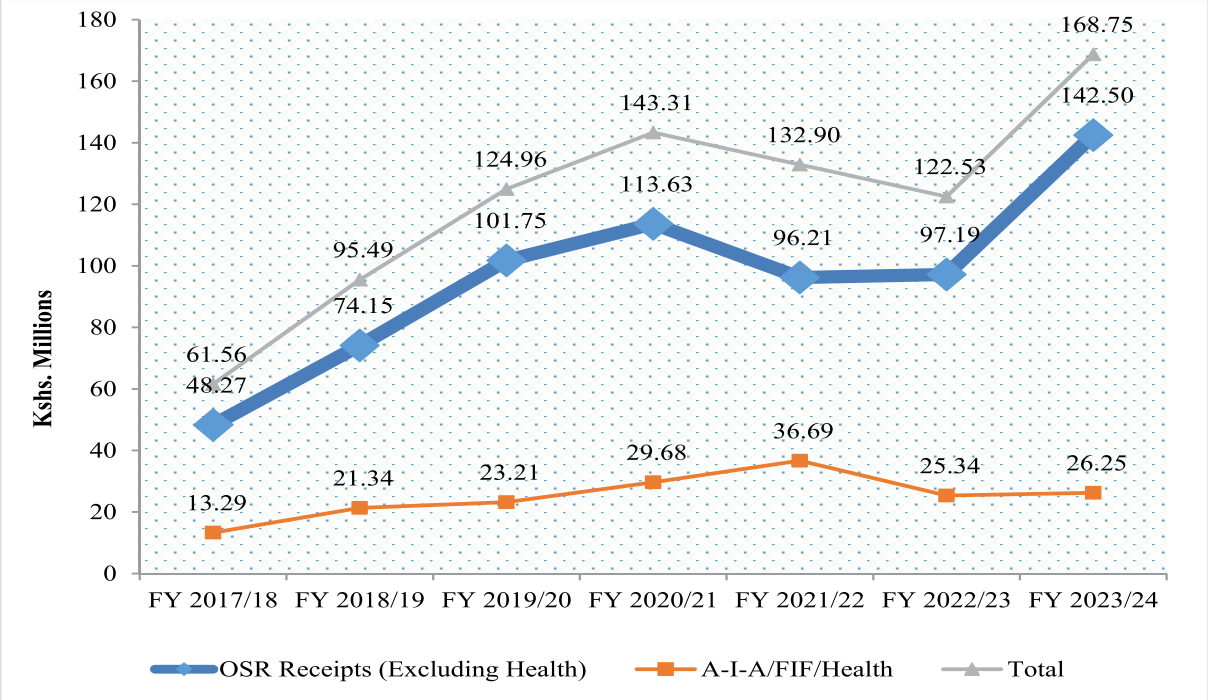
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	11,633,191,646	10,702,536,315	92
Sub Total		**11,633,191,646**	**10,702,536,315**	**92**
B	**Conditional Grants**			
1	FLLoCA CCIR Grant FY 2023/2024 Allocations	182,351,172	182,351,172	100
2	World Bank Emergency Locust Response Project(ENRP)	180,282,153	179,097,420	99.3

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
3	De-Risking and Value Enhancement (DRIVE)	72,541,980		0
4	Kenya Urban and Institutional Grant b/f	21,451,158	21,451,158	100
5	DANIDA Grant - Primary Health Care	18,653,250	-	-
6	Conditional Grant for Provision of Fertilizer Subsidy Programme	13,777,962	-	-
7	FLLoCA	11,000,000	11,000,000.00	100
8	FLOCCA balance from FY 2022/2023 in SP Account	6,644,937	6,644,937	100
9	RMLF b/f	2,262,955	-	0
10	Sweden-Agricultural Sector Development Support Program (ASDSP) II - Co-Funding	2,257,207	500,000	22.2
11	KDSP balance in SP Account	851,785	851,785	100
Sub-Total		**512,074,559**	**401,896,472**	**78.5**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	278,748,838	142,498,606	51.1
2	Balance b/f from FY2022/23	525,029,928	525,029,928	100
3	Facility Improvement Fund (FIF)	51,785,008	26,252,135	49.3
Sub Total		**855,563,774**	693,077,215	81
Grand Total		**13,000,829,979**	**11,797,510,002**	**90.7**

Source: *Mandera County Treasury*

The County does not have governing legislation on the operation of ordinary A-I-A and FIF. Figure 93 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

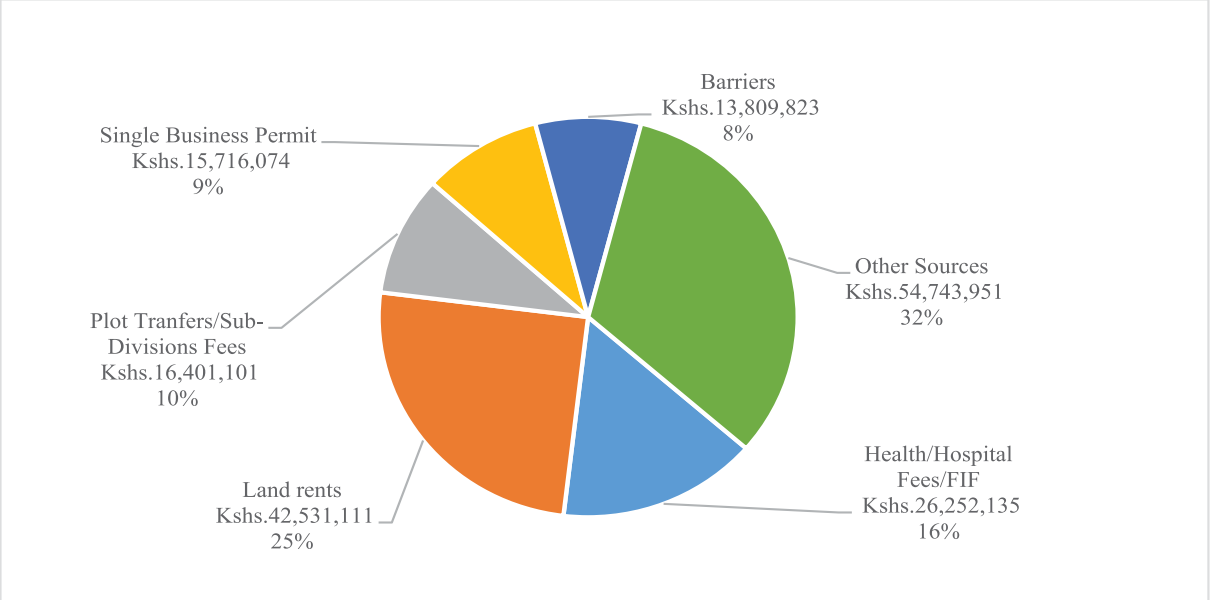
Figure 93: Mandera County,Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Mandera County Treasury*

In FY 2023/24, the County generated a total of Kshs.168.75 million from its sources of revenue, including FIF and AIA. This amount represented an increase of 37.1 per cent compared to Kshs.122.53 million realized in FY 2022/23 and was 50.8 per cent of the annual target and 3.1 per cent of the equitable revenue share disbursed during the period. The increase in OSR is attributed to improved collection due to enforcement, automation and relative stability of the county security situation. The revenue streams which contributed the highest OSR receipts are shown in Figure 94.

Figure 94: Top Streams of Own Source Revenue in the FY 2023/24



Source: Mandera County Treasury

The highest revenue stream, Kshs.42.53 million, was from Land Rates, which contributed 25 per cent of the total OSR receipts during the reporting period.

3.24.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.11.7 billion from the CRF account during the reporting period, which comprised Kshs.3.89 billion (33.3 per cent) for development programmes and Kshs.7.81 billion (66.7 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.4.46 billion was released towards Employee Compensation and Kshs.3.35 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.52.69 million.

3.24.4 County Expenditure Review

The County spent Kshs.11.7 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 of Kshs.3.89 billion and Kshs.7.81 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 82.6 per cent, while recurrent expenditure represented 94.3 per cent of the annual recurrent expenditure budget.

3.24.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.2.09 billion for development activities. In FY 2023/24, the County settled pending bills amounting to Kshs.675.43 million. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.2.23 billion. The reported pending bills include those incurred in FY 2023/24 because of non-receipt of the June 2024 equitable share of Kshs.930.56 million.

The County Assembly did not report any outstanding pending bills as of 30th June 2024.

3.24.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.4.11 billion on employee compensation, Kshs.2.95 billion on operations and maintenance, and Kshs.3.69 billion on development activities. Similarly, the County Assembly spent Kshs.350.55 million on employee compensation,

Kshs.397.79 million on operations and maintenance, and Kshs.206.45 million on development activities, as shown in Table 3.162.

Table 3.162: Summary of Budget and Expenditure by Economic Classification

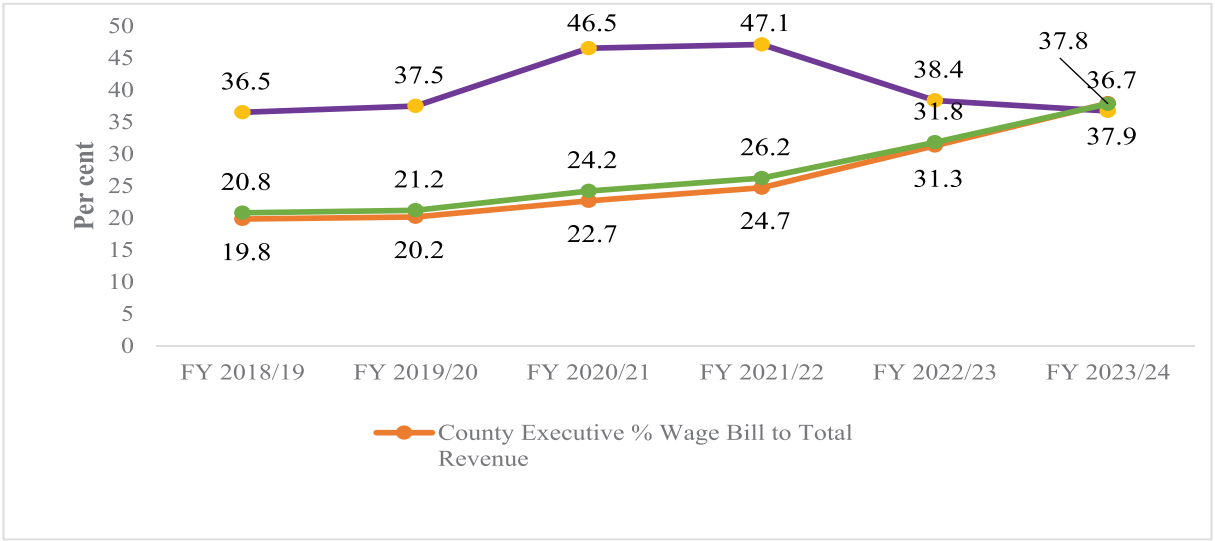
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**7,532,011,955**	**753,911,204**	**7,062,251,126**	**748,345,699**	**93.8**	**99.3**
Compensation to Employees	4,352,060,686	351,201,253	4,111,115,606	350,553,281	**94.5**	**99.8**
Operations and Maintenance	3,179,951,269	402,709,951	2,951,135,520	397,792,418	**92.8**	**98.8**
Development Expenditure	**4,455,819,052**	**259,088,796**	**3,687,663,639**	**206,447,383**	**82.8**	**79.7**
Total	**11,987,831,007**	**1,013,000,000**	**10,749,914,765**	**954,793,082**	**89.7**	**94.3**

***Source**: Mandera County Treasury*

3.24.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.46 billion, or 37.8 per cent of the available revenue, which amounted to Kshs.11.8 billion. This expenditure represented an increase from Kshs.3.99 billion reported in FY 2022/23. The wage bill included Kshs.1.45 billion paid to health sector employees, translating to 32 per cent of the total wage bill. This increase in personnel emoluments compared to the previous financial year is attributed to the payment of prior year salaries in the current financial year due to a shortfall in revenue and the new housing levy. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 95.

Figure 95: Mandera County,Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Mandera County Treasury

Further analysis indicates that PE costs amounting to Kshs.4.17 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.288.14 million was processed through manual payrolls. The manual payrolls accounted for 6.5 per cent of the total PE cost.

The County Assembly spent Kshs.15.20 million on committee sitting allowances for the 50 MCAs against the annual budget allocation of Kshs.15.21 million. The average monthly sitting allowance was Kshs.24,845 per MCA. The County Assembly has established 23 Committees.

3.24.8 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.460 million to the Bursary Fund in FY 2023/24, constituting 3.5 per cent of the County's overall budget. Table 3.163 summarises the established Fund's budget allocation and performance during the reporting period.

Table 3.163: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	Bursary Fund	460,000,000	460,000,000	460,000,000	1,392,000,000	Yes
	Total	**460,000,000**	**460,000,000**	**460,000,000**	**1,392,000,000**	

Source: *Mandera County Treasury*

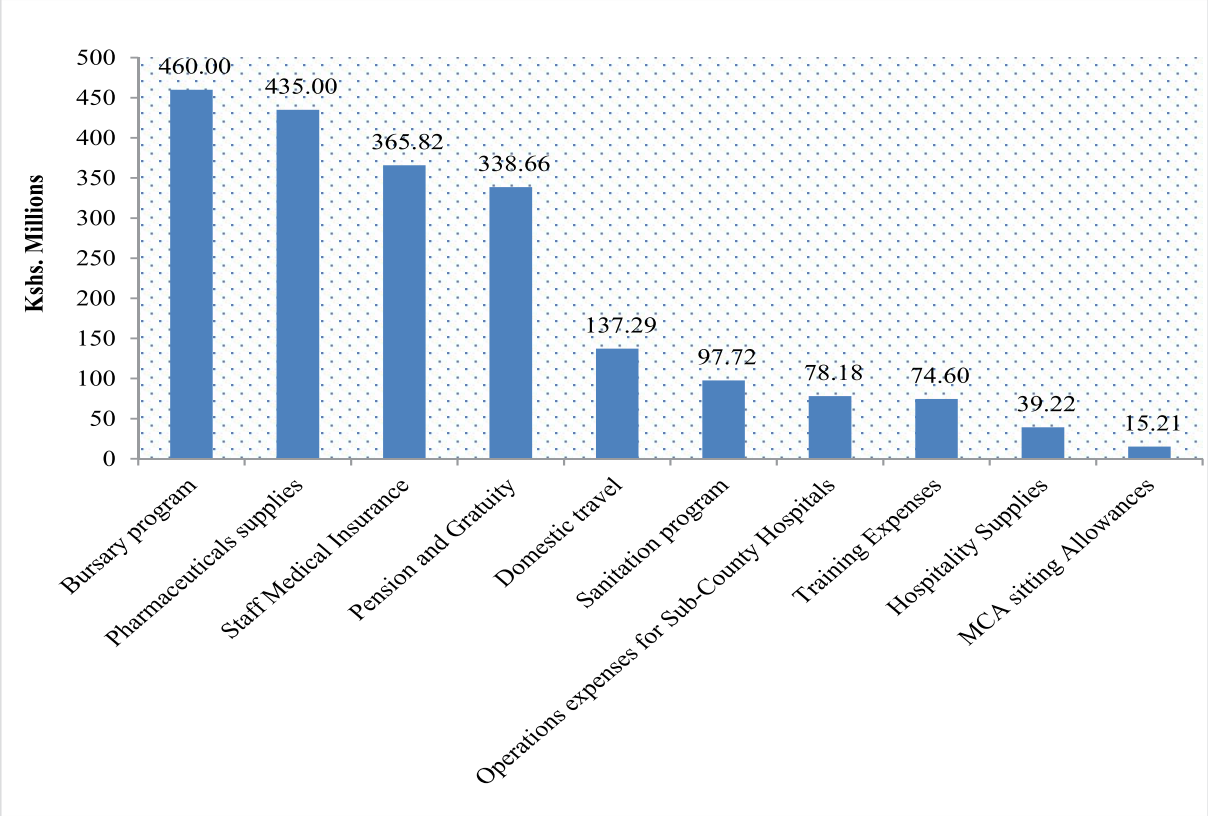
The Bursary Fund's administration costs were within the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

The County government uses commercial bank accounts to operate the Bursary Fund 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.

3.24.9 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.137.29 million and comprised Kshs.74.33 million spent by the County Assembly and Kshs.62.96 million by the County Executive. Expenditure on foreign travel amounted to Kshs.25.65 million, all incurred by the County Assembly. Expenditure on foreign travel is summarized in Table 3.164 below;-

Table 3.164: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government:	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs)
Mandera County Assembly	8	4th to 11th February 2024	Attended effective leadership and management training	Landmark Hotel -UAE	7,934,718
Mandera County Assembly	8	11th to 17th February 2024	Attended Modern Governance dynamics: legislation and oversight training	Holiday Inn Hotel -Kuala Lumpur	7,728,410
Mandera County Assembly	2	27th Oct - 5th Nov 2023	Performance management system and localization of SDGs	Kent, United Kingdom	3,766,631
Mandera County Assembly	9	14th - 20th April 2024	Invitation for Attending effective leadership and management training	Arusha- Tanzania	3,601,080
Mandera County Assembly	2	1st - 7th oct 2023	Official duty to attend smart innovation conference in Las Vegas	Las Vegas, USA	1,930,208
Mandera County Assembly	1	28th February to 7th March 2024	Invitation to an educational conference in India	Mumbai	690,200
Total					**25,651,247**

Source: Mandera County Treasury and Mandera County Assembly

Included in the operations and maintenance costs is Kshs.44.13 million on garbage collection and Kshs.45.5 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.24.10 Development Expenditure

In the FY 2023/24, the County reported expenditure of Kshs.3.89 billion on development programmes, representing an increase of 5.2 per cent compared to FY 2022/23 when the County spent Kshs.3.7 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.165: 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	Social Development	Construction of Housing Units for Vulnerable Persons	County wide	199,999,879.00	50,000,000.00	25.0
2	Health	Upgrading of Banisa Level 4 Hospital	Banisa	138,546,280.00	101,310,000.00	73.1
3	Agriculture	Construction Of Slaughterhouse In Elwak	Elwak	104,959,824.00	83,762,213.00	79.8
4	Lands and Urban Development	Development of Valuation Rolls	Countywide	54,184,800.00	5,000,000.00	9.2
5	Water Services	Proposed construction of 60,000m3 burduras gobogala earth pan	Mandera West	38,382,120.00	20,000,000.00	52.1
6	Water Services	Proposed Construction Of 60,000M3 Alungu Earth Pan	Lafey	32,147,000.00	32,147,000.00	100.0
7	Water Services	Proposed Construction Of 60,000M3 Chame Earth Pan	Banisa	31,877,040.00	31,877,040.00	100.0
8	Mandera County Assembly	Construction of the Speaker's residence	Mandera East	31,584,834.00	9,475,450.00	30.0
9	Water Services	Supply And Delivery Of High Tech Water Survey Equipment And Design Software	Mandera East	26,809,625.00	15,000,000.00	56.0
10	Trade	Construction of Market Shade at El-danaba in Mandera West	Mandera West	21,500,000.00	21,500,000.00	100.0

Source: Mandera County Treasury and Mandera County Assembly Treasury

3.24.11 Budget Performance by Department

Table 3.166 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.166: Mandera 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	753.91	259.09	748.35	206.45	748.35	206.45	100.0	100.0	99.3	79.7
Office of the Governor & Deputy Governor	497.89	-	469.10	-	469.10	-	100.0	-	94.2	-
Finance and Economic Planning	409.28	36.75	376.90	30.00	376.90	30.00	100.0	100.0	92.1	81.6
Agriculture, Livestock and Fisheries	259.55	453.26	231.06	313.71	231.06	313.71	100.0	100.0	89.0	69.2
Water, Energy, Environment & Natural Resources	369.36	1,693.89	342.64	1,548.24	342.64	1,548.24	100.0	100.0	92.8	91.4
Education and Human Capital Development	1,119.91	212.47	1,072.59	178.70	1,072.59	178.70	100.0	100.0	95.8	84.1
Health Services	2,321.23	343.62	2,206.11	293.07	2,206.11	293.07	100.0	100.0	95.0	85.3
Lands and Urban Development	228.16	506.32	195.34	433.89	195.34	433.89	100.0	100.0	85.6	85.7
Roads, Transport and Works	307.11	395.40	181.21	272.01	181.21	272.01	100.0	100.0	59.0	68.8
Social Development	93.66	605.50	89.54	528.00	89.54	528.00	100.0	100.0	95.6	87.2
Public Service Management, Devolved Units & Community Cohesion	1,620.81	36.60	1,617.43	36.60	1,617.43	36.60	100.0	100.0	99.8	100.0
County Public Service Board	73.22	7.73	73.22	-	73.22	-	100.0	-	100.0	-
Trade and Cooperative Development	68.15	164.26	62.66	53.45	62.66	53.45	100.0	100.0	91.9	32.5
Office of the County Secretary	66.50	-	64.50	-	64.50	-	100.0	-	97.0	-
Office of the County Attorney	97.18	-	79.97	-	79.97	-	100.0	-	82.3	-
Total	**8,285.92**	**4,714.91**	**7,810.60**	**3,894.11**	**7,810.60**	**3,894.11**	**100.0**	**100.0**	**94.3**	**82.6**

***Source**: Mandera County Treasury*

Analysis of expenditure by departments shows that the Department of Public Service Management recorded the highest absorption rate of the development budget at 100 per cent, followed by the Department of Water and Energy Services at 91.4 per cent. The Department of Public Service Management had the highest percentage of recurrent expenditure to budget at 99.8 per cent. In contrast, the Department of Roads, Transport and Public Works had the lowest at 59.0 per cent.

3.24.12 Budget Execution by Programmes and Sub-Programmes

Table 3.167 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.167: Mandera County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates FY 2023/24 (Kshs.)	Actual Expenditure (Kshs.)	Absorption Rate (% Total Expenditure to Approved Estimates)
		A	B	D=B/A*100
Agriculture, Livestock and Irrigation	General Administration & Support Services	131,187,804	122,696,802	93.5
	Livestock Resources Management and Development	195,842,980	123,301,000	63.0
	Crop Management and Development	308,360,913	221,351,358	71.8
	Irrigation Development and Management	77,420,757	77,416,409	100.0
		712,812,454	**544,765,569**	**76.4**
Lands, Housing and Physical Development	Administration Services	67,013,160	59,186,765	88.3
	Land Use Planning and Survey	111,148,981	44,277,105	39.8
	Physical Planning housing and urban development	453,051,158	422,490,207	93.3
	Solid Waste Management	103,270,000	103,270,000	100.0
		734,483,299	**629,224,077**	**85.7**
Roads, Public Works and Transport	Administrative Services	169,082,294	144,710,886	85.6
	Road And Air Transport Infrastructure Development	500,078,693	288,799,849	57.8
	Public Works Management	33,356,126	19,706,126	59.1
		702,517,113	**453,216,861**	**64.5**
Trade and Cooperative Development	General Administration and Planning	45,550,587	40,061,577	87.9
	Cooperative Development and Promotion	27,100,281	20,600,000	76.0
	Trade Development and Promotion	159,764,774	55,449,412	34.7
		232,415,642	**116,110,989**	**50.0**
Health Services	Administrative Services	1,528,134,758	1,451,670,877	95.0
	Preventive, Promotive and Reproductive Health Services	211,914,813	172,055,555	81.2
	Curative Rehabilitative and Referral Services	924,799,841	875,454,689	94.7
		2,664,849,412	**2,499,181,121**	**93.8**
Education and Human Capital	General Administration & Support Services	997,854,875	950,615,264	95.3
	Early Childhood Education	302,974,364	269,115,023	88.8
	Vocational and Technical Training Services	25,050,000	25,050,000	100.0
	Education Support Services	6,500,000	6,500,000	100.0
		1,332,379,239	**1,251,280,287**	**93.9**
County Executive Services	Management of County Affairs	497,889,646	470,890,561	94.6
		497,889,646	**470,890,561**	**94.6**
Office of the County Secretary	Leadership and executive coordination	66,502,802	66,500,000	100.0
		66,502,802	**66,500,000**	**100.0**
Office of the County Attorney	Legal and advisory services	97,180,939	76,180,000	78.4
		97,180,939	**76,180,000**	**78.4**
County Public Service Board	Ethics, Governance and Public Service Values	80,949,490	73,218,148	90.4
		80,949,490	**73,218,148**	**90.4**
County Assembly	Legislation and Representation	1,013,000,000	954,793,082	94.3
		1,013,000,000	**954,793,082**	**94.3**

Programme	Sub-Programme	Approved Estimates FY 2023/24 (Kshs.)	Actual Expenditure (Kshs.)	Absorption Rate (% Total Expenditure to Approved Estimates)
		A	B	D=B/A*100
Finance and Economic Planning	Administrative and Planning Services	291,758,120	266,690,183	91.4
	Accounting Services	62,996,967	56,130,951	89.1
	Financial Services and Report	3,900,000	3,900,000	100.0
	Internal Audit Services	2,800,000	2,800,000	100.0
	Supply Chain Management Affairs	12,000,000	12,000,000	100.0
	County Asset Management system	2,800,000	2,800,000	100.0
	County Economic Planning and Statistics	27,127,131	26,275,346	96.9
	Revenue Collection and Enhancement	23,400,000	23,400,000	100.0
	ICT and E-Government Services	19,251,179	12,900,000	67.0
		446,033,397	**406,896,480**	**91.2**
County Public Service Management	Administration and Support Services	1,509,538,379	1,509,538,379	100.0
	Devolved Governance and Enforcement Services	108,546,068	105,166,000	96.9
	Civic Education and Public Participation	7,500,000	7,500,000	100.0
	De-radicalization and Countering Violence	17,030,000	17,030,000	100.0
	Community Cohesion and Conflict Management	14,800,000	14,800,000	100.0
		1,657,414,447	**1,654,034,379**	**99.8**
Social Development	Administration and Support Services	36,592,335	36,471,298	99.7
	Women's Empowerment and Affirmative Action	12,500,000	9,000,000	72.0
	Youth Empowerment and Sports	33,575,276	16,075,000	47.9
	Culture and Gender Development Promotion	24,350,000	20,350,000	83.6
	Disaster Preparedness and Management	592,138,642	535,640,000	90.5
		699,156,253	**617,536,298**	**88.3**
Water, Energy, Environment and Climate Change	Administrative Services	177,693,266	158,619,879	89.3
	Water and Sewerage Management	1,504,487,990	1,385,513,685	92.1
	Energy and Natural Resources	23,200,000	9,700,000	41.8
	Environment and Climate Change	357,865,618	337,046,431	94.2
		2,063,246,874	**1,890,879,995**	**91.6**
	GRAND TOTAL	**13,000,831,007**	**11,704,707,846**	**90.0**

***Source**: Mandera County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Leadership and county coordination in the Department of County Secretary at 100 per cent, Community Cohesion in the Department of Public Service Management at 100 per cent, Vocational and Technical training services in the Department of Education at 100 per cent, and Irrigation Development and Management in the Department of Agriculture at 100 per cent of budget allocation.

3.24.13 Accounts Operated Commercial Banks

The County government operated 22 accounts with commercial banks. 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.

3.24.14 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;

1. The under performance of own-source revenue at Kshs.168.75 million against an annual target of Kshs.330.53 million, representing 50.8 per cent of the annual target.
2. High pending bills, which amounting to Kshs.2.23 billion as of 30th June 2024.
3. High wage bills accounting for 37.8 per cent of the County total revenue in FY 2023/24 which is above the ceiling provided in law.
4. Use of manual payroll. Personnel emoluments amounting to Kshs.288.14 million were processed through the manual payroll, accounting for 6.5 per cent of the total payroll cost. The manual payroll is prone to abuse and may lead to the loss of public funds where there is a lack of proper controls.

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

1. *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.*
2. *County leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the following financial year and in line with an approved payment plan.*
3. *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.*
4. *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.*

3.25. County Government of Marsabit

3.25.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.9.42 billion, comprising Kshs.4.32 billion (45.9 per cent) and Kshs.5.10 billion (54.1 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 6.7 per cent compared to the previous financial year when it was Kshs.8.83 billion and comprised of Kshs.3.81 billion towards development expenditure and Kshs.5.02 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.7.56 billion (80.2 per cent) as the equitable share of revenue raised nationally, Kshs.1.16 billion (12.3 per cent) as additional allocations/conditional grants, a cash balance of Kshs.513.53 million (5.4 per cent) brought forward from FY 2022/23, and generate Kshs.190.00 million (2.1 per cent) as gross own source revenue. The own-source revenue includes Kshs.118.67 million (62.5 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.71.33 million (37.5 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.168.

3.25.2 Revenue Performance

In the FY 2023/24, the County received Kshs.6.96 billion as an equitable share of the revenue raised nationally, Kshs.425.19 million as additional allocations/conditional grants, a cash balance of Kshs.513.53 million from FY 2022/23 and raised Kshs.145.09 million as own-source revenue (OSR). The raised OSR includes Kshs.90.22 million as FIF and Kshs.54.86 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.8.04 billion, as shown in Table 3.168.

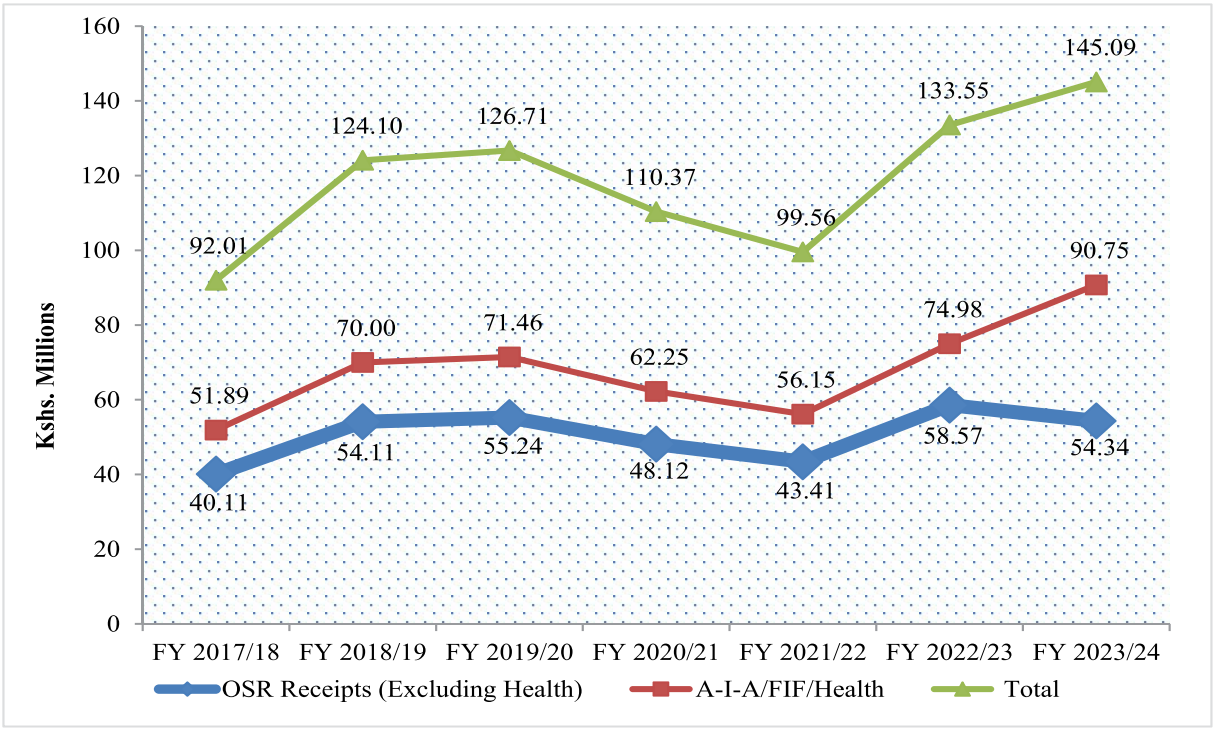
Table 3.168: Marsabit County, Revenue Performance in the FY 2023/24

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**	7,560,398,412	**6,955,566,539**	92.0
Subtotal				
B	**Additional Allocations/Conditional Grants**			
1	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	90,000,000	500,000	0.6
2	DANIDA Grant - Primary Health	12,538,500	-	-
3	IDA (World Bank) Credit (Financing Locally Led Climate Action (FLLoCA) Programme, County Climate Institutional Support (CCIS) Grant	11,000,000	-	-
4	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	1,431,190	1,431,190	100.0
5	German Development Bank (KFW) - Drought Resilience Programme in Northern Kenya (DRPNK)	300,000,000		0.0
6	World Bank- Emergency Locust Response Project (ELRP)	195,670,752	194,495,020	99.4
7	Kenya Livestock Commercialization Project (KELCOP)	37,500,000	34,185,598	91.2
8	Leasing of Medical Equipment	124,723,404		0.0
9	Aggregated Industrial Parks Programme	100,000,000		0.0
10	Conditional Grant for Provision of Fertilizer Subsidy Programme	2,389,320		0.0
11	Locally Led Climate Action Programme (FLLoCA) Programme	137,500,000	194,579,160	141.5
12	Conditional Grant for Rehabilitation of Village Polytechnic-Balance B/F	1,159,347	-	-
13	Marsabit County Climate Change Fund-Balance B/F	1,768,000	-	-
14	Marsabit County Drought Resilience-Balance B/F	145,038,663	-	-
Subtotal		**1,160,719,176**	**425,190,968**	**36.6**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	120,000,000	54,869,460	45.7
2	Facility Improvement Fund (FIF)	70,000,000	90,223,090	128.9
Subtotal		**190,000,000**	**145,092,730**	**76.4**
D	**Other Sources of Revenue**			
1.	Unspent balance from FY 2022/23	513,532,859	513,532,859	100.0
Sub Total		**513,532,859**	**513,532,859**	**100.0**
Grand Total		**9,424,650,447**	**8,039,382,916**	**85.3**

Source: *Marsabit County Treasury*

Figure 97 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

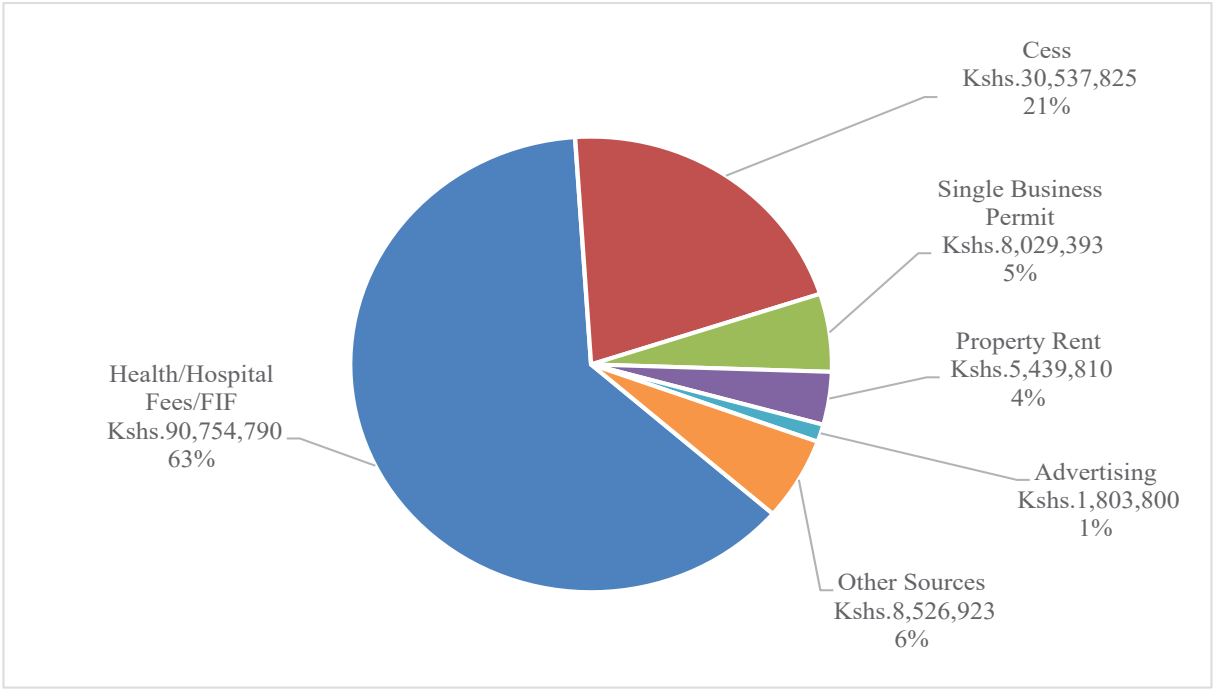
Figure 97: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Marsabit County Treasury*

In the FY 2023/24, the County generated a total of Kshs.145.09 million from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 8.6 per cent compared to Kshs.133.54 million realized in FY 2022/23 and was 76.4 per cent of the annual target and 2.1 per cent of the equitable revenue share disbursed during the period. The revenue streams which contributed the highest OSR receipts are shown in Figure 98.

Figure 98: Top Streams of Own Source Revenue in the FY 2023/24 .



Source: Marsabit County Treasury

The highest revenue stream, Kshs.90.75 million, was from Hospital Fees, which contributed 63 percent of the total OSR receipts during the reporting period.

3.25.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.7.66 billion from the CRF account during the reporting period, which comprised Kshs.2.95 billion (38.6 per cent) for development programmes and Kshs.4.70 billion (61.4 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.3.91 billion was released towards Employee Compensation and Kshs.791.22 million for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.318.36 million.

3.25.4 County Expenditure Review

The County spent Kshs.7.65 billion on development and recurrent programmes in the reporting period. The expenditure represented 99.9 per cent of the total funds released by the CoB and comprised of Kshs.2.95 billion and Kshs.4.69 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 68.3 per cent, while recurrent expenditure represented 92.1 per cent of the annual recurrent expenditure budget.

3.25.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.716.12 million, comprising Kshs.19.72 million for recurrent expenditure and Kshs.696.4 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.460.04 million, which consisted of Kshs.19.72 million for recurrent expenditure and Kshs.440.32 million for development programmes. As of the end of FY 2023/24, the outstanding amount was Kshs.1.13 billion, which includes pending bills incurred during FY 2023/24.

The County Assembly reported outstanding pending bills of Kshs.426.05 million as of 30 June 2024.

3.25.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.07 billion on employee compensation, Kshs.838.83 million on operations and maintenance, and Kshs.2.85 billion on development activities. Similarly, the County Assembly spent Kshs.251.66 million on employee compensation, Kshs.538.64 million on operations and maintenance, and Kshs.100.35 million on development activities, as shown in Table 3.169.

Table 3.169: Summary of Budget and Expenditure by Economic Classification

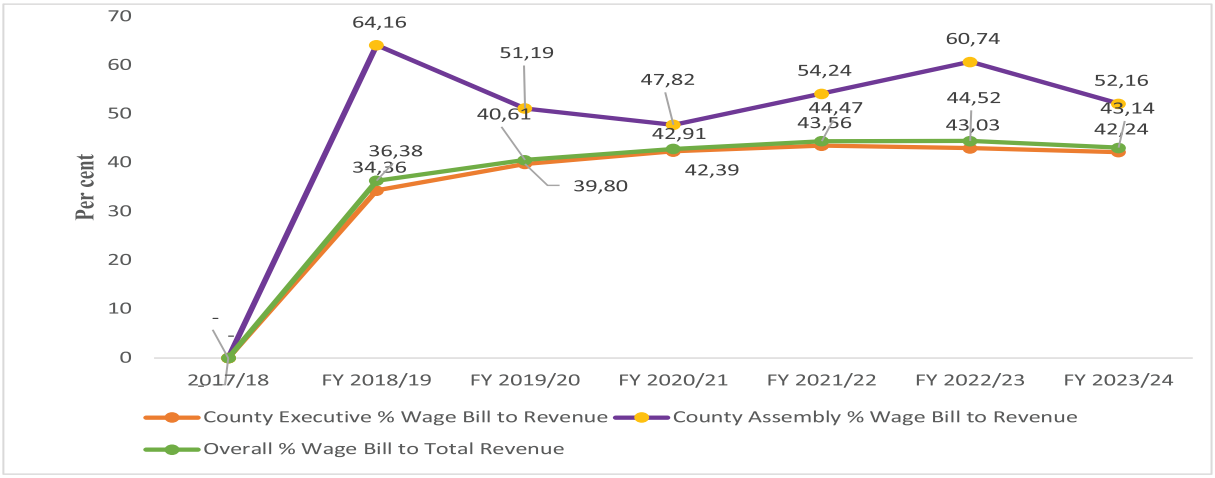
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**4,309,096,362**	**791,217,081**	**3,907,211,738**	**790,306,649**	**90.7**	**99.9**
Compensation to Employees	3,068,503,691	251,666,525	3,068,378,033	251,666,525	100.0	100.0
Operations and Maintenance	1,240,592,671	539,550,556	838,833,705	538,640,125	67.6	99.8
Development Expenditure	**3,798,853,015**	**525,483,989**	**2,851,827,046**	**100,348,642**	**75.1**	**19.1**
Total	**8,107,949,377**	**1,316,701,070**	**6,759,038,784**	**890,655,291**	**83.4**	**67.6**

Source: Marsabit County Treasury

3.25.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.3.32 billion, or 41.3 per cent of the available revenue, which amounted to Kshs.8.04 billion. This expenditure represented an increase from Kshs.3.01 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.1.49 billion paid to health sector employees, translating to 44.8 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 99.

Figure 99: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: *Marsabit County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.75 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.562.33 million was processed through manual payrolls. The manual payrolls accounted for 16.9 per cent of the total PE cost.

The County Assembly spent Kshs.26.49 million on committee sitting allowances for the 33 MCAs against the annual budget allocation of Kshs.34.71 million. The average monthly sitting allowance was Kshs.66,912 per MCA. The County Assembly has established 21 Committees.

3.25.8 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.377.41 million to county-established funds in FY 2023/24, constituting 4.3 per cent of the County's overall budget. Further, the County allocated Kshs.50.00 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 3.170 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.170: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1	Scholarship Fund	200,000,000	200,000,000	200,000,000	647,000,000.00	No
2	Emergency Fund	50,000,000	50,000,000	50,000,000	826,999,240.00	No
3	Car Loan and Mortgage-Executive	70,000,000	-	-	121,000,000.00	No
	Sub Total	**320,000,000**	**250,000,000**	**250,000,000**	**1,594,999,240.00**	
	County Assembly Established Funds					
1	Car and mortgage loan scheme for staff	57,407,675	57,407,675.00	57,407,675.00	141,570,671	No
1	Marsabit County Assembly Car Loan and Mortgage – Members	-	-	18,381,585	259,000,000	No
	Sub Total	**57,407,675**	**57,407,675.00**	**75,789,260**	**400,570,671**	
	Total	**377,407,675**	**307,407,675.00**	**325,789,260**	**1,995,569,911**	

Source: *Marsabit County Treasury*

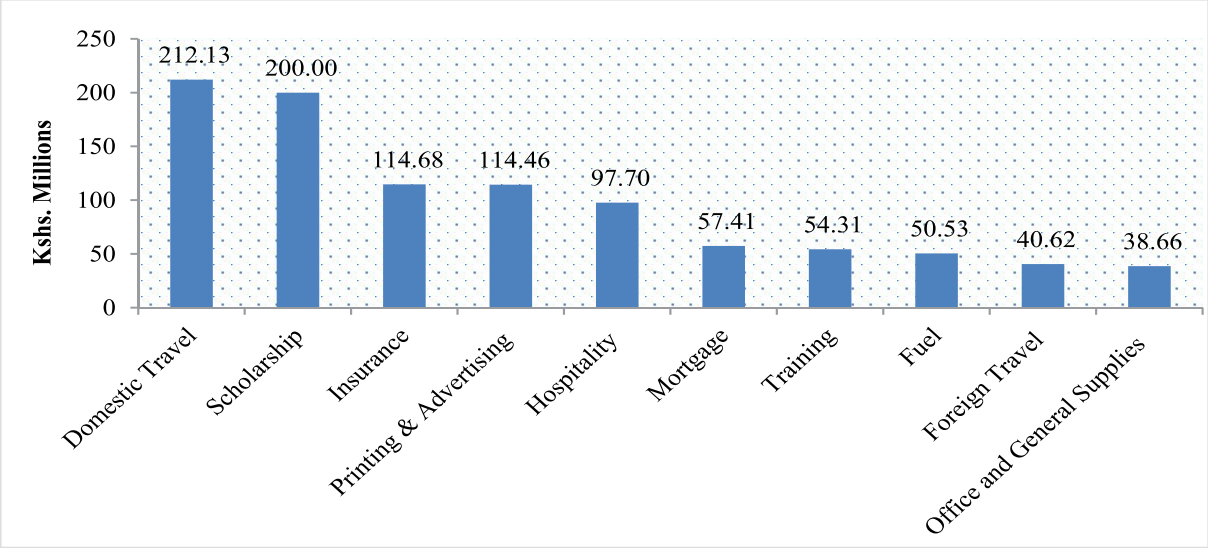
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of the established county funds, as indicated in Table 3.167, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.25.9 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.212.13 million and comprised Kshs.116.36 million spent by the County Assembly and Kshs.95.77 million by the County Executive. Expenditure on foreign travel amounted to Kshs.40.62 million and comprised Kshs.30.00 million by the County Assembly and Kshs.10.62 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.171 below;-

Table 3.171: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	9	14th -18th DEC 2023	Corporate Governance and Leadership Skills for Education Committee training	UAE-DUBAI	4,889,610
County Assembly	10	14TH -18TH DEC 2023	Corporate Governance and Finance for Budget Committee training	UAE-DUBAI	5,070,720
County Assembly	10	26th March-31st March 2024	Health Occupational Policy Training for Health Committee	ADDIS ABABA-ETHIOPIA	4,890,514
County Assembly	9	27th March-1st April 2024	Corporate Governance and Legislative Aspect training for Administration Committee	ADDIS ABABA-ETHIOPIA	4,281,028
County Assembly	1	10th -14th June 2024	Senior Leadership seminar	Istanbul-Turkey	500,000
County Assembly	2	10th -21st June 2024	Training on Strategic Policy Planning	Kampala-UGANDA	1,000,000
County Assembly	2	8th-19th July 2024	Gender Mainstreaming and Inclusion for Legislators	Arusha-Tanzania	1,000,000
County Executive	3	22/11/2023	To receive Ambulances Donation	U.K	3,399,484

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	3	30/11/2023	To attend a conference of parties -CORP 28	Dubai	4,354,912
County Executive	2	7 November 2023	16th African Regional assembly and conference	Abuja- Nigeria	1,623,122
County Executive	1	19/09/2023	Workshop for African Governance Award	Mauritius	819,201

Source: *Marsabit County Treasury and Marsabit County Assembly*

Included in the operations and maintenance costs is an expenditure of Kshs.15.98 million on Legal fees/Dues.

3.25.10 Development Expenditure

In the FY 2023/24, the County reported an expenditure of Kshs.2.95 billion on development programmes, representing an increase of 8.6 per cent compared to FY 2022/23 when the County spent Kshs.2.69 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.172: 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	Countywide	536,712,933	487,180,469	84
2	Roads	upgrading of Moyale town roads to bitumen standard	Moyale	116,102,283	116,102,283	100
3	Water, Environment and Natural resources.	Supply of 5,000 roto plastic tanks	County Wide	35,325,000.	35,325,000	100
4	Health Services	Plumbing, Electrical, Internal drainage and other services at Sololo Level 4 hospital	Sololo ward-Moyale Sub-county	21,300,131	21,300,131	100
5	Water, Environment and Natural resources.	Flood Mitigation Project in Sololo - Construction of sand dams, stormwater drainage ways and gabions	Sololo	50,000,000.00	21,087,492.30	42
6	Lands, Energy and Urban Development	Registration, land adjudication and titling of lands	Sololo ward-Moyale sub county	18,900,000	18,900,000	100
7	Health Services	Construction of level 4 hospital at Sololo, Makutano.	Moyale Sub county	18,000,000	16,380,000	90
8	Health Services	Floor finishes and electrical works for proposed KMTC at Marsabit hospital	Central ward-saku sub county	14,201,500	14,201,500	100
9	Health Services	Civil and mechanical works for KMTC at Marsabit Hospital	Central ward	12,842,000	12,842,000	100
10	Health Services	Painting and decoration work for the proposed KMTC at Marsabit Hospital	Central ward	12,411,732	12,411,732	100

Source: *Marsabit County Treasury*

3.25.11 Budget Performance by Department

Table 3.173 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.173: Marsabit 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	791.22	525.48	791.22	101.54	790.31	100.35	99.9	98.8	99.9	19.1
County Executive	477.79	535.11	392.94	509.00	422.71	509.00	107.6	100.0	88.5	95.1

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 & Economic Planning	467.00	440.44	361.78	428.21	392.50	427.89	108.5	99.9	84.0	97.2
Agriculture, Livestock & Fisheries	250.59	850.83	218.09	328.78	211.59	328.78	97.0	100.0	84.4	38.6
County Public Service Board	96.87	23.50	68.31	17.00	65.84	16.90	96.4	99.4	68.0	71.9
Education, Skill Development, Youth & Sports	533.86	214.29	533.59	132.53	511.80	131.94	95.9	99.6	95.9	61.6
County Health Services	1,525.98	503.18	1,510.71	338.34	1,503.04	338.33	99.5	100.0	98.5	67.2
Administration, Coordination & ICT	335.20	162.80	282.15	153.50	287.87	152.98	102.0	99.7	85.9	94.0
Energy, Lands & Urban Development	134.98	134.39	133.08	84.21	128.33	84.21	96.4	100.0	95.1	62.7
Roads & Public WorkS	104.36	236.46	86.29	227.19	82.84	226.98	96.0	99.9	79.4	96.0
Water, Environment & Natural ResourceS	146.90	476.03	138.57	457.12	132.54	457.12	95.7	100.0	90.2	96.0
Trade, Industry & Enterprise Development	86.70	189.30	76.19	156.93	69.97	156.80	91.8	99.9	80.7	82.8
Tourism, Culture & Social Services	123.36	32.50	86.79	20.93	93.97	20.88	108.3	-	76.2	64.3
Office of the County Attorney	14.50	-	13.40	-	1.86		13.9	-	12.8	0.0
Office of the County Secretary	11.00	-	7.37	-	2.35		31.9	-	21.4	0.0
Total	**5,100.31**	**4,324.34**	**4,700.48**	**2,955.28**	**4,697.52**	**2,952.18**	**99.9**	**99.9**	**92.1**	**68.3**

***Source**:Marsabit County Treasury*

Analysis of expenditure by departments shows that the Department of Finance & Economic Planning recorded the highest absorption rate of development budget at 97.2 per cent, followed by the Department of Roads & Public Works, Water, Environment & Natural Resources at 96.0 per cent. The County Assembly had the highest percentage of recurrent expenditure to budget at 99.9 per cent, while the Department of County Attorney had the lowest at 12.8 per cent.

3.25.12 Budget Execution by Programmes and Sub-Programmes

Table 3.174 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.174: Marsabit County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Assembly							
1: General Administration Support Services	SP 1.1 salaries and allowances for employees and M.C.As	252,669,199	-	251,669,199	-	99.6	-
	SP 1.2 Employer Contribution to Pension	9,550,000	-	9,550,000	-	100.0	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	SP 1.2 Hospitality, Catering services, donations and gifts, boards, committees, conferences and seminars	45,074,469	-	45,074,469	-	100.0	-
	SP 1.3 Domestic payables from previous financial years	19,717,081	275,801,070	19,717,081	-	100.0	-
Programme 2: Legislature and Oversight	SP 2.1 Domestic and foreign accommodation, air travel and daily subsistence allowance	146,357,475	-	146,357,475	-	100.0	-
	SP 2.2 ICT, Hansard and Communication Equipment	6,500,000	-	6,500,000	-	100.0	-
	SP 2.3 Mortgage & Car Loans and Tax	57,407,675	-	57,407,675	-	100.0	-
	SP 2.4 Staff Training and Development and Tuition	35,407,263	-	35,407,263	-	100.0	-
Programme 3: County Assembly Infrastructure Improvement	SP 3.11 Equipping of library	-	-	9,550,000	-	-	-
	SP 3.12 Maintenance of motor vehicle	7,750,000	-	-	-	-	-
	SP 3.13 Purchase of furniture and general equipment	1,500,000	-	1,500,000	-	100.0	-
	SP 3.14 Construction of County Assembly Headquarters and modern chambers, purchase of land for speaker's residence, construction and equipping of ward offices	-	249,682,919	-	100,348,642	-	40.2
	SP 3.15 Improvement of ICT services	3,015,500	-	3,016,760	-	100.0	-
	SP 3.16 Maintenance of plants, machinery & other assets	7,016,760	-	4,000,000	-	57.0	-
	SP 3.17 Electricity, water and sewerage and other utility charges	11,928,878	-	10,028,878	-	84.1	-
	SP 3.18 Printing, advertisement and information supplies and services	33,321,371	-	33,321,371	-	100.0	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	SP 3.19 Rental of approved assets and hire of motor vehicles	2,200,000	-	2,200,000	-	100.0	-
	SP 3.20 Insurance cost for group personal, building, motor vehicle and medical cover	34,979,999	-	37,480,382	-	107.1	-
	SP 3.21 Purchase of computers, printers and, general office supplies and accessories and sanitary cleaning materials	37,386,793	-	37,386,793	-	100.0	-
	SP 3.22 Fuel, oil, lubricants and tyres	8,000,000	-	8,000,000	-	100.0	-
	SP 3.23 Bank service commission and charges, legal fees, management fees and, contracted professional charges and other operating expenses	8,714,883	-	9,230,000	-	105.9	-
	SP 3.24 Ward office	32,352,000	-	32,352,000	-	100.0	-
	SP 3.25 Uniform, specialized materials and supplies	8,000,000	-	7,600,000	-	95.0	-
	-SP 3.26 Membership fees and dues and subscription for international organisation	5,500,000	-	5,500,000	-	100.0	-
	SP 3.28 Refurbishment of buildings	4,000,000	-	4,000,000	-	100.0	-
	SP 3.29 Gratuity/ pension	14,367,735	-	13,457,303	-	93.7	-
	Sub Total	**792,717,081**	**525,483,989**	**790,306,649**	**100,348,642**	99.7	19.1%
County Executive services							
Management of County Affairs	County Executive services	477,791,217	-	422,705,136	-	88.5	0.0
Management of County Affairs	Executive Infrastructure Development		535,112,933	-	509,003,904		95.1
	Sub-Total	**477,791,217**	**535,112,933**	**422,705,136**	**509,003,904**	88.5	95.1
Finance & Economic Planning							
General administration planning and Support Services	Financial Services	467,000,000	440,442,096	392,497,184	427,891,529	84.0	97.2
	Sub-Total	**467,000,000**	**440,442,096**	**392,497,184**	**427,891,529**	84.0	97.2

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Agriculture, Livestock & Fisheries							
General Administration, Planning and Support Services	General Administration, Planning and Support Services	102,921,590	-	89,136,904	-	86.6	-
Livestock Production and Management	Livestock Production and Management	116,732,928	-	100,974,542	-	86.5	-
Crop Development and Management	Lands and Crop Development	-	850,829,926	-	328,782,000	-	38.6
Fisheries Development and Management	Fisheries Policy, Strategy and Capacity Building	30,938,970	-	21,477,349	-	69.4	-
	Sub-Total	**250,593,488**	**850,829,926**	**211,588,795**	**328,782,000**	84.4	38.6
County Public Service Board							
General administration planning and Support Services	Administration services	96,868,000	-	65,843,575	-	68.0	-
Human Resource Management and Development	Board Management Service	-	23,500,000	-	16,899,631	-	71.9
	Sub-Total	**96,868,000**	**23,500,000**	**65,843,575**	**16,899,631**	68.0	71.9
Education, Skill Development, Youth & Sports							
General Administration, Planning and Support Services	Administration Services	533,863,481	-	511,800,626	-	95.9	-
Early Childhood Development and Education	Early Childhood Development and Education	-	214,294,347	-	131,939,874	-	61.6
	Sub-Total	**533,863,481**	**214,294,347**	**511,800,626**	**131,939,874**	95.9	61.6
Administration, Coordination & ICT							
General administration planning and Support Services	Administration services	335,200,000	-	287,866,275	-	85.9	-
Coordination of functions of devolved Units	Executive Infrastructure Development	-	162,800,000	-	152,978,050	-	94.0
	Sub-Total	**335,200,000**	**162,800,000**	**287,866,275**	**152,978,050**	85.9	94.0
County Health							
General Administration, Planning and Support Services	Administration and support services	1,525,981,500	-	1,503,040,711	-	98.5	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
General Administration, Planning and Support Services	Health Infrastructure development	-	503,182,283	-	338,331,782	-	67.2
	Sub-Total	**1,525,981,500**	**503,182,283**	**1,503,040,711**	**338,331,782**	98.5	67.2
Trade, Industry & Enterprise Development							
General administration planning and Support Services	Financial Services	86,700,000	-	69,974,355	-	80.7	-
Trade and Industrial Development	Development of infrastructure and facilities	-	189,300,000	-	156,801,256	-	82.8
	Sub-Total	**86,700,000**	**189,300,000**	**69,974,355**	**156,801,256**	80.7	82.8
Tourism, Culture & Social Services							
Culture Services	Cultural infrastructure development	-	32,500,000	-	20,884,746	-	64.3
General administration, planning and support services	General Administration Services	123,358,270	-	93,973,440	-	76.2	-
	Sub-Total	**123,358,270**	**32,500,000**	**93,973,440**	**20,884,746**	76.2	64.3
Water, Environment & Natural Resources							
Water Resources Management	Water Supply Infrastructure Development	-	351,033,000	-	347,334,250	-	-
General administration planning and Support Services	General administration planning and Support Services	108,512,000	-	101,839,122	-	93.9	-
Natural Resources Conservation and Management	Environmental policy development	-	125,001,968	-	109,787,852	-	87.8
Natural Resources Conservation and Management	Forests Conservation and Management	38,388,560	-	30,705,828	-	80.0	-
	Sub-Total	**146,900,560**	**476,034,968**	**132,544,950**	**457,122,102**	90.2	96.0
Roads & Public Works							
General administration planning and Support Services	General administration planning and Support Services	65,760,878	-	58,251,869	-	88.6	-
General administration planning and Support Services	Operations and Maintenance	38,603,609	-	24,584,337	-	63.7	-
Road Transport Infrastructure Development	Roads Infrastructure Development	-	236,461,902	-	226,984,471	-	96.0
	Sub-Total	**104,364,487**	**236,461,902**	**82,836,206**	**226,984,471**	79.4	96.0

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Energy, Lands & Urban Development							
Urban Development Services	Solid Waste Management	-	134,394,560	-	84,207,701	-	62.7
General administration planning and Support Services	Administration and Support services	134,975,359	-	128,329,685	-	95.1	-
	Sub-Total	**134,975,359**	**134,394,560**	**128,329,685**	**84,207,701**	95.1	62.7
Office of the County Secretary							
General administration, planning and support services	General Administration Services	11,000,000	-	2,351,300	-	21.4	-
	Sub-Total	**11,000,000**	-	**2,351,300**	-	21.4	
Office of the County Attorney							
General administration, planning and support services	General Administration Services	14,500,000	-	1,859,500	-	12.8	-
	Sub-Total	**14,500,000**	-	**1,859,500**	-	12.8	-
Grand Total		**5,101,813,443**	**4,324,337,004**	**4,697,518,387**	**2,952,175,689**	**92.1**	**68.3**

Source: *Marsabit County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: General Administration, Planning and Support Services in the Department of Health Services at 98.5 per cent, General Administration Planning and Support Services in the Department of Finance and Planning at 97.2 per cent, Road Transport Infrastructure Development in the department of Roads and Public Works at 96.0 per cent, Administration and Support services in the Department of Land and Urban Development at 95.1 per cent of budget allocation.

3.25.13 Accounts Operated Commercial Banks

The County government operated a total of 11 accounts with commercial banks. 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.

3.25.14 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;

1. 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 July 2024.

2. The under performance of own-source revenue at Kshs.145.09 million against an annual target of Kshs.190.00 million, representing 76.3 per cent of the annual target.

3. Failure by Fund Administrators 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, Emergency, Car Loan and Mortgage- Executive & County Assembly funds were not submitted to the Controller of Budget.

4. High level of pending bills by the County Executive which amounted to Kshs.1.13 billion as of 30 June 2024. Further, there was non-adherence to the pending bills payment plan by the County Treasury.

5. A high wage bill accounted for 41.3 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided in law.

6. Use of manual payroll. Personnel emoluments amounting to Kshs.562.33 million were processed through the manual payroll, accounting for 16.9 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.

7. 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 Executive Mortgage Scheme, County Assembly Members Car Loan Scheme, Marsabit County Assembly staff car loan and mortgage schemes, Emergency Fund Account, Marsabit County operation account, Development Operations Account, County Deposit /retention account, cultural festival account, sub-counties operation account and three other accounts for conditional grants.

8. Weak budgeting practice, as shown in Table 3.173, where the County incurred expenditure over approved exchequer issues in several departments.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

2. *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.*

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

4. *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.*

5. *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.*

6. *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.*

7. *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.*

8. *The County Treasury should improve the Vote book and budgetary control to ensure expenditure is within the approved budget.*

3.26. County Government of Meru

3.26.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.12.23 billion, comprising Kshs.3.75 billion (30.7 per cent) and Kshs.8.48 billion 69.3 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented a decrease of 5.9 per cent compared to the previous financial year when it was Kshs.12.65 billion and comprised of Kshs.3.72 billion towards development expenditure and Kshs.8.93 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.9.89 billion (80.9 per cent) as the equitable share of revenue raised nationally, Kshs.905.07 million as additional allocations/conditional grants, a cash balance of Kshs.367.48 million (3.0 per cent) brought forward from FY 2022/23, and generate Kshs.1.07 billion (8.7 per cent) as gross own source revenue. The own source revenue includes Kshs.16.00 million (1.5 per cent) as Appropriations-in-Aid (A-I-A), Kshs.500.00 million (46.9 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.550.00 million (51.6 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.175.

3.26.2 Revenue Performance

In the FY 2023/24, the County received Kshs.9.10 billion as an equitable share of the revenue raised nationally, Kshs.657.75 million as additional allocations/conditional grants, had a cash balance of Kshs.367.51 million from FY 2022/23 and raised Kshs.972.21 million as own-source revenue (OSR). The raised OSR includes Kshs.10.27 million as A-I-A, Kshs.580.13 million as FIF and Kshs.381.81 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.11.10 billion, as shown in Table 3.175.

Table 3.175: Meru County, Revenue Performance in the FY 2023/24

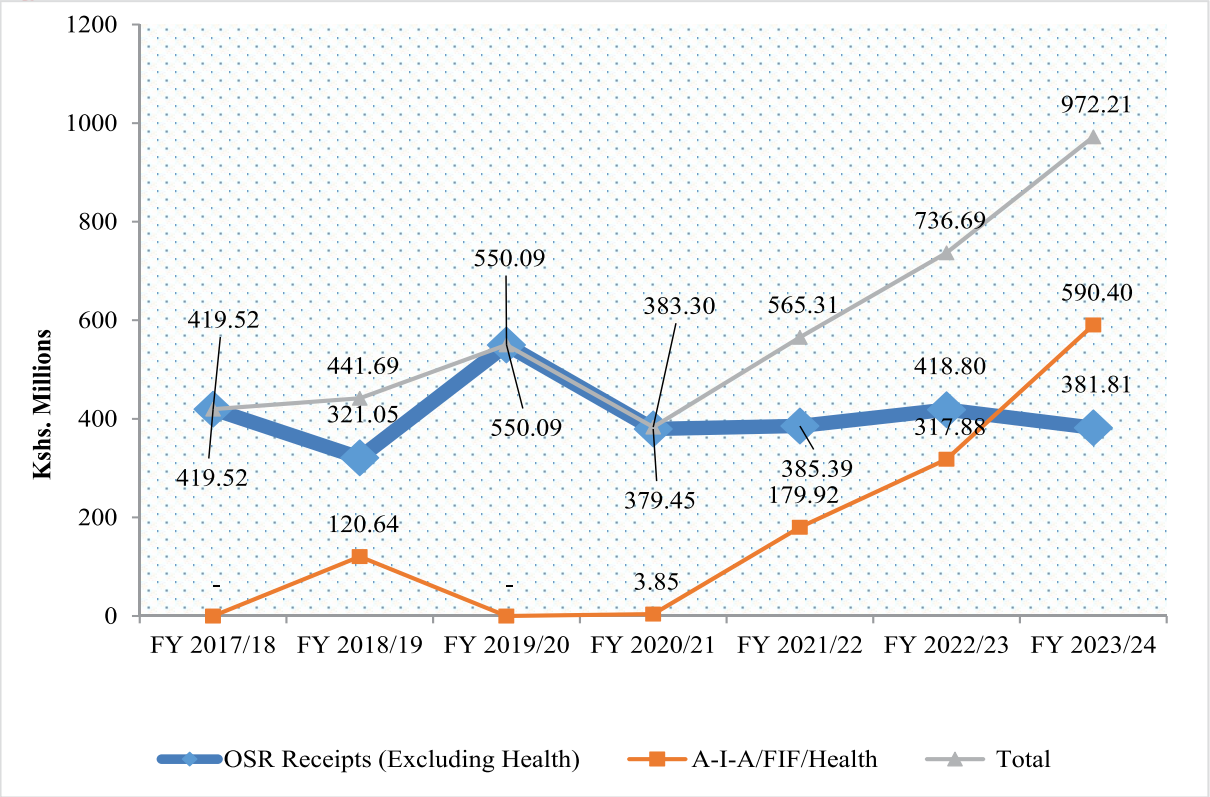
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	Equitable Share of Revenue Raised Nationally	9,892,625,172	9,101,215,160	92.0
Sub total		**9,892,625,172**	**9,101,215,160**	**92.0**
B	**Conditional Grants**			
1.	IDA (World Bank) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	5,000,000	4,261,826	85.2
2.	IDA (World Bank) Credit (National Agricultural Value Chain Development Project (NAVCDP)	200,000,000	198,912,147	99.5
3.	DANIDA Grant	19,733,230	14,668,500	74.3
4.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	6,105,100	1,605,100	26.3
5.	Kenya Informal Settlement Programme (KISP)II	67,546,296	67,546,296	100.0
6.	Emergency Locust Responses Projects (ELRP)	121,171,561	119,986,828	99.0
7.	Aquaculture Business Development Programme (ABDP)	23,306,584	-	-
8.	Aggregated Industrial Parks Programme	250,000,000	62,500,000	25.0
9.	Financing Locally Led Climate Action Programme (FLLoCA) Program, County Climate Institutional Support (CCIS)	11,000,000	-	-
10.	Financing Locally Led Climate Action Programme (FLLoCA) Program, County Climate Resilience Investment (CCRI)	188,269,899	188,269,900	100.0
11.	Conditional grant for transfer Library services	12,902,906	-	-
Sub total		**905,035,576**	**657,750,597**	**72.7**
C	**Other Sources of Revenue**			
12.	Ordinary Own Source Revenue	550,000,000	381,805,168	69.4
13.	Ordinary Appropriation in Aid (A-I-A)	16,000,000	10,271,046	64.2
14.	Facility Improvement Fund (FIF)	500,000,000	580,129,111	116.0
Sub Total		**1,066,000,000**	**972,205,325**	**91.2**
D	**Other Sources of Revenue**			
15.	Unspent balance from FY 2022/23(Inclusive of grants balances)	367,514,915	367,514,915	100
Sub Total		**367,514,915**	**367,514,915**	**100**
Grand Total		**12,231,175,663**	**11,098,685,997**	**90.7**

Source: *Meru County Treasury*

Health Facility Improvement Fund (FIF) exceeded the annual target of Kshs.500.00 million by Kshs.80.13 million and registered 116.0 per cent of the annual target for the revenue stream. This was because of the introduction of the cashless system that has led to exceeding the target.

Figure 101 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

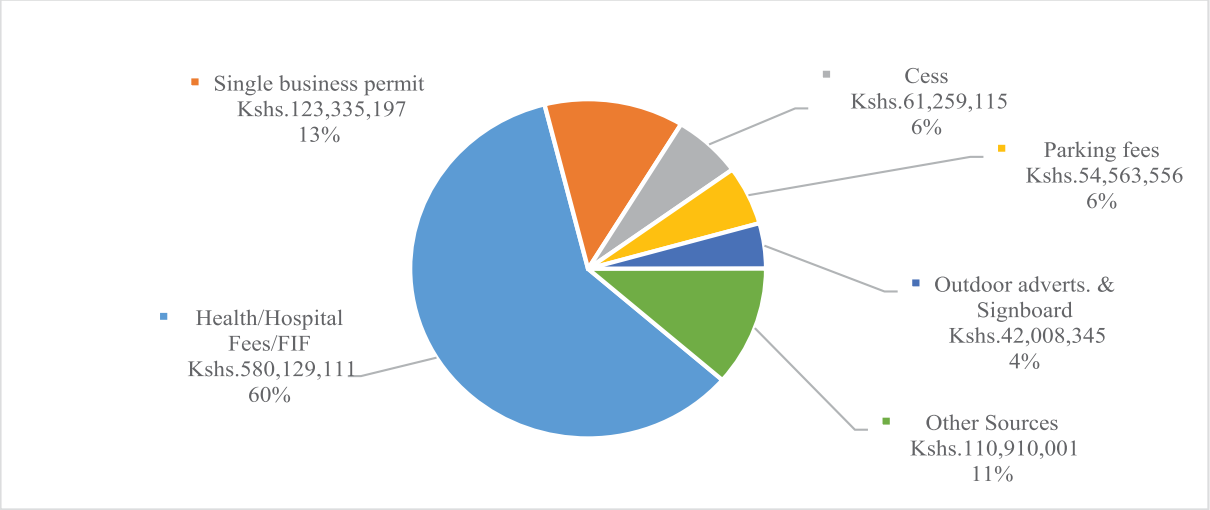
Figure 101: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Meru County Treasury*

In FY 2023/24, the County generated a total of Kshs.972.21 million from its sources of revenue, including FIF and AIA. This amount represented an increase of 32.0 per cent compared to Kshs.736.69 million realized in FY 2022/23 and was 91.2 per cent of the annual target and 10.4 per cent of the equitable revenue share disbursed during the period. The revenue streams which contributed the highest OSR receipts are shown in Figure 102.

Figure 102: Top Streams of Own Source Revenue in the FY 2023/24



Source: Meru County Treasury

The highest revenue stream, Kshs.580.13 million, was from Health FIF, which constituted 60 per cent of the total OSR receipts during the reporting period.

3.26.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.10.12 billion from the CRF account, comprising Kshs.2.49 billion (24.6 per cent) for development programmes and Kshs.7.63 billion (75.4 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in FY 2023/24 indicates that Kshs.5.06 billion was released towards Employee Compensation and Kshs.2.57 billion for Operations and Maintenance expenditures.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.47.97 million.

3.26.4 County Expenditure Review

The County spent Kshs.10.96 billion on development and recurrent programmes in the reporting period. The expenditure represented 108.2 per cent of the total funds released by the CoB and comprised of Kshs.2.97 billion and Kshs.7.98 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 79.3 per cent, while recurrent expenditure represented 94.1 per cent of the annual recurrent expenditure budget.

3.26.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.860.51 million, comprising Kshs.205.78 million for recurrent expenditure and Kshs.654.83 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.273.68 million, consisting of Kshs.71.68 million for recurrent expenditure and Kshs.202.00 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.586.82 million. This amount excludes pending bills arising from FY 2023/24 of Kshs.783.46 million for both County Executive and County Assembly.

3.26.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.4.55 billion on employee compensation, Kshs.2.45 billion on operations and maintenance, and Kshs.2.97 billion on development activities. Similarly, the County Assembly spent Kshs.508.99 million on employee compensation, Kshs.473.37 million on operations and maintenance, and Kshs.7.98 million on development activities, as shown in Table 3.176.

Table 3.176: 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	**7,499,676,148**	**982,378,295**	**6,999,587,196**	**982,360,789**	**93.3**	**100.0**
Compensation to Employees	4,549,413,044	508,988,011	4,547,930,441	508,988,011	100.0	100.0
Operations and Maintenance	2,950,263,104	473,390,284	2,451,656,755	473,372,778	83.1	100.0
Development Expenditure	**3,709,121,220**	**40,000,000**	**2,966,316,593**	**7,982,674**	**71.0**	**20.0**
Total	**11,208,797,368**	**1,022,378,295**	**9,965,903,789**	**990,343,463**	**86.0**	**96.9**

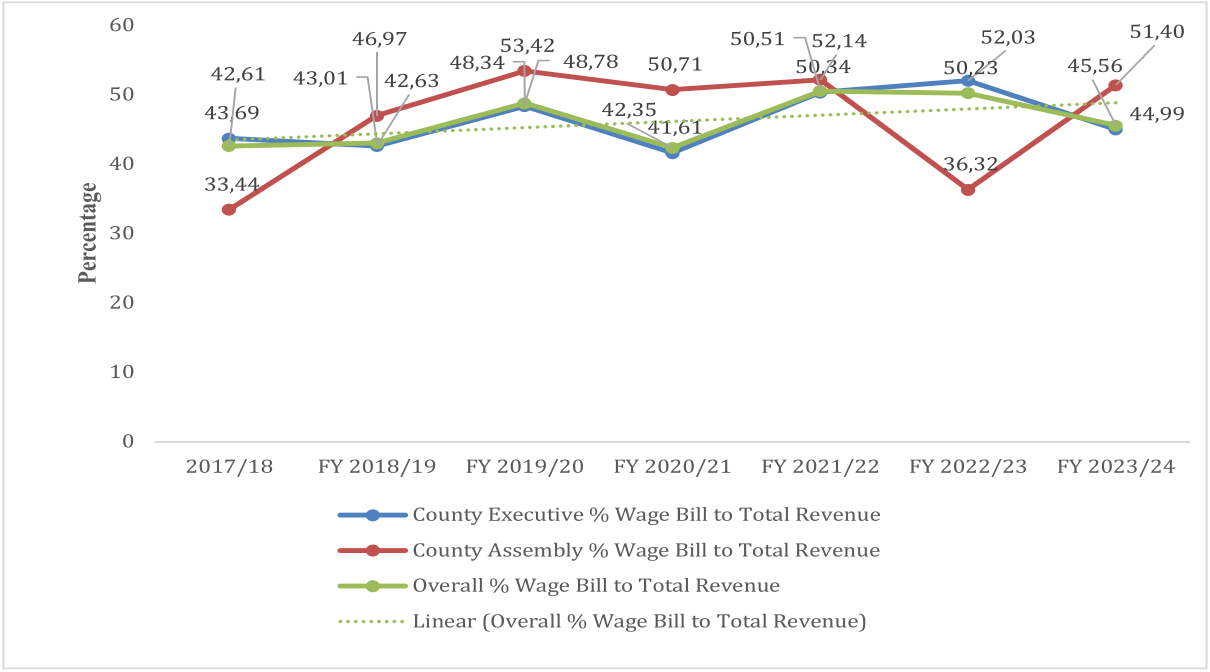
***Source**: Meru County Treasury*

3.26.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.5.06 billion, or 45.6 per cent of the available revenue, which amounted to Kshs.11.10 billion. This expenditure represented a decrease from Kshs.5.78 billion reported in FY 2022/23. The wage bill included Kshs.2.74 billion paid to health sector employees, translating to 54.0 per cent of the total wage bill.

Figure 103 shows the trend of personnel expenditures as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 103: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Meru County Treasury

Further analysis indicates that PE costs amounting to Kshs.4.92 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.128.27 million was processed through manual payrolls. The manual payrolls accounted for 2.5 per cent of the total PE cost.

The County Assembly spent Kshs.71.36 million on committee sitting allowances for the 69 MCAs against the annual budget allocation of Kshs.71.36 million. The average monthly sitting allowance was Kshs.114,904 per MCA. The County Assembly has established 27 Committees.

3.26.8 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.787.80 million to county-established funds in FY 2023/24, constituting 6.4 per cent of the County's overall budget. The County did not allocate any to the Emergency Fund in FY 2023/24 but allocated Kshs.12.45 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. Table 3.177 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.177: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs.)	Submission of Annual Financial Statements (Yes/No.)
County Executive Established Funds						
1.	Meru County Micro-Finance Corporation	76,155,481	62,550,986	109,846,625	Not provided	Yes
2.	Meru County Investment and Development Corporation	21,709,324	18,166,394	29,902,405	Not provided	Yes
3.	Meru Youth Service	45,000,000	44,884,707	46,695,720	Not provided	Yes
4.	Meru County Revenue Board	337,432,000	337,432,001	335,848,799	Not provided	Yes
5.	Education Scholarship Fund	156,500,000	156,500,000	156,855,925	845,303,479	Yes
6.	Meru County Executive Staff Housing	121,000,000		2,085,188	573,867,460	Yes
County Assembly Established Funds						

7.	County Assembly of Meru Staff Car Loan and Housing Scheme Fund	30,000,000	30,000,000	63,353,379	331,227,306	Yes
8.	County Assembly of Meru Members Car Loan and Housing Scheme Fund	-	-	10,576,270	750,300,000	yes
	Total	**787,796,805**	**649,534,088**	**755,164,311**	**2,500,698,245**	

Source: *Meru County Treasury*

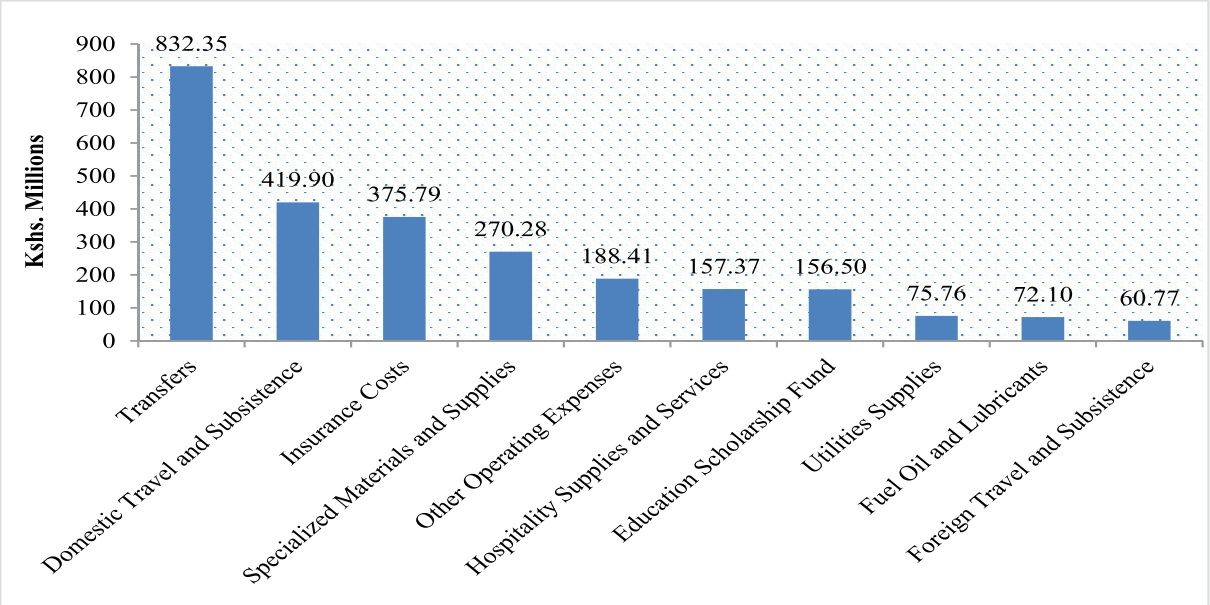
During the reporting period, the CoB received quarterly financial returns from all Fund Administrators, as indicated in Table 3.174, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.26.9 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.419.90 million and comprised Kshs.236.22 million spent by the County Assembly and Kshs.183.67 million by the County Executive. Expenditure on foreign travel amounted to Kshs.60.77 million and comprised Kshs.48.00 million by the County Assembly and Kshs.12.77 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.178 below;-

Table 3.178: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	50	Protocol and events management training	Arusha- Tanzania	10,679,401
County Assembly	7	East Africa Legislative Summit on Climate Conversation	Rwanda	3,500,000
County Assembly	7	Facilitation to a workshop on efficient governance and sustainable progress for decentralized authorities	Arusha, Tanzania	3,500,000
County Assembly	7	Facilitation to attend workshop on climate justice and sustainable development	Arusha, Tanzania	3,500,000
County Assembly	7	Capacity-building training on governance leadership, public policy and peace building across East Africa	Uganda	3,497,450

Arm of County Government	No. of Officers Travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	7	Workshop on effective legislation and sustainable development for devolved governments	Arusha, Tanzania	3,431,376
County Assembly	7	Facilitation to workshop on African community empowerment through devolution & oversight in Africa	Arusha, Tanzania	3,431,240
County Assembly	7	Facilitation to attend workshop on climate justice and sustainable development	Arusha, Tanzania	3,431,240
County Assembly	7	Workshop on climate justice and sustainable development	Arusha, Tanzania	3,431,240
County Assembly	6	Facilitation to workshop on equity environmental sustainability- climate justice and sustainable development	Arusha, Tanzania	2,931,376
County Assembly	5	Monitoring, evaluation of oversight roles workshop	Uganda	2,500,000
County Assembly	5	Training on mainstreaming cross-cutting issues in political leadership and policy formulation	Kampala	2,500,000
County Assembly	7	Facilitation to Arusha for public analysis and management workshop	Arusha, Tanzania	2,205,000
County Assembly	6	Facilitation to Arusha for public analysis and management workshop	Arusha, Tanzania	1,890,000
County Assembly	1	International conference for clerks on post-pandemic strategic public administration and management	Australia	1,690,800
County Executive	2	ESAMI	Arusha- Tanzania	1,383,904
County Assembly	2	Training on monitoring and evaluation focusing on oversight and legislative roles of MCAs	Kampala	1,058,832
County Assembly	2	Training on developing effective public service	Arusha, Tanzania	1,000,000
County Assembly	2	Workshop on capacity building for assemblies	Dubai, UAE	1,000,000
County Assembly	2	Facilitation to workshop on legislative leadership for human resource	Arusha, Tanzania	1,000,000
County Assembly	1	Workshop on legislation, oversight and rep	Arusha, Tanzania	500,000
County Assembly	1	Legislative oversight and representation workshop	Arusha, Tanzania	500,000
County Assembly	1	Facilitation to attend workshop on climate justice and sustainable	Arusha, Tanzania	500,000
County Assembly	1	Legislative oversight and representation workshop	Arusha, Tanzania	500,000
County Assembly	1	Training workshop for young leaders on ethical leadership	Arusha, Tanzania	500,000

Source: Meru County Treasury and Meru County Assembly

In the First Nine Months County Budget Implementation Review Report for FY 2023/24, the foreign expenditure by the County Government of Meru was reported as "*Kshs.43.75 million and comprised Kshs.42.84 million by the County Assembly and Kshs.903.20 million by the County Executive* ."The expenditure by the County Executive was incorrectly captured, as the correct amount was Kshs.903,200, and the word "million" was an error. This was an inadvertent error, which was corrected.

Items included under O*ther Operating Expenses are;- Registration of Land (Kshs.1.23 million), Other Operating Expenses-Other (Kshs. 42.42 million), Membership Fees, Dues and Subscriptions to Professional and Trade Bodies (Kshs.6.69 million), Medical Expenses (Kshs.0.82 million), Management Fees (Kshs.2.50 million), Legal Dues/fees, Arbitration and Compensation Payments (Kshs.77.45 million), Laundry Expenses (Kshs.0.20 million), HIV AIDS Secretariat workplace Policy Development (Kshs.0.35 million), Counselling Services (Kshs.1.49 million), Contracted Technical Services (Kshs.2.28 million), Contracted Professional Services (Kshs.0.58 million), Contracted Guards and Cleaning Services (Kshs.13.58 million), Constituency Office Expenses (Kshs.38.61 million), and Bank Service Commission and Charges (Kshs.0.20 million).*

The operations and maintenance costs include Kshs.77.45 million in legal fees/dues, arbitration and compensation payments, and legal fees.

3.26.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.2.97 billion on development programmes, representing an increase of 12.6 per cent compared to FY 2022/23, when the County spent Kshs.2.64 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.179: 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	Health Services	Facility Improvement funds	All public health facilities	Not provided	150,000,000	-
2	Trade, Cooperatives and Tourism Development	Construction of county aggregation and industrial parks in Meru county	Ruiri-Rware ward	480,000,000	137,155,806	28.6
3	Roads Transport & Energy	Procurement of Drainage Works Mechanical transport fund.	Whole county	117,000,000	101,873,000	87.1
4	Public service administration & Legal Affairs	Leopard Rock Compensation	Igembe North	300,000,000	100,000,000	33.3
5	Roads Transport & Energy	Emergency Works In Various Wards	Whole county	82,000,000	82,000,000	100.
6	Water, Irrigation environment & Natural Resources	Equipping of solar powered boreholes Lot2	Whole county	67,339,719	67,322,868	100.0
7	Water, Irrigation Environment & Natural Resources	Equipping of solar-powered boreholes lot 1	whole county	68,567,578	57,977,664	84.6
8	Finance Economic Planning & ICT	Procurement of Integrated County Revenue Management System	County Hq	55,002,000	46,751,700	85.0
9	Education, technology, science & arts	Transfer to Vocational Training centres	30 VTCs centers	40,010,834	40,000,000	100.0
10	Water, Irrigation Environment & Natural Resources	Payment for Construction Of Ngathu Small Dam	Antua Mbui Ward	49,712,607	35,000,000	70.4

Source: Meru County Treasury

3.26.11 Budget Performance by Department

Table 3.180 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.180: Meru 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	982.38	40.00	982.36	7.98	982.36	7.98	100.0	100.0	100.0	20.0
Office of the Governor	174.64	-	151.74	-	151.74	-	100.0	-	86.9	-
Finance, Economic Planning and ICT	874.30	119.41	685.36	110.38	685.36	110.38	100.0	100.0	78.4	92.4
Agriculture, Livestock & Fishery	37.96	719.59	30.55	377.66	30.55	670.11	100.0	177.4	80.5	93.1
Water, & Irrigation	52.51	638.73	38.13	559.19	38.13	579.33	100.0	103.6	72.6	90.7

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
Education, Technology, Gender, Culture & Social Development	270.24	88.28	217.55	66.20	216.93	66.20	99.7	100.0	80.3	75.0
Health Services	751.51	448.52	307.17	264.22	657.17	414.22	213.9	156.8	87.4	92.4
Lands, Physical Planning, Urban Development & Public Works	72.41	194.24	57.86	125.38	57.86	148.55	100.0	118.5	79.9	76.5
Public Service Administration & Legal Affairs	5,060.33	108.84	5,007.37	100.00	5,007.23	100.00	100.0	100.0	99.0	91.9
Roads, Transport & Energy	37.89	696.28	29.66	582.37	29.66	582.37	100.0	100.0	78.3	83.6
Trade, Investment, Industrialization, Tourism & Co-op Development	41.65	551.10	29.34	180.80	29.34	180.80	100.0	100.0	70.4	32.8
Youth Affairs & Sports	95.86	144.13	74.23	114.35	74.23	114.35	100.0	100.0	77.4	79.3
County Public Service Board	30.37	-	21.39	-	21.39	-	100.0	-	70.4	-
TOTAL	**8,482.05**	**3,749.12**	**7,632.71**	**2,488.55**	**7,981.95**	**2,974.30**	**104.6**	**119.5**	**94.1**	**79.3**

***Source**: Meru County Treasury*

Analysis of expenditure by departments shows that the Departments of Agriculture, Livestock & Fishery at 93.1 per cent. The County Assembly had the highest percentage of recurrent expenditure to budget at 100.0 per cent. In contrast, the Departments of Trade, Investment, Industrialization, Tourism & Co-op Development, and the County Public Service Board had the lowest at 70.4 per cent.

The over-expenditure above the exchequer requisitions in several departments were due to failure to refund unspent money at the closure of the previous financial year to the County Revenue Fund and use of these funds at source against the requirements of Section 136 of the PFM Act, 2012.

3.26.12 Budget Execution by Programmes and Sub-Programmes

Table 3.181 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.181: Meru County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
COUNTY ASSEMBLY OF MERU							
Legislation and Representation	Legislation and Representation	428,942,285	-	428,940,831	-	100.0	-
Legislative Oversight	Legislative Oversight	241,864,596	-	241,864,596	-	100.0	-
General Admin, Planning & Support	General Admin, Planning & Support	311,571,414	40,000,000	311,555,362	7,982,674	100.0	20.0
Sub-Total		**982,378,295**	**40,000,000**	**982,360,789**	**7,982,674**	**100.0**	**20.0**
OFFICE OF THE GOVERNOR							
Headquarters	Headquarters	87,071,815	-	82,189,273	-	94.4	-
Communication	Communication	25,359,340	-	23,974,425	-	94.5	-
Monitoring and Evaluation	Monitoring and Evaluation	13,009,200	-	8,857,586	-	68.1	-

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Research and Public Participation	Research and Public Participation	9,182,000	-	7,858,400	-	85.6	-
Special programmes (Fire, Rescue and Emergency Services)	Special programmes (Fire, Rescue and Emergency Services)	24,920,980	-	18,502,750	-	74.2	-
County Executive Administration Headquarters	County Executive Administration Headquarters	7,094,600	-	4,233,185	-	59.7	-
External Linkages & Partnership	External Linkages & Partnership	8,004,800	-	6,124,060	-	76.5	-
Sub-Total		**174,642,735**	**-**	**151,739,679**	**-**	**86.9**	**-**
FINANCE ECONOMIC PLANNING & ICT							
General Administration	General Administration	307,886,800	-	145,680,534	-	47.3	-
Meru Investment Corporation	Meru Investment Corporation	21,709,324	-	18,166,394	-	83.7	-
Meru Microfinance Corporation	Meru Microfinance Corporation	76,155,481	-	67,746,807	-	89.0	-
Meru County Revenue Board	Meru County Revenue Board	332,432,000	5,000,000	332,431,999	5,000,000	100.0	100.0
Procurement	Procurement	8,950,980	-	8,827,241	-	98.6	-
Internal Audit	Internal Audit	9,274,716	-	7,774,716	-	83.8	-
Budget and Policy	Budget and Policy	32,493,096	-	28,546,183	-	87.9	-
Accounts	Accounts	7,184,190	-	7,152,038	-	99.6	-
ICT Development	ICT Development	12,854,200	68,600,000	11,740,008	60,177,270	91.3	87.7
Economic Planning and Coordination Services	Economic Planning and Coordination Services	8,296,650	-	8,075,122	-	97.3	-
Fleet Management	Fleet Management	46,507,171		38,703,225	-	83.2	-
Administration Services	Administration Services	10,559,465	45,811,393	10,515,639	45,203,238	99.6	98.7
Sub-Total		**874,304,073**	**119,411,393**	**685,359,906**	**110,380,508**	**78.4**	**92.4**
AGRICULTURE, LIVESTOCK DEVELOPMENT AND FISHIERIES							
General Administration	General Administration	8,885,900	649,829,090	7,871,336	630,680,991	88.6	97.1
Livestock	Livestock	7,093,400	4,000,000	6,288,815	-	88.7	-
Fisheries	Fisheries	4,190,840	26,830,261	3,062,410	3,498,975	73.1	13.0
Agricultural Services	Agricultural Services	13,780,166		10,550,038	15,998,820	76.6	-
Animal Disease Management	Animal Disease Management	4,009,450	18,999,150	2,775,304	-	69.2	-
Agricultural Training Center(KAGURU)	Agricultural Training Center(KAGURU)	-	19,932,563	-	19,932,563	-	100.0
Sub-Total		**37,959,756**	**719,591,064**	**30,547,903**	**670,111,349**	**80.5**	**93.1**
WATER IRRIGATION ENVIRONMENT & NATURAL RESOURCES							
Water & Irrigation	Water & Irrigation	21,171,844	363,447,233	16,768,420	315,041,695	79.2	86.7
Environment & Natural Resources	Environment & Natural Resources	31,340,608	275,283,321	21,359,561	264,283,322	68.2	96.0
Sub-Total		**52,512,452**	**638,730,554**	**38,127,981**	**579,325,017**	**72.6**	**90.7**
EDUCATION, TECHNOLOGY, GENDER & SOCIAL DEVELOPMENT							
Administration Services	Administration Services	12,305,470	-	7,262,800	-	59.0	-
Early Childhood Development Education (ECDE)	Early Childhood Development Education (ECDE)	227,650,659	40,264,304	198,856,475	29,528,535	87.4	73.3

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Technical and Vocation Education	Technical and Vocation Education	7,713,995	48,010,834	4,665,800	36,672,400	60.5	76.4
Village Polytechnics	Village Polytechnics	22,573,006	-	6,146,065	-	27.2	-
Sub-Total		**270,243,130**	**88,275,138**	**216,931,140**	**66,200,935**	**80.3**	**75.0**
HEALTH SERVICES							
General Administration Support and Planning	General Administration Support and Planning	18,481,988	-	14,395,495	-	77.9	-
Curative Health	Curative Health	686,369,487	448,518,185	615,766,319	414,223,560	89.7	92.4
Preventive and Promotive Health	Preventive and Promotive Health	46,654,450	-	27,010,827	-	57.9	-
Sub-Total		**751,505,925**	**448,518,185**	**657,172,641**	**414,223,560**	**87.4**	**92.4**
LANDS, PHYSICAL PLANNING, URBAN DEVELOPMENT & PUBLIC WORKS							
Lands & Housing	Lands & Housing	16,837,170	58,580,000	14,652,860	17,391,998	87.0	29.7
Physical Planning and Urban Development	Physical Planning and Urban Development	14,941,912	125,712,844	11,595,603	121,811,864	77.6	96.9
Meru Town Municipality	Meru Town Municipality	19,931,880	-	17,695,921	-	88.8	-
Maua Municipality	Maua Municipality	9,178,425	-	6,426,607	-	70.0	-
Timau Municipality	Timau Municipality	7,000,000	-	3,872,100	-	55.3	-
Public Works	Public Works	4,522,850	9,948,350	3,615,150	9,343,940	79.9	93.9
Sub-Total		**72,412,237**	**194,241,194**	**57,858,241**	**148,547,802**	**79.9**	**76.5**
PUBLIC SERVICE ADMINISTRATION & LEGAL AFFAIRS							
General Administration	General Administration	22,309,679	-	18,187,207	-	81.5	-
Coordination of County Government Functions Sub County	Coordination of County Government Functions Sub County	26,350,934	-	20,237,168	-	76.8	-
County Office Accommodation and Enforcement Services	County Office Accommodation and Enforcement Services	42,378,202	-	24,042,939	-	56.7	-
Human Resource	Human Resource	4,874,754,168	108,838,925	4,871,697,026	100,000,000	99.9	91.9
Legal Representation, Advisory Services and Legislative Process	Legal Representation, Advisory Services and Legislative Process	93,432,597	-	72,972,544	-	78.1	-
Town Management & Administration	Town Management & Administration	1,100,000	-	89,980	-	8.2	-
Sub-Total		**5,060,325,580**	**108,838,925**	**5,007,226,863**	**100,000,000**	**99.0**	**91.9**
ROADS, TRANSPORT & ENERGY							
General Administration-Roads	General Administration-Roads	27,920,490	671,434,414	23,637,725	558,072,991	84.7	83.1
Energy	Energy	9,969,964	24,849,157	6,021,505	24,299,445	60.4	97.8
Sub-Total		**37,890,454**	**696,283,571**	**29,659,230**	**582,372,436**	**78.3**	**83.6**
TRADE, TOURISM & COOPERATIVE DEVELOPMENT							
Cooperatives Development	Cooperatives Development	12,288,600	18,072,588	9,514,028	9,643,343	77.4	53.4
Tourism	Tourism	15,696,620	-	8,070,519	-	51.4	-
Trade	Trade	13,667,116	533,026,150	11,756,327	171,159,287	86.0	32.1

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Sub-Total		**41,652,336**	**551,098,738**	**29,340,874**	**180,802,630**	**70.4**	**32.8**
YOUTH AFFAIRS & SPORTS							
Youth Affairs Program me	Youth Affairs Programme	8,379,000	9,882,458	6,536,349	6,997,700	78.0	70.8
Sports Development	Sports Development	34,757,143	45,250,000	28,588,549	43,592,443	82.3	96.3
Meru Youth Service	Meru Youth Service	25,000,000	20,000,000	25,000,000	19,884,708	100.0	99.4
Gender Mainstreaming	Gender Mainstreaming	27,725,110	69,000,000	14,108,101	43,877,505	50.9	63.6
Sub-Total		**95,861,253**	**144,132,458**	**74,232,999**	**114,352,356**	**77.4**	**79.3**
COUNTY PUBLIC SERVICE BOARD							
Human Resource Management	Human Resource Management	30,366,217	-	21,389,739	-	70.4	-
Sub-Total		**30,366,217**	**-**	**21,389,739**	**-**	**70.4**	**-**
Grand Total		**8,482,054,443**	**3,749,121,220**	**7,981,947,985**	**2,974,299,268**	**94.1**	**79.3**

***Source**: Meru County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Agricultural Training Centre (KAGURU) in the Department of Agriculture, Livestock Development & Fisheries, Meru County Revenue Board in the Department of Finance Economic Planning & ICT Agriculture Legislation and Representation, and Legislative Oversight in the Department of County Assembly at 100.0 per cent, Human Resource in the Department of Public Service Administration & Legal Affairs at 99.8 per cent, Meru Youth Service in the Department of Youth Affairs & Sports at 99.7 per cent, and Accounts in the Department of Finance Economic Planning & ICT at 99.6 per cent of budget allocation.

The Agricultural Services in the department of Agriculture, Livestock Development & Fisheries had over absorption of 192.7 per cent which should be investigated by the County Treasury and a report filed with the relevant public finance oversight institutions.

3.26.13 Accounts Operated Commercial Banks

The County government operated 29 accounts with commercial banks. 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.

3.26.14 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;

1. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received from 31st July to 2nd August, 2024.

2. High level of pending bills which amounted to Kshs.586.82 million as of 30th June 2024. Further, there was non-adherence to the pending bills payment plan by the County Treasury.

3. High wage bills which accounted for 45.8 per cent of the County total revenue in FY 2023/24 which is above the ceiling provided in law.

4. Use of manual payroll. Personnel emoluments amounting to Kshs.128.27 million were processed through the manual payroll, accounting for 2.5 per cent of the total payroll cost. The manual payroll is prone to abuse and may lead to the loss of public funds where there is a lack of proper controls.

5. 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.

6. High expenditure on domestic travel at Kshs.419.9 million which should be reduced to avard funds for key development programmes.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *The 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.*
3. *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.*
4. *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.*
5. *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.*
6. *The County should hold activities within the County headquarters to reduce expenditure on domestic travel.*

3.27. County Government of Migori

3.27.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.11.47 billion, comprising Kshs. 4.14 billion (35.5 per cent) and Kshs.7.33 billion (62.9 per cent) allocations for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 10.8 per cent compared to the previous financial year when it was Kshs.10.36 billion, comprised of Kshs.3.10 billion for development expenditure and Kshs.7.25 billion for recurrent expenditures.

To finance the budget, the County expected to receive Kshs.8.34 billion (72.7 per cent) as the equitable share of revenue raised nationally, Kshs.1.52 billion (13.3 per cent) as additional allocations/conditional grants, a cash balance of Kshs. 984.97 million (8.6 per cent) brought forward from FY 2022/23, and generate Kshs.625.57 million (5.5 per cent) as gross own source revenue. The own source revenue includes Kshs.5.47 million (0.9 per cent) as Appropriations-in-Aid (A-I-A), Kshs.140 million (22.4 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.480 million (76.7 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.179.

3.27.2 Revenue Performance

In the FY 2023/24, the County received Kshs.7.67 billion as an equitable share of the revenue raised nationally, Kshs.525.69 million as additional allocations/conditional grants, a cash balance of Kshs.984.97 million from FY 2022/23 and raised Kshs.512.57 million as own-source revenue (OSR). The raised OSR includes Kshs.9.34 million as A-I-A, Kshs.166.07 million as FIF and Kshs.337.15 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.9.70 billion, as shown in Table 3.182.

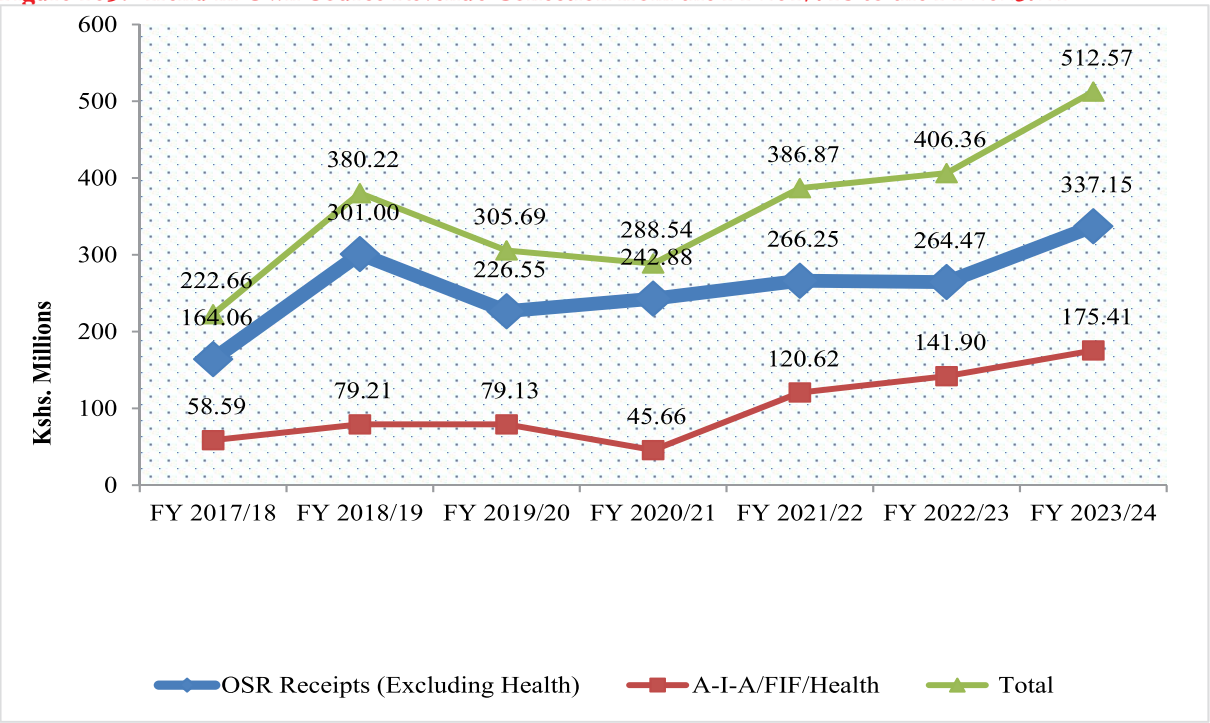
Table 3.182: Migori County, Revenue Performance in the FY 2023/24

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	7,674,130,419	92.0
Subtotal		**8,341,446,108**	**7,674,130,419**	**92.0**
B	**Additional Allocations/Conditional Grants**			
1.	DANIDA Grant (Universal Healthcare in Devolved System Program) plus B/Fwd.	26,754,689	13,281,375	49.6
2.	IDA (World Bank) Credit for National Agricultural and Rural Inclusive Growth Project (NARIGP) B/Fwd.	54,558,600	15,823,772	29.0
3.	EU Grant for Instrument for Devolution Advice and Support (IDEAS) B/Fwd.	5,706,628	-	-
4.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	1,120,452	1,620,452	144.6
5.	Aquaculture Business Development Project (ABDP)	13,617,785	-	-
6.	Livestock Value Chain Support Project	14,323,680	-	-
7.	Climate Change - German Development Bank (KFW) - (FLLoCA -CCRI Grant)	616,700,000	244,560,081	39.7
8.	Climate Change - IDA World Bank (FLLoCA) B/Fwd.	22,000,000	-	-
9.	Transforming Health Services for Universal Care Project b/f	4,801,620	-	-
10.	Migori Municipality URB Development Grant B/Fwd.	12,105,755	-	-
11.	Awendo Municipality URB Development Grant B/Fwd.	15,626,200	-	-
12.	Rongo Municipality URB Development Grant B/Fwd.	4,946,227	-	-
13.	Grant from National Government - Industrial Park	250,000,000	62,500,000	25.0
14.	National Agricultural Value Chain Development Project (NAVCDP)	200,000,000	187,899,969	93.9
15.	Road Maintenance Fuel Levy B/Fwd.	5,442,438	-	-
16.	Leasing of Medical Equipment	124,723,404	-	-
17.	Fertilizer Subsidy	144,621,807	-	-
18.	Allocation for Court fines	974,165	-	-
19.	Allocation for Mineral Royalties	3,125,408	-	-
Subtotal		**1,521,148,858**	**525,685,649**	34.6
C	**Own Source Revenue**			
1.	Ordinary Own Source Revenue	480,000,000	337,154,048	70.2
2.	Appropriation in Aid (A-I-A)	5,474,299	9,342,052	170.7
3.	Facility Improvement Fund (FIF)	140,000,000	166,070,210	118.6
Subtotal		**625,474,299**	**512,566,310**	**81.9**
D	**Other Sources of Revenue**			
1.	Unspent balance from FY 2022/23	984,968,256	984,968,256	100.0
Sub Total		**984,968,256**	**984,968,256**	100.0
Grand Total		**11,473,037,521**	**9,697,350,634**	**84.5**

Source: *Migori County Treasury*

Figure 105 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

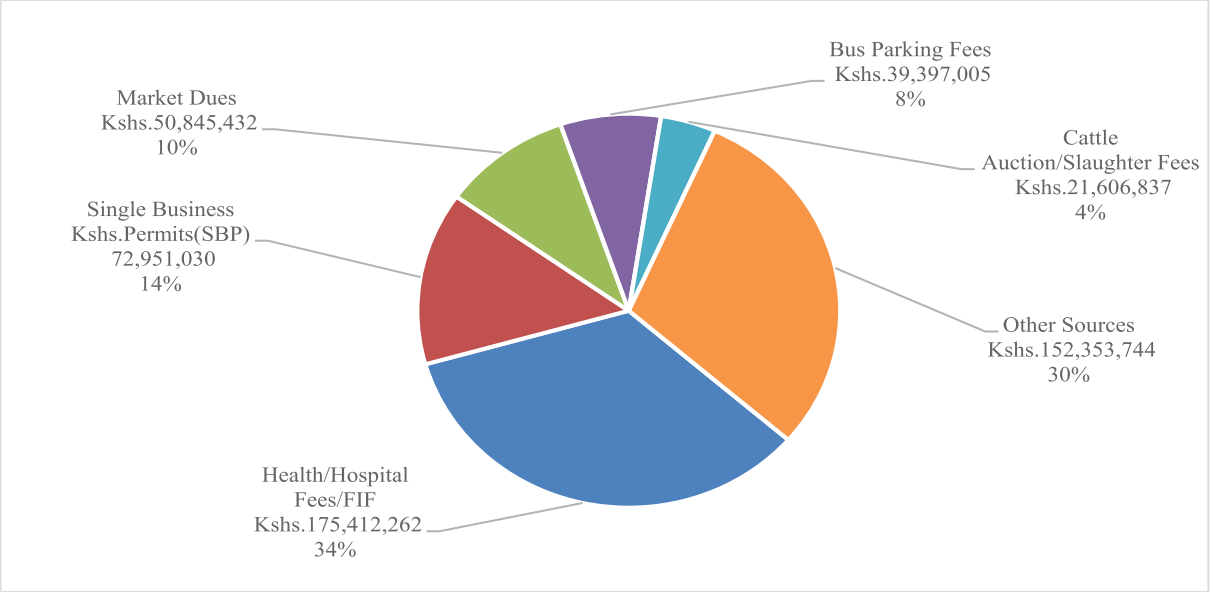
Figure 105: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Migori County Treasury*

In FY 2023/24, the County generated a total of Kshs.512.57 million from its sources of revenue, including FIF and AIA. This amount represented an increase of 26.1 per cent compared to Kshs.406.36 million realized in a similar period in FY 2022/23. It was 81.9 per cent of the annual target and 6.7 per cent of the equitable revenue share disbursed during the period. The increment is primarily attributed to the automation of some revenue streams, such as single business permits and enforcement of tax laws. The revenue streams which contributed the highest OSR receipts are shown in Figure 106.

Figure 106: Top Streams of Own Source Revenue in the FY 2023/24



Source*: Migori County Treasury*

The highest revenue stream of Kshs. 175.41 million was from Health/Hospital Fees/FIF/AIA contributing to 34.2 per cent of the total OSR receipts during the reporting period.

3.27.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.9.52 billion from the CRF account during the reporting period, which comprised Kshs.2.54 billion (26.7 per cent) for development programmes and Kshs.6.97 billion (73.3 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.3.60 billion was released towards Employee Compensation and Kshs.3.37 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.25.61 million.

3.27.4 County Expenditure Review

The County spent Kshs.8.89 billion on development and recurrent programmes in the reporting period. The expenditure represented 93.4 per cent of the total funds released by the CoB and comprised of Kshs.1.96 billion and Kshs.6.93 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 47.3 per cent, while recurrent expenditure represented 94.6 per cent of the annual recurrent expenditure budget.

3.27.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.53 billion, comprising Kshs.617.01 million for recurrent expenditure and Kshs.912.98 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.693.57 million. They comprised Kshs.199.84 million for recurrent expenditure and Kshs.493.73 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.864.39 million.

The County Assembly reported outstanding pending bills of Kshs.124.43 million as of 30th June 2024.

3.27.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.11 billion on employee compensation, Kshs.2.86 billion on operations and maintenance, and Kshs.1.92 billion on development activities. Similarly, the County Assembly spent Kshs.484.54 million on employee compensation, Kshs.470.22 million on operations and maintenance, and Kshs.39.72 million on development activities, as shown in Table 3.183.

Table 3.183: 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	**6,325,517,845**	**1,003,508,709**	**5,974,905,583**	**954,757,786**	**94.5**	**95.1**
Compensation to Employees	3,113,738,617	484,603,213	3,113,666,833	484,540,892	100.0	100.0
Operations and Maintenance	3,211,779,228	518,905,496	2,861,238,749	470,216,893	89.1	90.6
Development Expenditure	**4,044,010,967**	**100,000,000**	**1,922,349,133**	**39,719,735**	**47.5**	39.7
Total	**10,369,528,812**	**1,103,508,709**	**7,897,254,716**	**994,477,521**	**76.2**	**90.1**

***Source**: Migori County Treasury*

3.27.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.3.60 billion, or 37.1 per cent of the available revenue, which amounted to Kshs.9.70 billion. This expenditure represented an 8.8 per cent increase from Kshs.3.31 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.1.49 billion paid to health sector employees, translating to 41.3 per cent of the total wage bill.

***Source**: Migori County Treasury*

Further analysis indicates that PE costs amounting to Kshs.3.46 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.133.27 million was processed through manual payrolls. The manual payrolls accounted for 3.7 per cent of the total PE cost.

The County Assembly spent Kshs.32.08 million on committee sitting allowances for the 60 MCAs against the annual budget allocation of Kshs.49.90 million. The average monthly sitting allowance was Kshs.44,558 per MCA. The County Assembly has established 27 Committees.

3.27.8 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.219 million to county-established funds in FY 2023/24, constituting 1.9 per cent of the County's overall budget. Further, the County allocated Kshs.15 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012, which has not been operationalized.

Table 3.184 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.184: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs.)	Submission of Annual 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	120,000,000	120,000,000	840,000,000	Yes
3.	Migori County Scholarships & Educational Benefits Fund	20,000,000	20,000,000	19,000,000	279,000,000	Yes
4.	Migori County Alcoholic Drink Fund	-	-		2,250,318	Yes
5.	Emergency Fund	15,000,000	-	-	-	Not operational
6.	Migori County SMEs Trade Development - Inua Biashara	54,000,000	54,000,000	54,000,000	54,000,000	Yes
	County Assembly Established Funds					
7.	Migori County Assembly Car loans & House Mortgage fund Scheme	10,000,000	-	-	236,000,000	No
Total		**219,000,000**	**194,000,000**	**193,000,000**	**1,658,750,318**	

Source: *Migori County Treasury*

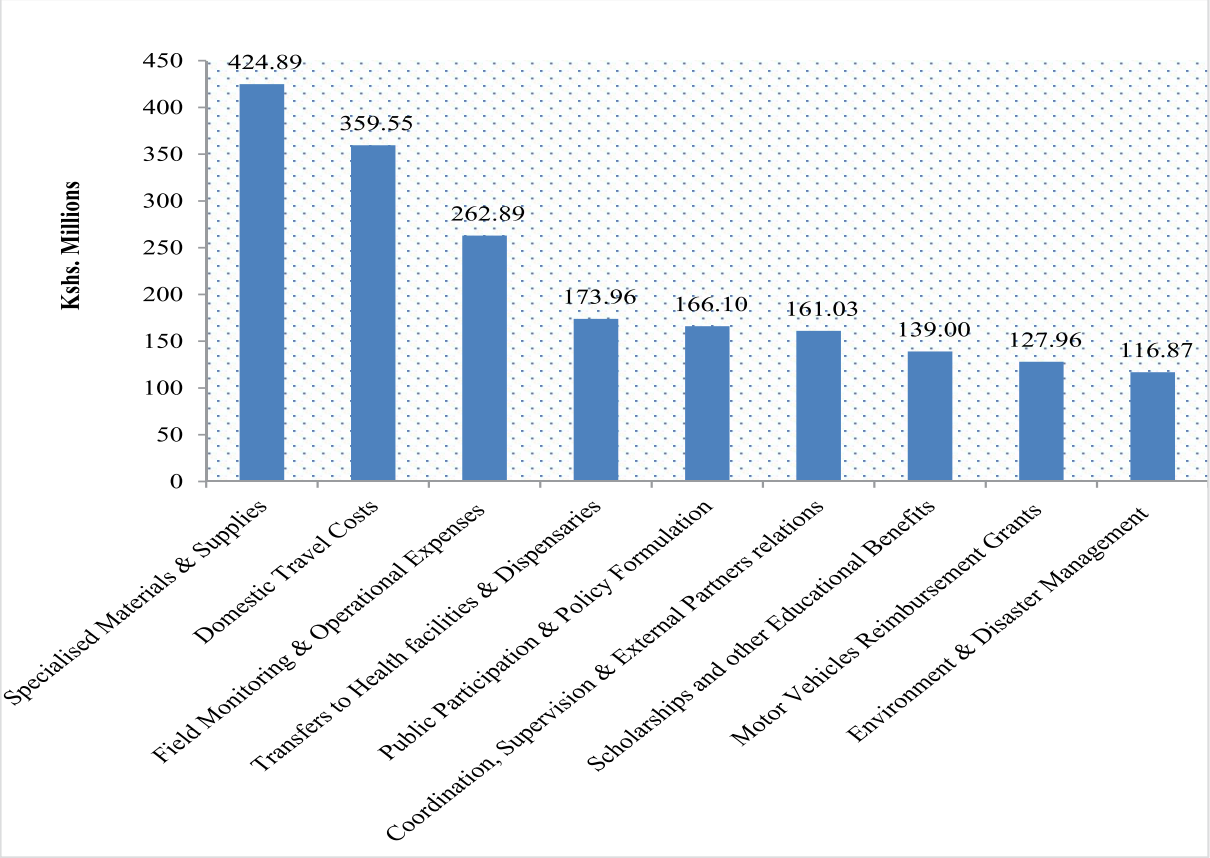
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrator of County Assembly Car Loans &House Mortgage Fund as indicated in Table 3.181, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.27.9 Expenditure on Operations and Maintenance

Figure 107 summarises the Operations and Maintenance expenditure by major categories.

Figure 107: Migori County, Operations and Maintenance Expenditure by Major Categories



Source: *Migori County Treasury*

Expenditure on domestic travel amounted to Kshs.359.55 million and comprised Kshs.223.78 million spent by the County Assembly and Kshs.135.76 million by the County Executive. Expenditure on foreign travel amounted to Kshs.4.87 million and comprised Kshs.2.71 million by the County Assembly and Kshs.2.16 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.182 below;-

Table 3.185: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	3	5th December -15th December,2023	Attending the 23rd MSME trade fair in Burundi	Burundi	2,157,292.00
County Assembly	5	4th September-9th September,2023	Attending LARVac Local Meeting on Financial Issues	Entebbe, Uganda	1,682,570.30
County Assembly	1	30th April-10th May 2023	Training by Young Norwegian Christian Democrats, the Conservatives the Young Liberals	Norway	681,556.20
County Assembly	1	16th May-20th May 2023	Opening of LARVac Account & LARVac Meeting	Uganda Mbarara	347,294.50

Source: *Migori County Treasury and County Assembly*

Included in the operations and maintenance costs is an expenditure of Kshs.9.06 million on garbage collection, Kshs.109.15 million on legal fees, arbitration and compensation payment expenditure comprising Kshs.8.36 million for County Assembly and Kshs.100.79 million for County Executive

3.27.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.71 billion on development programmes, representing an increase of 1.2 per cent compared to FY 2022/23, when the County spent Kshs.1.69 billion. The table 3.186 summarises development projects with the highest expenditure in the reporting period.

Table 3.186: 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	Roads, Transport, Public Works & Infrastructural Development	Upgrading to bitumen standard of C727 junction -Kanyimach junction-Chamgi-Wadu road	South Kamagambo	459,091,861	348,269,318	68% On-going
2	County Executive	Construction of County Headquarters Office -Phase 1	Suna Central	62,132,152	62,132,152	100% Complete
3	Roads, Transport, Public Works & Infrastructural Development	Acquisition & Delivery of 1-unit Motor Grader Komatsu GD 555-5	Suna Central	43,848,000	43,848,000	100% Complete
4	Roads, Transport, Public Works & Infrastructural Development	Acquisition & Delivery of 1-unit Crawler Excavator	Suna Central	36,018,000	36,018,000	100% Complete
5	County Executive	Construction of County Offices Headquarters-Phase 1	Suna central	33,356,183	33,356,183	100% Complete
6	Roads, Transport, Public Works & Infrastructural Development	Construction of Access Road to Odipo and Non-residential structures site	Suna central	26,483,998	26,483,998	100% Complete
7	Health Medical Services	Supply, Delivery & Installation of Gastroenterology Equipment	Suna central	24,995,000	24,995,000	100% Complete
8	Health Medical Services	Construction of Medical-Surgical Complex at MCTRH	Suna central	24,986,972	24,986,972	100% Complete
9	Roads, Transport, Public Works & Infrastructural Development	Repairs & Resurfacing of A1-Access to Government Offices HQ-Omboo Loop Road	Suna Central	18,901,504	18,901,504	100% Complete
10	County Assembly	Construction of Storey Building Office for Committees	County Assembly Premises	35,000,000	18,114,580	55% On-going

***Source**: Migori County Treasury*

3.27.11 Budget Performance by Department

Table 3.187 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.187: Migori 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, Veterinary Services, Fisheries & Blue Economy	228.64	543.27	224.679	371.731	222.58	71.36	99.1	19.20	97.4	13.1
Trade, Tourism, Industry, Market & Cooperative Development	183.48	529.21	197.821	147.241	183.48	147.01	92.7	99.85	100.0	27.8
Health Medical Services	1,796.85	410.75	1701.213	176.058	1,696.81	188.53	99.7	107.08	94.4	45.9

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
Education, Gender inclusivity, Social Services, Youth and Sports	550.90	125.55	534.544	46.869	550.90	46.87	103.1	100.00	100.0	37.3
Roads, Transport, Public Works & Infrastructural Development	132.38	748.41	131.303	725.777	119.68	692.18	91.1	95.37	90.4	92.5
Lands, Physical Planning, Housing & Urban Development	180.43	125.01	175.966	50.503	176.62	49.13	100.4	97.28	97.9	39.3
Environment, Natural Resources, Climate Change & Disaster Management	245.76	716.50	202.576	396.051	199.78	174.25	98.6	44.00	81.3	24.3
Finance and Economic Planning	972.85	24.12	972.317	13.535	971.85	13.53	100.0	100.00	99.9	56.1
Public Service Management, Monitoring & Evaluation & Performance Contracting	786.94	51.13	782.018	21.208	786.94	25.73	100.6	121.30	100.0	50.3
County Executive	602.44	147.97	555.178	98.350	510.19	98.35	91.9	100.00	84.7	66.5
County Assembly	1,003.51	100.00	954.758	39.720	954.76	39.72	100.0	100.00	95.1	39.7
Water and Energy	166.95	437.32	138.451	296.099	154.20	279.48	111.4	94.39	92.4	63.9
Public Health & Sanitation	309.62	184.76	265.538	158.920	271.50	135.92	102.2	85.53	87.7	73.6
Office of the County Attorney	168.27	-	136.654	-	130.39	-	95.4	-	77.5	-
Total	**7,329.03**	**4,144.01**	**6,973.01**	**2,542.06**	**6,929.66**	**1,962.07**	**99.4**	**77.2**	**94.6**	**47.3**

***Source**: Migori County Treasury*

Analysis of expenditure by departments shows that the Department of Roads, Transport, Public Works & Infrastructural Development recorded the highest absorption rate of development budget at 92.5 per cent, followed by the Department of Public Health & Sanitation at 73.6 per cent. Three Departments namely; the Department of Trade, Tourism, Industry, Market & Cooperative Development, Department of Education, Gender Inclusivity, Social Services, Youth and Sports, and the Department of Public Service Management, Monitoring & Evaluation & Performance

Contracting posted the highest percentage of recurrent expenditure to budget at 100 per cent each, while the Office of the County Attorney had the lowest at 77.5 per cent.

3.27.12 Budget Execution by Programmes and Sub-Programmes

Table 3.188 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.188: Migori County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Budget Estimates FY 2023/24		Actual Expenditure as of 30th June, 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Department of County Executive							
General administration & support services	General Administration(Office of the Governor)	202,600,000	-	166,460,674	-	82.2	-
	other infrastructure	-	140,000,000	-	92,987,880	-	66.4

Programme	Sub-Programme	Approved Budget Estimates FY 2023/24		Actual Expenditure as of 30th June, 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	General Administration(County sec)	44,450,000	-	28,948,800	-	65.1	-
	General Administration(dep gov)	40,300,000	-	29,302,227	-	72.7	-
	General Administration(ICT)	13,780,000	-	12,287,395	-	89.2	-
	General Administration(Special prog)	16,100,000	-	6,372,971	-	39.6	-
Governance & Administration Services	Governor's Statehouse Services	24,000,000	-	23,517,478	-	98.0	-
	Co-ordination and Supervision Services(Gov)	36,000,000	-	35,712,799	-	99.2	-
	Co-ordination and Supervision Services(ICT)	28,000,000	-	27,799,978	-	99.3	-
	Lake Region Economic Bloc	5,000,000	-	3,872,200	-	77.4	-
	Council of Governors	5,000,000	-	4,800,000	-	96.0	-
	Liaison office - Nairobi	5,500,000	-	4,833,000	-	87.9	-
	Chief of Staff	5,000,000	-	4,800,000	-	96.0	-
	Protocol Office	5,000,000	-	4,850,000	-	97.0	-
	Security Services(Governor)	8,000,000	-	7,499,875	-	93.7	-
	Security Services(D/ Governor)	2,000,000	-	1,600,000	-	80.0	-
	Communication and Press	5,000,000	-	5,000,000	-	100.0	-
	Political Advisor	4,500,000	-	4,500,000	-	100.0	-
	Economic Advisor	4,500,000	-	4,361,760	-	96.9	-
County secretary services	County secretary service.	14,600,000	-	14,550,000	-	99.7	-
Cohesion & peace building	Peace Building Initiatives	9,300,000	-	7,361,296	-	79.2	-
	Conflict management & resolution	9,400,000	-	6,793,700	-	72.3	-
	Civic Education	1,900,000	-	993,000	-	52.3	-
	Peace Building Initiatives	1,200,000	-	1,194,235	-	99.5	-
Research & Education	Research & Education Services	1,000,000	-	-	-	-	-
Geospatial information services.	Geospatial information services.	-	-	-	-	-	-
Performance management services	Performance management services	4,000,000	-	3,100,000	-	77.5	-
ICT infrastructure	ICT infrastructure & connectivity	-	7,970,000	-	5,362,500	-	67.3
Communication services	Communication services	6,950,000	-	4,375,857	-	63.0	-
	County Media and Branding Services	10,000,000	-	9,542,956	-	95.4	-
	Digital Media	8,300,000		8,299,931		100.0	-
E-governance	Automation services	13,950,000	-	13,944,757	-	100.0	-
E-learning	Digital curriculum integration & development.	3,900,000	-	3,685,969	-	94.5	-

Programme	Sub-Programme	Approved Budget Estimates FY 2023/24		Actual Expenditure as of 30th June, 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Digital innovation	Innovation services	2,820,000	-	2,620,000	-	92.9	-
Resource Mobilization Service	Resource Mobilization Service	5,000,000	-	4,185,746	-	83.7	-
External partnerships & affairs	External partners' relations management	35,800,000	-	34,970,670	-	97.7	-
Pending Bills	Pending Bills (Governor)	6,365,257	-	5,681,840	-	89.3	-
	Pending Bills (ICT)	13,227,800	-	12,369,100	-	93.5	-
	Sub- Total	**602,443,057**	**147,970,000**	**510,188,214**	**98,350,380**	**84.7**	**66.5**
Office of the County Attorney							
General administration & support services	Finance & administration	35,270,000	-	16,579,400	-	47.0	-
Legal Services	Advisory & Research services	2,900,000	-	2,900,000	-	100.0	-
	Staff Development	2,600,000	-	2,430,000	-	93.5	-
	Legal compliance services	127,499,400	-	108,477,348	-	85.1	-
	Sub- Total	**168,269,400**	**-**	**130,386,748**	**-**	**77.5**	**-**
Department of Public Service Management, Monitoring and Evaluation and Performance Contracting							
General Administration & Support Services	Administrative Support Services (PSM)	592,885,934	-	643,529,148	-	108.5	-
	General Administration Services (PSB)	70,296,400	-	58,651,667	-	83.4	-
	Field Services	6,000,000	-	6,000,000	-	100.0	-
	General Administration Services (Monitoring)	5,750,000	-	4,491,660	-	78.1	-
	Efficient Monitoring & evaluation	10,437,000	-	6,432,040	-	61.6	-
Human Capital Management & Development Services	Human Resource Management Services (PSM)	7,500,000	-	6,860,906	-	91.5	-
	Human Resource Management Services (PSB)	3,500,000	-	1,499,690	-	42.8	-
Devolved Units Administration Services	Devolved Units Administration Services	28,600,000	20,000,000	26,213,997	13,426,845	91.7	67.1
	Devolution and Regional Bodies	20,000,000	-	12,000,000	-	60.0	-
Civic Education & Public Participation	Civic Education services	4,500,000	-	4,500,000	-	100.0	-
Public Communication & Records Management Services	Record management programme	2,800,000	-	2,000,949	-	71.5	-
	Security Enforcement Services	7,450,000	-	2,555,042	-	34.3	-
	Public Communications	2,600,000	-	1,049,495	-	40.4	-
Public Service Board services	Public Service Board services	4,909,442	-	3,246,500	-	66.1	-
National values & principles of governance	National values & principles of governance	600,000	-	599,925	-	100.0	-
Information & records management	Records management services	2,500,000	-	-	-	-	-
Pending Bills	Pending Bills	16,616,123	31,133,306	7,313,880	12,298,706	44.0	39.5
	Sub- Total	**786,944,899**	**51,133,306**	**786,944,899**	**25,725,551**	**100.0**	**50.3**
Agriculture, Livestock, Veterinary Services, Fisheries and Blue Economy							

Programme	Sub-Programme	Approved Budget Estimates FY 2023/24		Actual Expenditure as of 30th June, 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
General Administration & Support Services	Administrative Services (Agric)	170,191,018	-	167,433,873	-	98.4	-
	Administrative Services (Livestock)	11,537,562	-	10,916,822	-	94.6	-
	Administrative services(vet)	8,008,562	-	6,892,746	-	86.1	-
	Administrative services(fisheries)	15,427,400	-	15,223,864	-	98.7	-
Agricultural Policy & Planning	Policies & Legal Framework	1,967,000	-	1,950,000	-	99.1	-
Agricultural Extension services	Field extension services & support	6,236,209	-	6,004,209	-	96.3	-
Agribusiness Development	Agribusiness Development	1,043,000	-	942,718	-	90.4	-
Donor Funds	Donor Funds	-	425,400,239	-	11,562,946	-	2.7
Crop Development & Management	Crop Development & Management		25,262,750		21,524,140	-	85.2
	Emerging crop enterprises	-	-	-	-	-	-
Climate-smart agriculture	Sorghum & Millet promotion	-	-	-	-	-	-
Livestock extension & support services	Extension services	4,366,000	-	3,439,998	-	78.8	-
Livestock breeding & livestock products improvement	Breeds selection & artificial insemination	2,224,800	9,375,000	2,224,800	9,044,160	100.0	96.5
Livestock market development	Market support infrastructure	-	700,000	-	-	-	-
Livestock climate change adaptation & mitigation	Livestock-focused climate risk management	-	3,600,000	-	-	-	-
Livestock disease & pest control management	Disease & pest control	-	9,500,000	-	729,988	-	7.7
	Disease surveillance	-	3,000,199	-	2,999,371	-	100.0
Donor Funds	Donor Funds(Livestock)	-	14,323,680	-	-	-	-
Market support infrastructure	Market support infrastructure	-	975,000	-	-	-	-
Veterinary public health	Meat hygiene services	915,000	-	915,000	-	100.0	-
Veterinary extension & clinical services	Extension services	400,000	-	400,000	-	100.0	-
Fisheries policy & planning	Policy & planning services	1,500,000	-	1,416,800	-	94.5	-
	Licensing services	300,000	-	300,000	-	100.0	-
Lakefront (capture) fisheries development & management	Fisheries co-management services.	1,884,695	-	1,884,695	-	100.0	-
Extension supports services	Extension supports services	1,602,800	-	1,602,800	-	100.0	-
Fisheries & Blue Economy	Fisheries & Blue Economy	-	42,767,785	-	18,768,763	-	43.9
Fish safety & quality assurance	Fish inspection services	208,000		208,000		100.0	-
	Residue monitoring & control services	328,000	-	328,000	-	100.0	-

Programme	Sub-Programme	Approved Budget Estimates FY 2023/24		Actual Expenditure as of 30th June, 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Pending Bills	Pending Bills (Agriculture)	498,750	3,818,051	498,750	2,187,551	100.0	57.3
Pending Bills	Pending Bills (Livestock)		4,547,500	-	4,545,400	-	100.0
	Sub- Total	**228,638,796**	**543,270,204**	**222,583,075**	**71,362,319**	**97.4**	**13.1**
Department of Education, Gender inclusivity, Social services, Youth and Sports							
General Administration & Support Services	General administration	306,049,054	-	327,868,771	-	107.1	-
	Quality assurance & standard services	4,406,215	-	4,466,215	-	101.4	-
Early Childhood Development Education Services	Quality assurance & standard services	16,000,000	-	-	-	-	-
	ECDE co-curriculum development	4,000,000	-	4,478,948	-	112.0	-
	School feeding programme.	2,250,000	-	-	-	-	-
	Community ECD services		32,550,000	-	-	-	-
Education support services	Bursary/scholarship	146,000,000	-	144,853,332	-	99.2	-
Child Care Services	Child protection responsive services & care giving support service	2,500,000	-	2,914,750	-	116.6	-
Youth development & empowerment	Technical, vocational, education & training	20,000,000	42,596,350	20,000,000	24,096,390	100.0	56.6
	Youth empowerment program	9,000,000	-	6,142,146	-	68.2	-
	Youth enterprise development	3,000,000	-	3,427,300	-	114.2	-
Sports Development	Sports Development Services	3,000,000	10,000,000	2,772,700	-	92.4	-
	Talent development Services	1,000,000	-	152,000	-	15.2	-
	Local Sports	17,000,000	-	14,995,590	-	88.2	-
Pending Bills	Pending Bills	1,921,946	40,400,786	1,896,946	22,772,698	98.7	56.4
Gender Development & Equality Services	Women Empowerment	4,570,000	-	5,470,225	-	119.7	-
	Gender-responsive education support	2,400,000	-	1,802,640	-	75.1	-
	Adolescent Girls & women water, sanitation, & hygiene support services	1,800,000	-	2,886,500	-	160.4	-
	People with Disability (PWDs) Empowerment	5,000,000	-	5,534,100	-	110.7	-
Culture Development Promotion & Arts	Culture & heritage conservation	1,000,000	-	1,235,052	-	123.5	-
	Sub- Total	**550,897,215**	**125,547,136**	**550,897,215**	**46,869,088**	**100.0**	**37.3**
Department of Medical Services							

Programme	Sub-Programme	Approved Budget Estimates FY 2023/24		Actual Expenditure as of 30th June, 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Planning & Administrative Support Services	Policy formulation, planning, Monitoring & evaluation, Research, & learning.	22,840,000	-	7,916,200	-	34.7	-
	Administration & support services	64,683,902	-	60,139,714	-	93.0	-
	Human Resource Management & Development	1,281,219,949	-	1,283,456,778	-	100.2	-
	Infrastructure & Health Facility Management	-	222,544,237	-	139,218,179	-	62.6
	Health Financing & Universal Health Coverage (UHC) coordination	5,340,000	-	3,615,400	-	67.7	-
	Standards & Quality Assurance	2,800,000	-	3,648,000	-	130.3	-
Preventive & Promotive Health Services	Environmental health services	2,100,000	-	3,250,000	-	154.8	-
	Human Nutrition & Dietetics services	3,700,000	-	3,500,000	-	94.6	-
	HIV/AIDS management	2,900,000	-	2,700,000	-	93.1	-
	TB control	2,900,000	-	2,500,000	-	86.2	-
	Malaria Control	3,300,000	-	3,300,000	-	100.0	-
	Non-Communicable Diseases (NCDs	2,900,000	4,000,000	2,137,000	4,000,000	73.7	100.0
	Disease surveillance/ Emergency preparedness	2,500,000	-	2,500,000	-	100.0	-
	Maternal & Reproductive Health services	4,360,000	-	3,903,230	-	89.5	-
	Neonatal, Child, Adolescent & Youth health services	3,000,000	-	2,700,000	-	90.0	-
	Expanded Program for Immunization (Immunization	4,000,000	-	4,000,000	-	100.0	-
	Gender-Based Violence health services	4,200,000	-	2,600,000	-	61.9	-
Pending Bills	Pending Bills	93,267,995	44,478,239	31,849,534	42,107,024	34.1	94.7
Donor Funds	Donor Funds		124,723,404		-		
Curative, Rehabilitative & Referral Services	Ambulance & Referral Services	16,500,000	-	4,223,423	-	25.6	
	Hospital-Level Services		10,000,000	-	-	-	
	Health Products & Technologies	113,840,996	-	124,837,157	-	109.7	
	Diagnostic & rehabilitation Services	26,500,000	-	26,428,778	-	99.7	
	Health Services Management Fund	134,000,000	5,000,000	117,602,940	3,204,592	87.8	64.1
	Sub- Total	**1,796,852,842**	**410,745,880**	**1,696,808,154**	**188,529,795**	**94.4**	**45.9**
Department of Health Services & Sanitation							

Programme	Sub-Programme	Approved Budget Estimates FY 2023/24		Actual Expenditure as of 30th June, 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Planning & Administrative Support Services	Policy formulation, planning, Monitoring & evaluation, Research, & learning.	23,100,000	-	21,645,000			93.7
	Administration & support services	34,893,818	-	32,976,409			94.5
	Human Resource Management & Development	26,850,000	-	35,643,469	-	132.8	-
	Infrastructure & Health Facility Management	17,294,473	100,936,943	19,885,846	52,060,750	115.0	51.6
	Health Financing & Universal Health Coverage (UHC) coordination	9,300,000	-	8,611,000	-	92.6	-
	Standards & Quality Assurance	550,000	-	200,000	-	36.4	-
	Community health infrastructure services(CHVs)	32,908,754	-	32,834,000	-	99.8	-
Donor Funds	DANIDA	26,754,689	-	12,347,800			46.2
Preventive & Promotive Health Services	Human Nutrition & Dietetics services	2,600,000	-	2,545,991			97.9
	HIV/AIDS management	11,970,000	-	11,820,000			98.7
	TB control	1,400,000	-	1,600,000			114.3
	Malaria Control	2,700,000	-	980,000	-		36.3
	Non-Communicable Diseases (NCDs	1,600,000	-	735,000	-		45.9
	Disease surveillance/ Emergency preparedness	8,500,000	-	7,099,500	-		83.5
	Health promotion & education	1,800,000	-	2,218,880	-		123.3
	Maternal & Reproductive Health services	4,200,000	-	1,345,000	-		32.0
	Neonatal, Child, Adolescent & Youth health services	1,400,000	-	1,550,000	-		110.7
	Expanded Program for Immunization (Immunization)	3,400,000	-	350,000	-	10.3	-
	Gender-Based Violence health services	900,000	-	1,125,000	-	125.0	-
	Neglected Tropical Diseases services.	1,050,000	-	975,000	-	92.9	-
	Environmental health services	2,300,000	-	2,669,000	-	116.0	-
Donor Funds	Donor Funds-THS	4,801,620	-	-	-		-
Pending Bills	Pending Bills		83,826,542		83,862,204		100.0
Curative, Rehabilitative & Referral Services	Health Products & Technologies	88,550,000	-	71,844,338	-	81.1	-
	Diagnostic & rehabilitation Services	800,000	-	495,000	-	61.9	-
	Sub- Total	**309,623,354**	**184,763,485**	**271,496,232**	**135,922,954**	**87.7**	**73.6**
Department of Environment, Natural Resources, Climate Change and Disaster Management							
General administration & support services	General administration	37,967,116	-	36,114,753	-	95.1	-

Programme	Sub-Programme	Approved Budget Estimates FY 2023/24		Actual Expenditure as of 30th June, 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Environment Management & Protection	Solid Waste Management Services	9,267,000	-	9,065,851	-	97.8	-
	Garbage Management	35,000,000	-	42,721,400	-	122.1	-
Mazingira Youth Programme	Mazingira Youth Programme	24,000,000	-	24,000,000	-	100.0	-
Donor Funds	Climate change response strategy	15,099,573	-	-	-	-	-
Climate Change Adaptation & Mitigation	Climate change response strategy	121,300,000	716,500,000	85,252,562	174,249,274	70.3	24.3
Pending Bills	Pending Bills	1,300,000	-	1,000,000	-	76.9	-
Natural Resources Management & Forestry Development	Forestry development	1,823,223	-	1,623,200	-	89.0	-
	Artisanal mining & quarry services	-	-	-	-	-	-
	Sub- Total	**245,756,912**	**716,500,000**	**199,777,767**	**174,249,274**	**81.3**	**24.3**
Department of Finance & Economic Planning							
General administration & support services	Administrative Services (Accounting)	438,812,722	-	499,614,301	-	113.9	-
	Administrative Services (Procurement)	40,720,000	-	35,667,700	-	87.6	-
	Administrative services(Economic)	34,940,000	3,000,000	28,939,580	1,499,520	82.8	50.0
Finance & Accounting services	Accounting services	186,840,790	-	137,909,758	-	73.8	-
	Emergency Activities/ Fund	15,000,000	-	21,577,090	-	143.8	-
Resource Mobilization services	Resource Mobilization services	58,500,000	-	52,940,815	-	90.5	-
	Revenue board services	6,300,000	-	4,814,800	-	76.4	-
Supply chain management services	Supply chain management services	5,040,000	7,000,000	3,832,515	2,999,000	76.0	42.8
Audit services	Audit services	48,138,326	-	46,062,226	-	95.7	-
	Internal Audit Committee	4,600,000	-	5,334,420	-	116.0	-
County Asset Valuation	County Asset Valuation	10,000,000	-	10,000,000	-	100.0	-
Pending Bills	Pending Bills	3,799,776	14,121,866	2,400,540	9,036,045	63.2	64.0
Economic Planning Services	Policy plans & formulation	18,000,000	-	18,264,409	-	101.5	-
Budgeting Services	Budget coordination & management	83,016,061	-	81,929,522	-	98.7	-
County Statistical Information Services	County Statistical Information Services	9,146,243	-	11,666,243	-	127.6	-
County Budget & Economic Forum Services	County Budget & Economic Forum Services	10,000,000	-	10,900,000	-	109.0	-
	Sub- Total	**972,853,918**	**24,121,866**	**971,853,918**	**13,534,565**	**99.9**	**56.1**
Department of Lands, Physical Planning, Housing and Urban Development							

Programme	Sub-Programme	Approved Budget Estimates FY 2023/24		Actual Expenditure as of 30th June, 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
General administrative services	Administrative Services(lands)	39,100,756	30,600,087	34,178,348	5,162,172	87.4	16.9
	Administrative Services (Physical)	54,381,010	36,400,000	65,291,169	28,618,909	120.1	78.6
	Administrative Services (Rongo)	11,244,625	10,346,227	7,961,460	1,345,000	70.8	13.0
	Administrative Services (Kehancha)	12,204,624	5,400,000	8,434,300	3,028,412	69.1	56.1
	Administrative Services (Migori)	11,244,625	17,505,755	9,339,217	-	83.1	-
	Administrative Services(Awendo)	11,244,625	21,026,200	11,303,275	7,740,390	100.5	36.8
	Board Activities (Rongo)	6,300,000	-	7,096,944	-	112.6	-
	Board Activities (Kehancha	6,300,000	-	7,002,400	-	111.1	-
	Board Activities (Migori)	6,300,000	-	7,765,000	-	123.3	-
	Board Activities (Awendo)	6,300,000	-	7,522,000	-	119.4	-
Physical Planning Services	Physical Planning Services	8,000,000	-	9,364,699	-	117.1	-
Pending Bills	Pending Bills	850,000	3,735,203	749,999	3,235,290	88.2	86.6
Urban Development Services	Urban Development Services	6,957,244	-	610,100	-	8.8	-
	Sub- Total	**180,427,509**	**125,013,472**	**176,618,911**	**49,130,173**	**97.9**	**39.3**
Department of Roads, Transport, Public Works and Infrastructural Development							
General administration & support services	Administrative services(roads)	104,249,883	-	97,063,563	-	93.1	-
	Administrative services(works)	12,404,251	-	5,667,260	-	45.7	-
Road Development, Maintenance & Management	Mechanization service	-	92,000,000	-	89,269,500	-	97.0
	Community access roads	-	120,000,000	-	117,012,100	-	97.5
	Major roads	-	350,000,000	-	387,178,147	-	110.6
	Other Infrastructure	-	15,000,000	-	-	-	-
	KRB-RMLF	-	60,442,438	-	-	-	-
	Bridges & culvert services	-	30,000,000	-	27,450,801	-	91.5
Pending Bills	Pending Bills	5,959,600.00	68,769,371	5,959,600.00	68,769,233	100.0	100.0
Transport Infrastructure Management Services	Transport management services	-	5,701,864	-	-		-
Public works services	Architectural Services	3,410,000	-	3,727,620	-		-
	Building & construction services.		6,500,000	-	2,499,104		38.4
	Quantity Surveyor's Services	1,880,000	-	2,106,300	-	112.0	-
	Mechanical & Electrical Engineering services	1,740,000	-	2,354,200	-	135.3	-
	Structural engineering services	1,716,000	-	2,146,500	-	125.1	-
	Mechanization service	1,020,000	-	650,700	-	63.8	-
	Sub- Total	**132,379,734**	**748,413,673**	**119,675,743**	**692,178,884**	**90.4**	**92.5**
Department of Trade, Tourism, Industry, Market & Cooperative Development							

Programme	Sub-Programme	Approved Budget Estimates FY 2023/24		Actual Expenditure as of 30th June, 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Policy, Planning & administrative support services	Administrative support services(trade)	82,403,268	-	81,686,076	-	99.1	-
	Administrative support services(industrialization)	3,240,000	-	4,773,411	-	147.3	-
	Administrative support services(tourism)	4,649,104	-	3,412,776	-	73.4	-
	Administrative support services(cooperative)	4,500,000	-	4,356,200	-	96.8	-
Trade Promotion, Development & Support to SMEs	Trade development & promotion of SME services	54,000,000	-	54,000,000	-	100.0	-
	Trade regulation & information management systems	5,629,825	-	7,104,617	-		-
	Trade infrastructure development services	-	29,626,000	-	5,657,768	126.2	19.1
	Community projects	-	22,000,000	-	4,190,686		19.0
Legal metrology services	Legal metrology services	1,660,000	-	2,064,000	-	124.3	-
Industrial development & investment services	Industrial & enterprise development	800,000	450,000,000	1,284,776	114,463,233	160.6	25.4
	Investment promotion services.	3,189,106	-	3,833,992	-	120.2	-
Pending Bills	Pending Bills	499,999	26,084,481	499,999	21,203,266	100.0	81.3
Liquor Licensing and Control	Alcohol Fund	5,474,299	-	1,859,598	-	34.0	-
	Liquor Licensing and Control	2,000,000	-	2,300,000	-	115.0	-
Tourism Research & Development	Tourism product development	2,940,000	-	2,725,000	-	92.7	-
	Tourism promotion, investment & marketing	1,760,000	1,500,000	1,721,000	1,500,000	97.8	100.0
Co-operative Policy, Research Advisory	Co-operative Policy, Research Advisory	2,185,788	-	2,561,700	-	117.2	-
Co-operative Development & Promotion Services	Co-operative Development & Promotion Services	5,320,000	-	6,183,000	-	116.2	-
Co-operative Audit	Co-operative Audit	2,154,004	-	2,485,704	-	115.4	-
Co-operative Governance, Oversight and compliance	Co-operative Governance, Oversight and compliance	1,070,206	-	623,750	-	58.3	-
	Sub- Total	**183,475,599**	**529,210,481**	**183,475,599**	**147,014,953**	**100.0**	**27.8**
County Assembly Entity							
County Assembly	General administration, planning & support service for all sectors	710,778,413	-	675,367,390	-	95.0	-
	Oversight Management services	-	-	-	-		-
	Governance and Executive Management	-	-	-	-		-
	Legislative services	-	-	-			-
Office of the Clerk	Infrastructure Development	-	100,000,000	-	39,719,735		39.7
	General administration, planning & support services for all sectors	-	-	-	-		-

Programme	Sub-Programme	Approved Budget Estimates FY 2023/24		Actual Expenditure as of 30th June, 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Speakers Office	Legislative services	29,719,664	-	29,719,664	-	100.0	-
	General administration, planning & support services for all sectors	41,907,299	-	32,268,781	-	77.0	-
	Oversight Management services	221,103,333	-	217,401,951	-	98.3	-
	Sub- Total	**1,003,508,709**	**100,000,000**	**954,757,786**	**39,719,735.20**	**95.1**	**39.7**
Department of Water and Energy							
Policy, General Administration & Support Services	Policies & legal framework	4,047,990	-	3,872,140	-	95.7	-
	General Administrative Services	85,277,944	21,200,000	84,988,759	-	99.7	-
	Operation & maintenance of rural water Services	1,399,000	-	1,149,000	-	82.1	-
Water supply & Management services	Urban Water Supply & sewerage services	44,000,000	16,218,849	58,281,292	-	132.5	-
	Rural Water Services	2,000,000	55,033,894	2,000,000	573,711	100.0	1.0
	Water Conservation, protection, & Governance	-	4,768,000	-	13,215,093	-	277.2
	Community water services	-	83,000,000	-	43,714,456	-	52.7
Pending Bills	Pending Bills	25,229,676.00	257,100,721	3,907,918.00	221,934,510	15.5	86.3
Energy Development Services	Renewable energy development	5,000,000.00	-	-	-	-	-
Sub- Total		**166,954,610**	**437,321,464**	**154,199,108**	**279,437,770**	**92.4**	**63.9**
Grand Total		**7,329,026,554**	**4,144,010,967**	**6,929,663,368**	**1,962,025,442**	**94.6**	**47.3**

***Source**: Migori County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Water Conservation, protection, & Governance in the Department of Water and Energy at 277.2 per cent, Industrial & enterprise development in the Department of Trade, Tourism, Industry, Market & Cooperative Development at 160.6 per cent, Environmental health services in the Department of Medical Services at 154.8 per cent, and Emergency Activities Fund in the Department of Finance & Economic Planning at 143.8 per cent of budget allocation.

3.27.13 Accounts Operated Commercial Banks

The County government operated a total of 208 accounts with commercial banks. 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.

3.27.14 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;

1. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The final reports were received on 24th July 2024 against a stipulated timeline of 15th July 2024

2. The under performance of own-source revenue at Kshs.512.69 million against an annual target of Kshs.625.47 million, representing 81.9 per cent of the annual target.

3. Poor management of inter-departmental vote books by the County Treasury and weak budgeting practice, as shown in Table 3.185, where the County incurred expenditure over approved exchequer issues and diversion of funds

4. Failure by Fund Administrators to submit quarterly financial and non-financial reports to the COB within the timelines provided in law, which is against the requirement of Section 168 of the PFM Act, 2012. The reports for the County Assembly Car Loans & Mortgage Fund Scheme Fund were not submitted to the Controller of Budget as of 15th July 2024

5. High level of pending bills which amounted to Kshs.864.39 million as of 30th June 2024. Further, there was non-adherence to the pending bills payment plan by the County Treasury.

6. High wage bills accounted for 37.1 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided in law.

7. Use of manual payroll. Personnel emoluments amounting to Kshs.133.27 million were processed through the manual payroll, accounting for 3.7 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.

8. 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 mainly for County Health facilities & Dispensaries and for various departments' office operations and activities.

9. High expenditure on domestic travel at Kshs.359.55 millon.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

2. *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.*

3. *The County Treasury should improve the Vote book and budgetary controls to ensure expenditure is within the approved budget and exchequer releases.*

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

5. *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.*

6. *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.*

7. *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.*

8. *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.*

9. *The County should reduce expenditure on travelling by holding activities within the county headquarters.*

3.28. County Government of Mombasa

3.28.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.15.99 billion, comprising Kshs.4.80 billion (30 per cent) and Kshs.11.19 billion (70 per cent) allocation for development and recurrent programmes, respectively. The approved supplementary budget estimates represented an increase of 14.2 per cent compared to the previous financial year when it was Kshs.14.00 billion and comprised of Kshs.4.13 billion towards development expenditure and Kshs.9.87 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.7.86 billion (44.9 per cent) as the equitable share of revenue raised nationally, Kshs.1.66 billion as additional allocations/conditional grants, a cash balance of Kshs.610.80 million (3.5 per cent) brought forward from FY 2022/23 and generate Kshs.7.38 billion (33.4 per cent) as gross own source revenue. The own-source revenue includes Kshs.1.52 billion (20.6 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.5.86 billion (79.4 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.186.

3.28.2 Revenue Performance

In the FY 2023/24, the County received Kshs.7.23 billion as an equitable share of the revenue raised nationally, Kshs.383.01 million as additional allocations/conditional grants, a cash balance of Kshs.610.80 million from FY 2022/23 and raised Kshs.5.59 billion as own-source revenue (OSR). The raised OSR includes Kshs.1.13 billion as FIF and Kshs.4.46 billion as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.13.81 billion, as shown in Table 3.189.

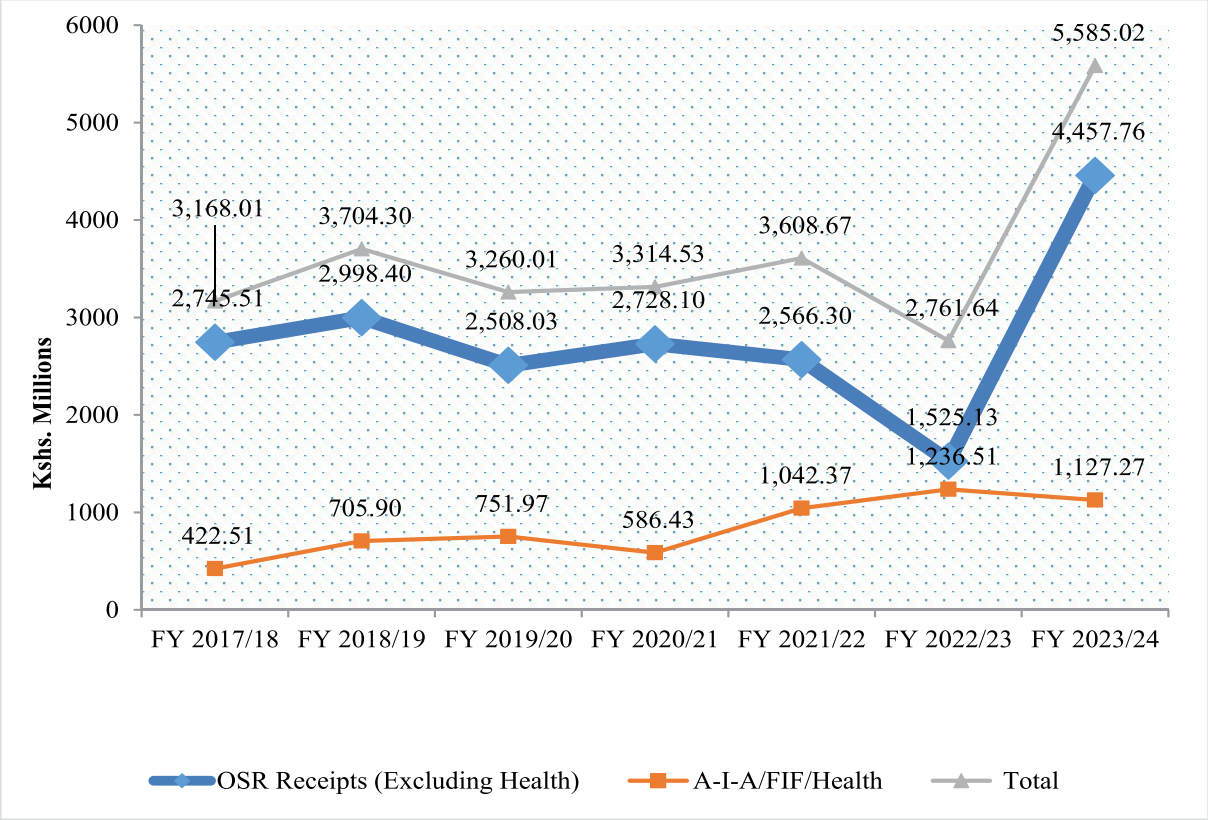
Table 3.189: Mombasa County, Revenue Performance in the FY 2023/24

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**	7,861,523,820	7,232,601,918	92.0
Sub Total		**7,861,523,820**	**7,232,601,918**	**92.0**
B	**Conditional Grants**			
1	Aggregated Industrial Park	250,000,000	62,500,000	25.0
2	Allocation for court fines	13,428,433	-	-
3	Mineral Royalties	18,830	-	-
4	Water, Sanitation Development Project - World Bank	1,000,000,000	-	-
5	Finance Locally - Led Climate Action Program (FLLOCA)	11,000,000	-	-
6	Conditional Grant for transfer Library services	5,635,387	-	-
7	DANIDA	12,878,250	-	-
8	Agriculture Sector Support Program II	2,512,539	512,539	-
9	Kenya Marine Fisheries and Socio-Economic Development (KEMFSED)	39,346,299	-	-
10	Fertilizer Subsidy Programme	6,495,711	-	-
11	World Bank - Kenya Informal Settlement Improvement Project (KISIP II)	320,000,000	320,000,000	100.0
Sub-Total		**1,661,315,449**	**383,012,539**	**23.1**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	5,856,356,997	4,457,758,296	76.1
2	Balance b/f from FY2022/23	610,803,734	610,803,734	100.0
3	Facility Improvement Fund (FIF)	1,521,576,230	1,127,265,714	74.1
Sub Total		**7,988,736,961**	**6,195,827,744**	**77.6**
Grand Total		**17,511,576,230**	**13,811,442,201**	**78.9**

Source: *Mombasa County Treasury*

Figure 108 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

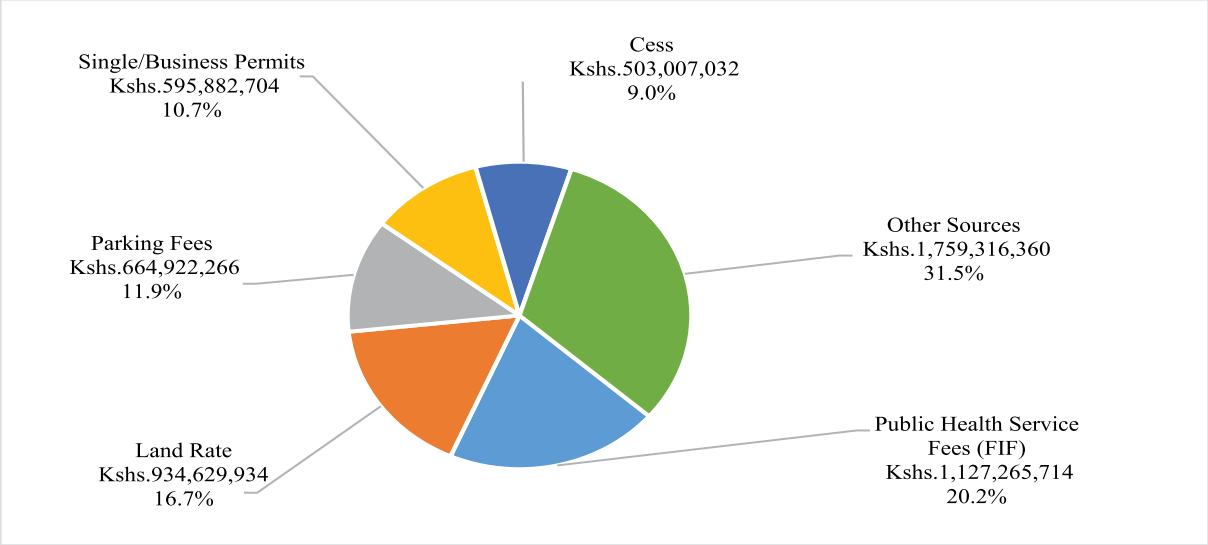
Figure 108: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Mombasa County Treasury*

In the FY 2023/24, the County generated a total of Kshs.5.59 billion from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 102.2 per cent compared to Kshs.2.76 billion realized in FY 2022/23 and was 75.7 per cent of the annual target and 77.2 per cent of the equitable revenue share disbursed during the period. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.217.48 million. The revenue streams which contributed the highest OSR receipts are shown in Figure 109.

Figure 109: Top Streams of Own Source Revenue in the FY 2023/24



Source: Mombasa County Treasury

The highest revenue stream, Kshs.1.13 billion, was from the Public Health Service Fee, contributing 20.2 per cent of the total OSR receipts during the reporting period.

3.28.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.12.86 billion from the CRF account during the reporting period, comprising Kshs.2.13 billion (16.6 per cent) for development programmes and Kshs.10.73 billion (83.4 per cent) for recurrent programmes.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.363.74 million.

3.28.4 County Expenditure Review

The County spent Kshs.11.91 billion on development and recurrent programmes in the reporting period. The expenditure represented 92.6 per cent of the total funds released by the CoB and comprised of Kshs.2.08 billion and Kshs.9.83 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 43.4 per cent, while recurrent expenditure represented 87.8 per cent of the annual recurrent expenditure budget.

3.28.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.5.00 billion, comprising of Kshs.3.14 billion for recurrent expenditure and Kshs.1.86 billion for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.557.45 million, which consisted of Kshs.402.86 million for recurrent expenditure and Kshs.154.59 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.4.44 billion.

3.28.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.6.42 billion on employee compensation, Kshs.3.41 billion on operations and maintenance, and Kshs.2.08 billion on development activities. Similarly, the County Assembly spent Kshs.437.45 million on employee compensation, and Kshs.467.69 million on operations as shown in Table 3.190.

Table 3.190: Summary of Budget and Expenditure by Economic Classification

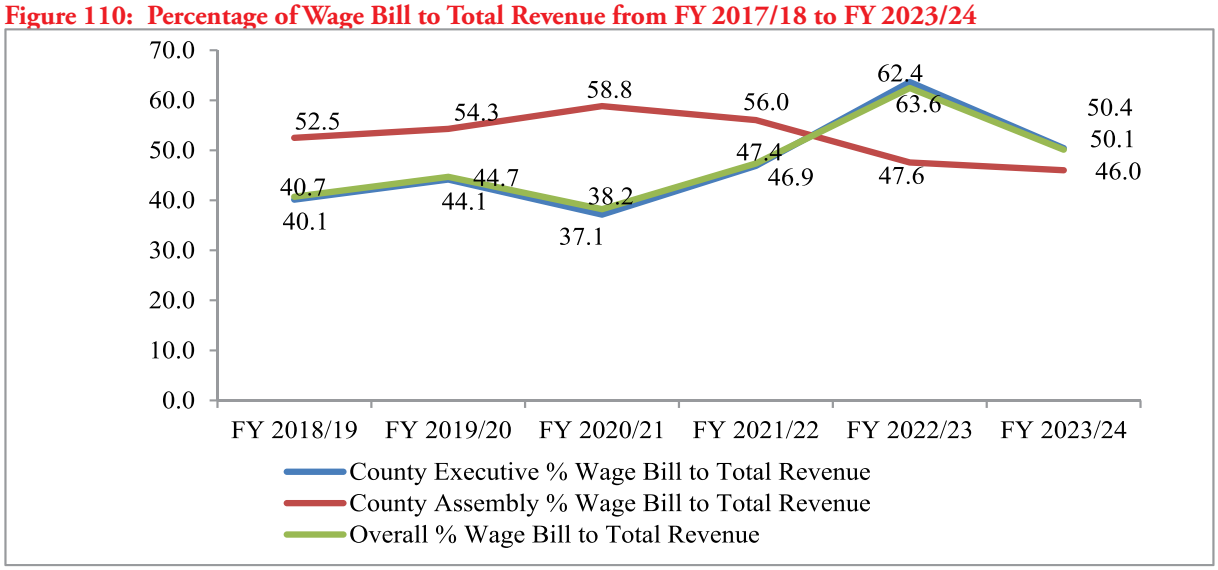
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**10,201,348,047**	**990,944,906**	**9,829,571,799**	**905,144,242**	**96.4**	**91.3**
Compensation to Employees	6,484,413,377	437,521,179	6,422,977,485	437,454,607	99.1	100.0
Operations and Maintenance	3,716,934,670	553,423,727	3,406,594,314	467,689,635	91.7	84.5
Development Expenditure	4,742,707,047	55,000,000	2,082,324,221	-	43.9	-
Total	**14,944,055,094**	**1,045,944,906**	**11,911,896,020**	**905,144,242**	**79.7**	**86.5**

***Source**: Mombasa County Treasury*

3.28.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.6.86 billion, or 50 per cent of the available revenue, which amounted to Kshs.13.81 billion. This expenditure represented a decrease from Kshs.6.90 billion reported in FY 2022/23. The wage bill included Kshs.2.82 billion paid to health sector employees, translating to 44 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 110.

Figure 110: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



***Source**: Mombasa County Treasury*

Further analysis indicates that PE costs amounting to Kshs.6.43 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.435 million was processed through manual payrolls. The manual payrolls accounted for 6.3 per cent of the total PE cost.

The County Assembly spent Kshs.29.17 million on committee sitting allowances for the 42 MCAs against the annual budget allocation of Kshs.39.39 million. The average monthly sitting allowance was Kshs. 57,887 per MCA. The County Assembly has established 21Committees.

3.28.8 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.580.00 million to County-established funds in FY 2023/24, constituting 3.6 per cent of the County's overall budget. Table 3.191 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.191: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 30th June 2024 (Yes/No.)
County Executive Established Funds					
	Mombasa County Scholarship and Other Educational Benefits	580,000,000	481,500,100	428,080,012	Yes
	Mombasa Investment Corporation	15,000,000	12,000,000	7,931,993	Yes
County Assembly Established Funds					
1.	Car Loans and Mortgage for Members and Staff	-	-	-	Yes
	Total	**580,000,000**	**481,500,100**	**428,080,012**	

Source: *Mombasa County Treasury*

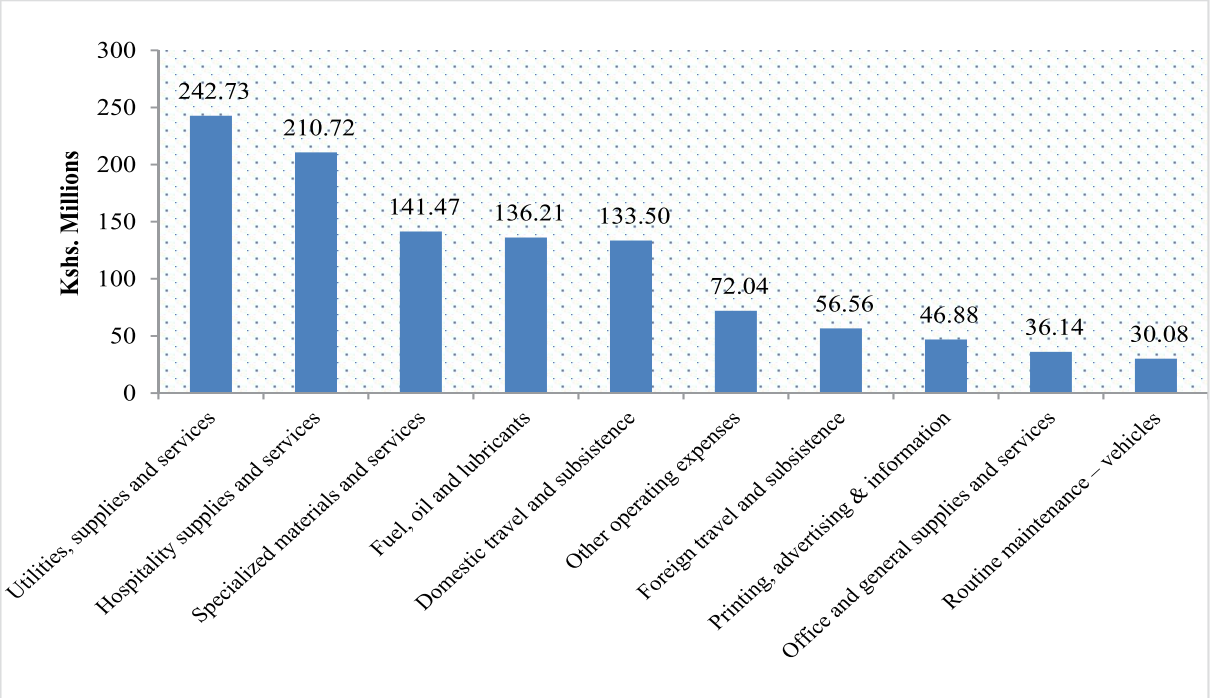
During the reporting period, the CoB received quarterly financial returns from the Fund Administrators of three funds, as indicated in Table 3.188, as required by Section 168 of the PFM Act, 2012.

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.

3.28.9 Expenditure on Operations and Maintenance

Figure 111 summarises the Operations and Maintenance expenditure by major categories.

Figure 111: Mombasa County, Operations and Maintenance Expenditure by Major Categories



Source: *Mombasa County Treasury*

Expenditure on domestic travel amounted to Kshs.133.50 million and comprised Kshs.40.35 million spent by the County Assembly and Kshs.93.15 million by the County Executive. Expenditure on foreign travel amounted to Kshs.56.56 million and comprised Kshs.27.00 million by the County Assembly and Kshs.29.56 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.192 below;-

Table 3.192: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	1	20th May 2023 To 31st May 2023	Travel To Busan, South Korea	South Korea	433,090
County Executive	1	15th October 2023 To 26th November 2023	Travel To Japan to Attend A Jica Training from 15th October 2023 to 26th November 2023	Japan	1,010,951
County Executive	2	29 Nov 2023 To 12 Dec 2023	Travel To Dubai UAE 29th November 2023 to 12th December 2023 Attending Cop 28	Dubai	1,487,120
County Executive	1	22nd Sept 2023 To 26th Sept 2023	Travel To Attend International Friendship Cities Cultural Festival In China	China	437,306
County Executive	2	30th Sept 2023-7th Oct 2023	Attending The Art Of Maximizing Personal Productivity And Positive Thinking Workshop In South Africa	South Africa	926,100
County Executive	1	3rd Dec 2023-9th Dec 2023	Attending The African Association For Public Administration And Management 42nd Annual Round table Conference In Livingstone Zambia	Zambia	528,800
County Executive	4	18-21 Feb 2024	Travel And Subsistence Allowance - Road Safety Regional bench marking to Addis Ababa Ethiopia from 18-21 Feb 2024	Ethiopia	339,840
County Executive	1	25th Oct 2023 -3RD Nov 2023	Claim For Travel To Pakistan	Pakistan	1,442,538

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	7	23rd Feb 2024 - 29th Feb 2024	Facilitation To Attend Seminar On AI (Artificial Intelligence) Governance And Public Administration Emerging New Trends And	Turkey	6,478,024
County Executive	1	4-16 Nov 2024	Travel And Subsistence Allowance 4-16 Nov 2024 In Turkey Workshop On Childcare And Early Childhood Education	Turkey	1,271,144
County Executive	1	9-13 Apr 2024	Travel And Subsistence Allowance - Hybrid Coconut Learning Visit to India 9-13 Apr 2024	India	367,150
County Executive	1	29th April -3rd May 2024	Claim For Travel For 57th Session of United Nations Commission on Population And Development To New York	USA	1,064,400
County Executive	2	27th May 2024 - 1st June 2024	Claim For Travel to Abidjan	Ivory Coast	862,802

***Source**: Mombasa County Treasury*

3.28.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.2.08 billion on development programmes, a decrease of 0.1 percent compared to FY 2022/23, when the County spent Kshs.2.18 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.193: Mombasa County, List of Development Projects with the Highest Expenditure

Sector	Project Name	Project Location	Contract sum (Kshs.)	Amount paid to date (Kshs)	Implementation status (%)
Finance & Economic Planning	Revenue Management System-Techbiz Limited	Mvita	55,730,039	45,138,409	81.0
Education and Digital Transformation	Being Payment For School Feeding Program For All Learners In Public Schools	Across The County	61,050,000	24,491,550	40.1
Finance & Economic Planning	Revenue Management System-Techbiz Limited	Mvita	Not Provided	19,041,734	-
Finance & Economic Planning	Being Payment For School Milk Program In Six Sub Counties	Across The County	10,830,876	10,830,876	100.0
Education & Digital Transformation	Being Payment Of Supply And Delivery Of Tools And Equipment For Vocational Training Centres	Across The County	12,681,139	5,129,504	40.4
Finance & Economic Planning	Being payment for the supply of non-pharmaceuticals items at the Coast General	Mvita	5,345,871	5,076,487	95.0
Tourism, Culture and Trade	Proposed Construction Of Boundary Wall At Kongowea Phase Ii	Kongowea	4,965,110	4,234,040	85.3
Transport & Infrastructure	Proposed Improvement /Upgrading Of Msamuli Mwarendo Murram Road 2Km Mwakirunge Ward	Mwakirunge Ward	4,966,071	4,159,437	83.8
Transport & Infrastructure	Proposed Improvement Of Masilahi Rd.	Shanzu	4,854,025	4,136,519	85.2
Finance and Economic Planning	Proposed Construction Of Kongowea Cemetary Boundary Wall Repairs	Kongowea	4,844,175	4,130,912	85.3

***Source**: Mombasa County Treasury*

3.28.11 Budget Performance by Department

Table 3.194 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.194: 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	990.94	55.00	901.62	46.54	905.14	-	105.5	-	95.9	-
Public Service Board	145.36	20.00	115.48	5.75	72.11	-	62.4	-	49.6	-
Finance & Economic Planning	1,069.88	405.32	1,046.54	263.87	987.43	378.68	94.4	143.5	92.3	93.4
Health Services	4,002.83	663.79	3,887.45	78.73	2,896.46	85.19	74.5	108.2	72.4	12.8
Transport & Infrastructure	821.37	644.14	799.04	262.41	597.04	418.78	74.7	159.6	72.7	65.0
Environment & Solid Waste Management	661.12	204.51	660.25	65.78	424.85	115.86	64.3	176.1	64.3	56.7
Education & Digital Transformation	937.41	229.80	836.65	124.00	717.07	128.50	85.7	103.6	76.5	55.9
Water, Natural Resources & Climate Change Resilience	92.54	1,091.50	83.74	500.80	36.75	513.58	43.9	102.6	39.7	47.1
Public Service Administration, Youth, Gender, Social Services & Sports	1,440.22	225.00	1,410.12	37.14	2,341.85	7.12	166.1	19.2	162.6	3.2
Tourism, Culture & Trade	422.52	460.69	417.50	231.19	308.80	37.11	74.0	16.1	73.1	8.1
Land, Planning, Housing and Urban Renewal	206.08	609.58	205.60	436.27	147.60	355.29	71.8	81.4	71.6	58.3
Blue Economy, Agriculture & Livestock	186.50	150.00	183.44	74.13	133.83	36.61	73.0	49.4	71.8	24.4
The County Attorney	94.87	13.43	94.52	-	132.41	-	140.1	-	139.6	-
County Executive	120.63	24.95	88.61	2.95	82.56	5.61	93.2	190.2	68.4	22.5
Total	**11,192.29**	**4,797.71**	**10,730.56**	**2,129.56**	**9,829.57**	**2,082.32**	**91.6**	**97.8**	**87.8**	**43.4**

***Source**: Mombasa County Treasury*

Analysis of expenditure by departments shows that the Department of Finance & Economic Planning recorded the highest absorption rate of development budget at 93.4 per cent, followed by the Department of Transport & Infrastructure at 65.0 per cent. The Department of Public Service Administration, Youth, Gender, Social Services & Sports and the department of the County Assembly had the highest percentage of recurrent expenditure to budget at 162.6 per cent, and 139.6 per cent resprctively which is irregular and should be investigated by the County Treasury, and appropriate action should be taken.

3.28.12 Budget Execution by Programmes and Sub-Programmes

Table 3.195 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.195: Mombasa County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Rec Exp	Dev Exp	Rec Exp	Dev Exp	Rec Exp	Dev Exp
THE EXECUTIVE							
Programme 1	Governor's and Deputy Governor's Affairs	52,067,855	10,950,000	51,899,927	5,610,886	99.7	51.2

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Rec Exp	Dev Exp	Rec Exp	Dev Exp	Rec Exp	Dev Exp
	Protocol, Hospitality and Communication	12,716,441	10,000,000	6,057,806	-	47.6	-
	County Secretary & Cabinet Affairs	19,192,650	4,000,000	8,069,662	-	42.0	-
	Governor's Advisory Council, Special Programs, Intergovernmental and External Relations	32,840,880	-	14,143,668	-	43.1	-
	Governor's Delivery Unit, Policy, Planning & Research	3,814,010	-	2,390,880	-	62.7	-
	Sub Total	**120,631,836**	**24,950,000**	**82,561,943**	**5,610,886**	**68.4**	**22.5**
COUNTY ASSEMBLY							
Programme 2	General Administration and Planning	703,372,525	5,000,000	950,807,393	-	135.2	-
	Legislation, Oversight and Representation	287,572,381	50,000,000	-	-	-	-
	Sub-Total	**990,944,906**	**55,000,000**	**950,807,393**	-	95.9	-
COUNTY PUBLIC SERVICE BOARD							
Programme 3	Administration Unit	145,363,603	20,000,000	72,109,826	-	49.6	-
	Sub-Total	**145,363,603**	**20,000,000**	**72,109,826**	-	**49.6**	-
FINANCE AND ECONOMIC PLANNING							
Programme 4	Administration Unit	963,152,633	383,672,577	899,034,749	364,043,300	93.3	94.9
	Financial Management Services-Accounting Unit	53,580,680	19,650,000	46,279,851	14,632,485	86.4	74.5
	Planning and Monitoring Unit	53,146,951	2,000,000	42,110,711	-	79.2	-
	Sub-Total	**1,069,880,264**	**405,322,577**	**987,425,311**	**378,675,785**	**92.3**	**93.4**
ENVIRONMENT & SOLID WASTE MANAGEMENT							
Programme 5	Administration, Planning and Support Services	520,823,046	49,756,354	340,578,982	25,211,766	65.4	50.7
	Environment Compliance and Enforcement	66,095,221	60,767,341	40,320,267	36,508,708	61.0	60.1
	Solid Waste Management	74,204,828	93,985,184	43,954,596	54,137,664	59.2	57.6
	Sub-Total	**661,123,095**	**204,508,879**	**424,853,844**	**115,858,139**	**64.3**	**56.7**
Education & Digital Transformation							
Programme 6	General Administration, Planning and Support Services	367,095,340	32,000,000	257,563,283	14,956,219	70.2	46.7
	Early Childhood Education	10,264,613	101,000,000	70,500	35,919,445	0.7	35.6
	Vocational Training & Education	8,135,387	5,000,000	288,850	2,235,177	3.6	44.7
	Child Care	1,705,600	50,000,000	722,328	-	42.4	-

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Rec Exp	Dev Exp	Rec Exp	Dev Exp	Rec Exp	Dev Exp
	Elimu Fund	502,933,500	-	430,781,134	48,375,000	85.7	-
	Digital Transformation	47,276,640	41,800,000	27,646,238	27,009,501	58.5	64.6
	Sub-Total	**937,411,080**	**229,800,000**	**717,072,334**	**128,495,342**	**76.5**	**55.9**
HEALTH SERVICES							
Programme 7	Administration Unit	3,181,837,253	96,000,000	2,846,450,456	66,468,861	89.5	69.2
	Preventive and Promotive Health services	20,625,044	5,790,000	8,071,339	801,552	39.1	13.8
	Curative/Clinical Health Services	790,779,759	562,000,000	38,689,578	17,923,498	4.9	3.2
	Special Programs	9,590,950	-	3,245,113	-	33.8	-
	Sub-Total	**4,002,833,005**	**663,790,000**	**2,896,456,486**	**85,193,911**	72.4	12.8
WATER, NATURAL RESOURCES & CLIMATE CHANGE RESILIENCE							
Programme 8	Administration unit	83,378,277	1,003,500,000	32,567,133	497,650,672	39.1	49.6
	Natural Resources Management	191,330	22,500,000	-	2,997,000	-	13.3
	Sanitation Services and Management	100,000	10,000,000	98,276	4,360,500	98.3	43.6
	Water Supply and Management	2,600,000	20,000,000	2,590,276	8,488,379	99.6	42.4
	Renewable Energy	365,000	2,000,000	-	-	-	-
	Climate Resilience	5,902,750	33,500,000	1,491,379	83,717	25.3	0.2
	Sub-Total	**92,537,357**	**1,091,500,000**	**36,747,064**	**513,580,268**	**39.7**	**47.1**
PUBLIC SERVICE ADMINISTRATION, YOUTH, GENDER, SOCIAL SERVICES & SPORTS							
Programme 9	Administration planning and support services	1,118,888,012	11,000,000	2,118,273,291	1,526,900	189.3	13.9
	Human Resource Management & Development	200,370,483	-	160,082,891	-	79.9	-
	County Administration & Decentralized Services	9,571,046	105,000,000	3,892,256	1,708,182	40.7	1.6
	Enforcement, Compliance & Disaster Management	69,892,140	19,000,000	36,083,610	-	51.6	-
	Youth Affairs & Sports Development	20,685,212	70,000,000	11,499,707	-	55.6	-
	Gender, PWD Integration & Social Services	20,813,940	20,000,000	12,021,795	3,884,949	57.8	19.4
	Sub-Total	**1,440,220,832**	**225,000,000**	**2,341,853,550**	**7,120,031**	**162.6**	**3.2**
TOURISM, CULTURE & TRADE							
Programme 10	General Administration Planning & support services	384,315,769	-	288,065,496	-	75.0	-
	Trade Development and Markets/ Consumer Protection	15,433,690	324,800,000	14,163,762	7,666,596	91.8	2.4
	E-Licensing & Services	2,564,281	2,500,000	1,211,948	-	47.3	-

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Rec Exp	Dev Exp	Rec Exp	Dev Exp	Rec Exp	Dev Exp
	Tourism Marketing and Product Development	9,228,569	129,392,810	2,558,924	29,444,003	27.7	22.8
	Cultural Affairs	4,507,070	-	1,495,145	-	33.2	-
	Co-operative Development	6,468,320	4,000,000	1,308,221	-	20.2	-
	Sub-Total	**422,517,699**	**460,692,810**	**308,803,496**	**37,110,600**	**73.1**	**8.1**
LANDS, PLANNING, HOUSING AND URBAN RENEWAL							
Programme 11	Administration planning and support services	166,811,475	55,576,556	121,151,587	4,756,303	72.6	8.6
	Housing Development & Management	2,282,350	351,000,000	232,350	326,860,782	10.2	93.1
	Urban Renewal	32,845,200	170,000,000	24,808,632	23,672,108	75.5	13.9
	Land Administration and Valuation	3,045,885	2,000,000	1,411,360	-	46.3	-
	Physical Planning	1,100,000	31,000,000	-	-	-	-
	Sub-Total	**206,084,910**	**609,576,556**	**147,603,929**	**355,289,193**	**71.6**	**58.3**
TRANSPORT, INFRASTRUCTURE & PUBLIC WORKS							
Programme 12	General Administration and Support Services	733,889,111	-	543,220,465	1,742,674	74.0	-
	Roads Infrastructure Development	8,459,199	496,091,550	3,516,714	361,920,121	41.6	73.0
	Transportation Management	707,729	51,046,242	306,401	22,801,911	43.3	44.7
	County Public Works	3,727,799	18,000,000	2,381,158	2,967,585	63.9	16.5
	Mechanical and Electrical Services	50,088,844	6,000,000	29,940,517	-	59.8	-
	Safety, Risk and Disaster Management Services	24,497,817	73,000,000	17,670,894	29,348,194	72.1	40.2
	Sub-Total	**821,370,499**	**644,137,792**	**597,036,149**	**418,780,486**	**72.7**	**65.0**
BLUE ECONOMY, AGRICULTURE & LIVESTOCK							
Programme 13	Administration Unit-Headquarters	154,131,251	10,000,000	115,291,630	3,511,730	74.8	35.1
	Crops Development	10,120,281	35,000,000	4,184,864	10,544,959	41.4	30.1
	Livestock Production	7,899,820	30,653,701	6,139,516	16,338,590	77.7	53.3
	Fisheries Development	7,240,473	54,346,299	3,730,994	-	51.5	-
	Veterinary Services	7,107,942	20,000,000	4,479,791	6,214,303	63.0	31.1
	Sub-Total	**186,499,766**	**150,000,000**	**133,826,795**	**36,609,582**	**71.8**	**24.4**
THE COUNTY ATTORNEY							
Programme 14	General Administration & Legal Services	94,874,099	13,428,433	132,413,679	-	139.6	-
Grand Total	**Sub-Total**	**94,874,099**	**13,428,433**	**132,413,679**	-	139.6	-
		11,192,292,953	**4,797,707,047**	**9,829,571,799**	**2,082,324,221**	**87.8**	**43.4**

Source: Mombasa County Treasury

The sub-programmes with the highest levels of implementation based on absorption rates were Governor's and Deputy Governor's Affairs in the Department of the Executive at 99.7 per cent, Water Supply and Management in the Department of Water, Natural Resources & Climate Change Resilience at 99.6 per cent, and Trade Development and Markets/ Consumer Protection in the Department of Tourism, Culture & Trade at 91.8 per cent of budget allocation.

3.28.13 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;

1. 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 12th August 2024.
2. The diversion of funds by the County Treasury and weak budgeting practice, as shown in Table 3.192, caused the county to incur expenditure in excess of the approved exchequer issues in several departments.
3. The under performance of own-source revenue is Kshs.5.59 billion against an annual target of Kshs.7.38 billion, representing 75.7 per cent of the annual target.
4. There was a high level of pending bills, which amounted to Kshs.4.44 billion as of 30th June 2024. Further, the county Treasury did not adhere to the pending bills payment plan.
5. High wage bills accounted for 50 per cent of the County's total revenue in FY2023/24, which is above the ceiling provided in law.
6. Use of manual payroll. Personnel emoluments amounting to Kshs.435.00 million were processed through the manual payroll, accounting for 6.3 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.
7. Low expenditure on development activities, which accounted for 16.2 per cent of total expenditure in the FY 2023/24, which is below the 30 per cent threshold provided in law.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *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.*
3. *The County Treasury should improve the Vote book and budgetary control to ensure expenditure is within the approved budget.*
4. *The county leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the coming financial year. Further, compliance with the payment plan should be enforced.*
5. *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.*
6. *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.*
7. *The County should prioritize expenditures on development activities to ensure they are within the legal limit of 30 per cent of total expenditure.*

3.29. County Government of Murang'a

3.29.1 Overview of FY 2023/24 Budget

The County's Approved Supplementary Budget for FY 2023/24 was Kshs.10.41 billion, comprising Kshs.3.12 billion (30.0 per cent) and Kshs.7.29 billion (70.0 per cent) allocation for development and recurrent programmes. The approved budget estimates represented an increase of 6.2 per cent compared to the previous financial year when it was Kshs.9.80 billion and comprised of Kshs. 2.94 billion for development expenditure and Kshs. 6.86 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.7.47 billion (71.8 per cent) as the equitable share of revenue raised nationally, Kshs.1.10 billion (10.6 per cent) as additional conditional grants, a cash balance of Kshs. 719.36 million (6.9 per cent) was brought forward from FY 2022/23, and generate Kshs.1.12 billion (10.7 per cent) as gross own-source revenue. The own-source revenue includes Kshs.238.81 million (2.3 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.876.18 million (8.4 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.193.

3.29.2 Revenue Performance

In the FY 2023/24, the County received Kshs.6.87 billion as an equitable share of the revenue raised nationally, Kshs.595.40 million as additional allocations/conditional grants, a cash balance of Kshs.719.35 million from FY 2022/23 and raised Kshs.1.11 billion as own-source revenue (OSR). The raised OSR includes Kshs0.00 million as A-I-A, Kshs.382.53 million as FIF and Kshs.734.25 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.9.31 billion, as shown in Table 3.196.

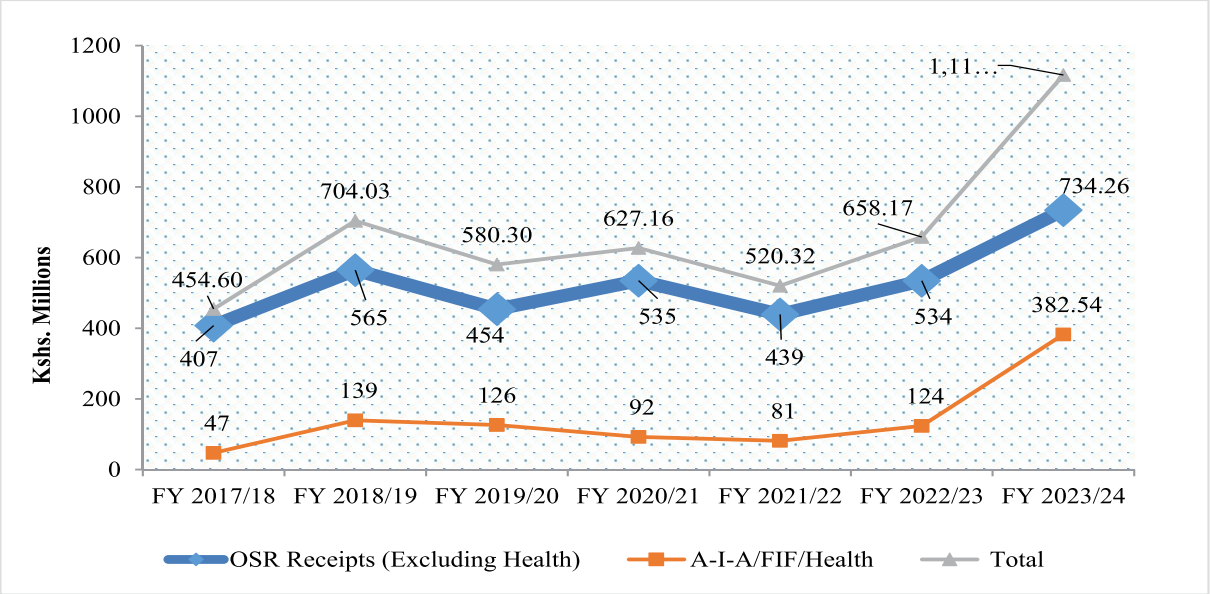
Table 3.196: Murang'a County, Revenue Performance in the FY 2023/24

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	7,473,786,703	6,875,883,767	92.0
Sub Total		**7,473,786,703**	**6,875,883,767**	**92.0**
B	**Conditional Grants**			
1	Leasing of Medical Equipment	124,733,404.30	-	-
2	Nutritional International Grant	20,000,000.00	5,000,000	25.0
3	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	150,000,000.00	12,863,053	8.6
4	IDA- (World Bank) Credit National Agricultural Value Chain Development Project (NAVCDP)	250,000,000.00	390,917,288	156.4
5	DANIDA Grant	11,492,250.00	11,492,250	100.0
6	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	1,899,127.00	1,899,127	100.0
7	Livestock Value Chain Support	71,618,400.00	-	-
8	World Bank (Finance Locally-Led Climate Program (FLLoCA) for County Climate Resilience Investment (CCRI) Grant	22,000,000.00	-	-
9	World Bank (Finance Locally-Led Climate Program (FLLoCA) Level 2Grant	137,500,000.00	110,729,614	80.5
10	Conditional Grant for Fertilizer Subsidy	197,960,790.00	-	-
11	Transfer of Library Services	13,019,070.00	-	-
12	Aggregated Industrial Park	100,000,000.00	62,500,000	62.5
Sub-Total		**1,100,223,041.30**	**595,401,332.05**	**54.12**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	876,181,883	734,257,887	83.8
2	Balance b/f from FY2022/23	719,356,302	719,356,302	100.0
3	Facility Improvement Fund (FIF)	238,818,117	382,537,843	160.2
Sub Total		**1,834,356,302**	**1,836,152,032**	**100.1**
Grand Total		**10,408,366,046**	**9,307,437,131**	**89.4**

Source: *Murang'a County Treasury*

The Facility Improvement Fund (FIF) generated Kshs.382,53 million, 160.2 per cent of the revenue target. This is attributed to the receipt of NHIF refunds, which had not been budgeted as a revenue source. Figure 112 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 112: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



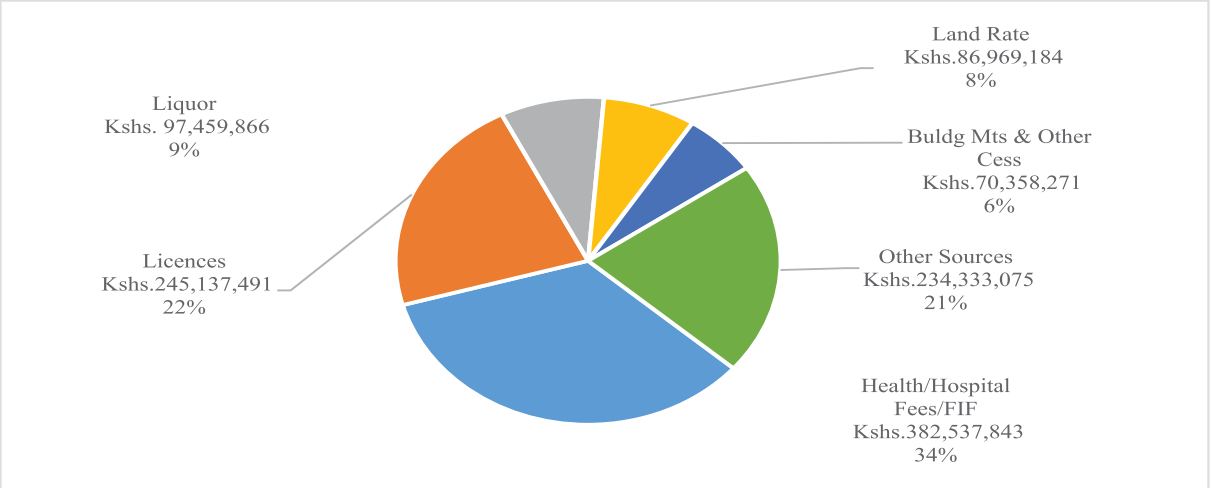
Source: *Murang'a County Treasury*

In the FY 2023/24, the County generated a total of Kshs.1.11 billion from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 41.1 per cent compared to Kshs.658.16 million realized in FY 2022/23 and was 100.2 per cent of the annual target and 16.2 per cent of the equitable revenue share disbursed during the period.

The increase in revenue can be attributed to the automation of revenue collection through the partnership between the County Government of Murang'a and the Cooperative Bank of Kenya for the installation of a Revenue Management System. The increase is also attributable to the revenue enforcement measures taken by the County Government of Murang'a.

Figure 113 shows the revenue streams that contributed the highest OSR receipts.

Figure 113: Top Streams of Own Source Revenue in the FY 2023/24



Source: Murang'a County Treasury

The highest revenue stream, Kshs.382.53 million, was from Health/Hospital Fees (FIF), which contributed 34 per cent of the total OSR receipts during the reporting period.

3.29.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.8.70 billion from the CRF account during the reporting period, which comprised Kshs.2.06 billion (23.6 per cent) for development programmes and Kshs.6.66 billion (76.4 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.4.46 billion was released towards Employee Compensation and Kshs.2.19 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.85.98 million.

3.29.4 County Expenditure Review

The County spent Kshs.8.70 billion on development and recurrent programmes in the reporting period. The expenditure represented 99.8 per cent of the total funds released by the CoB and comprised of Kshs.2.04 billion and Kshs.6.65 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 65.6 per cent, while recurrent expenditure represented 91.4 per cent of the annual recurrent expenditure budget.

3.29.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County Executive reported a stock of pending bills amounting to Kshs.1.13 million, comprising of Kshs.1.05 billion for recurrent expenditure and Kshs.81.66 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.674.65 million, which consisted of Kshs.619.84 million for recurrent expenditure and Kshs.54.81 million for development programmes. The outstanding County Executive eligible pending bills amount inclusive of FY 2023/24 was Kshs.1.38 billion. The County Executive also has ineligible pending bills amounting to Kshs.2.09 billion.

The County Assembly reported outstanding pending bills of Kshs.72.10 million as of 30 June 2024.

3.29.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.4.11 billion on employee compensation, Kshs.1.77 billion on operations and maintenance, and Kshs.2.03 billion on development activities. Similarly, the County Assembly spent Kshs.353.67million on employee compensation, Kshs. 421.02 million on operations and maintenance, and Kshs.12.2 million on development activities, as shown in Table 3.197.

Table 3.197: Summary of Budget and Expenditure by Economic Classification

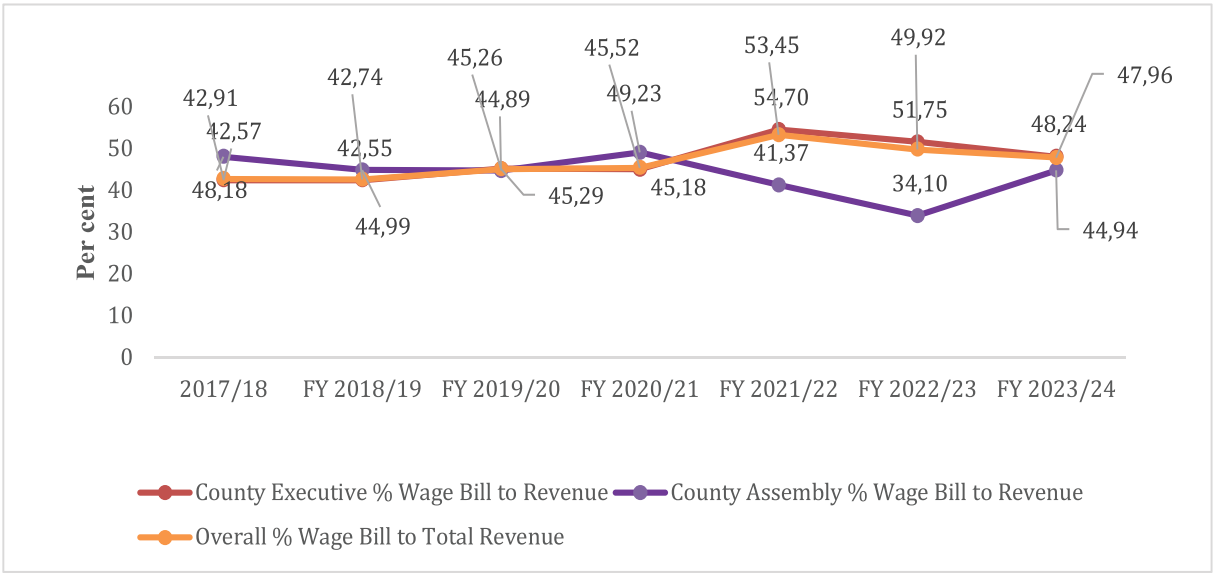
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**6,415,001,626**	**872,709,033**	**5,885,237,826**	**774,697,684**	**91.7**	**88.8**
Compensation to Employees	4,164,163,665.09	336,790,000.00	4,110,090,835.35	353,670,301.50	98.7	105.0
Operations and Maintenance	2,250,837,960.61	535,919,033.00	1,775,146,991	421,027,382.00	78.9	78.6
Development Expenditure	3,100,655,387.30	20,000,000.00	2,034,119,076.60	12,201,263.00	65.6	61.0
Total	**9,515,657,013**	**892,709,033**	**7,919,356,903**	**786,898,947**	**83.2**	**88.1**

***Source**: Murang'a County Treasury*

3.29.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.46 billion, or 47.9 per cent of the available revenue, which amounted to Kshs.9.31 billion. This expenditure represented an increase from Kshs.4.13 billion reported in FY 2022/23. The wage bill included Kshs.2.18 billion paid to health sector employees, translating to 49.0 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 114.

Figure 114: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Murang'a County Treasury

Further analysis indicates that PE costs amounting to Kshs.4.05 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.408.71 million was processed through manual payrolls. The manual payrolls accounted for 9.2 per cent of the total PE cost.

The County Assembly spent Kshs.34.49 million on committee sitting allowances for the 48 MCAs against the annual budget allocation of Kshs.34.50 million. The average monthly sitting allowance was Kshs.59,896 per MCA. The County Assembly has established 21 Committees.

3.29.8 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.705.00 million to county-established funds in FY 2023/24, constituting 6.8 per cent of the County's overall budget. Further, the County allocated Kshs.23.00 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.198 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.198: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Cumulative disbursements to the fund as of 30th June 2024 (Kshs)	Submission of Financial Statements as of 30th June 2024 (Yes/No.)
County Executive Established Funds						
1.	Murang'a County Education Scholarship Fund	252,000,000.00	251,994,480.00	264,186,881.15	851,387,950.00	Yes
2.	Small Traders Empowerment Program	-	-	-	20,000,000.00	Yes
3.	Executive Car Loan and Mortgage Fund	20,000,000.00	-	-	-	Not in Operation
4.	Emergency Fund	23,000,000.00	23,000,000.00	6,595,233.00	23,000,000.00	Yes
5.	Youth Fund	145,000,000.00	135,000,000.00	93,986,733.00	135,000,000.00	Yes
6.	Agricultural Farm Inputs Subsidy and Incentives Fund	240,000,000.00	239,999,900.50	208,148,460.00	438,899,901.00	Yes
County Assembly Established Funds						

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Cumulative disbursements to the fund as of 30th June 2024 (Kshs)	Submission of Financial Statements as of 30th June 2024 (Yes/No.)
1.	County Assembly Car Loan and Mortgage Fund	25,000,000.00	-	89,920,439.00	467,274,313.00	Yes
	Total	**705,000,000.00**	**649,994,380.50**	**662,837,746.15**	**1,935,562,164.00**	

Source: *Murang'a County Treasury*

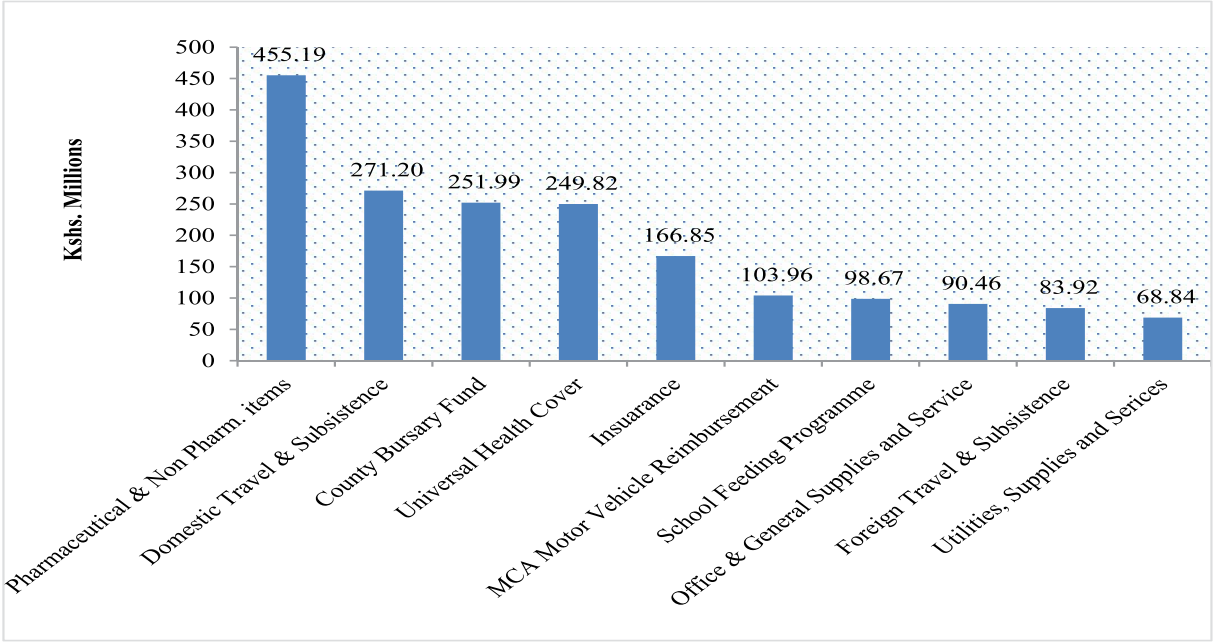
During the reporting period, the CoB received all the quarterly financial returns from all Fund Administrators of the County Established funds, as indicated in Table 3.195, as per the requirement of Section 168 of the PFM Act, 2012.

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.

3.29.9 Expenditure on Operations and Maintenance

Figure 115 summarises the Operations and Maintenance expenditure by major categories.

Figure 115: Murang'a County, Operations and Maintenance Expenditure by Major Categories



Source: *Murang'a County Treasury*

Expenditure on domestic travel amounted to Kshs.271.20 million and comprised Kshs.170.47 million spent by the County Assembly and Kshs.100.72 million by the County Executive. Expenditure on foreign travel amounted to Kshs.83.92 million and comprised Kshs.60.15 million by the County Assembly and Kshs.23.76 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.199 below;-

Table 3.199: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024

NO.	Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel
1	County Assembly	1	27th October 2023 - 05th November 2023	Being Payment of Foreign Travel Allowances, Registration Fees and Transport Costs while attending A programme on Performance Management Systems and localization of SDGs in Kent, United Kingdom, held between 27 October 2023 - 05 November 2023	Kent United Kingdom	2,402,949.00

NO.	Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel
2	County Assembly	8	15th October 2023 -21st October 2023	Being Payment of Foreign Travel Allowances, Registration Fees and Transport Costs for members attending transformational leadership corporate governance and resilience planning masterclass in Dubai from 15 October -21 October 2023	Dubai UAE	8,766,680.00
3	County Assembly	7	22nd October 2023 -28th October 2023	Being Payment of Foreign Travel Allowances, Registration Fees and Transport Costs for members attending transformational leadership corporate governance and resilience planning masterclass in Dubai from 22 October -28 October 2023	Dubai UAE	7,452,650.00
4	County Assembly	8	22-28 Oct 2023	Being Payment of Foreign Travel Allowances, Registration Fees and Transport Costs for members attending transformational leadership corporate governance and resilience planning masterclass in Dubai from 22 October -28 October 2023	Dubai	8,470,000.00
5	County Assembly	8	29th October 2023 - 04th November 2023	Being Payment of Foreign Travel Allowances, Registration Fees and Transport Costs for members attending transformational leadership corporate governance and resilience planning masterclass in Dubai from 29 October -04 November 2023	Dubai UAE	8,670,120.00
6	County Assembly	8	27th October 2023 - 05th November 2023	Being Payment of Foreign Travel Allowances, Registration Fees and Transport Costs for members attending transformational leadership corporate governance and resilience planning masterclass in Dubai from 27 October -05 November 2023	Dubai UAE	10,816,750.00
7	County Assembly	7	15th January -20th January 2024	Being Payment of Foreign Travel Allowances, Registration Fees and Transport Costs for members attending A Seminar On Public Expenditure Analysis & Management 15 January -20 January 2024	Dubai UAE	6,925,282.00
8	County Assembly	5	8th January -13th January2024	Being Payment of Foreign Travel Allowances, Registration Fees and Transport Costs for members while attending the Public Expenditure Analysis And Management Program 08 January -13 January 2024	Dubai UAE	5,361,237.00
9	County Assembly	2	19th May -24th May 2024	Being Payment of Foreign Travel Allowances, Registration Fees and Transport Costs for members while attending A Training On Leadership And Corporate Governance 19 May -24 May 2024	Turkey	1,283,040.00
10	County Executive	5	14 July 2023 -21 July 2023	Being Payment of Foreign Travel Allowances while attending a Conference Showcasing the County Development Agenda in Trade, Agri-business, Youth Empowerment and ICT in Singapore held between 14 July 2023 - 21 July 2023	Singapore	8,402,581.00
11	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	4,506,382.00
12	County Executive	2	22nd August 2023 – 28th August 2023	Official Duty while representing Kenya at the Panasa Presidents Cup after Emerging top in the National Scrabble Champions in Lagos, Nigeria held between 22 August 2023 – 28 August 2023	Nigeria	970,631.00
13	County Executive	2	01st May 2023 – 08th May 2023	Official Duty in India to understand the Function of LVPEI and its standards in Delivering Eye Care Services to emulate some of them in the local hospital held between 01 May 2023 – 08 May 2023	India	520,092.00
14	County Executive	3	24th September -30th September 2023	Being Payment of Allowances while on Official Duty attending an Exchange Programme from Uplands -Bro Municipal in Sweden from 24 September -30 September 2023	Sweden	358,985.34
15	County Executive	8	26th September -02nd October 2023	Being Payment of Allowances while on Official Duty attending an Exchange Programme from Uplands -Bro Municipal in Sweden from 26 September -02 October 2023	Sweden	943,399.94
16	County Executive	3	5th February - 10th February 2024	Being payment of Foreign Subsistence Allowances while attending the Government Performance Symposium in Dubai from 5th - 10th February 2024	Dubai	3,244,825.00
17	County Executive	5	18 June 2024 - 22 June 2024	Official Duty while attending a Training on Strategic Innovations in Revenue Collection in Rwanda from 18 June 2024 to 22 June 2024	Rwanda	2,207,015.00
18	County Executive	6	10 June 2024 - 15 June 2024	Official Duty while attending a Training on Integrated Financial Management and Local Revenue Mobilization in Uganda from 10 June 2024 to 15 June 2024	Uganda	2,612,850.00

Source: Murang'a County Treasury and Murang'a County Assembly

The operations and maintenance costs include Kshs.30.73 million in legal fees/dues, arbitration and compensation payments.

Murang'a County has no specific budgetary provision for externally contracted garbage collection services. Instead, the County utilizes a fleet of lorries, with the direct costs being fuel and wages for the loaders.

3.29.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.2.04 billion on development programmes, an increase of 0.4 per cent compared to FY 2022/23, when the County spent Kshs. 2.03 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.200: Murang'a County, List of Development Projects with the Highest Expenditure

S No.	Sector	Project Name	Project Location	Contract Sum (Kshs.)	Amount Paid 24 (Kshs.)	Implementation Status (%)
1	Agriculture, Livestock And Fisheries	Murang'a Agricultural Farm Inputs Subsidy Fund	County wide	240,000,000.00	239,999,999.50	100
2	Agriculture, Livestock And Fisheries	National Agricultural Value Chain Development Project (NAVCDP)	County wide	195,458,644.00	195,458,644.00	100
3	Youth, Culture, Gender, Social Services & Sports	Murang'a County Youth Fund	County wide	140,000,000.00	135,000,000.00	96
4	Environment, Natural Resources, Water and irrigation	Climate Change Programme FLLOCA	County wide	110,729,612.00	110,729,612.00	100
5	Commerce, Trade, Cooperatives, Tourism and Investments	Establishment of special economic zones	Maragua	100,000,000.00	100,000,000.00	100
6	Public Service Administration & Information Technology	Supply of ICT Automation and Development Systems & Equipment in all County hospitals to improve and enhance efficiency in all County hospitals under the Curative Health Programme	County wide	78,333,724.00	78,333,724.00	98
7	Health And Sanitation	Construction of Kenol Level IV Hospital	Makenji	74,000,000.00	73,999,999.00	100
8	Energy Transport And Roads	Upgrading to Bitumen standard at Kigumo, Kandara, Gatanga, Maragwa, Kiharu, & Mathioya	Kigumo, Kandara , Gatanga,Kenol, Muranga Town and Kiria ini	121,794,526.00	64,517,748.00	53
9	Health And Sanitation	Construction of Murang'a level V Hospital Casualty & Wards	MCRH	65,000,000.00	63,457,832.00	100
10	Commerce, Trade, Cooperatives, Tourism and Investments	Upgrading to bitumen standard JCT Forthall-County Industrial Park access road in Maragua	Maragua	100,000,000.00	62,500,000.00	100

Source: Murang'a County Treasury

3.29.11 Budget Performance by Department

Table 3.201 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.201: Murang'a 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
Governorship, County Coordination and Administration	358.36	-	279.76	-	312.99	-	111.9	-	87.3	-
Finance and Economic Planning	348.67	23.00	257.88	23.00	269.17	23.00	104.4	100.0	77.2	100.0
Agriculture, Livestock and Fisheries	248.92	936.16	229.56	453.62	212.09	453.62	92.4	100.0	85.2	48.5

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
Energy Transport And Roads	28.96	693.00	17.59	550.02	17.14	550.02	97.5	100.0	59.2	79.4
Commerce, Trade, Industry and Tourism	89.03	266.30	61.55	224.12	59.01	214.38	95.9	95.7	66.3	80.5
Education & Technical Training	785.75	23.00	734.82	16.56	732.73	16.80	99.7	101.5	93.3	73.1
Health and Sanitation	3,117.18	554.27	3,040.95	319.72	3,028.32	316.21	99.6	98.9	97.1	57.0
Lands, Housing & Physical Planning	23.68	23.00	12.55	4.34	12.65	4.26	100.8	98.3	53.4	18.5
County Public Service Board	40.52	-	25.61	-	25.47	-	99.4	-	62.9	-
Youth, Culture, Gender, Social Services & Special Programs	102.39	180.00	63.00	164.69	62.99	162.82	100.0	98.9	61.5	90.5
Environment, Natural Resources, Water and irrigation	123.92	288.53	104.49	197.78	102.67	197.78	98.3	100.0	82.8	68.5
Public Service Administration & Information Technology	1,077.37	90.00	1,001.12	79.71	996.21	80.47	99.5	101.0	92.5	89.4
Murang'a Municipality	70.27	23.40	56.38	14.45	53.80	14.76	95.4	102.1	76.6	63.1
County Assembly	872.71	20.00	774.86	12.20	774.70	12.20	100.0	100.0	88.8	61.0
Total	**7,287.71**	**3,120.66**	**6,660.11**	**2,060.19**	**6,659.94**	**2,046.32**	**100.0**	**99.3**	**91.4**	**65.6**

***Source**: Murang'a 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 100.0 per cent, followed by the Department of Youth, Culture, Gender, Social Services & Special Programs at 90.5 per cent. The Department of Health and Sanitation had the highest percentage of recurrent expenditure to budget at 97.1 per cent. In contrast, the Department of Lands, Housing & Physical Planning had the lowest at 53.4 per cent.

Further analysis shows expenditures to exchequer issues is attributable cases where transactions appear as having been paid at IFMIS but in practice, they are awaiting funding at the CBK Internet Banking (IB) level resulting in the above 100% absorption rates. The County Treasury should reconcile the IFMIS reports and the financial statements to enhance the credibility of the budget implementation reports.

3.29.12 Budget Execution by Programmes and Sub-Programmes

Table 3.202 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.202: Murang'a County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Governorship, County Coordination And Administration							
Monitoring and Evaluation	101024010 Project Coordination and Monitoring	3,450,000	-	3,009,948	-	87.24	-
County Coordination	705024010 Office Administration and Support Services	137,325,677	-	112,505,199	-	81.93	-
Public and Citizen Participation	705034010 Public Participation	6,246,000	-	3,005,992	-	48.13	-
Administration and Support	706014010 County Executive and Coordination	175,044,209	-	166,788,550	-	95.28	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Audit and Monitoring	718014010 Audit and Other Monitoring	5,370,000	-	3,965,886	-	73.85	-
Disaster Program	902044010 Disaster Response and Mitigation	10,421,000	-	7,756,735	-	74.43	-
Communication and Information Services	203014010 Communication	20,500,000	-	15,961,974	-	77.86	-
Sub Total		**358,356,886**	**-**	**312,994,283**	**-**	**87.34**	**-**
Finance, Information Technology And Economic Planning							
Revenue Program	108014010 Local Revenue Mobilization	17,430,000	-	15,007,620	-	86.10	-
ICT Program	703014010 Automation and Revenue System	500,000		-	-	-	-
Financial Management Program	703024010 Budget Formulation Coordination and Management	-	-	-	-	-	-
	703034010 Economic Planning and CIDP Review	27,571,184	-	18,659,736	-	67.68	-
	718024010 Corporate Governance	2,890,000	-	626,132	-	21.67	-
	705014010 Budget Implementation and Monitoring	6,060,000	-	3,287,647	-	54.25	-
	705034010 Public Participation	34,180,000	-	15,215,885	-	44.52	-
	730014010 Budget Implementation and Monitoring	2,320,000	-	1,466,250	-	63.20	-
Administration and Support	706014010 General Administration Planning and Support Services	257,717,923	23,000,000	214,909,205	23,000,000	83.39	100.0
Sub Total		**348,669,107**	**23,000,000**	**269,172,475**	**23,000,000**	**77.20**	**100.0**
Agriculture, Livestock And Fisheries							
Food Security	101014010 Land and Crops Development	2,970,000	-	1,365,255	-	45.97	-
	101024010 Promotion Food Security	3,850,000	849,537,917	1,941,693	438,632,516	50.43	51.6
	101124010 Capacity Development, Mechanization and Innovation	3,850,000	-	1,122,000	-	29.14	-
Livestock Development Program	103084010 Veterinary Services	5,220,000	-	3,123,200	-	59.83	-
	107024010 Livestock and Fisheries Development	1,705,000	-	239,400	-	14.04	-
Administration and Support	706014010 General Administration Planning and Support Services	231,320,350	86,618,400	204,299,384	14,987,000	88.32	17.3
Sub Total		**248,915,350**	**936,156,317**	**212,090,932**	**453,619,516**	**85.21**	**48.5**
Energy Transport And Roads							
Urban Development Program	102074010 Urban Development and Support	3,650,900	190,000,000	2,494,742	149,153,763	68.33	78.5
Energy Development Program	103094010 Promotion of Energy & Renewable Energy Sources	1,100,000	15,000,000	712,260	2,279,315	64.75	15.2
Infrastructure Development Program	201014010 Construction of Roads and Bridges	24,209,487	-	13,936,206	-	57.57	-
	202064010 Infrastructure Development	-	488,000,000	-	398,587,960	-	81.7

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Sub Total		**28,960,387**	**693,000,000**	**17,143,208**	**550,021,038**	**59.20**	**79.4**
Commerce, Trade, Industry And Tourism							
Agro Marketing	102054010 Cooperatives	5,610,000	22,500,000	3,875,821	20,680,000	69.09	91.9
Tourism Program	110014010 Tourism Development	2,560,000	-	293,190	-	11.45	-
	301014010 Tourism Promotion and Marketing	-	-	-	-	-	-
Trade Development Program	111014010 Trade & Enterprise Development	13,150,000	243,800,000	7,619,379	193,699,077	57.94	79.4
	302014010 Domestic Trade Development	45,712,894	-	31,200,529	-	68.25	-
	302024010 Fair Trade and Consumer Protection	1,520,000	-	473,700	-	31.16	-
	502034010 Industry Development Program	1,500,000	-	348,621	-	23.24	-
Administration and Support	706014010 General Administration Planning and Support Services	18,980,706	-	15,199,726	-	80.08	-
Sub Total		**89,033,600**	**266,300,000**	**59,010,965**	**214,379,077**	**66.28**	**80.5**
Education & Technical Training							
ECDE Programme	501034010 Early Childhood Development Education	-	15,000,000	-	9,040,224	-	60.3
	509014010 Early Child Development and Education	159,562,000	-	135,168,773	-	84.71	-
Polytechnics Program	507014010 Revitalization of Youth Polytechnics	7,500,000	8,000,000	7,500,000	7,762,304	100.00	97.0
Education Intervention Program	501054010 Motivation of Primary and Secondary School	-	-	-	-	-	-
	509024010 Motivation of Primary and Secondary Schools	266,100,000	-	257,684,486	-	96.84	-
Administration and Support	706014010 General Administration Planning and Support Services	352,586,214	-	332,381,393	-	94.27	-
Sub Total		**785,748,214**	**23,000,000**	**732,734,652**	**16,802,528**	**93.25**	**73.1**
Health And Sanitation							
Infrastructure Development Program	101104010 Infrastructure Development	-	271,000,000	-	227,185,725	-	83.8
	109024010 Infrastructure Improvement Services	1,815,000	-	1,343,149	-	74.00	-
Alcohol Program	401014010 Alcoholic Control and Reviewing of Licenses	3,510,000	-	3,510,000	-	100.00	-
	402034010 Preventive and Promotive Care	-	69,542,924	-	34,018,162	-	48.9
Curative Program	402054010 Free Primary Health Care	832,470,000	213,726,404	796,164,449	55,003,851	95.64	25.7
Administration and Support	706014010 General Administration Planning and Support Services	2,279,384,061	-	2,227,299,017	-	97.71	-
Sub Total		**3,117,179,061**	**554,269,328**	**3,028,316,615**	**316,207,739**	**97.15**	**57.0**
Lands, Housing & Physical Planning							
Urban Development	102074010 Urban Development	4,700,000	1,000,000	1,048,100		22.30	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	103074010 Land Administration	-	22,000,000	-	4,262,617	-	19.4
Land Policy Succession and Surveying	103014010 Land Policy and Planning	-	-	-	-	-	-
	103044010 Land Survey	-	-	-	-	-	-
Estate Management	701034010 Public Trusts and Estates Management	-	-	-	-	-	-
Administration and Support	706014010 General Administration Planning and Support Services	18,979,031	-	11,599,035	-	61.11	-
Sub Total		**23,679,031**	**23,000,000**	**12,647,135**	**4,262,617**	**53.41**	**18.5**
County Public Service Board							
National Values and Governance Program	706014010 General Administration Planning and Support Services	40,515,881	-	25,466,557	-	62.86	-
Sub Total		**40,515,881**	**-**	**25,466,557**	**-**	**62.86**	**-**
Youth, Culture, Gender, Social Services & Special Programs							
Social Development Program	102054010 Cooperatives	-	-	-	-	-	-
	901014010 Social Welfare and Vocational Rehabilitation	9,450,000	-	1,876,506	-	19.86	-
	902024010 Persons Living With Disabilities	-	5,000,000	-	-	-	-
	711024010 Gender & Social-Economic Empowerment	-	5,000,000	-	4,995,600	-	99.9
General Administration and Support	706014010 General Administration Planning and Support Services	50,063,668	-	40,831,238	-	81.56	-
Library Services	Library Services	13,019,070	-	1,996,897	-	15.34	-
Youth Development Program	711014010 Youth Development Services	660,000	155,000,000	262,147	149,314,276	39.72	96.3
	903034010 Development and Management of Sports Facilities	22,623,500	15,000,000	16,076,230	8,506,693	71.06	56.7
Cultural Development Program	904014010 Development And Promotion of Culture	6,570,000	-	1,947,087	-	29.64	-
Sub Total		**102,386,238**	**180,000,000**	**62,990,104**	**162,816,569**	**61.52**	**90.5**
Environment, Natural Resources, Water and Irrigation							
Waste Management Program	101094010 Solid Waste Management	10,074,872	19,000,000	7,574,776	8,000,000	75.18	42.1
	102064010 Environmental Management & Protection	9,950,000	234,529,742	3,503,509	155,495,154	35.21	66.3
Administration and Support	706014010 General Administration Planning and Support Services	3,319,500	-	361,000	-	10.88	-
Environmental Governance	1001054010 Environmental Leadership and Governance	7,885,129	-	2,103,660	-	26.68	-
Administration and Support	706014010 General Administration Planning and Support Services	91,193,128	-	88,323,689	-	96.85	-
Water Development Program	1004014010 Water Supply Infrastructure	-	35,000,000	-	34,281,258	-	97.9
Irrigation Development	1003024010 Irrigation Development	1,500,000	-	801,200	-	53.41	-
Sub Total		**123,922,629**	**288,529,742**	**102,667,834**	**197,776,412**	**82.85**	**68.5**

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Public Service Administration							
Human Resource Development Program	101064010 Human Resource Management and Development	-	-	-	-	-	-
Administration and Support	706001410 General Administration Planning and Support Services	1,077,365,242	-	996,206,931	-	92.47	-
ICT Program	Automation	-	90,000,000	-	80,474,172	-	89.4
Sub Total		**1,077,365,242**	**90,000,000**	**996,206,931**	**80,474,172**	**92.47**	**89.4**
Murang'a Municipality							
Municipal Development Program	10109410 Solid Waste Management	-	-	-	-	-	-
	101104010 Infrastructure Development	-	-	-	-	-	-
	102074010 Urban Development and Support	5,950,000	10,000,000	184,500	5,761,437	3.10	57.6
	109024010 Other Municipalities	-	13,400,000	-	8,997,972	-	67.1
	703014010 Revenue Automation	-	-	-	-	-	-
	706014010 General Administration Planning and Support Services	64,320,000	-	53,611,636	-	83.35	-
Sub Total		**70,270,000**	**23,400,000**	**53,796,136**	**14,759,409**	**76.56**	**63.1**
County Assembly							
Legislation and representation	Legislation and representation	289,933,813	-	246,493,461.00	-	85.02	-
Oversight	Oversight	333,614,000	-	303,664,230.00	-	91.02	-
Administration planning and support	Administration planning and support	249,161,220	20,000,000.00	224,539,993.00	12,201,263	90.12	61.0
Sub Total		**872,709,033**	**20,000,000**	**774,697,684**	**12,201,263**	**88.77**	**61.0**
Grand Total		**7,287,710,659**	**3,120,655,387**	**6,659,935,510**	**2,046,320,340**	**91.39**	**65.6**

***Source**: Murang'a County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were; Alcoholic Control and Reviewing of Licenses in the Department of Health And Sanitation at 100.0 per cent, Gender & Social-Economic Empowerment in the Department of Youth, Culture, Gender, Social Services & Special Programs at 99.9 per cent, Revitalization of Youth Polytechnics in the Department of Education & Technical Training at 98.5 per cent, and General Administration Planning and Support Services in the Department of Health And Sanitation at 97.7 per cent of budget allocation.

3.29.13 Accounts Operated Commercial Banks

The County government operated a total of 23 accounts with commercial banks comprising 17 accounts spent by the County Executive and 6 accounts by the County Assembly. 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.

3.29.14 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;

1. 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 26/07/2024.

2. High level of pending bills which amounted to Kshs.1.38 billion as of 30 June 2024. Further, there was non-adherence to the pending bills payment plan by the County Treasury.

3. High wage bills, which accounted for 47.9 per cent of the County's total revenue in FY 2023/24 and was above the ceiling provided in law.

4. Use of manual payroll. Personnel emoluments amounting to Kshs.408.71 million were processed through the manual payroll, accounting for 9.2 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.

5. 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 County Established Funds, Own Source Revenue Accounts, Petty Cash & Standing Imprests Accounts, FIF Revenue Collection Accounts and NARIGP & NAVCDP Accounts.

6. Law expedinture on development programmes which accounted for 23.5 per cent of total expenditre.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *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.*
3. *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.*
4. *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.*
5. *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.*
6. *The county should prioritise on development programmes to ensure adherance with the limit of 30 per cent provided in law.*

3.30. Nairobi City County Government

3.30.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.42.29 billion, comprising Kshs.8.45 billion (20 per cent) and Kshs.33.83 billion (80 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 6.7 per cent compared to the previous financial year when it was Kshs.39.61 billion, comprised of Kshs.9.24 billion towards development expenditure and Kshs.30.37 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.20.07 billion (47.5 per cent) as the equitable share of revenue raised nationally, Kshs.532.02 million (1.3 per cent) as additional allocations/conditional grants, a cash balance of Kshs.1.69 billion (4.0 per cent) was brought forward from FY 2022/23 and generate Kshs.19.9 billion (47.3 per cent) as gross own source revenue. The own source revenue includes Kshs.300 million (1.5 per cent) as Appropriations-in-Aid (A-I-A), Kshs.270 million (1.4 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.19.42 billion (97.1 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.200.

3.30.2 Revenue Performance

In the FY 2023/24, the County received Kshs.18.47 billion as an equitable share of the revenue raised nationally, Kshs.434.23 million as additional allocations/conditional grants, cash balance of Kshs.1.25 billion from FY 2022/23, and raised Kshs.12.81 billion as own-source revenue (OSR). The raised OSR includes Kshs.270.75 million as A-I-A, Kshs.1.07 billion as FIF and Kshs.11.47 billion as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.32.96 billion, as shown in 3.203.

Table 3.203: Nairobi City County, Revenue Performance in the FY 2023/24

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**	20,072,059,113	18,466,294,387	92.0
Sub Total		**20,072,059,113**	**18,466,294,387**	**92.0**
B	**Conditional Grants**			
1	Sweden-Agricultural Sector Devt Support Programme II	6,507,770	6,507,770	100.0
2	World Bank-to-Finance Locally Led Climate Action Plans (FLLoCA)	11,000,000	-	-
3	DANIDA Grant - Primary Health Care in Devolved Context	29,048,250	29,048,250	100.0
4	Provision of the fertilizer subsidy programme	14,721,991	-	-
5	Allocations for court fines	70,740,842	-	-
6	Allocation for mineral royalties	3,884	-	-
7	World Bank -Kenya Informal Settlement Improvement Project II	400,000,000	398,671,470	99.7
Sub-Total		**532,022,737**	**434,227,490**	**81.6**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	19,419,630,278	11,469,860,349	59.1
2	Balance b/f from FY 2022/23	1,693,224,705	1,245,044,473	73.5
3	Facility Improvement Fund (FIF) – Hospitals and City Mortuary	270,000,000	1,072,234,069	397.1
4	Other Revenues	-	-	-
5	Appropriation in Aid (AIA) – Liquor Licensing	300,000,000	270,747,747	90.2
Sub Total		**21,682,854,983**	**14,057,886,638**	**64.8**
Grand Total		**42,286,936,833**	**32,958,408,515**	**77.9**

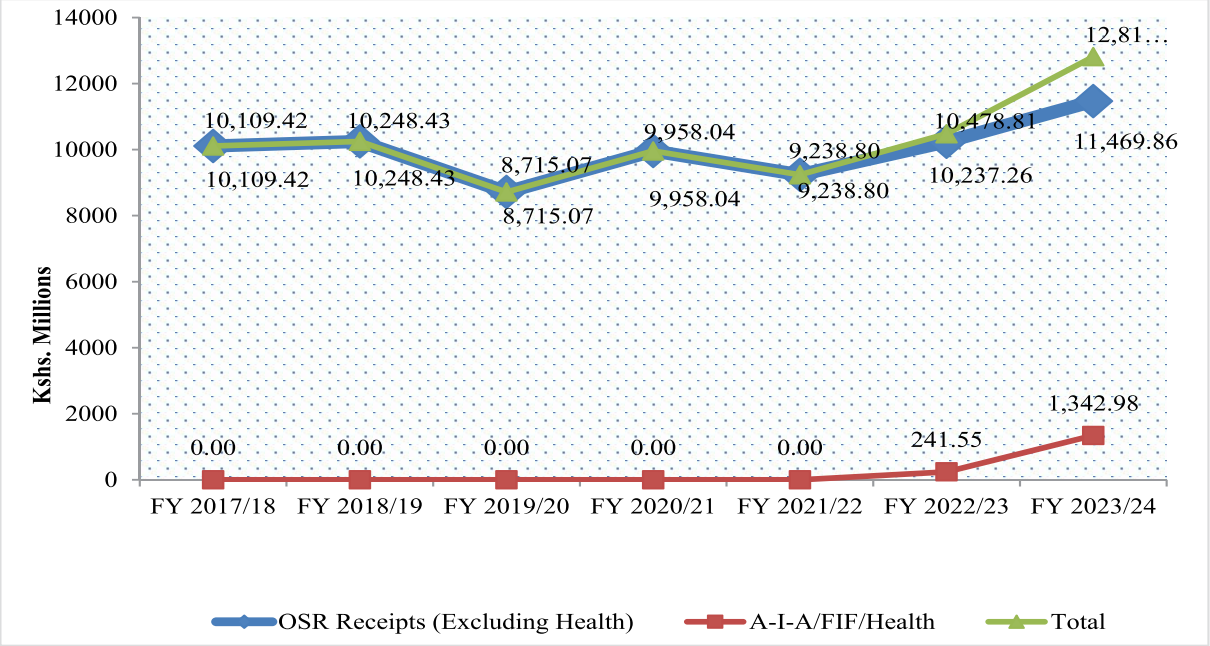
Source: *Nairobi City County Treasury*

Facility Improvement Fund (FIF) Hospitals and City Mortuary's actual receipts as a percentage of annual allocation were 397.1 per cent. This is attributed to the health facilities surrendering revenues that they collected, which had not been budgeted for.

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

Figure 116 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 116: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



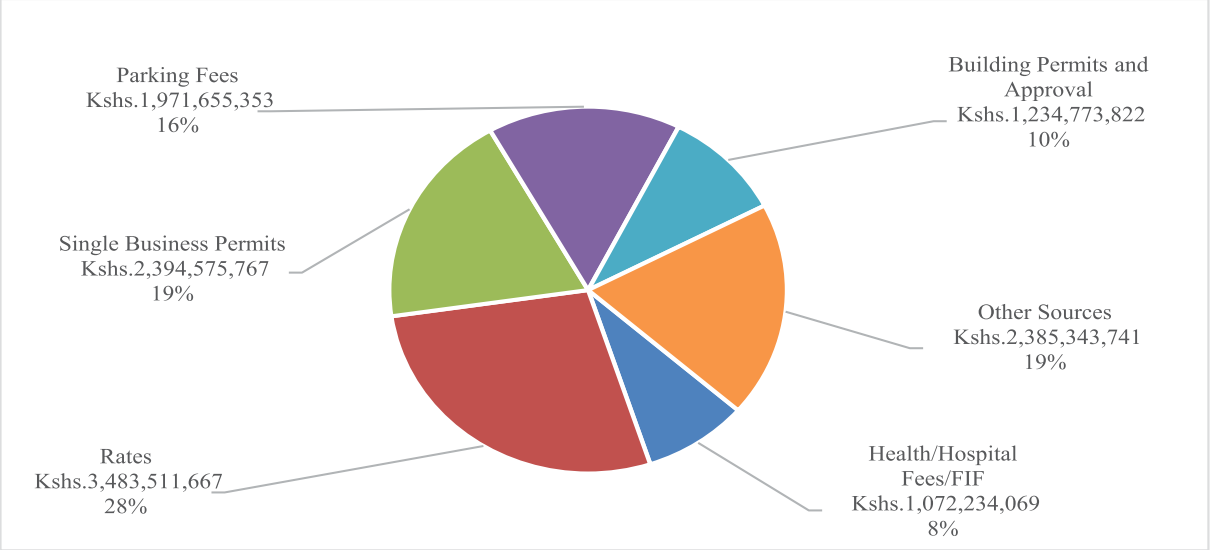
Source: *Nairobi City County Treasury*

The County did not provide information on receipts of FIF from the previous financial years.

In the FY 2023/24, the County generated a total of Kshs.12.81 billion from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 22.3 per cent compared to Kshs.10.48 billion realized in a similar period in FY 2022/23. It was 64 per cent of the annual target and 69.4 per cent of the equitable revenue share disbursed during the period. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.406.93 million. The increase in OSR can be attributed to introducing the Rapid Results Initiative (RRI) in 5 sub-counties, targeting the revenue streams and sensitization of the general public.

The revenue streams which contributed the highest OSR receipts are shown in Figure 117.

Figure 117: Top Streams of Own Source Revenue in the FY 2023/24



Source: Nairobi City County Treasury

The highest revenue stream, Kshs.3.48 billion, was from Rates, which contributed 28 percent of the total OSR receipts during the reporting period.

3.30.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.31.01 billion from the CRF account during the reporting period, comprising Kshs.2.72 billion (8.81 per cent) for development programmes and Kshs.28.29 billion (91.2 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in FY 2023/24 indicates that Kshs.18.37 billion was released towards Employee Compensation and Kshs.9.93 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.294.86 million.

3.30.4 County Expenditure Review

The County spent Kshs.31.79 billion on development and recurrent programmes in the reporting period. This expenditure represented 102.5 per cent of the total funds released by the CoB and comprised Kshs.3.27 billion and Kshs.28.52 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 38.7 per cent, while recurrent expenditures represented 84.3 per cent of the annual recurrent expenditure budget.

3.30.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County Executive reported a stock of pending bills amounting to Kshs.107.33 billion. The County did not provide a breakdown of the pending bills into recurrent and development expenditures. The County also did not provide data on the amount of pending bills that had been settled during the reporting period. The County declared outstanding pending bills amounting to Kshs.118.32 billion as of the end of FY 2023/24.

The County Assembly reported outstanding pending bills of Kshs.124.53 million as of 30th June 2024.

3.30.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.17.42 billion on employee compensation, Kshs.9.24 billion on operations and maintenance, and Kshs.3.18 billion on development activities. Similarly, the County Assembly spent Kshs.850.71 million on employee compensation, Kshs.1.01 billion on operations and maintenance, and Kshs.86.17 million on development activities, as shown in Table 3.204.

Table 3.204: 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	**31,452,049,342**	**2,380,000,000**	**26,661,756,875**	**1,858,844,743**	**84.8**	**78.1**
Compensation to Employees	18,340,227,951	1,033,615,811	17,419,316,734	850,714,379	95.0	82.3
Operations and Maintenance	13,111,821,391	1,346,384,189	9,242,440,141	1,008,130,364	70.5	74.9
Development Expenditure	**8,154,887,491**	**300,000,000**	**3,182,360,840**	**86,171,005**	**39.0**	**28.7**
Total	**39,606,936,833**	**2,680,000,000**	**29,844,117,715**	**1,945,015,747**	**75.4**	**72.6**

***Source**: Nairobi City County Treasury*

3.30.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.18.27 billion, or 55.4 per cent of the available revenue, which amounted to Kshs.32.96 billion. This expenditure represented an increase from Kshs.12.19 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.6.97 billion paid to health sector employees, translating to 38.1 per cent of the total wage bill. The 49.9 per cent increment in employee compensation is attributed to pension arrears payment of Kshs.1.69 billion, existing staff promotions and recruitment of more staff (medical personnel, the Green Army and enforcement staff).

Further analysis indicates that PE costs amounting to Kshs.15.91 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.2.45 billion was processed through manual payrolls. The manual payrolls accounted for 13.3 per cent of the total PE cost.

The County Assembly spent Kshs.72.09 million on committee sitting allowances for the 124 MCAs and the Speaker against the annual budget allocation of Kshs.59.93 million. The average monthly sitting allowance was Kshs.39,955 per MCA. The County Assembly has established 26 Committees.

3.30.8 County Emergency Fund and County-Established Funds

Section 110 of the PFM Act 2012 establishes the Emergency Fund, while Section 116 allows County governments to establish other public funds with approval from the County Executive Committee and the County Assembly.

The County allocated Kshs.440 million to the Emergency Fund, constituting 1.0 per cent of the County's overall budget as a vote. The Emergency Fund does not align with Section 110 of the PFM Act, 2012. The County further allocated Kshs.100 million to county-established funds in FY 2023/24, constituting 0.2 per cent of the County's overall budget.

Table 3.205 summarizes each established Fund's budget allocation and performance during the reporting period.

Table 3.205: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 30th June 2024 (Yes/No.)
County Executive Established Funds					
1.	Emergency Fund	440,000,000.00	440,000,000.00	-	No
County Assembly Established Funds					
2.	Car loan and Mortgage Fund	100,000,000.00	**99,540,000**	-	No
Total		**540,000,000.00**	**539,540,000.00**	**539,540,000**	-

Source: *Nairobi City County Treasury*

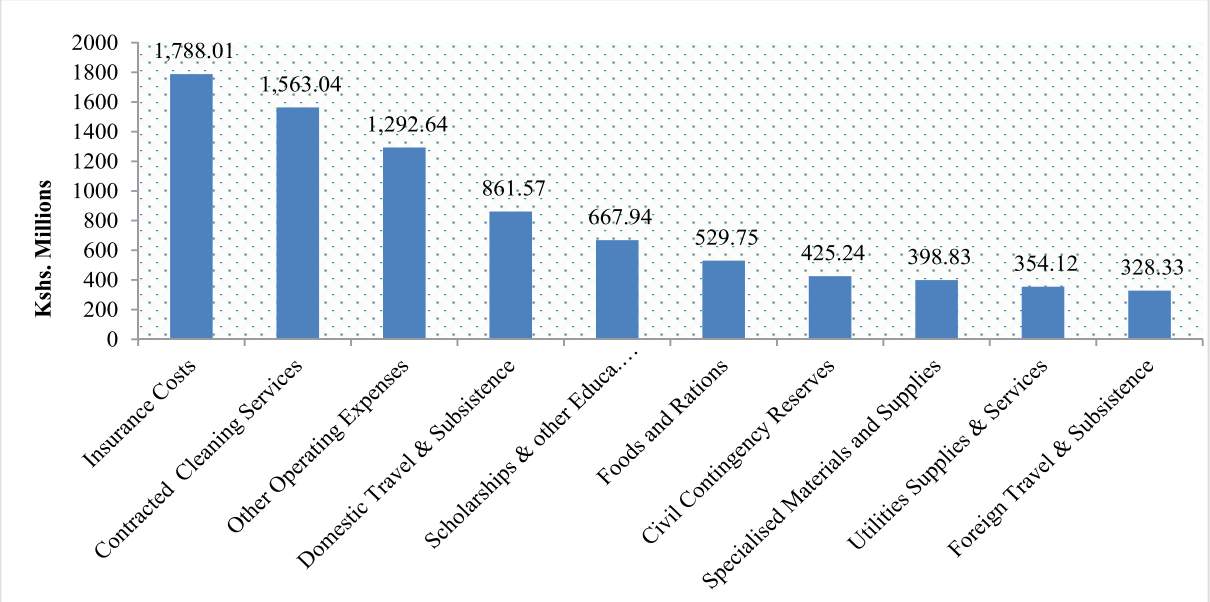
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of all the funds, as indicated in Table 3.202, contrary to the requirement of Section 168 of the PFM Act, 2012. Therefore, the CoB could not establish if the administration costs of the Funds were within the 3 per cent limit of the Fund budget as set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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.

3.30.9 Expenditure on Operations and Maintenance

Figure 118 summarizes the Operations and Maintenance expenditure by major categories.

Figure 118: Nairobi City County, Operations and Maintenance Expenditure by Major Categories



Source: *Nairobi City County Treasury*

Included in the contracted cleaning services costs is an expenditure of Kshs.1.563 billion on garbage collection, and in operations and maintenance costs is an expenditure of Kshs.941.86 million on Legal fees/Dues, arbitration, and compensation payments.

Expenditure on domestic travel amounted to Kshs.861.57 million and comprised Kshs.329.21 million spent by the County Assembly and Kshs.532.36 million by the County Executive. Expenditure on foreign travel amounted to Kshs.328.33 million and comprised Kshs.127.76 million by the County Assembly and Kshs.200.57 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.203 below; -

Table 3.206: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Executive	19	10th-24th June 2024	Proactive Mgt Programme	Marrakesh Morocco	37,235,843
Executive	8	12th-18th Feb. 2024	Conference Facilities and Training	United Arab Emirates	29,771,200
Executive	14		Seminar on Leadership Management and Conflict Resolution	Vancouver, Yale town, British Columbia, Canada	10,920,000
Assembly	9	13th-20th Dec. 2023	Training on Strategic Stewardship	Italy	9,822,120
Executive	14	5th-11th Dec. 2023	Workshop on Leadership Mgt & Conflict Resolution	Canada	9,611,748
Executive	7	18th Aug-2nd Sept. 2023	Personal Branding and People Professional Summit	Dubai	8,993,450
Executive	8	16th-23rd Sept. 2023	The 8th United Nations General Assembly	New York	8,782,764
Executive	9	29th April-6th May 2024	The Esami Pre-Retirement and Pension Planning Programme	Dubai UAE	8,132,061
Executive	8	22nd July -7th Aug. 2023	Conference	Vancouver Canada	6,761,520
Executive	6	12th-22nd October 2023	Budgeting for Performance Management Programme	Istanbul Turkey	6,751,523
Executive	6	1st-10th Nov. 2023	Financial Analyst Planning and Control Programmes	Singapore	6,735,227
Executive	6	12th-22nd Nov. 2023	Budgetary Performance Management Course	Turkey	6,699,198

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Executive	7	28th May - 7th April 2024	Conference on Clima-Tech Learning Expedition for Industry and Urban Environment	Dubai United Emirates	6,560,330
Assembly	7	3rd-7th June 2024	Leadership and Management Training	Singapore	6,442,065
Executive	6	12th-30th Nov. 2023	Public Service Delivery Course	Dubai United Arab Emirates	5,689,024
Assembly	7	20th-27th Jan. 2024	Public Expenditure Analysis and Management	Turkey	5,138,868
Assembly	7	20th-27th Jan. 2024	Public Expenditure Analysis and Management	Turkey	5,138,868

Source: Nairobi City County Treasury and Nairobi City County Assembly

3.30.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.3.27 billion on development programmes, a decrease of 29.1 percent compared to FY 2022/23, when the County spent Kshs.4.6 billion. The table below summarizes development projects with the highest expenditures in the reporting period.

Table 3.207: Nairobi City 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	Ward Development Programmes	Ward development projects in all 85 wards	All 85 wards	Not provided	923,488,000	47.2
2	Mobility and Works	RMF Projects	City Wide	927,334,931	513,176,901	76.9
3	Inclusivity Public Participation, and Citizen Engagement	Construction of 10 No. Centralized kitchens and 100 No. serving sheds in schools	Countywide	324,954,236	255518537.1	51.1
4	Mobility and Works	Maintenance of lighting fixtures	City Wide	Not provided	247,445,553	61.9
5	Built, Environment & Planning	Slum upgrading-Construction of roads, sewers, drainage, and electrical works; Planning and security of tenure of informal settlements-KISSIP II	City Wide	Not provided	182,398,427	33.2
6	Talent Skills Development and Care	Rehabilitation of City stadium (Joe Kadenge Stadium)	City Stadium	Not provided	88,132,964	35.5
7	Business & Hustler Opportunities	Mutuini Market – Mutuini Ward	Mutuini	243,000,000	69,568,960	69.6
8	Boroughs and Public Administration	Acquisition of Official Executive Vehicles	City Hall/ Annexe	Not provided	51,000,000	100.0
9	Health, Wellness & Nutrition	Construction of medical block for OPD, HDU and ICU at Mbagathi Hospital	Kenyatta Golf course	147,339,244	47,917,860	95.8
10	County Assembly Buildings	Refurbishment of Buildings	County Assembly Buildings	130,000,000	43,401,585	33.4

Source: Nairobi City County Treasury

3.30.11 Budget Performance by Department

Table 3.208 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.208: 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	130.88	-	93.61	-	93.61	-	100.0	-	71.5	45.8
Finance and Economic Planning	4,147.14	851.00	3,462.61	389.75	3,723.51	389.75	107.5	100.0	89.8	-
Public Service Management	2,071.51	10.00	1,828.78	-	1,828.78	-	100.0	-	88.3	-
Agriculture, Livestock Development and Fisheries	275.48	27.71	212.34	-	212.34	-	100.0	-	77.1	8.9
Water, Energy, Environment, Forestry and Natural Resources	3,572.70	732.46	3,281.34	65.30	3,020.44	65.30	92.0	100.0	84.5	71.0
Ward Development Programme	74.13	1,300.00	33.95	923.49	33.95	923.49	100.0	100.0	45.8	-
Emergency Fund	440.00	-	425.24	-	425.24	97.93	100.0	-	96.6	-
Boroughs and Public Administration	5,090.53	748.00	4,309.91	97.93	4,309.91	-	100.0	-	84.7	-
County Attorney	308.81	2.80	267.07	-	267.07	-	100.0	-	86.5	14.6
Innovation and Digital Economy	219.03	240.00	110.83	34.97	110.83	34.97	100.0	100.0	50.6	30.8
Health, Wellness & Nutrition	8,423.13	519.81	7,451.07	160.06	7,451.07	160.06	100.0	100.0	88.5	27.4
Built, Environment & Planning	502.85	665.00	425.10	182.40	425.10	182.40	100.0	100.0	84.5	46.2
Mobility and Works	1,484.16	1,730.13	1,250.62	285.43	1,250.62	798.61	100.0	279.8	84.3	30.5
Talent Skills Development and Care	2,194.82	402.26	1,842.99	122.67	1,842.99	122.67	100.0	100.0	84.0	15.2
Business & Hustler Opportunities	727.30	470.76	616.88	71.66	616.88	71.66	100.0	100.0	84.8	76.7
Inclusivity Public Participation, and Citizen Engagement	1,177.57	384.95	702.30	295.31	702.30	295.31	100.0	100.0	59.6	-
Nairobi Revenue Authority	382.01	-	117.86	-	117.86	-	100.0	-	30.9	57.4
Liquor Licensing Board	230.00	70.00	-	-	229.26	40.21	-	-	99.7	28.7
County Assembly	2,380.00	300.00	1,858.84	86.17	1,858.84	86.17	100.0	100.0	78.1	-
Total	**33,832**	**8,455**	**28,291**	**2,715**	**28,521**	**3,269**	**100.8**	**120.4**	**84.3**	**38.7**

***Source**: Nairobi City County Treasury*

Analysis of expenditure by departments shows that the Department of Business & Hustler Opportunities recorded the highest absorption rate of development budget at 76.7 per cent, followed by the Department of Water, Energy, Environment, Forestry and Natural Resources at 71 per cent. The Liquor Licensing Board had the highest percentage of recurrent expenditure to budget at 99.7 per cent, while the Nairobi Revenue Authority had the lowest at 30.9 per cent.

The recurrent expenditure is above recurrent exchequer issues in the Department of Finance and Economic

Planning, while the development expenditure is above development exchequer issues in the Department of Mobility and Works. This is attributed to the County spending part of the monies in Special Purpose Accounts at the Central Bank of Kenya and Commercial Banks. The cash was not banked into the CRF at the end of the financial year.

3.30.12 Budget Execution by Programmes and Sub-Programmes

Table 3.209 summarizes the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.209: Nairobi City County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Estimates FY 2023/24 (Kshs.)		Actual Expenditure (Kshs.)		Absorption rate in %	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
General Administrative Services	General Administration Planning and Support Services	130,882,659	-	93,605,587	-	71.5	-
COUNTY PUBLIC SERVICE BOARD		**130,882,659**	**-**	**93,605,587**	**-**	**71.5**	**-**
Public Financial Management	Assets Management Services	230,389,627	-	175,018,840	-	76.0	-
	Accounting Services	226,318,905	5,000,000	59,086,664	4,870,690	26.1	97.4
	Debt Management Services	1,608,487,942	805,997,846	1,519,450,518	384,875,831	94.5	47.8
	Supply Chain Management	185,825,178	-	135,232,127	-	72.8	-
General Administrative Services	General Administration & Support Services	1,571,976,847	40,000,000	1,437,775,979	-	91.5	-
Economic Policy, Formulation and Budget Management	Budget Formulation Coordination and mgt	155,138,058	-	80,138,408	-	51.7	-
	Economic Planning Formulation and Management	168,999,889	-	62,907,895	-	37.2	-
FINANCE & ECONOMIC PLANNING		**4,147,136,446**	**850,997,846**	**3,469,610,431**	**389,746,521**	**83.7**	**45.8**
General Administrative Services	General Administration & Support Services	432,270,386	-	316,381,519	-	73.2	-
Public Service Transformation	Human Resource Management	1,559,703,397	-	1,486,318,000	-	95.3	-
	Human Resource Development	79,535,114	10,000,000	27,684,803	-	34.8	-
PUBLIC SERVICE MANAGEMENT		**2,071,508,897**	**10,000,000**	**1,830,384,322**	**-**	**88.4**	**-**
General Administration Planning and Support Services	Administration, Planning & Support Services	171,129,913	18,960,000	160,911,527	-	94.0	-
		2,407,300	-	-	-	-	-
		6,507,770	-	6,507,770	-	100.0	-
Urban Agriculture Promotion & Regulation	Crop Development and Management	21,247,682	8,749,966	767,860	-	3.6	-
	Fisheries Development and Management	5,783,852	-	684,660	-	11.8	-
	Livestock Resources Management and Development	5,841,351	-	1,263,910	-	21.6	-
Animal Health, Safety and Quality Assurance	Animal Research, Diseases, Pest Control & Quality Assurance	6,475,448	-	1,086,825	-	16.8	-
Afforestation	Forestry Services	50,061,600	-	40,291,800	-	80.5	-
Food Systems and Surveillance	Food Systems and Surveillance Services	6,024,663	-	825,400	-	13.7	-
AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY		**275,479,579**	**27,709,966**	**212,339,752**	**-**	**77.1**	**-**

Programme	Sub-Programme	Revised Estimates FY 2023/24 (Kshs.)		Actual Expenditure (Kshs.)		Absorption rate in %	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
General Administration & Support Services	General Administration & Support Services	1,390,758,474	-	1,339,406,885	-	96.3	-
Environment Management and Protection.	Beautification, Recreation and Greening Services	23,198,795	96,000,000	-	-	-	-
	Solid waste management	2,039,591,171	497,000,000	1,873,279,911	65,304,000	91.8	13.1
	Environment Planning Management Services	16,494,703	-	6,000,000	-	36.4	-
	Energy & Natural resources	78,378,280	139,460,000	49,657,777	-	63.4	-
water Resources Management		24,275,417	-	13,000,000	-	53.6	-
ENVIRONMENT,WATER, ENERGY & NATURAL RESOURCES		**3,572,696,840**	**732,460,000**	**3,281,344,573**	**65,304,000**	**91.8**	**8.9**
Ward Development	Ward Development & Administration	74,134,616	1,300,000,000	33,951,351	923,488,000	45.8	71.0
WARD DEVELOPMENT FUND		**74,134,616**	**1,300,000,000**	**33,951,351**	**923,488,000**	**45.8**	**71.0**
General Administrative Services	General Administration & Support Services	440,000,000	-	425,235,725	-	96.6	-
EMERGENCY FUND		**440,000,000**	**-**	**425,235,725**	**-**	**96.6**	**-**
General Administrative Services	General Administration & Support Services	494,573,932	334,000,000	408,520,753	83,634,403	82.6	25.0
	Records Mgt Services	19,160,128	-	2,980,870	-	15.6	-
	General Administration & Support Services	4,091,941	-	628,700	-	15.4	-
Coordination of boroughs and devolved units	Boroughs, Sub County Administration & coordination of devolve	1,131,057,110	229,000,000	999,747,218	14,291,187	88.4	6.2
Coordination of executive services	County Executive	248,653,007	-	224,514,870	-	90.3	-
	Performance Contracting management	9,609,072	-	933,000	-	9.7	-
		6,347,797	-	4,956,228	-	78.1	-
	Executive Office Management Services	159,912,704	-	98,793,364	-	61.8	-
		25,740,839	-	4,774,000	-	18.5	-
Performance Management and Public Service Delivery	Intergovernmental Relation services	17,669,450	-	2,400,365	-	13.6	-
	Donor Coordination Services	66,212,547	-	9,001,263	-	13.6	-
Security and Safety Management	Inspectorate	2,380,018,534	90,000,000	2,188,990,217	-	92.0	-
	Investigative Services	66,249,237	-	49,077,937	-	74.1	-
Disaster Management & Coordination	Firefighting and rescue services	364,629,979	60,000,000	290,907,658	-	79.8	-
	Ambulance Services	3,918,717		161,800		4.1	-
	Disaster Risk Reduction	2,060,699	30,000,000	492,800	-	23.9	-
Internal Audit	Audit Services	90,623,213	5,000,000	59,028,538	-	65.1	-
BOROUGHS AND PUBLIC ADMINISTRATION		**5,090,528,906**	**748,000,000**	**4,345,909,581**	**97,925,590**	**85.4**	**13.1**
Management of legal affairs	Legal services	308,808,389	2,800,000	267,071,317	-	86.5	-
5330000000 COUNTY ATTORNEY		**308,808,389**	**2,800,000**	**267,071,317**	**-**	**86.5**	**-**
General Administration Planning and Support Services	General Administration, Planning And Support Services	107,185,662	40,000,000	84,200,607	-	78.6	-

Programme	Sub-Programme	Revised Estimates FY 2023/24 (Kshs.)		Actual Expenditure (Kshs.)		Absorption rate in %	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
Digital Economy and Start-Ups	Digital Economy	7,600,123	-	790,500	-	10.4	-
	E-Learning	15,143,875	-	2,000,000	-	13.2	-
	Start ups	6,947,500	-	110,800	-	1.6	-
Smart Nairobi	Smart Nairobi	36,569,289	200,000,000	2,401,700	34,968,806	6.6	17.5
ICT Infrastructure Connectivity	Infrastructure Connectivity	4,739,050	-	-	-	-	-
	Information Security	40,844,900	-	21,330,601	-	52.2	-
INNOVATION AND DIGITAL ECONOMY		**219,030,399**	**240,000,000**	**110,834,208**	**34,968,806**	**50.6**	**14.6**
Public Health	HIV/AIDS Prevention & Control Unit	980,000	-	148,400	-	15.1	-
	TB Control	870,000	-	157,500	-	18.1	-
	Malaria Control & Other Communicable Diseases	870,000	-	-	-	-	-
	Environmental / Public Health	9,660,000	-	687,800	-	7.1	-
	Health Policy and Regulation	9,940,000	5,000,000	1,967,000	-	19.8	-
	Coroner Services Unit	14,390,000	(10,000,000)	1,391,250	-	9.7	-
	Nairobi County Public Health Emergency Response	6,800,000	15,000,000	1,560,872	-	23.0	-
0406005310 P6 Health Facilities	0406015310 Sp6.1 County Referral Hospitals	4,500,000	55,000,000	-	47,917,860	-	87.1
		6,120,000	15,000,000	-	14,938,422	-	99.6
		5,400,000	110,000,000	-	19,802,095	-	18.0
		4,500,000	20,000,000	-	-	-	-
		1,980,000	35,000,000	-	-	-	-
	0406025310 Sp6.2 Health planning and financing	24,408,000	74,979,500	1,213,400	57,778,256	5.0	77.1
	0406035310 Sp6.3 Health Centres & Dispensaries	65,285,675	199,827,857	25,126,124	19,625,690	38.5	9.8
	0406045310 Sp6.4 Pumwani School of Nursing	5,159,500	-	1,987,500	-	38.5	-
	0406055310 Sp6.5 Health Commodities	696,348,075	-	416,717,770	-	59.8	-
0407005310 P7 medical services	0407015310 Sp7.1 Primary Health Care	16,287,912	-	3,925,296	-	24.1	-
	0407025310 Sp7.2 Nairobi Medical Insurance	-	-	-	-	-	-
	0407035310 Sp7.3 Reproductive Health & Maternal Health (RMNCAH)	23,406,242	-	335,400	-	1.4	-
	0407045310 Sp7.4 Clinical Services	18,765,000	-	1,615,400	-	8.6	-
		4,450,000	-	-	-	-	-
	0407055310 Sp7.5 Research, Quality assurance & standards unit	3,342,082	-	50,000	-	1.5	-

Programme	Sub-Programme	Revised Estimates FY 2023/24 (Kshs.)		Actual Expenditure (Kshs.)		Absorption rate in %	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
0408005310 P8 Wellness and Nutrition	0408015310 Sp8.1 Nutrition	24,525,000	-	2,105,700	-	8.6	-
	0408025310 Sp8.2 Wellness	8,362,785	-	52,850	-	0.6	-
0404005310 General administration, planning and support services	0404015310 Sp4.1 Administration/Human Resource for Health	7,466,783,920	-	6,992,026,781	-	93.6	-
5332000000 HEALTH WELLNESS & NUTRITION		**8,423,134,191**	**519,807,357**	**7,451,069,042**	**160,062,323**	**88.5**	**30.8**
0718005310 General Administrative Services	0106015310 Sp 6.1 Administration, Planning & Support Services	415,771,199	-	409,464,621	-	98.5	-
0121005310 P21 Urban Development & Planning	0121015310 Sp21.1 Urban Planning Compliance & Enforcement Services	22,982,310	45,000,000	5,537,400	-	24.1	-
0115005310 P.9:Land management	0122015310 Sp22.1 Land Survey, GIS and Mapping Services	41,986,562	40,000,000	6,269,800	-	14.9	-
0123005310 P23 Housing Development and Building Services	0102045310 SP4 Urban Renewal 580,000,000; 0123015310 Sp23.1 Housing and Urban Renewal Services 20,000,000	16,184,900	580,000,000	2,929,000	182,398,427	18.1	31.4
	0123025310 Sp23.2 Building services	5,921,400	-	900,000	-	15.2	-
5333000000 BUILT ENVIRONMENT & URBAN PLANNING		**502,846,371**	**665,000,000**	**425,100,821**	**182,398,427**	**84.5**	**27.4**
0216005310 P16:General Administration, Planning And Support Services	5334000101 Mobility and Works Headquarters	1,174,707,082	-	959,870,366	-	81.7	-
0219005310 P19 Works	5334000201 Roads	13,680,000	1,330,132,817	9,000,000	676,832,454	65.8	50.9
	5334000301 Electrical	5,400,000	400,000,000	-	83,790,000	-	20.9
	5334000401 Building Works	2,844,000	-	400,000	-	14.1	-
0220005310 P20 Mobility	0220015310 Sp20.1 Transportation 574,700,000; 0220025310 Sp20.2 Traffic Management Services 668,735,000	281,230,000	-	276,847,872	33,000,000	98.4	-
	5334000601 Garage/ Transportation	6,300,000		4,500,000	4,988,000	71.4	-
5334000000 MOBILITY AND WORKS		**1,484,161,082**	**1,730,132,817**	**1,250,618,238**	**798,610,454**	**84.3**	**46.2**
0508005310 General administration, planning and support services	0508025310 sp 8.2 General Administration & Support Services	1,808,459,195	-	1,624,056,124	-	89.8	-

Programme	Sub-Programme	Revised Estimates FY 2023/24 (Kshs.)		Actual Expenditure (Kshs.)		Absorption rate in %	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
0509005310 P9 Education services	0509025310 sp 9.2 Early Childhood Development Centres	100,000,000	89,926,826	-	-	-	-
	0509035310 sp 9.3 Technical and Vocational Training	5,250,000	14,500,000	1,237,800	-	23.6	-
	0509015310 sp 9.1 Quality Assurance and Co-curriculum	400,000	-	-	-	-	-
0902005310 2.1 Social Services	0902015310 General Administration & Support Services	211,572,536	-	189,642,416	-	89.6	-
	0902025310 Sp.2.2 Gender and Community Empowerment	2,475,000	-	-	-	-	-
	0902065310 Sp 2.6 Social welfare and care for the Aged	5,820,000	-	357,600	-	6.1	-
	0902085310 Sp.2 8 Rescue and Rehabilitation of Children Services	4,580,000	20,000,000	400,000	-	8.7	-
	0903015310 Sp3.1 Control of Drugs and Pornography	3,555,000	-	200,000	-	5.6	-
0903005310 P3 Youth, Talent & Sports	0903025310 Sp3.2 General Admnistration & support Services	14,249,455	-	13,274,748	-	93.2	-
	0903035310 Sp3.3 Youth Empowerment and Promotion	5,620,000	-	592,000	-	10.5	-
	0903045310 Sp3.4 Recreational Services	3,730,000	63,892,775	40,000		1.1	-
	0903055310 Sp3.5 Development and promotion of sports	27,280,000	213,942,221	16,734,865	122,666,846	61.3	57.3
	0903065310 Sp3.6 Promotion of Library and Information Services	1,830,000	-	-	-	-	-
5335000000 TALENT SKILLS DEVT & CARE		**2,194,821,186**	**402,261,822**	**1,846,535,553**	**122,666,846**	**84.1**	**30.5**
General Administration Planning and Support Services	Business & Hustler Opportunities Headquarters	600,825,692	-	597,479,280	-	99.4	-
Co-operative Development and Audit Services Services	Co-operative Development	16,650,000	-	2,633,900	-	15.8	-
	Co-operative Audit	10,350,000	-	617,400	-	6.0	-
Trade development and Market Services	Markets Department Headquarters	13,238,340	350,763,447	1,172,900	69,568,960	8.9	19.8
	Trade Development Department	13,809,393	20,000,000	1,842,300	2,095,900	13.3	10.5
Licensing and Fair Trade Practices	Weights & Measures Services	5,400,000	30,000,000	-	-	-	-
	Trade Licensing	8,100,000	-	951,800	-	11.8	-
	Betting & Gaming Services 25,000,000; 0316025310 P16.2 Betting & Gaming Services 29,000,000	22,680,000	-	6,642,220	-	29.3	-

Programme	Sub-Programme	Revised Estimates FY 2023/24 (Kshs.)		Actual Expenditure (Kshs.)		Absorption rate in %	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
Business & hustler opportunities	Micro, Small and Medium Enterprises development	36,250,000	70,000,000	6,726,400	-	18.6	-
BUSINESS & HUSTLER OPPORTUNITIES		**727,303,425**	**470,763,447**	**618,066,200**	**71,664,860**	**85.0**	**15.2**
Public Participation, Citizen Engagement & Customer Service	Public Participation, Citizen Engagement & Customer Service	81,606,325	-	71,451,135	-	87.6	-
		30,648,700	-	1,341,200	-	4.4	-
		15,612,879	-	7,144,700	-	45.8	-
		39,550,944	-	7,793,500	-	19.7	-
City Culture Arts & Tourism	City Culture Arts & Tourism	186,114,262	40,000,000	92,290,840	39,793,429	49.6	99.5
School feeding	School feeding	715,449,731	324,954,236	504,766,019	255,518,537	70.6	78.6
Gender and Inclusivity	Gender and Inclusivity	108,585,318	20,000,000	19,173,000	-	17.7	-
INCLUSIVITY, PUBLIC PARTICIPATION,& CITIZEN ENGAGEMENT		**1,177,568,159**	**384,954,236**	**703,960,394**	**295,311,966**	**59.8**	**76.7**
Nairobi Revenue Authority	Nairobi Revenue Authority Services	382,008,198	-	117,855,529	-	30.9	-
NAIROBI REVENUE AUTHORITY		**382,008,198**	**-**	**117,855,529**	**-**	**30.9**	**-**
Licensing and Fair Trade Practices	Liquor Licensing & Regulation	230,000,000	70,000,000	229,264,298	40,213,048	99.7	57.4
LIQUOR LICENSING BOARD		**230,000,000**	**70,000,000**	**229,264,298**	**40,213,048**	**99.7**	**57.4**
Legislation, Oversight and Representation	Legislation and Representation; Oversight; General Administration and Support Services	2,380,000,000	300,000,000	1,859,024,843	86,171,005	78.1	28.7
COUNTY ASSEMBLY		**2,380,000,000**	**300,000,000**	**1,859,024,843**	**86,171,005**	**78.1**	**28.7**
Total Voted Expenditure		**33,832,049,343**	**8,454,887,491**	**28,571,781,765**	**3,268,531,846**	**84.5**	**38.7**

***Source**: Nairobi City County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates under recurrent expenditure were Administration, Planning & Support Services in the County Public Service Board at 100 per cent, Liquor Licensing & Regulation in the Liquor Licensing Board at 99.7 per cent and Business & Hustler Opportunities at 99.4 per cent of budget allocation. The County Referral Hospital had the highest levels of implementation based on absorption rates under development expenditure at 99.6 per cent, followed by City Culture Arts & Tourism at 99.5 per cent.

3.30.13 Accounts Operated Commercial Banks

The County government operated 23 accounts with commercial banks (5 for the County Assembly). 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.

3.30.14 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;

1. The County Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 6th August 2024.
2. The under performance of own-source revenue at Kshs.12.81 billion, against an annual target of Kshs.19.99 billion, represents 64.1 per cent of the annual target.

3. Failure to refund unspent funds from FY 2022/23 into the CRF account led to actual expenditure being above the approved exchequer issues in several departments, as shown in Table 3.208.
4. Failure by fund administrators to submit quarterly financial and non-financial reports to the COB within the timelines provided by law is against the requirement of Section 168 of the PFM Act, 2012. The Emergency Fund and County Assembly Car Loan and Mortgage Fund reports were not submitted to the Controller of Budget.
5. As of 30 June 2024, the County Executive's pending bills amounted to Kshs.118.32 billion and the Assembly's to Kshs.124,53. Further, the County Treasury did not adhere to the payment plan for the pending bills.
6. High wage bills accounted for 55.4 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided by law.
7. Use of manual payroll. Personnel emoluments amounting to Kshs.2.45 billion were processed through manual payroll, accounting for 13.4 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.
8. 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. Commercial bank accounts are for salaries accounts, emergency fund accounts, County established funds, special purpose accounts, revenue collection accounts and imprest accounts.
9. Excessive foreign travel by County Executive and County Assembly amounting to Kshs.328.33 million
10. Low development expenditure of 10.3 per cent of total expenditure.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *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.*
3. *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.*
4. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
5. *The 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.*
6. *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.*
7. The Government requires that salaries be processed through the IPPD system, and the County is advised to fast-track the acqui*sition 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.*
8. *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.*
9. *The County should curb excessive foreign travel and instead train locally, if need be,to conserve resources.*
10. *The County should prioritize spending on development projects.*

3.31. County Government of Nakuru

3.31.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.23.31 billion, comprising Kshs.9.68 billion (41.5 per cent) and Kshs.13.63 billion (58.5 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 9.9 per cent compared to the previous financial year when it was Kshs.21.21 billion and comprised of Kshs.8.34 billion towards development expenditure and Kshs.12.87 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.13.59 billion (58.3 per cent) as the equitable share of revenue raised nationally, Kshs.1.2 billion (6.5 per cent) as additional allocations/conditional grants, a cash balance of Kshs.3.60 billion (15.5 per cent) brought forward from FY 2022/23 and generate Kshs.4.1 billion (17.6 per cent) as gross own source revenue. The own-source revenue includes Kshs.1.7 billion (41.5 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.2.4 billion (58.5 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.210.

3.31.2 Revenue Performance

In the FY 2023/24, the County received Kshs.12.51 billion as an equitable share of the revenue raised nationally, Kshs.521.30 million as additional allocations/conditional grants, and Kshs had a cash balance of Kshs.3.60 billion from FY 2022/23, and raised Kshs.3.32 billion as own-source revenue (OSR). The raised OSR includes Kshs.1.47 billion as FIF and Kshs.1.85 billion as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.20.44 billion, as shown in Table 3.210.

Table 3.210: Nakuru County, Revenue Performance in the FY 2023/24

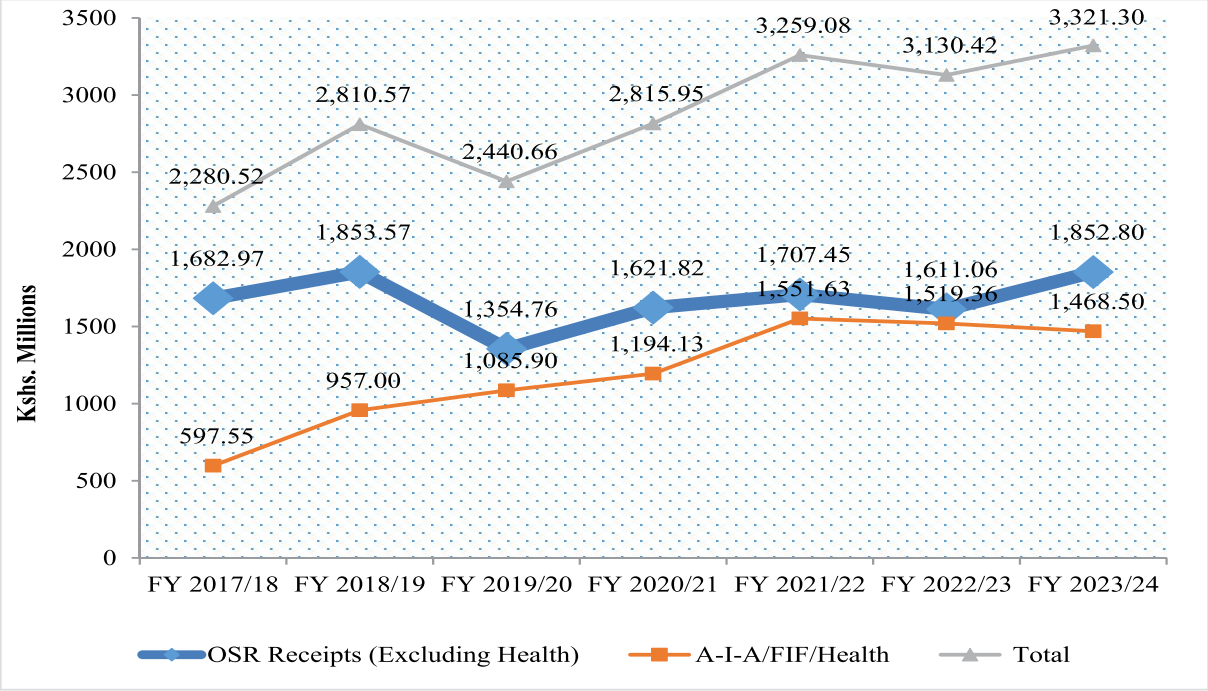
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	13,593,424,693	12,505,950,714	92.0
	Subtotal	**13,593,424,693**	**12,505,950,714**	**92.0**
B	**Conditional Grants**			
1	Donor Grants (DANIDA)	19,115,250	-	-
2	World Bank National Agricultural Value Chain Development Project (NAVCDP)	200,000,000	198,946,385	99.5
3	World Bank National Agricultural and Rural Inclusive Growth Projects (NARIGP)	5,000,000	4,261,826	85.2
4	Conditional Grant for the Provision of fertilizer Subsidy program	234,883,209	-	-
5	Conditional Allocation from a World Bank Credit to Finance Locally-Led Climate Action program, (FLLoCA) County Climate Institutional Support (CCIS) (Level I)	11,000,000	11,000,000	100.0
6	World Bank Grant Financing Locally Led Climate Action program, (FLLoCA) County Climate Resilience Investment Grant	188,211,085	94,105,543	50.0
7	County Allocation on Royalties	82,769	-	-
8	Kenya Urban Support Project (KUSP)- Urban Development – Interest Earned	3,200,000	-	-
9	World Bank- Kenya Informal Settlement Improvement Project II (KISIP II)	400,000,000	175,000,000	-
10	Agricultural Sector Development Support Programme (ASDSP II)	1,083,629	1,083,629	100.0
11	IFAD Conditional grant Kenya Livestock Value Commercialization Project (KELCOP)	34,800,000	-	-
12	Conditional Grant – Kenya Livestock Commercialization Project (KELCOP)	121,315,800	31,903,687	26.3
13	Nutrition International Grant	12,500,000	4,999,400	40.0
14	Conditional Fund – Leasing of Medical Equipment	124,723,404	-	-

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
15	Transfers for Library Services	-	-	-
16	County Allocation for Court Fines	1,948,197	-	-
17	Conditional Grant from GoK for Aggregated Industrial Parks Program	250,000,000	-	-
18	KTDA Tea Cess Revenue	58,000,000	-	-
19	Equalization Fund Allocation (Soin Ward in Rongai)	6,435,119	-	-
Subtotal		**1,272,298,462**	**521,300,470**	**41.0**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	2,400,000,000	1,852,802,262	77.2
2	Balance b/f from FY2022/23	3,603,111,491	3,603,111,491	100.0
3	Facility Improvement Fund (FIF)	1,700,000,000	1,468,498,216	86.4
4	Other Revenues	491,696,867	491,696,867	100.0
Sub Total		**8,194,808,358**	**7,416,108,837**	**90.5**
Grand Total		**23,060,531,513**	**20,443,360,020**	**88.7**

Source: *Nakuru County Treasury*

Figure 119 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

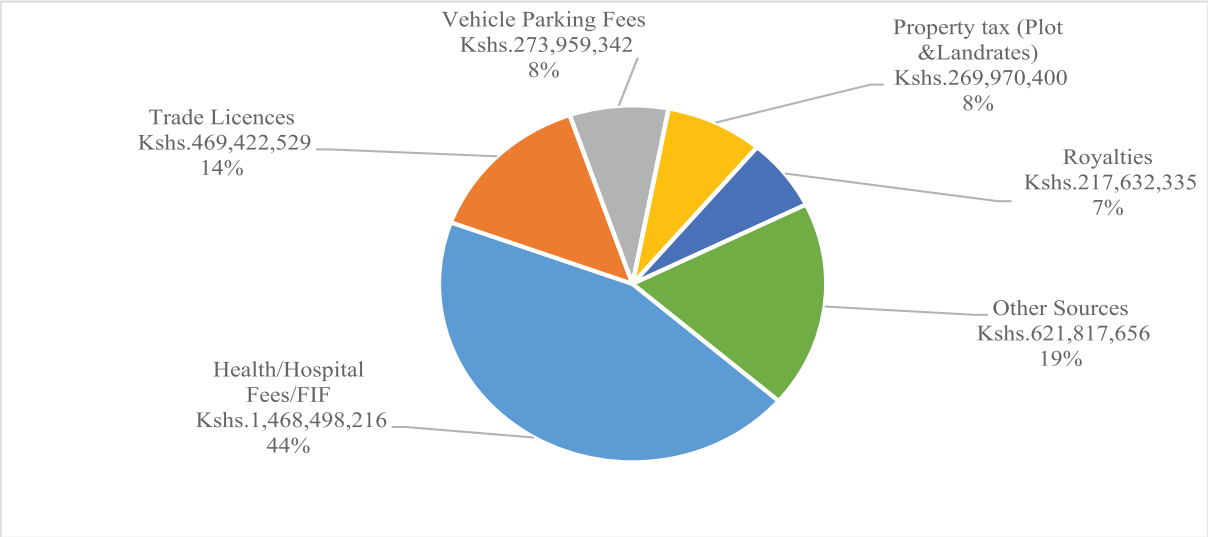
Figure 119: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Nakuru County Treasury*

In FY 2023/24, the County generated a total of Kshs.3.32 billion from its sources of revenue, inclusive of FIF. This amount represented an increase of 6.1 per cent compared to Kshs.3.13 billion realized in FY 2022/23 and was 81.0 per cent of the annual target and 26.6 per cent of the equitable revenue share disbursed during the period. The revenue streams which contributed the highest OSR receipts are shown in Figure 120.

Figure 120: Top Streams of Own Source Revenue in the FY 2023/24



Source: Nakuru County Treasury

The highest revenue stream, Kshs.1.47 billion, was from Health/Hospital fees, which contributed 44 percent of the total OSR receipts during the reporting period.

3.31.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.16.44 billion from the CRF account during the reporting period, which comprised Kshs.4.51 billion (27.6 per cent) for development programmes and Kshs.11.93 billion (72.4 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.6.75 billion was released towards Employee Compensation and Kshs.5.18 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.1.35 billion.

3.31.4 County Expenditure Review

The County spent Kshs.16.43 billion on development and recurrent programmes in the reporting period. The expenditure represented 99.9 per cent of the total funds released by the CoB and comprised of Kshs.4.45 billion and Kshs.11.98 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 46.0 per cent, while recurrent expenditure represented 87.9 per cent of the annual recurrent expenditure budget.

3.31.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.62 billion, comprising of Kshs.1.38 billion for recurrent expenditure and Kshs.236.41 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.569.46 million, which consisted of Kshs.387.97 million for recurrent expenditure and Kshs.181.49 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.1.10 billion. This does not include unsettled bills incurred in FY 2023/24.

The County Assembly reported outstanding pending bills of Kshs.81.21 million as of 30th June 2024.

3.31.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.6.29 billion on employee compensation, Kshs.4.65 billion on operations and maintenance, and Kshs.4.37 billion on development activities. Similarly, the County Assembly spent Kshs.462.10 million on employee compensation,

Kshs.584.40 million on operations and maintenance, and Kshs.88.07 million on development activities, as shown in Table 3.211.

Table 3.211: Summary of Budget and Expenditure by Economic Classification

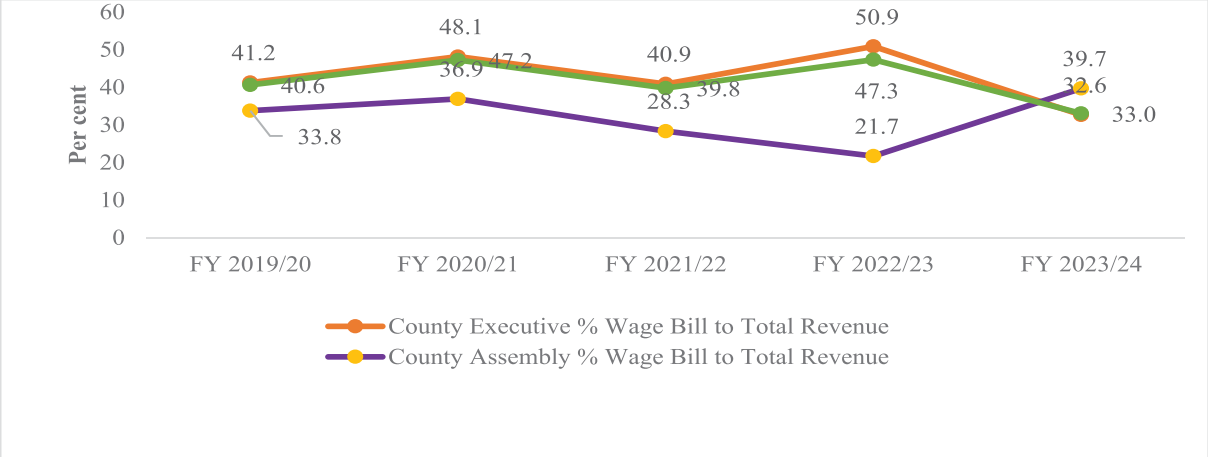
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**12,534,881,250**	**1,094,031,432**	**10,935,555,929**	**1,046,490,367**	**87.2**	**95.7**
Compensation to Employees	7,064,085,593	463,360,917	6,289,529,677	462,095,291	89.0	99.7
Operations and Maintenance	5,470,795,658	630,670,515	4,646,026,252	584,395,076	84.9	92.7
Development Expenditure	**9,542,167,512**	**139,459,318**	**4,367,454,917**	**88,071,178**	**45.8**	**63.2**
Total	**22,077,048,763**	**1,233,482,750**	**15,303,010,846**	**1,134,561,545**	**69.3**	**92.0**

***Source**: Nakuru County Treasury*

3.31.7 Expenditure on Employees' Compensation

In FY 2023/24, expenditure on employee compensation was Kshs.6.75 billion, or 33.0 per cent of the available revenue, which amounted to Kshs.20.44 billion. This expenditure represented a decrease from Kshs.6.92 billion reported in FY 2022/23. The wage bill included Kshs.4.29 billion paid to health sector employees, translating to 63.5 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 121.

Figure 121: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Nakuru County Treasury

Further analysis indicates that PE costs amounting to Kshs.6.17 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.582.61 million was processed through manual payrolls. The manual payrolls accounted for 8.6 per cent of the total PE cost.

The County Assembly spent Kshs.38.47 million on committee sitting allowances for the 74 MCAs against the annual budget allocation of Kshs.38.98 million. The average monthly sitting allowance was Kshs.43,321 per MCA. The County Assembly has established 23 Committees.

3.31.8 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.779.53 million to county-established funds in FY 2023/24, constituting 3.3 per cent of the County's overall budget. Further, the County allocated Kshs.70 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.212 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.212: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Supplementary Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in the FY 2023/24 (Kshs.)	Actual Expenditure FY 2023/24 (Kshs.)	Submission of Financial Statements as of 30th June 2024 (Yes/No.)
County Executive Established Funds					
1	Emergency Fund	70,000,000	70,000,000	60,588,080	Yes
2	Nakuru County Persons Living with Disability Fund	27,500,000	-	-	Yes
3	Bursary Fund	388,510,069	387,627,729	394,717,386	Yes
4	Nakuru County Executive Car and Mortgage Loan	111,200,000	97,000,000	121,331,315	Yes
5	Nakuru County Enterprise Fund	50,000,000	50,000,000	-	Yes
6	Nakuru County Climate Change Fund	66,000,000	66,000,000	3,937,719	Yes
County Assembly Established Funds					
1	Nakuru County Assembly MCA Car and Mortgage Loan	66,320,000	66,320,000	66,320,000	Yes
	Total	**779,530,069**	**736,947,729**	**646,894,500**	

Source: *Nakuru County Treasury*

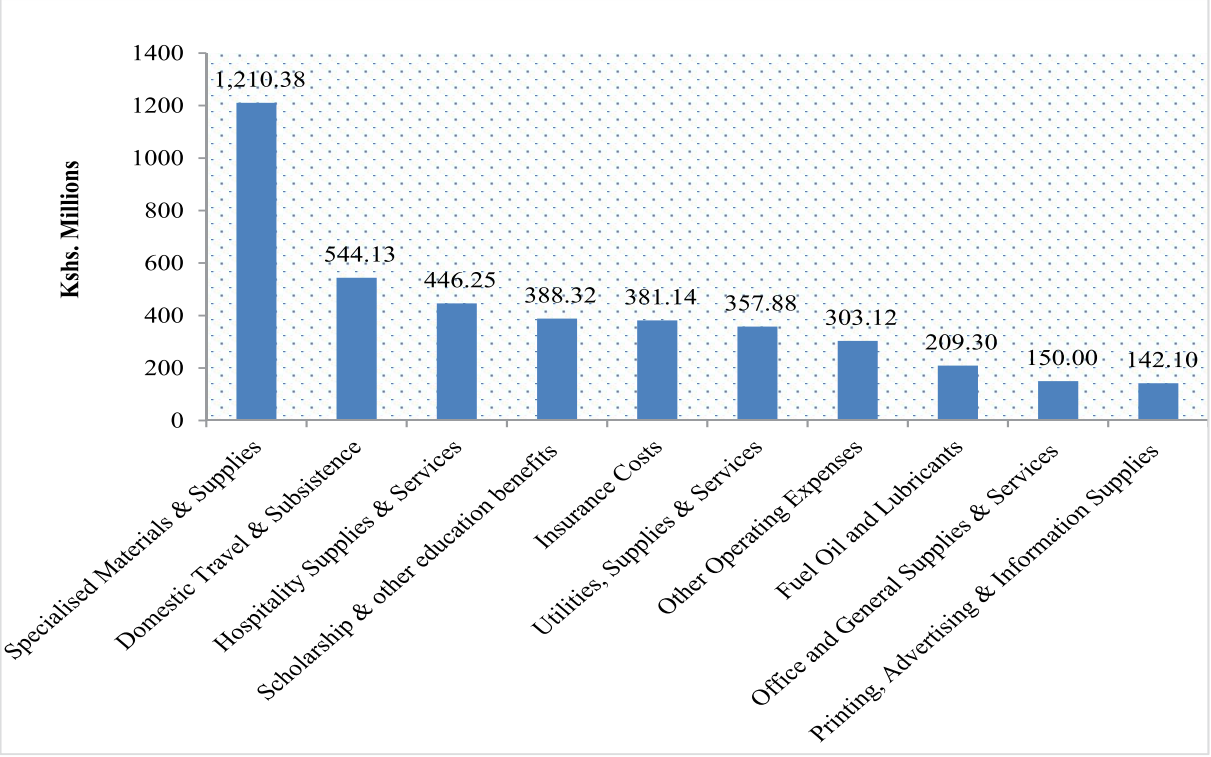
As indicated in Table 3.209, the CoB received all quarterly financial returns from the Fund Administrators during the reporting period.

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.

3.31.9 Expenditure on Operations and Maintenance

Figure 122 summarises the Operations and Maintenance expenditure by major categories.

Figure 122: Nakuru County, Operations and Maintenance Expenditure by Major Categories



Source: *Nakuru County Treasury*

Expenditure on domestic travel amounted to Kshs.544.13 million and comprised Kshs.135.81 million spent by the County Assembly and Kshs.426.31 million by the County Executive. Expenditure on foreign travel amounted to Kshs.102.89 million and comprised Kshs.41.81 million by the County Assembly and Kshs.61.08 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.213 below;-

Table 3.213: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Nakuru county assembly	7	4th -11th Sep 2023	Leadership and Integrity course for MCA in Arusha	Tanzania	4,231,983
Nakuru county assembly	3	31st -22nd Sep 2023	Training on procurement of goods, work and non-consultancy service 31st-22nd Sep 2023 Kampala	Uganda	4,206,130
Nakuru county assembly	7	29th -4th Nov 2023	Training on leadership and integrity course for county assembly leadership	Tanzania	2,685,200
Nakuru county assembly	7	11th -17th Sep 2023	Training on leadership, corporate oversight, and integrity of County Assembly leaders in Kampala	Uganda	2,647,498
Nakuru County Executive	1	12th to 28th august 2023	attending training	Australia	1,790,585
Nakuru County Executive	1	12th to 28th August 2023	Attending training	Australia	1,790,585
Nakuru County Executive	1	1st to 13th august 2023	Attending training	Seattle city in Washington state	1,673,720
Nakuru County Executive	1	1st to 13th August 2023	Attending Training	Seattle city in Washington State	1,673,720
Nakuru County Executive	3	14th to 22nd august 2023	Attending Training	Singapore	1,629,000
Nakuru County Executive	3	14th to 22nd August 2023	Attending Training	Singapore	1,629,000
Nakuru county assembly	2	25th -2nd July 2023	Attending the annual devolution conference	Uganda	1,220,908
Nakuru County Executive	2	9th to 12th Oct 2023	To attend the Urban Transformation Summit	USA	1,220,212
Nakuru County Executive	2	26th to 30th June 2022	World Urban Forum	Brazil	972,360
Nakuru County Executive	3	26th to 30th Jun 2022	To Participate in the Eleventh session of the World Urban Forum (WUF-II) from 26th June 2022 to 30th June 2022.	Katowice, Poland	972,360
Nakuru County Executive	2	18th to 22nd July, 2023	attending training	Singapore	952,000
Nakuru county assembly	2	1st -7th Oct 2023	training on executive management program	Uganda	708,855
Nakuru county assembly	1	5th to 12th Sep 2023	training on corporate financial planning, budgeting and analysis	Singapore	674,134
Nakuru County Executive	4	14th to 16th Sep 2023	Regional Mara Day celebration	Tanzania	608,964
Nakuru County Executive	1	14th -17th June 2023	Being payment of a quarter per diem while attending urban dialogue World Economic Forum (The Schwab Foundation and Global Alliance Annual Meeting) held on 14th - 17th June 2023 in Switzerland	Switzerland	167,166
Nakuru County Executive	1	15th-20th October 2023	Being payment of 2 night outs in Nairobi and quarter per diem while attending phase II course on capacity building held on 15th-20th October 2023 in Seoul, South Korea.	South Korea.	137,483

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Nakuru County Executive	1	22nd-25th May 2023	Being payment of a quarter per diem while attending the 5th Global Water Operation Partnership Congress at the World Congress Centre, Bonn, Germany, held on the 22nd - 25th of May	Bonn Germany	137,482

Source: Nakuru County Treasury and Nakuru County Assembly

3.31.10 Development Expenditure

In the FY 2023/24, the County reported expenditure of Kshs.4.45 billion on development programmes, representing an increase of 47.8 per cent compared to FY 2022/23 when the County spent Kshs.3.01 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.214: 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	Finance and Economic Planning	Construction of County Treasury Office Block	Headquarters	886,000,000	270,546,156	87.2
2	Agriculture	Conditional Grant for the provision of fertilizer subsidy programme	Headquarters	234,883,209	176,307,110	75.1
3	Nakuru City	Proposed Construction of Afraha Stadium Phase 1	Afraha Stadium	380,000,000.00	165,125,993	76.0
4	Health	Purchase of medical and dental equipment (FIF)	Headquarters	115,000,000	76,381,394	66.4
5	Finance and Economic Planning	4.3% Administrative Cost of Revenue Management System (Outstanding)	Headquarters	81,700,000.00	57,483,990	97.9
6	Education	Conditional Allocation for Rehabilitation of Youth Polytechnics	Headquarters	54,289,894	54,287,415	100
7	Nakuru City	Purchase of tartan track for Afraha Stadium	Afraha Stadium	95,000,000.00	54,000,000.00	100
8	Agriculture	Purchase and distribution of pyrethrum seedlings to farmers	Headquarters	40,000,000.00	40,000,000	100
9	Agriculture	Supply and delivery of avocado seedlings to farmers	Headquarters	35,000,000.00	35,000,000	100
10	Infrastructure	Installation of streetlights along the highway in the County	Countywide	40,000,000.00	33,163,130	82.9

Source: Nakuru County Treasury

3.31.11 Budget Performance by Department

Table 3.215 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.215: 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	1,094.02	139.46	1,082.25	81.91	1,046.49	81.85	96.6	99.9	95.7	58.7
County Treasury	1,987.96	865.90	1,645.36	677.14	1,481.09	678.02	89.7	100.1	74.5	78.3
Public Service, Training and Devolution	666.50	39.35	629.99	12.79	588.83	17.78	92.4	139.0	88.3	45.2

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 and Fisheries	475.25	1,054.29	457.14	455.15	398.90	409.55	86.4	90.0	83.9	38.8
Lands, Physical Planning and Housing	182.59	608.44	151.18	198.85	140.19	214.64	92.0	107.9	76.8	35.3
Office of the Governor and Deputy Governor	342.27	143.90	325.73	96.97	327.12	139.61	100.1	144.0	95.6	97.0
Education, Vocational training, ICT and E-Government	1,126.02	615.77	1,072.85	177.59	1,003.89	233.03	95.8	131.2	91.8	37.8
Trade, Industry, Marketing and Tourism	219.17	681.12	185.71	305.80	175.77	326.00	94.2	106.6	80.2	47.9
Youth, Culture, Gender, Sports and Social Services.	290.66	195.19	187.44	83.29	200.17	96.09	106.1	115.4	68.9	49.2
Infrastructure	365.38	1,708.73	364.74	1,196.82	309.08	860.77	84.9	71.9	84.6	50.4
Water, Environment, Energy and Natural Resources	337.95	1,409.89	323.73	795.89	246.58	598.08	76.2	75.1	73.0	42.4
Health Services	6,299.93	1,653.04	5,246.63	351.23	5,880.77	339.69	111.1	96.7	93.3	20.5
County Public Service Board	75.32	3.00	74.05	2.94	65.43	2.94	87.9	100.0	86.9	98.0
Nakuru Municipality	60.97	421.97	43.11	52.76	41.80	347.35	96.6	658.4	68.6	82.3
Naivasha Municipality	38.07	137.57	19.19	20.75	14.33	100.51	74.3	484.4	37.6	73.1
Office of the County Attorney	56.83	4.00	39.98	-	29.74	3.38	74.1	-	52.3	84.6
Molo Municipality	5.00	-	-	-	-	-	-	-	-	-
Gilgil Municipality	5.00	-	1.61	-	1.87	-	116.6	-	37.5	-
Total	**13,628.90**	**9,681.63**	**11,852.69**	**4,509.89**	**11,935.94**	**4,449.31**	**100.4**	**98.7**	**87.9**	**46.0**

***Source**: Nakuru County Treasury*

Analysis of expenditure by departments shows that the Department of County Public Service Board recorded the highest absorption rate of development budget at 98.0 per cent, followed by the Office of the Governor and Deputy Governor at 97.0 per cent. The County Assembly had the highest percentage of recurrent expenditure to budget at 95.7 per cent while the Molo Municipality did not report any expenditure.

3.31.12 Budget Execution by Programmes and Sub-Programmes

Table 3.216 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.216: Nakuru County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
DEPARTMENT OF AGRICULTURE, LIVESTOCK AND FISHERIES							
Programme 1; Administration, planning and support services	SP 1.1: Administration planning and support services	54,889,365	198,094,201	44,349,257	117,146,479	80.8	59.1
	SP 1.2: Human Resource	373,268,452	-	316,465,176	-	84.8	-

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 2: Livestock resource management and development	SP 2.1: Livestock production and management	2,000,000	-	2,000,000	-	-	-
	SP 2.2: Promotion of value addition of livestock and livestock products	38,926,446	34,800,000	31,282,600	31,903,688	80.4	91.7
	SP 2.3: Livestock extension service delivery	-	8,300,000	-	4,749,401	-	-
	SP 2.4: Food safety and livestock products development	-	15,846,059	-	5,070,600	-	32.0
	SP 2.5: livestock diseases management and control	235,366	10,861,000	-	8,673,900	-	79.9
Programme 3; Fisheries development	SP 3.1: Aquaculture development	-	3,000,000	-	-	-	-
	SP 3.2: development of capture fisheries resources	-	2,000,000	-	1,158,210	-	57.9
	SP 3.3 Fish quality assurance value addition and marketing	-	8,139,000	-	2,939,000	-	36.1
Programme 4; Crop development and management	SP 4.1 Agriculture extension research and training	-	-	-	-	-	-
	SP 4.2 crop production and food security	5,934,200	770,227,833	4,801,090	237,286,560	80.9	30.8
	SP 4.3 Farmland utilization, conservation and mechanization	-	-	-	-	-	-
	SP 4.4 Agribusiness development and marketing	-	3,026,226	-	618,020	-	-
	SP 4.5 Agri-Nutrition	-	-	-	-	-	-
	Sub Total	**475,253,829**	**1,054,294,319**	**398,898,124**	**409,545,857**	**83.9**	**38.8**
NAIVASHA MUNICIPALITY							
Programme 1; Administration and planning and support services	SP 1.1 Administration and Planning	19,724,400	-	7,850,054	-	39.8	-
	SP 1.2; personnel services	11,042,628	-	5,587,807	-	50.6	-
	SP 1.3 financial services	-	-	-	-	-	-
Programme 2; Naivasha municipal services	SP 2.1 planning and infrastructure	5,300,001	137,570,841	887,300	100,512,742	16.7	73.1
	SP 2.2 environmental management and sanitation	-	-	-	-	-	-
	SP 2.3 Naivasha Social Services	1,000,000	-	-	-	-	-
	SP 2.4 tourism investment and trade	1,000,000	-	-	-	-	-
	Sub-Total	**38,067,029**	**137,570,841**	**14,325,161**	**100,512,742**	**37.6**	**73.1**
PUBLIC SERVICE, DEVOLUTION, CITIZEN ENGAGEMENT, DISASTER MANAGEMENT &HUMANITARIAN ASSISTANCE							
Programme 1: Administration, planning and support service	Sub-programme 1.1(Administration service)	51,535,552	-	17,718,998	-	34.4	-
	Sub-programme 1.2(Personal Service)	575,013,298	-	414,039,375	-	72.0	-
	Sub-programme 1.3(Financial Service)	-	-	-	-	-	-
	Sub-programme 1.4(Mainstream Workplace HIV/AIDS, Alcohol & Drug Abuse Control)	990,000	-	-	-	-	-
	Sub-programme 1.5(Rehabilitation/ Construction of Sub County Offices)	-	39,352,925	-	17,781,670	-	45.2

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 2; human resource management and development	SP 2.1; performance contracting	9,855,040	-	-	-	-	-
	SP 2.2 PERFORMANCE Appraisal system	9,855,040	-	-	-	-	-
	SP 2.3 Staff development through capacity building and training	3,350,000	-	-	-	-	-
Programme 3; civil education & public participation	SP 3.1 co-ordination of public and special community programme	530,000	-	-	-	-	-
Programme 4: Disaster management and humanitarian assistance	SP 4.1disaster management and humanitarian assistance	15,374,119	-	-	-	-	-
	Subtotals	**666,503,049**	**39,352,925**	**431,758,373**	**17,781,670**	**64.8**	**45.2**
DEPARTMENT OF EDUCATION, VOCATIONAL TRAINING, ICT AND E-GOVERNMENT							
Programme 1: Administration, planning and support service	SP 1.1 administration and support service	28,687,217	530,846,563	21,673,472	178,745,201	75.6	33.7
	SP 1.2 Personnel service	510,018,605	-	476,147,347	-	93.4	-
	SP 1.3 financial services	500,000	-	-	-	-	-
Programme 2: Promotion of early childhood education and development	SP 2.1 Promotion of Early Childhood	90,855,165	1,520,000	78,120,968	-	86.0	-
	SP 2.2 Bursaries	385,510,069	-	388,320,831	-	100.7	-
	SP 2.3Education development	-	15,000,000	-	-	-	-
Programme 3: Vocational training	SP 3.1 Vocational training	73,628,501	-	66,913,549	-	90.9	-
	SP 3.2 Skill Upgrading	-	67,899,995	-	54,287,415	-	80.0
Programme 4 Information and communication	SP 4.1 Public communication and media services	8,000,016	4,500,000	2,711,877	-	33.9	-
Programme 5 ICT Infrastructure Development and E-government Services	SP 5.1 Network Infrastructure	-	500,000	-	-	-	-
	5.2 Hardware and software platforms	-	1,000,000	-	-	-	-
	5.3 E-government services	22,325,303	1,000,000	-	-	-	-
	Sub-Total	**1,126,017,876**	**615,773,558**	**1,033,888,044**	**233,032,616**	**91.8**	**37.8**
COUNTY TREASURY							
Programme 1; Administration, planning and support services	SP 1.1 Administration services	738,158,003	461,031,527	627,033,507	374,262,762	85.0	81.2
	SP 1.2 Personnel services	542,845,778	-	505,077,908	-	93.0	-
	SP 1.3 financial services	300,000	-		-	-	-
Programme 2; Public Finance Management	SP 2.1 Budget formulation coordination and management	243,804,981	-	182,995,519	-	75.1	-
	SP 2.2Resources mobilization	89,040,482	-	49,015,899	-	55.0	-
	SP 2.3 internal audit	39,393,711	-	25,071,758	-	63.6	-
	SP 2.4 procurement	18,079,814	-	4,095,952	-	22.7	-
	SP 2.5 public finance and accounting	24,361,432	-	12,384,014	-	50.8	-
	SP 2.6 Debt management	231,712,167	300,273,459	40,527,202	251,636,767	17.5	-
	SP 2.7 External Resources Mobilization	10,383,988	-	4,189,497	-	40.3	-
Programme 3: Economic and financial policy formulation and management	SP 3.1 Fiscal planning	40,684,648	-	25,881,103	-	63.6	-
	SP 3.2 monitoring and evaluation /statistical data management	9,191,340	-	4,817,542	-	52.4	-
	SP 3.3 KDSP programme	-	104,594,212	-	52,123,971	-	49.8
	Sub-Total	**49,875,988**	**104,594,212**	**30,698,645**	**52,123,971**	**61.5**	49.8

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
NAKURU CITY							
Programme 1	SP 1.1 Administration and Support Services	19,195,000	-	15,262,004	-	79.5	-
	SP 1.2 personnel services	27,630,170	-	21,706,745	-	78.6	-
	SP 1.3 financial services	600,000	-	457,049	-	76.2	-
Programme 2	SP 2.1 Infrastructure development and urban	7,846,545	420,471,001	206,200	346,369,359	2.6	82.4
	SP 2.2 Nakuru City Environments Management	-	1,500,000	-	984,950	-	65.7
	SP 2.3 Trade markets and investments	2,800,000	-	2,089,761	-	74.6	-
	SP 2.4 Nakuru City Social Services	2,899,418	-	2,077,424	-	71.6	-
	Sub-Total	**60,971,133**	**421,971,001**	**41,799,182**	**347,354,309**	**68.6**	**82.3**
DEPARTMENT OF YOUTH, CULTURE, GENDER, SPORTS AND SOCIAL SERVICES							
Programme 1: Administration, planning and support services	SP 1.1 Administration and Support Services	15,363,537	159,866,074	11,779,711	76,580,616	76.7	47.9
	SP 1.2 Personnel services	115,540,567	-	90,456,332	-	78.3	-
	SP 1.3 Financial services	7,600,000	-	-	-	-	-
Programme 2 Development of social-cultural diversity, economic empowerment and responsible Gaming	SP 2.1; Gender Equality and Empowerment	5,562,500	-	2,867,914	-	51.6	-
	SP 2.2 Social Inclusion and Empowerment	36,552,000	15,500,000	5,068,516	11,750,250	13.9	75.8
Programme 3 Management and development of sports, recreation and sports facilities	SP 3.1 Development and Management of Sports Infrastructure	-	617,823,107	-	7,754,514	-	43.5
	SP 3.2 Promotion of Sports Development and Recreation	52,162,500	-	44,581,196	-	85.5	-
Programme 4: Youth empowerment and participation	SP 4.1 youth empowerment and participation	57,879,902	2,000,000	45,419,166	-	78.5	-
	Sub-Total	**290,661,006**	**195,189,181**	**200,172,834**	**96,085,380**	**31.3**	10.2
DEPARTMENT OF WATER, ENVIRONMENT, ENERGY AND NATURAL RESOURCES							
Programme 1 Administration	SP 1.1 Administration services	30,000,000	1,525,329	14,650,050	405,376	48.8	26.6
	SP 1.2 Human resources	246,642,245	-	223,201,090	-	90.5	-
	SP 1.3 Finance services	500,000	-	-		-	-
Programme 2 water and sewage management	SP 2.1 Provision of water	9,193,152	1,183,898,460	3,569,015	589,295,212	38.8	49.8
	SP 2.2 provision	-	-	-	-	-	-
Programme 3:Environment management	SP 3.1 Pollution control	-	11,152,434	-	-	-	-
	SP 3.2 Solid Waste Management	15,173,790	-	1,092,854	4,392,000	7.2	-
	SP 3.3 Environmental Resources Mapping	2,000,000	-	-	-	-	-
	SP 3.4 Environmental Resources Mapping	1,525,000	-	-	-	-	-
Programme 4 County energy, planning, regulation, operation and development	SP 4.1 County Energy Development	-	213,312,923	-	3,988,613	-	1.9
	SP 4.2 Climate change resilience/forestry	32,919,664	-	4,063,513	-	12.3	-
	Sub-Total	**337,953,851**	**1,409,889,146**	**246,576,521**	**598,081,201**	**73.0**	**42.4**
OFFICE OF THE GOVERNOR AND DEPUTY GOVERNOR							
Programme 1 Administration, planning and support	SP;1.1 Administration and Planning	108,072,339	143,899,505	85,176,795	139,609,003	78.8	97.0
	SP 1.2 Personnel services	94,925,337	-	91,004,472	-	95.9	-

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 2 management of county affairs	SP 2.1 county executive services	15,618,492	-	7,618,392	-	-	-
	SP 2.2 policy direction and coordination	84,609,245	-	81,500,000	-	96.3	-
	SP 2.3 county policing services	4,685,548	-	1,200,000	-	25.6	-
	SP 2.4 leadership and governance	3,123,698	-	500,000	-	16.0	-
Programme 3 coordination and supervisory services	SP 3.1 organization of county businesses	23,427,738	-	5,440,801	-	23.2	-
	SP 3.2 Special programmes	7,809,246	-	-	-	-	-
	Sub-Total	**342,271,643**	**143,899,505**	**272,440,460**	**139,609,003**	**79.6**	97.0
OFFICE OF THE COUNTY ATTORNEY							
Programme 1 Administration, Planning and Support services	SP 1.1 Administration	20,670,798	4,000,000	12,213,964	3,382,115	59.1	84.6
	SP 1.2 Personnel services	18,946,623	-	7,276,967	-	38.4	-
	SP 1.3 financial services	500,000	-	-	-	-	-
Programme 2 Advisory services	SP 2.1 Advisory services	1,300,000	-	-	-	-	-
	SP 2.2 legal matters	3,560,966	-	1,544,848.6	-	43.4	-
	SP 3.1 Litigation	9,350,920	-	7,515,626	-	80.4	-
	SP 3.2 Formulation and review of bills	2,000,000	-	-	-	-	-
	SP 3.3 Conveyance and commercial transactions	1,000,000	-	-	-	-	-
	Sub-Total	**56,829,307**	**4,000,000**	**29,743,053**	**3,382,115**	**52.3**	**84.6**
DEPARTMENT OF INFRASTRUCTURE							
Programme 1 administration, planning and support services	SP 1.1 Administration services	41,952,695	-	40,380,170	-	96.3	-
	SP 1.2 Personnel services	142,905,065	-	122,320,272	-	85.6	-
	SP 1.3 financial services	-	-	-	-	-	-
Programme 2 infrastructure, development and maintenance	SP 2.1 Construction, rehabilitation and maintenance of road drainage and bridges	19,575,000	1,641,125,238	4,106,619	825,118,739	21.0	50.3
	SP 2.2 Rehabilitation and maintenance of transport terminus	4,800,000	-	-	-	-	-
	SP 2.3 Construction and maintenance of non-residential county buildings	9,575,000	2,000,000	282,000	1,464,310	2.9	73.2
	SP 2.4 Installation, rehabilitation and maintenance of lighting facilities	146,575,000	65,600,000	142,000,000	34,189,000	96.9	52.1
	Sub-Total	**365,382,760**	**1,708,725,238**	**309,089,061**	**860,772,049**	**84.6**	50.4
DEPARTMENT OF HEALTH SERVICES							
Programme 1 administration and planning	SP 1.1 Health information systems	9,901,941	601,379,464	9,930,863	201,094,378	100.3	33.4
	SP 1.2 governance and leadership	2,000,000	-	35,000	-	-	-
	SP 1.3 Human resource management	17,049,940	-	6,363,492	-	37.3	-
	SP 1.4 Research and development	1,997,550	-	99,360	-	5.0	-
	SP 1.5 Health infrastructure and development	1,000,000	-	331,750	-	33.2	-

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 2 health preventive and promotive services	SP 2.1 Primary Healthcare	2,000,000	-	2,187,917	-	109.4	-
	SP 2.2 environmental health and sanitation	10,629,350	14,331,759	-	5,278,772	-	36.8
	SP 2.3 human resource	1,250,000	-	-	-	-	-
	SP 2.4 Disease surveillance and emergency response	1,596,425	-	1,224,962	-	76.7	-
	SP 2.5 Health promotive	1,000,000	-	-	-	-	-
	SP 2.6 HIV programme	2,000,000	-	189,600	-	9.5	-
	SP 2.7 Nutrition	10,629,350	14,331,759	-	963,776	-	6.7
	SP 2.8 Reproductive health	1,250,000	-	-	-	-	-
	SP 2.9 Immunization	1,596,425	-	1,224,962	-	76.7	-
Programme 3 Health curative and rehabilitative services	SP 3.1 Provision of essential health services in all	1,344,723,582	1,037,333,359	1,261,397,626	133,317,292	93.8	12.9
	SP 3.2 Elimination of communicable and non-communicable diseases	2,200,000	-	262,500	-	11.9	-
	SP 3.3 Human resource	611,049,429	-	673,001,042	-	110.1	
	Sub-Total	**6,299,925,125**	**1,653,044,582**	**5,880,771,403**	**339,690,442**	**93.3**	**20.5**
DEPARTMENT OF LANDS, PHYSICAL PLANNING AND HOUSING							
Programme 1: Administration, Planning, Management and Support Services	SP 1.1: Administration and Financial Services	86,118,105	-	23,582,712	-	27.4	-
	SP 1.2: Personnel Services	98,207,312	-	60,748,496	-	61.9	-
Programme 2 Urban Development	SP 2.1: Development of	-	450,000,000	-	175,000,000	-	38.9
Programme 3: Land Use	SP 3.1: Land use	-	149,441,427	-	37,943,350	-	25.4
	SP 3.2: Survey	-	6,000,000	-	1,700,000	-	28.3
	SP 4.1 Housing	-	3,000,000	-	-	-	-
	Sub Total	**184,325,418**	**608,441,427**	**140,185,424**	**214,643,350**	**76.1**	**35.3**
DEPARTMENT OF TRADE, INDUSTRY, MARKETING AND TOURISM							
Programme 1 Administration planning	SP 1.1 Administration Services	25,484,898	2,000,000	11,844,744	1,074,800	46.5	53.7
	SP 1.2 Personnel services	70,884,945	-	68,535,595	-	96.7	-
Programme 2 cooperatives	SP 2.1: Management of Marketing Cooperatives	4,296,556	3,500,000	1,801,170	-	-	-
	SP 2.2 Sacco Empowerment	25,000,000	-	25,000,000	-	100	-
	SP 2.3 Cooperatives Leadership and Governance	5,254,475	-	3,734,908	-	71.1	-
	SP 2.4 Strengthening cooperatives	1,191,381	-	1,261,955	-	105.9	-
	SP 2.5 Empowering Youth, Women and PWDs Participation in Cooperatives	1,127,588	-	1,660,702	-	147.3	-
Programme 3: Commerce and Enterprise	SP 3.1 Business development services for SMEs	2,550,000	-	1,720,679	-	67.5	-
	SP 3.2 Producer business groups	800,000	-	584,000	-	73.0	-
	SP 3.3 SME training	1,000,000	-	908,000	-	90.8	-
	SP 3.4 SME funding	25,000,000	-	25,000,000	-	100	-
	SP 3.5 Development and management of county bus terminus	-	-	-	-	-	-
	SP 3.6 consumer protection	3,100,000	2,000,000	1,830,047	-	-	-
	SP 3.7 Establishment of the industrial park	-	400,000,000	-	150,000,000	-	37.5

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 4 market	SP 4.1 Market rehabilitation	-	12,800,000	-	8,405,003	-	65.7
	SP 4.2 Development of new market	-	260,816,592	-	164,582,848	-	63.1
	SP 4.3 Market users' delivery services	12,500,000	-	11,646,100		93.2	-
Programme 5 Tourism	SP 5.1 Promotion of local tourism	8,500,000	-	7,286,562		85.7	-
	SP 5.2 Management of county tourism information centre	-	-	-	-	-	-
Programme 6 alcoholic drinks and Control	SP 6.1 inspection, approval and liquor licensing	2,450,000	-	2,246,300	-	91.7	-
	SP 6.2 Liquor enforcement and compliance	150,000	-	58,169	-	38.8	-
	SP 6.3 research and innovation	600,000	-	515,600	-	85.9	
	SP 6.4 Treatment and rehabilitation of persons dependent on alcoholic drinks	1,050,000	-	-	-	-	
	SP 6.5 Education and training of sub-county and review committee	1,200,000	-	986,000	-	82.2	-
Programme 7: Development of socio-cultural diversity and promotion	SP 7.1 Cultural Development Activities	20,883,063	-	4,591,816	-	22.0	-
	SP 7.2 promotion of responsible gaming	6,150,000	-	4,557,417		74.1	-
	Sub-Total	**219,172,906**	**681,116,592**	**175,769,764**	**326,001,051**	**80.2**	**6.6**
COUNTY PUBLIC SERVICE BOARD							
Programme 1: Administration and Human Resource Planning	SP 1.1 Administrative Services.	60,364,584.00	3,000,000.00	52,380,984.00	2,939,632.25	86.8	98
	SP 1.2 Financial Services	2,200,000.00	-	1,325,000.00	-	60.2	-
Programme 2; Human Resource Planning and Advisory Services	SP 2.1 Human Resource Planning	9,781,897.00	-	9,350,000.00	-	95.6	-
	SP 2.2 Provision of Human Resource Advisory Services	2,976,544.00	-	2,375,000.00	-	79.8	-
	Sub-Total	**75,323,025.00**	**3,000,000.00**	**65,430,984.00**	**2,939,632.25**	**86.9**	**98**
MOLO MUNICIPALITY							
Programme 1: Administration Planning and Support Services	SP 1.1: Administration and Planning	3,675,000.00	-	-	-	-	-
Programme 2: Molo Municipal Services	S.P 2.1: Planning and Infrastructure Development	667,650.00	-	-	-	-	-
	S.P 2.2: Environmental Management	223,200.00	-	-	-	-	-
	S.P 2.3: Trade and Tourism	223,200.00	-	-	-	-	-
	S.P 2.4: Social Services	210,950.00	-	-	-	-	-
	Sub-Total	**5,000,000.00**	**-**	**-**	**-**	**-**	**-**
GILGIL MUNICIPALITY							
Programme 1: Administration Planning and Support Services	SP 1.1: Administration and Planning	3,675,000	-	1,873,888	-	51.0	-
Programme 2: Gilgil Municipal Services	S.P 2.1: Planning and Infrastructure Development	667,650	-	-	-	-	-
	S.P 2.2: Environmental Management	223,200	-	-	-	-	-
	S.P 2.3: Trade and Tourism	223,200	-	-	-	-	-
	S.P 2.4: Social Services	210,950	-	-	-	-	-
	Sub-Total	**5,000,000**	**-**	**1,873,888**	**-**	**37.5**	**-**
COUNTY ASSEMBLY							

Programme	Sub Programme	Approved Estimates (Kshs.)		Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 1: Administration	Compensation of Employees	157,573,013	-	157,558,534	-	100.0	-
	Use of Goods and services	242,627,425	-	242,622,992	-	100.0	-
	Transfer to Other Government entities	-	-	1,931,500	-	-	-
	Acquisition of Assets	3,032,980	139,459,318	3,032,580	81,852,998	100	59.6
Programme 2: Legislative Services	Compensation of Employees	302,272,682	-	302,270,739	-	100.0	-
	Use of goods and services	385,481,732	-	373,450,290	-	96.9	-
	Acquisition of Assets	-	3,185,600	-	3,185,600	-	**100**
	Sub-Total	**1,090,987,832**	**142,644,918**	**1,080,866,635**	**85,038,598**	**94.5**	**59.6**
Grand Total		**13,628,904,682**	**9,681,626,831**	**11,982,046,296**	**4,449,307,915**	**87.9**	**46.0**

***Source**: Nakuru County Treasury*

A number of sub-programmes had expenditures above approved budget allocations which included; - SP 2.5 Empowering Youth, Women and PWDs participation in Cooperatives at 147.3 per cent, SP 2.1 Primary Healthcare at 108.4 per cent, SP 2.2 Bursaries at 100.7 per cent, and SP 2.4 Strengthening cooperatives at 105.9 per cent of annual allocation. The County Treasury should investigate the cause of the misappropriation of funds and take corrective action.

3.31.13 Accounts Operated Commercial Banks

The County government operated 12 accounts with commercial banks. 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.

3.31.14 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;

1. 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 9th August 2024.
2. Low absorption of development funds as indicated by the expenditure of Kshs.4.45 billion from the annual development budget allocation of Kshs.9.68 billion. The development expenditure represented 46.0 per cent of the annual development budget.
3. The under performance of own-source revenue at Kshs.3.32 billion against an annual target of Kshs.4.1 billion, representing 81.0 per cent of the annual target.
4. High level of pending bills, which amounted to Kshs.1.10 billion as of 30th June 2024.
5. Use of manual payroll. Personnel emoluments amounting to Kshs.582.61 million were processed through the manual payroll, accounting for 8.6 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.
6. 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 operations of the funds in the County.
7. High expenditure on domestic travel at Kshs.544.13 million.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

2. *The County should identify and address issues causing delays in implementing development projects.*
3. The County should address its own-source revenue performance to ensure the approved budget is fully financed. A*ppropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*
4. *The county leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the following financial year. Further, compliance with the payment plan should be enforced.*
5. *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.*
6. *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.*
7. *The county should reduce expenditure on domestic travel by holding activities within the county headquarters*

3.32. County Government of Nandi

3.32.1 Overview of FY 2023/24 Budget

The County's approved supplementary II budget for FY 2023/24 was Kshs.9.85 billion, comprising Kshs.3.59 billion (36.4 per cent) and Kshs.6.26 billion (63.6 per cent) allocation for Development and recurrent programmes, respectively. The approved budget estimates represented an increase of 15.7 per cent compared to the previous financial year when it was Kshs.8.51 billion and comprised of Kshs.2.40 billion for development expenditure and Kshs.6.11 billion for recurrent expenditures.

To finance the budget, the County expected to receive Kshs.7.31 billion (74.2 per cent) as the equitable share of revenue raised nationally, Kshs.1.38 billion (14 per cent) as additional allocations/conditional grants, a cash balance of Kshs.548.53 million (5.6 per cent) brought forward from FY 2022/23, and generate Kshs.558.33 million (5.7 per cent) as gross own source revenue. The own-source revenue includes Kshs.198.23 million (2 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.360.10 million (3.7 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.217.

3.32.2 Revenue Performance

In the FY 2023/24, the County received Kshs.6.72 billion as an equitable share of the revenue raised nationally, Kshs.722.11 million as additional allocations/conditional grants, a cash balance of Kshs.548.53 million from FY 2022/23, and raised Kshs.630.72 million as own-source revenue (OSR). The raised OSR includes Kshs.238.62 million as FIF and Kshs.392.10 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.8.62 billion, as shown in 3.217.

Table 3.217: Nandi County Revenue Performance in the FY 2023/24

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	7,305,294,585	6,720,870,513	92
Sub Total		**7,305,294,585**	**6,720,870,513**	**92**
B	Conditional Grants			
1	Establishment of the Industrial Park	250,000,000	62,500,000	25
2	Fertilizer Subsidy Programme	128,705,606	-	-
3	Livestock Value Chain Support Project	57,294,720	-	-

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
4	DANIDA -HSPS3	24,759,750	20,248,313	81.8
5	W B. -National Agricultural and Rural Growth Project	150,000,000	53,226,757	35.5
6	IDA (WORLD BANK). -National Agricultural Value Chain Development Project (NAVCDP)	200,000,000	199,797,468	99.9
7	Nutrition International	35,500,000	12,499,400	35.2
8	KISIP-Kenya Informal Settlements Improvement Project	304,000,000	132,245,633	43.5
9	Financing Locally Led Climate Action (FLLoCA)	216,577,206	230,077,206	106.2
10	FLLoCA County Climate Institutional Support (CCIS) Grant	11,000,000	11,000,000	100
11	Transfer for Library Services	5,047,663	-	-
12	Agricultural Sector Development Support Program (ASDSP)	516,946	516,946	100
Sub-Total		**1,383,401,891**	**722,111,723**	**52.2**
C	Other Sources of Revenue			
1	Ordinary Own Source Revenue	360,098,158	392,103,573	108.9
2	Balance b/f from FY2022/23	548,529,220	548,529,220	100
3	Facility Improvement Fund (FIF)	198,231,711	238,623,583	120.4
4	Other Revenues	55,110,901	-	-
Sub Total		**1,161,969,990**	**1,179,256,376**	**101.5**
Grand Total		**9,850,666,466**	**8,622,238,612**	**87.5**

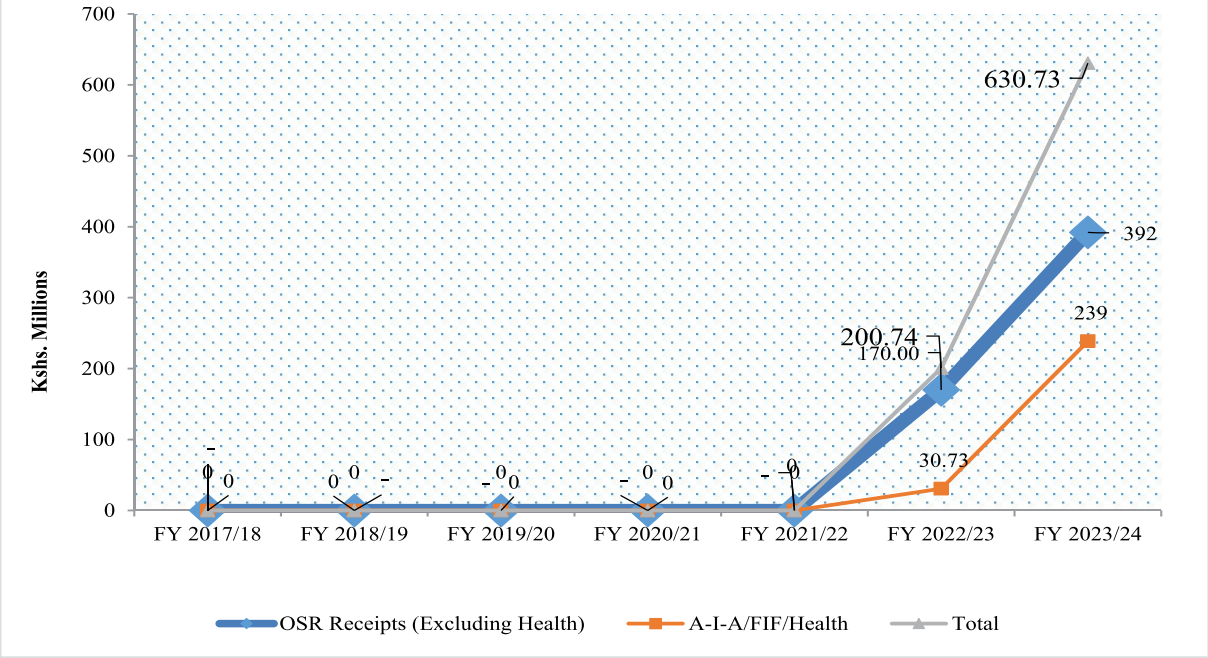
Source: *Nandi County Treasury*

The increased performance in own-source revenue resulted from enhanced measures by the County to collect health revenue.

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

Figure 123 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24. Data was unavailable for FY 2017/18 to FY 2020/21.

Figure 123: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24

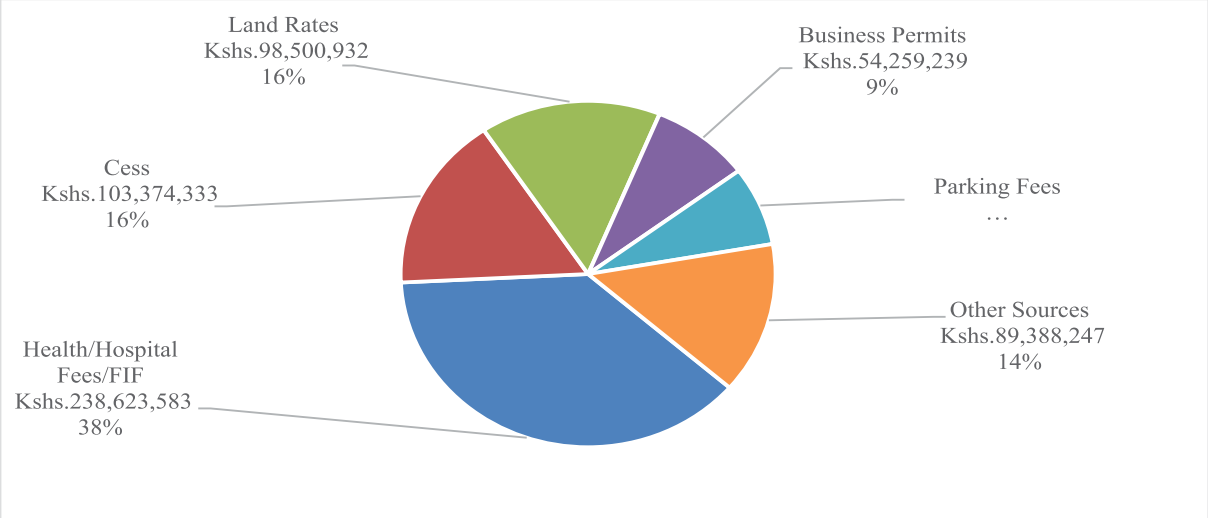


Source: *Nandi County Treasury*

In FY 2023/24, the County generated Kshs.630.73 million from its revenue sources, including FIF and AIA. This amount represented an increase of 214.2 per cent compared to Kshs.200.74 million realized in a similar period in FY 2022/23. It was 113 per cent of the annual target and 9.4 per cent of the equitable revenue share disbursed during the period.

The revenue streams which contributed the highest OSR receipts are shown in Figure 124.

Figure 124: Top Streams of Own Source Revenue in the FY 2023/24 (Kshs)



Source: Nandi County Treasury

The highest revenue stream, Kshs.238.62 million, came from FIF, which contributed 38% of the total OSR receipts during the reporting period.

3.32.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.7.82 billion from the CRF account during the reporting period, comprising Kshs.1.64 billion (21 per cent) for development programmes and Kshs.6.17 billion (79 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in FY 2023/24 indicates that Kshs.4.48 billion was released towards Employee Compensation and Kshs.1.69 billion for Operations and Maintenance expenditures.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.15.75 million.

3.32.4 County Expenditure Review

The County spent Kshs.8.32 billion on Development and recurrent programmes in the reporting period. The expenditure represented 106.4 per cent of the total funds released by the CoB and comprised of Kshs.1.78 billion and Kshs.6.53 billion on Development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 49.8 per cent, while recurrent expenditure represented 104.3 per cent of the annual recurrent expenditure budget.

3.32.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County Executive reported a stock of pending bills amounting to Kshs.177.97 million, comprising Kshs.96.46 million for recurrent expenditure and Kshs.81.51 million for development activities. The County Treasurer did not provide a report as of 30th June 2024. The County Assembly reported nil outstanding pending bills as of 30th June 2024.

3.32.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.4.04 billion on employee compensation, Kshs.1.70 billion on operations and maintenance, and Kshs.1.73 billion on development activities. Similarly, the County Assembly spent Kshs.394.93 million on employee compensation,

Kshs.397.67 million on operations and maintenance, and Kshs.57.29 million on development activities, as shown in Table 3.218.

Table 3.218: 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	**5,467,573,084**	**796,999,461**	5,740,263,247	792,598,550	**105**	**99.4**
Compensation to Employees	3,699,589,243	490,399,129	4,039,555,885	394,925,397	109.2	80.5
Operations and Maintenance	1,767,983,841	306,600,332	1,700,707,362	397,673,153	96.2	129.7
Development Expenditure	3,521,093,920	65,000,000	1,727,536,420	57,285,011	49.1	88.1
Total	**8,988,667,004**	**861,999,461**	**7,467,799,667**	**849,883,561**	83.1	98.6

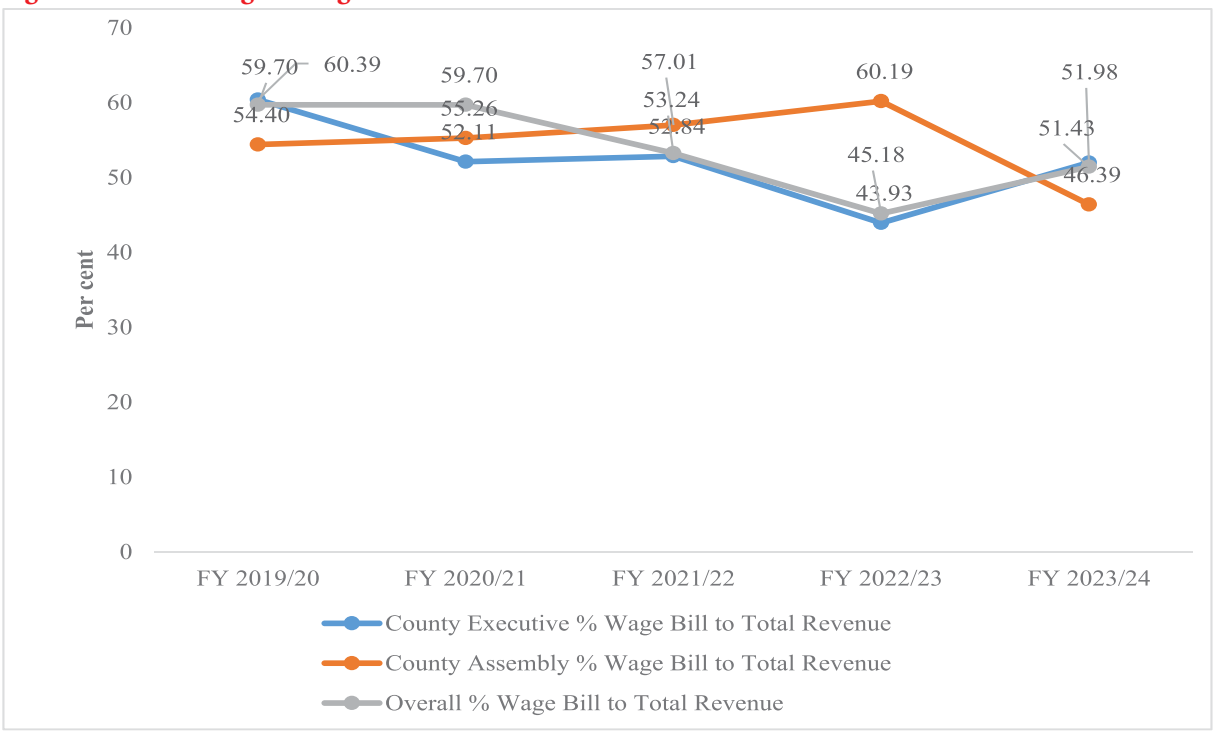
***Source**: Nandi County Treasury*

3.32.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.43 billion, or 51.4 per cent of the available revenue. This expenditure represented an increase from Kshs.3.63 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.2.92 billion paid to health sector employees, translating to 65.9 per cent of the total wage bill. The 22.1 per cent increase in the wage bill is due to increased employee statutory deductions.

Figure 125 shows the trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 125: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Nandi County Treasury

Further analysis indicates that PE costs amounting to Kshs.4.16 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.270.94 million was processed through manual payrolls. The manual payrolls accounted for 6.1 per cent of the total PE cost.

The County Assembly spent Kshs.19.44 million on committee sitting allowances for the 45 MCAs against the annual budget allocation of Kshs.30.89 million. The average monthly sitting allowance was Kshs.36,008.00 per MCA. The County Assembly has established 21 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.330 million to county-established funds in FY 2023/24, constituting 3.5 per cent of the County's overall budget. Table 3.216 summarises each established Fund's budget allocation and performance during the reporting period. Further, the County allocated Kshs.100 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.219 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.219: Performance of County Established Funds in the FY 2023/24

S/No.	Name of The Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 30th June 2024 (Yes/No)
	County Executive Established Funds				
1.	Nandi County Education Fund	152,000,000	152,000,000	146,500,000	Yes
2.	Nandi County Emergency Fund	100,000,000	50,041,585	-	No
3.	Nandi County Executive Car Loan and Mortgage Scheme Fund	80,000,000	62,000,000	-	Yes
	County Assembly Established Funds				
5.	Car Loan & Mortgage Fund	97,328,000	30,968,000	-	No
	Total	**330,000,000**	**295,009,585**	**146,500,000**	

Source: *Nandi County Treasury*

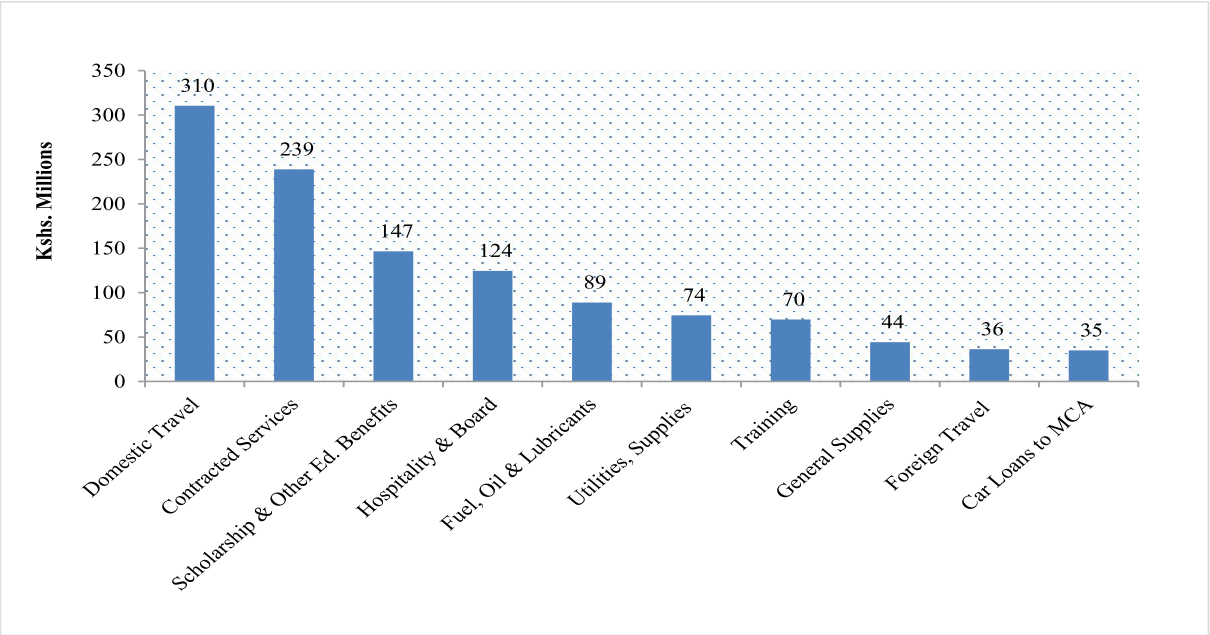
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of 2 funds, as indicated in Table 3.216, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.32.9 Expenditure on Operations and Maintenance

Figure 126 summarises the Operations and Maintenance expenditure by major categories.

Figure 126: Nandi County, Operations and Maintenance Expenditure by Major Categories



Source: *Nandi County Treasury*

Expenditure on domestic travel amounted to Kshs.310 million and comprised Kshs.139.09 million spent by the County Assembly and Kshs.171.36 million by the County Executive. Expenditure on foreign travel amounted to Kshs.36.31 million and comprised Kshs.10 million by the County Assembly and Kshs.26.31 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.220 below;-

Table 3.220: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Dates Travelled	Purpose of Travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	7	5th-8th January 2024	First Annual Conference on Integrating Urban Infrastructure and Technological Advancement towards smart cities and sustainable housing	Dubai, UAE	4,306,803
County Assembly	7	4th-7th January 2024	Role of Leadership in Efficient Healthcare Management and Advanced Healthcare Technologies in a Digitally Disruptive World	Dubai, UAE	3,633,273
Executive	2	22nd August 2023	Facilitation to attend international conference on food safety and security international conference on vaccines	France	1,823,840
Executive	4	27th September 2023	Facilitation to attend solar system street lighting	South Africa	1,773,478
Executive	1	13th March 2024	Facilitation to receive an Innovation award on Behalf of Nandi County	United States of America	1,317,316
County Assembly	1	27th Oct - 5th Nov 2023	Training on Performance Management and local-ization of Sustainable Development Goals	Kent, UK	1,042,932
Executive	1	18th August 2023	Facilitation to attend UN food systems summit in Rome, Italy	Italy	829,308
Executive	2	21st August 2023	Facilitation to attend 7th International Conference on Food Safety and Security	France	816,530
Executive	2	5th December 2023	Facilitation to attend the 7th Africa Conference on Agriculture and the 60th annual AEASA Conference	South Africa	757,250
Executive	1	22nd November 2023	Facilitation to participate in the Third Belt and Road Forum	China	718,842
Executive	1	7th December 2023	Facilitation to New Delhi to accompany H.E The President	India	618,668

Source: Nandi County Treasury and Nandi County Assembly

The operations and maintenance costs include an expenditure of Kshs.33.67 million on Legal fees/Dues, arbitration, and compensation payments.

3.32.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.78 billion on development programmes, a decrease of 9.4 percent compared to FY 2022/23, when the County spent Kshs.1.97 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.221: Nandi County, List of Development Projects with the Highest Expenditure

	Sector	Project Name	Project Location	Contract Sum (Kshs)	Budget (Kshs)	Amount Paid to Date
1	County Assembly	Construction of Modern County Assembly Chambers, Offices and Auxiliary Amenities	Kapsabet	586,837,418	65,000,000	486,481,053
2	Lands and Physical Planning	County Physical Land Use Development Plan	Countywide	83,000,000	85,000,000	46,848,384
3	Executive	Construction of Governors Building	Kapsabet	45,847,895	50,000,000	42,800,000
4	Health and Sanitation	Construction of Mother and Child at County Referral Hospital	Kapsabet	67,152,195	67,152,195	66,333,788
5	Roads and Infrastructure	Being Payment In Respect To Supply and Delivery of Motor Graders	County Wide	20,534,568	20,534,568	19,936,474

	Sector	Project Name	Project Location	Contract Sum (Kshs)	Budget (Kshs)	Amount Paid to Date
6	Executive	Construction of Perimeter Wall At Governors Building	Kapsabet	11,909,483	11,909,483	11,909,483
7	Agriculture and Cooperative	Construction of Cooperative Creameries Processing Plant At Kabiyet Phase III	Kabiyet	9,527,586	9,527,586	9,527,586
8	Health and Sanitation	Construction of Chepterwai Subcounty Hospital Phase 2	Chepterwai	9,653,387	9,653,387	9,372,220
9	Agriculture and Cooperative	Supply of Foot and Mouth Disease Vaccines	County Wide	7,200,000	7,200,000	7,200,000
10	Sports Youth Affairs Culture Gender and Social Welfare	Construction of Eliud Kipchoge Complex	Kapsabet	6,669,310	6,669,310	6,669,310

***Source**: Nandi County Treasury*

3.32.11 Budget Performance by Department

Table 3.222 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.222: Nandi County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	484.74	51.50	484.74	25.67	455.64	25.00	94.0	97.4	94.0	48.5
Finance and Economic Planning	525.74	55.00	524.62	6.56	461.91	13.50	88.0	205.6	87.9	24.5
Administration, Public Service and ICT	187.32	69.50	177.24	-	179.83	6.00	101.5	-	96.0	8.6
Health and Sanitation	2,998.80	288.12	2,995.12	98.16	3,461.13	139.72	115.6	142.3	115.4	48.5
Agriculture and Cooperative Development	279.70	793.23	279.70	328.05	275.27	582.95	98.4	177.7	98.4	73.5
Sports, Youth Affairs, Gender and Social Welfare Arts	123.02	60.02	117.07	28.67	114.46	44.36	97.8	154.7	93.0	73.9
Education and Vocational Training and Development	409.43	257.19	404.00	101.77	398.70	127.55	98.7	125.3	97.4	49.6
Lands, Physical Planning, Housing, Environment, Water, Natural Resources and Climate Change	102.66	879.03	97.90	573.36	91.99	300.99	94.0	52.5	89.6	34.2
Transport, Public Works and Infrastructure Development	145.50	433.44	140.78	322.72	120.05	363.64	85.3	112.7	82.5	83.9
Trade, Tourism, Industrialization and Enterprise Development	73.84	577.07	72.48	100.41	58.42	121.50	80.6	121.0	79.1	21.1
County Public Service Board and Labour	52.80	-	42.86	-	46.95	-	109.5	-	88.9	-
County Assembly	797.00	65.00	765.28	57.29	792.60	57.29	103.6	100.0	99.4	88.1
Kapsabet Municipality	14.33	57.00	3.45	-	6.57	2.34	190.4	-	45.8	4.1
Office of the County Attorney	69.70	-	69.70	-	69.35	-	99.5	-	99.5	-
Total	**6,265**	**3,586**	**6,175**	**1,643**	**6,533**	**1,785**	**105.8**	**108.7**	**104.3**	**49.8**

***Source**: Nandi County Treasury*

Analysis of expenditure by departments shows that the County Assembly recorded the highest absorption rate of the development budget, at 88.1 per cent, followed by the Department of Transport, Public Works,

and Infrastructure Development, at 83.9 per cent. The Department of Health and Sanitation had the highest percentage of recurrent expenditures to budget, at 115.4 per cent, while the Department of Kapsabet Municipality had the lowest, at 45.8 per cent.

The allocations for recurrent expenditure for the Assembly and the Executive are within the ceilings in CARA, 2023.

3.32.12 Budget Execution by Programmes and Sub-Programmes

Table 3.223 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.223: Nandi County, Budget Execution by Programmes and Sub-Programmes

Description	Revised Estimates			Expenditure			Absorption Rate(%)
	Recurrent	Development	Gross	Recurrent	Development	Gross	
4411-Nandi - County Executive							
General Administration and Support Services	484,744,277	51,500,000	536,244,277	455,638,375	24,995,065	480,633,440	89.6
Grand Total	**484,744,277**	**51,500,000**	**536,244,277**	**455,638,375**	**24,995,065**	**480,633,440**	**89.6**
4414-Nandi - Health							
Preparation of Regional & Local Physical Development	-	-	-	-	1,435,230	1,435,230	-
Health Service Delivery Administration Services	3,391,397,474	288,116,483	3,679,513,957	3,461,128,753	138,286,394	3,599,415,147	97.8
Grand Total	**3,391,397,474**	**288,116,483**	**3,679,513,957**	**3,461,128,753**	**139,721,624**	**3,600,850,377**	**97.9**
4422-Nandi - County Public Service							
Administration and support services	1,200,000	-	1,200,000	1,134,400	-	1,134,400	94.5
Administrative Support Services	46,600,087	-	46,600,087	45,815,772	-	45,815,772	98.3
Grand Total	**47,800,087**	**-**	**47,800,087**	**46,950,172**	**-**	**46,950,172**	**98.2**
4424-Nandi-Kapsabet Municipality							
Default - Non Programmatic	-	-	-	-1,194,559	-	-1,194,559	
General Administration and Support Services	14,330,000	36,000,000	50,330,000	7,764,600	2,339,915	10,104,515	20.1
Infrastructure and Development	-	21,000,000	21,000,000	-	-	-	
Grand Total	**14,330,000**	**57,000,000**	**71,330,000**	**6,570,041**	**2,339,915**	**8,909,956**	**12.5**
4425-Nandi - Office of The County Attorney							
Administrative Support Services	69,695,643	-	69,695,643	69,346,200	-	69,346,200	99.5
Grand Total	**69,695,643**	**-**	**69,695,643**	**69,346,200**	**-**	**69,346,200**	**99.5**
4426-Nandi-Finance and Economic Planning							
General Administration and Support Services	525,736,729	-	525,736,729	461,914,790	-	461,914,790	87.9
Revenue Collection and Management Phase 1	-	55,000,000	55,000,000	-	13,496,149	13,496,149	24.5
Grand Total	**525,736,729**	**55,000,000**	**580,736,729**	**461,914,790**	**13,496,149**	**475,410,939**	**81.9**
4427-Nandi - Administration Public Service and ICT							
Administration and support services	187,323,842	82,501,800	269,825,642	179,830,954	5,997,699	185,828,653	68.9

Description	Revised Estimates			Expenditure			Absorption Rate(%)
	Recurrent	Development	Gross	Recurrent	Development	Gross	
Administrative Support Services	-	-13,000,000	-13,000,000	-	-	-	
Grand Total	**187,323,842**	**69,501,800**	**256,825,642**	**179,830,954**	**5,997,699**	**185,828,653**	**72.4**
4428-Nandi - Agriculture and Cooperatives Development							
Administration and support services	279,700,919	793,230,272	1,072,931,191	275,270,101	582,949,894	858,219,995	80.0
Grand Total	**279,700,919**	**793,230,272**	**1,072,931,191**	**275,270,101**	**582,949,894**	**858,219,995**	**80.0**
4429-Nandi-Sports, Youth Affairs, Gender and Social Welfare Arts							
Development And Promotion of Culture	11,888,970	-	11,888,970	6,076,290	-	6,076,290	51.1
General Administration and Support Services	55,086,946	-	55,086,946	52,959,587	-	52,959,587	96.1
Sports infrastructure Development	-	60,022,000	60,022,000	-	44,358,920	44,358,920	73.9
Sports Activities and Programs	56,042,424	-	56,042,424	55,420,200	-	55,420,200	98.9
Grand Total	**123,018,340**	**60,022,000**	**183,040,340**	**114,456,077**	**44,358,920**	**158,814,997**	**86.8**
4430-Nandi - Education Vocational Training and Scholarship							
Administration and support services	409,427,616	-	409,427,616	398,700,902	-	398,700,902	97.4
General Administration & Support Services	-	257,193,129	257,193,129	-	127,551,417	127,551,417	49.6
Grand Total	**409,427,616**	**257,193,129**	**666,620,745**	**398,700,902**	**127,551,417**	**526,252,319**	**78.9**
Nandi - Lands, Physical Planning, Housing							
Administration and support services	102,658,526	-	102,658,526	91,990,064	-	91,990,064	89.6
General Administration and support services	-	879,025,767	879,025,767	-	300,988,676	300,988,676	34.2
Grand Total	**102,658,526**	**879,025,767**	**981,684,293**	**91,990,064**	**300,988,676**	**392,978,740**	**40.0**
4432-Nandi - Transport, Public Works and Infrastructure Development							
General Administration and support services	145,503,856	-	145,503,856	120,045,463	-	120,045,463	82.5
Road-works	-	433,436,934	433,436,934	-	363,641,670	363,641,670	83.9
Grand Total	**145,503,856**	**433,436,934**	**578,940,790**	**120,045,463**	**363,641,670**	**483,687,133**	**83.5**
4433-Nandi - Trade, Tourism, Industrialization and Enterprise							
General Administration & Support Services	73,835,775	-	73,835,775	58,421,355	-	58,421,355	79.1
Trade Development & Promotion	-	577,067,535	577,067,535	-	121,495,392	121,495,392	21.1
Grand Total	**73,835,775**	**577,067,535**	**650,903,310**	**58,421,355**	**121,495,392**	**179,916,747**	**27.6**

***Source**: Nandi County Treasury*

Sub-programmes with the highest implementation rates based on absorption were Administrative Support Services in the Department of the County Attorney at 99.5 per cent, Administrative Support Services in the Department of County Public Service at 98.3 per cent, Sports Activities and Programs in the Department -Sports, Youth Affairs, Gender and Social Welfare Arts at 98.9 per cent and Health Service Delivery Administration Services in the Department of Health and Sanitation at 97.8 per cent of budget allocation.

3.32.13 Accounts Operated Commercial Banks

The County government operated 7 accounts with commercial banks. 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.

3.32.14 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;

1. 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 1st August 2024
2. Failure by the Fund Administrators 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, County Assembly Car Loan & Mortgage Fund and County Executive Car Loan & Mortgage Fund reports were not submitted to the Controller of Budget.
3. The County Treasury did not provide an updated list of pending bills as of 30th June 2024.
4. Use of manual payroll. Personnel emoluments amounting to Kshs.270.94 million were processed through the manual payroll, accounting for 6.1 per cent of the total payroll cost. The annual payroll is prone to abuse and may lead to the loss of public funds if proper controls are lacking.
5. Law expenditure on development programmes which accounted for 21.5 percent of total expenditure.

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

1. The C*ounty Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
3. *The County should provide a report on the status of pending bills to the County Assembly for oversight.*
4. *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 its 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.*
5. *The County should prioritise expenditure on development programmes to adhere to the legal provision of 30 per cent.*

3.33. County Government of Narok

3.33.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget No.2 for FY 2023/24 was Kshs.14.99 billion, comprising Kshs.5.10 billion (34.0 per cent) and Kshs.9.89 billion (66.0 per cent) allocation for development and recurrent programmes. The approved budget estimates represented an increase of 0.03 per cent compared to the previous financial year when it was Kshs.14.98 billion, comprised of Kshs.4.83 billion for development expenditure and Kshs.10.15 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.9.20 billion (61.4 per cent) as the equitable share of revenue raised nationally, Kshs.760.33 million (5.1 per cent) as additional allocations/conditional grants, a

cash balance of Kshs.0.57 million (0 per cent) brought forward from FY 2022/23, and generate Kshs.5.02 billion (33.5 per cent) as gross own source revenue. The own source revenue includes Kshs.44.0 million (0.3 per cent) as Appropriations-in-Aid (A-I-A), Kshs.120.95 million (0.8 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.4.86 billion (32.4 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.221.

3.33.2 Revenue Performance

In the FY 2023/24, the County received Kshs.8.46 billion as an equitable share of the revenue raised nationally, Kshs.429.41 million as additional allocations/conditional grants, a cash balance of Kshs.0.57 million from FY 2022/23 and raised Kshs.4.78 billion as own-source revenue (OSR). The raised OSR includes Kshs.27.78 million as A-I-A, Kshs.59.48 million as FIF and Kshs.4.69 billion as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.13.67 billion, as shown in Table 3.224.

Table 3.224: Narok County, Revenue Performance in the FY 2023/24

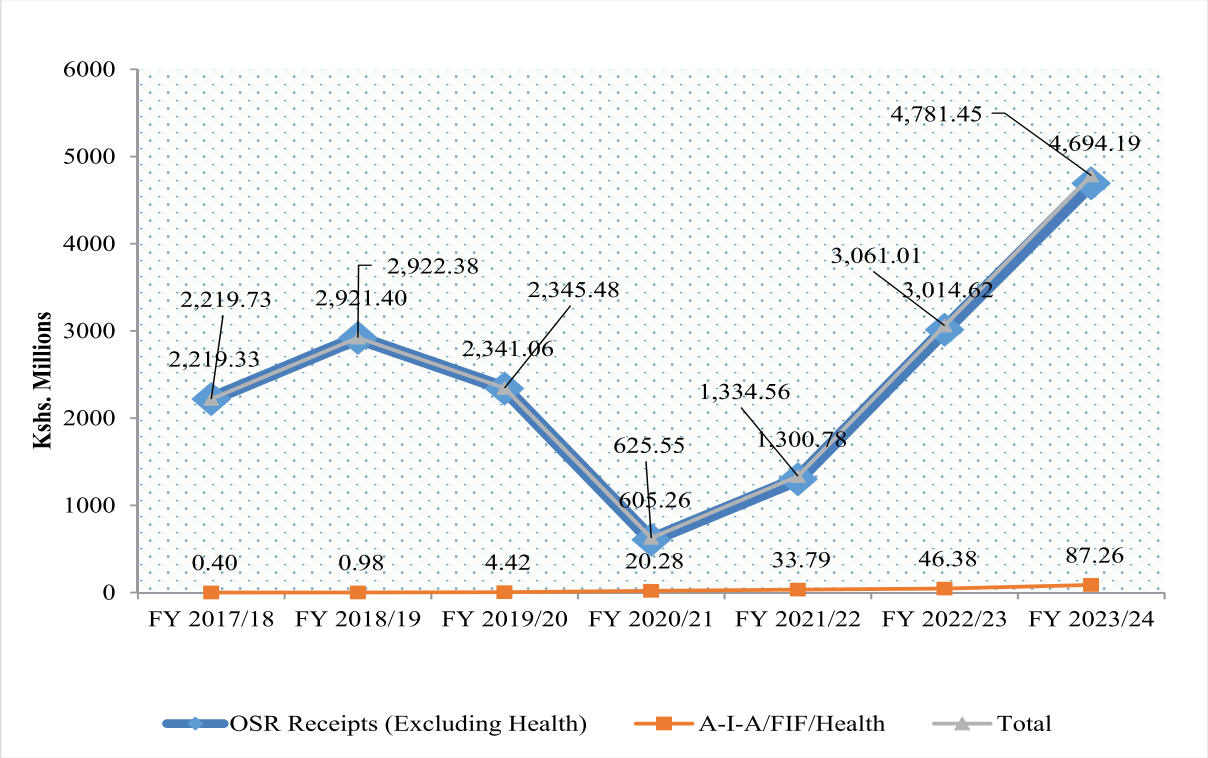
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	9,196,276,899.00	8,460,574,742.00	92.0
	Library	4,956,754.00	-	-
Sub total		**9,201,233,653.00**	**8,460,574,742.00**	**92.0**
B	Additional Allocations/Conditional Grants			
	Allocation for Mineral Royalties	27,206,336	-	-
	De-Risking and Value Enhancement - DRIVE	63,341,980	-	-
	Livestock Value Chain Support Projects	35,809,200	-	-
	Fertilizer Subsidy Programme	135,733,204	-	-
	World bank Loan- National Agri & Rural Growth	5,000,000	4,261,825.85	85.2
	World bank Loan- NAVCDP	200,000,000	199,802,247.65	99.9
	DANIDA Grant -PHC	14,668,500	14,668,500.00	100.0
	Agricultural Sector Development Support Program (ASDSP)	1,119,636	1,619,636.00	144.7
	Financing Locally-Led Climate Action (FLLoCA - INV)	198,000,000	198,053,490.00	100.0
	Financing Locally-Led Climate Action (FLLoCA - CB)	11,000,000	11,000,000.00	100.0
	B/F Grants-KDSP	68,451,638	-	-
Subtotal		**760,330,494**	**429,405,700**	**56.5**
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	4,858,121,756	4,694,190,690	96.6
	Appropriation in Aid (A-I-A)	44,000,000	27,777,454	63.1
	Facility Improvement Fund (FIF)	120,951,908	59,479,796	49.2
Subtotal		**5,023,073,664**	**4,781,447,940**	**95.2**
D	**Other Sources of Revenue**			
	Unspent balance from FY 2022/23	568,277	568,277	-
	Other Revenues	-	-	-
Sub Total		**568,277**	**568,277**	
Grand Total		**14,985,206,088**	**13,671,996,658**	**91.2**

Source: *Narok County Treasury*

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

Figure 127 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 127: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24.



Source: *Narok County Treasury*

In FY 2023/24, the County generated a total of Kshs.4.78 billion from its revenue sources, inclusive of FIF and AIA. This amount represented an increase of 56.2 per cent compared to Kshs.3.06 billion realized in a similar period in FY 2022/23. It was 95.2 per cent of the annual target and 56.5 per cent of the equitable revenue share disbursed during the period.

This increase of OSR by 56.2 per cent can be attributed to the following: -

The county was among the first few counties assessed using the Tax Administration Diagnostic Assessment Tool (TADAT) in April 2022. Upon training, assessment and the release of the report, a secretariat was established to develop a Revenue Enhancement Action Plan (REAP) focusing on the priority areas that needed improvement (based on the TADAT performance assessment report). The REAP covered the period between 2022- 2027. Among the revenue strategies implemented during the period were;

a) *Development of finance policies and regulations in line with the Narok County Government Finance Act, 2022/23.*

b) *Automation of other revenue outside Maasai Mara National Game Reserve.*

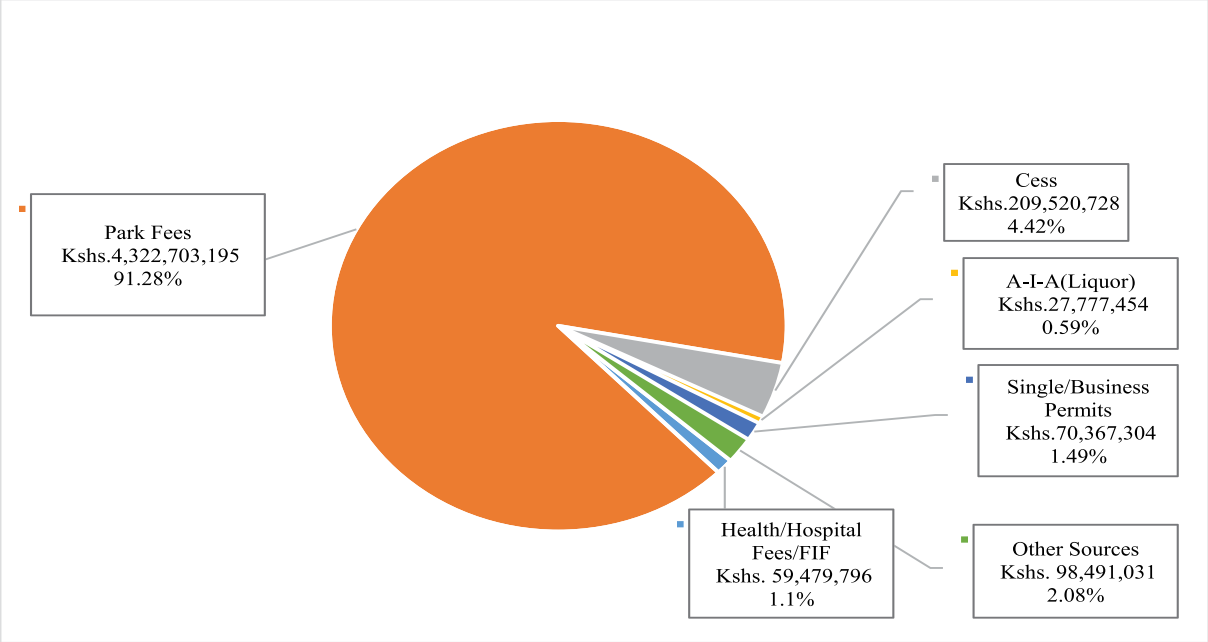
c) *Staff re-alignment & capacity building.*

d) *Employment of new staff.*

e) *Revenue targets cascaded from the Directorate to Sub County Revenue Officers level to revenue collection clerks for individual set targets.*

The revenue streams which contributed the highest OSR receipts are shown in Figure 128.

Figure 128: Top Streams of Own Source Revenue in the FY 2023/24.



Source: *Narok County Treasury*

The highest revenue stream, Kshs.4.32 billion, was from Park Fees, which contributed 91.3 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.13.53 billion from the CRF account, comprising Kshs.4.60 billion (34.0 per cent) for development programmes and Kshs.8.93 billion (66.0 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in FY 2023/24 indicates that Kshs.4.37 billion was released towards Employee Compensation and Kshs.4.56 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.13.02 million.

3.33.4 County Expenditure Review

The County spent Kshs.13.53 billion on development and recurrent programmes in the reporting period. The expenditure represented 90.3 per cent of the total funds released by the CoB and comprised Kshs.4.60 billion and Kshs.8.93 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 90.3 per cent, while recurrent expenditure represented 90.3 per cent of the annual recurrent expenditure budget.

3.33.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.56 billion, comprising Kshs.587.86 million for recurrent expenditures and Kshs.975.76 million for development activities. In FY 2023/24, the County settled pending bills amounting to Kshs.798.98 million. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.764.64 million.

3.33.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.89 billion on employee compensation, Kshs.4.20 billion on operations and maintenance, and Kshs.4.57 billion on development activities. Similarly, the County Assembly spent Kshs.480.48 million on employee compensation, Kshs.353.53 million on operations and maintenance, and Kshs.30.95 million on development activities, as shown in Table 3.225.

Table 3.225: 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	**8,976,482,383**	**911,000,000**	**8,094,346,106**	**834,016,414**	**90.2**	**91.5**
Compensation to Employees	4,388,739,311	534,916,144	3,891,447,141	480,480,650	88.7	89.8
Operations and Maintenance	4,587,743,072	376,083,856	4,202,898,965	353,535,764	91.6	94.0
Development Expenditure	**5,047,723,705**	**50,000,000**	**4,571,396,793**	**30,950,021**	**90.6**	**61.9**
Total	**14,024,206,088**	**961,000,000**	**12,665,742,899**	**864,966,435**	**90.3**	**90.0**

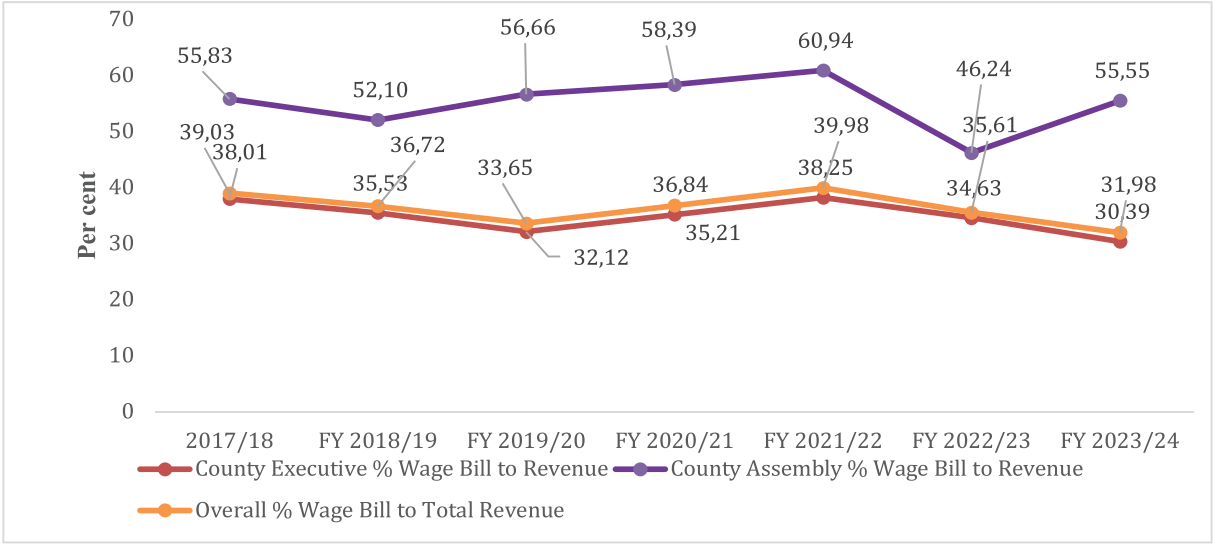
***Source**: Narok County Treasury*

3.33.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.37 billion, or 32.0 per cent of the available revenue, which amounted to Kshs.13.67 billion. This expenditure represented a decrease from Kshs.4.61 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.1.57 billion paid to health sector employees, translating to 35.9 per cent of the total wage bill.

Figure 129 shows the trend of personnel expenditures as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 129: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



***Source:** Narok County Treasury*

Further analysis indicates that PE costs amounting to Kshs.3.86 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.507.50 million was processed through manual payrolls. The manual payrolls accounted for 11.6 per cent of the total PE cost.

The County Assembly spent Kshs.31.68 million on committee sitting allowances for the 50 MCAs against the annual budget allocation of Kshs.34.81 million. The average monthly sitting allowance was Kshs.52,797 per MCA. The County Assembly has established 21 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.582.75 million

to county-established funds in FY 2023/24, constituting 3.9 per cent of the County's overall budget. Table 3.223 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.226 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.226: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 30th June 2024 (Yes/No.)
	Scholarships and Other Educational Benefits (Bursary).	400,185,364	362,000,000	362,000,000	No
	Capital Grants and Transfer (To Maasai Mara Community Support Fund.	-	-	-	No
	Narok Kajiado Economic Block (NAKAEB) & Emergency Fund	74,468,902	24,251,066	24,251,066	No
	Car loans & Mortgage for Members of Assembly and staff	108,098,000	90,000,000	90,000,000	No
	Total	**582,752,266.00**	-	-	

***Source**: Narok County Treasury*

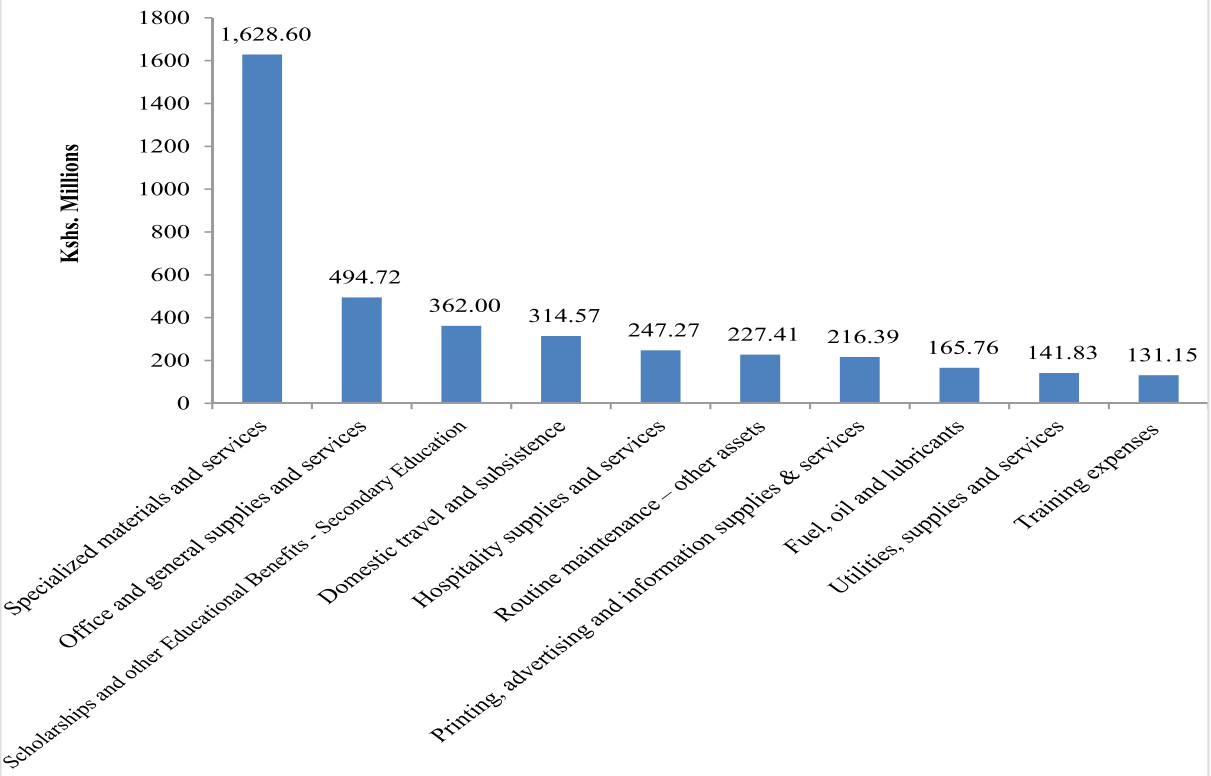
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of the Five funds, as indicated in Table 3.223, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.33.9 Expenditure on Operations and Maintenance

Figure 130 summarises the Operations and Maintenance expenditure by major categories.

Figure 130: Narok County, Operations and Maintenance Expenditure by Major Categories



***Source**: Narok County Treasury*

Expenditure on domestic travel amounted to Kshs.314.57 million and comprised Kshs.119.06 million spent by the County Assembly and Kshs195.51 million by the County Executive. Expenditure on foreign travel amounted to Kshs.26.84 million and comprised Kshs.4.60 million by the County Assembly and Kshs.22.24 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.227 below; -

Table 3.227: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024.

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	10 Officers	13th – 16th Sept,2023	To attend Mara Day celebration at Serengeti District	Tanzania	3,100,000.0
County Executive	8 Officers	13th – 16th Sept,2023	To attend the Mara Day celebration at Serengeti District	Tanzania	2,900,700
County Executive	9 Officers	13th – 16th Sept,2023	To attend the Mara Day celebration at Serengeti District	Tanzania	2,973,000
County Executive	8 Officers	3rd – 12 September,2023	To attend Paralympic games	Accra, Ghana	2,507,910
County Executive	3 Officers	5th – 11th July,2023	To attend LGT venture philanthropy training	Tanzania	962,930
County Executive	1 Officer	25 – 28th Sept, 2023	Climate Technology Show in London	London	861,323
County Executive	Two officers	18th – 26th March, 2024	Magical Kenya Real Deal Roadshow	USA	1,844,000
County Executive	2 Officers	4th – 8th March, 2024	ICPAK leadership summit	Dubai	1,683,885
County Executive	4 Officers	18th – 26th March, 2024	Magical Kenya Real Deal Roadshow	USA	3,958,650
County Executive	1 Officer	11th – 18th March, 2024	Africa Gaming Expo	Nigeria	1,144,496

Source: *Narok County Treasury and Narok County Assembly*

The operations and maintenance costs include an expenditure of Kshs.83.02 million on garbage collection and Kshs.190.73 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.33.10 Development Expenditure.

In FY 2023/24, the County reported spending Kshs.4.60 billion on development programmes, representing an increase of 46.1 per cent compared to FY 2022/23, when the County spent Kshs.3.15 billion. The table 3.228 below summarises development projects with the highest expenditure in the reporting period.

Table 3.228: Narok County, List of Development Projects with the Highest Expenditure

Sector	Project name	Project location	Contract sum (kshs.)	Amount paid to date (kshs)	Implementation status (%)
Transport	Purchase of Earth Moving Equipments	Narok North	1,487,932,072	1,420,642,244.00	95.5
Health	Mechanical Works at North	Narok North	118,916,769	118,916,769.00	100.0
Roads	Maintenance of Esupetai-oloorgila Road	Narok South	33,986,400	32,277,080.00	95.0
Roads	Maintenance of Olchobosei-Kabuson Road	Trans Mara East	24,527,060	22,124,484.00	90.2
Environment	Construction of Suswa Dry Port Water Supply	Narok East	71,129,003.40	71,129,003.40	100.0
Health	Construction of Various Dispensaries in Narok North Sub-County	Narok North	41,278,106	37,054,918	89.8
Education	Construction of Ecde Classrooms in lot 25 in Naroosura	Narok South	42,517,610.40	39,663,621.40	93.3
Health	Construction of Opd& mch at Oleleshwa Dispensary	Narok North	59,811,168.60	36,786,354.70	61.5
Trade	Construction of a Cattle and Sheep Sale Yard at Aitong Market	Narok West	47,272,968.00	26,118,628.00	55.3
Administration	Construction of Trans Mara South Sub County Hqs	Narok South	22,840,740	19,772,439.35	86.6

Source: *Narok County Treasury*

3.33.11 Budget Performance by Department

Table 3.229 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.229: Narok County, Budget Allocation and Absorption Rate by Department.

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	911.00	50.00	834.02	30.95	834.02	30.95	100.0	100.0	91.5	61.9
County Executive	303.76	-	268.78	-	268.78	-	100.0	-	88.5	-
Finance & Economic Planning	1,731.59	156.65	1,571.78	82.12	1,571.78	82.12	100.0	100.0	90.8	52.4
Transport and Public Works	296.81	2,177.15	253.54	2,176.57	253.54	2,176.57	100.0	100.0	85.4	100.0
Education, Youth, Sports, Culture and Social Services	1,495.89	395.08	1,411.31	371.65	1,411.31	371.65	100.0	100.0	94.3	94.1
Environment Protection, Energy, Water & Natural Resources	373.92	553.01	345.12	420.97	345.12	420.97	100.0	100.0	92.3	76.1
Public Service Board	90.40	-	84.83	-	84.83	-	100.0	-	93.8	-
Agriculture, Livestock & Fisheries	368.54	819.72	308.43	577.35	308.43	577.35	100.0	100.0	83.7	70.4
Health & Sanitation	2,766	494.30	2,609.59	493.79	2,609.59	493.79	100.0	100.0	94.4	99.9
Lands Housing Physical Planning & Urban Development	219.27	169.82	192.95	169.82	192.95	169.79	100.0	100.0	88.0	100.0
ICT & E-Government	108.76	5.00	102.82	2.16	102.82	2.16	100.0	100.0	94.5	43.2
Administration And Public Services Management	604.10	150.55	511.27	150.55	511.26	150.55	100.0	100.0	84.6	100.0
Trade, Industry and Cooperative Development	562.73	126.45	388.56	126.45	388.56	126.45	100.0	100.0	69.0	100.0
Office of the County Attorney	55.15	-	45.37	-	45.37	-	100.0	-	82.3	-
Total	**9,887**	**5,098**	**8,928**	**4,602**	**8,928**	**4,602**	**100.0**	**100.0**	**90.3**	**90.3**

***Source**: Narok County Treasury*

Analysis of expenditure by departments shows that four Departments recorded the highest absorption rate of development budget at 100 per cent, followed by the Department of Health & Sanitation at 99.9 per cent. The Department of ICT & E-Government had the highest percentage of recurrent expenditure to budget at 94.5 per cent while the Department of Trade, Industry and Cooperative Development had the lowest at 69.0 per cent.

The recurrent expenditure allocation for the Assembly and the Executive is within the ceilings in CARA, 2023.

3.33.12 Budget Execution by Programmes and Sub-Programmes

Table 3.230 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.230: Narok County, Budget Execution by Programmes and Sub-Programmes.

Program	Sub Program	Description	Approved Estimates (Kshs.)	Actual Expenditure (Kshs.)	Absorption Rate (%)
102003000			673,073,004	655,763,773	97.4
	102024610	Crop Productivity Improvement	673,073,004	655,763,773	97.4
103003000			169,790,126	160,928,069	94.8

Program	Sub Program	Description	Approved Estimates (Kshs.)	Actual Expenditure (Kshs.)	Absorption Rate (%)
	103014610	Livestock Pests & Disease Management & Control	66,673,834	59,448,527	89.2
	103074610	Livestock Information Management	103,116,292	101,479,542	98.4
104003000			58,337,187	2,385,880	4.1
	104014610	Fish Products Production	58,337,187	2,385,880	4.1
105003000			47,881,099	46,357,249	96.8
	105014610	Development Planning and Land Reforms	47,881,099	46,357,249	96.8
106003000			165,126,655	102,996,000	62.4
	106014610	Housing Development	165,126,655	102,996,000	62.4
107003000			309,856,765	303,232,032	97.9
	107014610	Metropolitan Planning & Infrastructure Development	309,856,765	303,232,032	97.9
201003000			1,751,934,137	1,643,254,591	93.8
	201014610	General Administration, Planning and Support Services	75,139,698	70,158,668	93.4
	201024610	Construction of Roads and Bridges	1,594,918,318	1,498,836,379	94.0
	201034610	Maintenance of Roads	81,876,121	74,259,544	90.7
202003000			144,260,000	131,494,351	91.2
	202014610	ICT Infrastructure Development	144,260,000	131,494,351	91.2
208000000		Information And Communication Services	59,150,000	43,000,500	72.7
	208049999	E-Government Services	59,150,000	43,000,500	72.7
301003000			657,034,399	637,671,646	97.1
	301014610	Administrative Services	6,385,168	5,185,160	81.2
	301024610	Cooperative Development & Management	19,774,463	18,255,316	92.3
	301034610	Trade Development and Promotion	630,874,768	614,231,170	97.4
303003000			468,471,796	415,962,930	88.8
	303014610	Tourism Promotion and Marketing	468,471,796	415,962,930	88.8
306000000		Tourism Development and Promotion	75,249,999	-	-
	306039999	Tourism Infrastructure Development	75,249,999	-	-
401003000			488,750,000	413,217,593	84.5
	401014610	Health Promotion	488,750,000	413,217,593	84.5
402003000			356,111,363	354,179,824	99.5
	402014610	Referral Services	356,111,363	354,179,824	99.5
403003000			2,499,541,415	2,458,961,121	98.4
	403014610	Health Policy, Planning and Financing	2,499,541,415	2,458,961,121	98.4
502003000			1,537,090,804	1,463,549,380	95.2
	502014610	Early Child Development and Education	1,537,090,804	1,463,549,380	95.2
701003000			1,261,025,685	1,066,797,753	84.6
	701014610	Administrative Services	400,646,203	316,731,229	79.1
	701044610	Coordination and Administrative Services	413,483,334	340,037,259	82.2
	701054610	Public Service and Field Administrative Services	318,218,144	294,092,890	92.4
	701084610	Board Management Services	128,678,004	115,936,375	90.1

Program	Sub Program	Description	Approved Estimates (Kshs.)	Actual Expenditure (Kshs.)	Absorption Rate (%)
702003000			1,036,120,489	883,830,913	85.3
	702014610	Accounting services	110,144,260	109,153,674	99.1
	702024610	Resource Mobilization	487,459,616	470,354,209	96.5
	702034610	Budget Formulation, Coordination and Management	98,277,686	96,661,750	98.4
	702044610	Supply Chain Management Services	154,915,548	135,058,244	87.2
	702054610	Internal Audit Services	85,323,379	72,603,036	85.1
703003000			1,161,783,851	856,896,233	73.8
	703014610	Economic Planning Coordination	836,626,965	779,611,540	93.2
	703024610	Monitoring and Evaluation Services	85,323,379	77,284,693	90.6
704003000			170,660,000	92,262,141	54.1
	704024610	County Coordination Services	170,660,000	92,262,141	54.1
901003000			1,179,684,727	1,012,419,682	85.8
	901014610	Gender and Youth Development	328,649,139	305,681,936	93.0
	901024610		219,287,741	201,648,600	92.0
	901034610	Development and Promotion of Culture	127,304,878	96,543,496	75.8
	901044610	Development of Social Assistance to Vulnerable Groups and Management of sports facilities	167,000,000	128,212,575	76.8
	901054610	Sports Services	192,423,612	173,181,680	90.0
	901064610	Voluntary Training Services	145,019,357	107,151,395	73.9
1002003000			714,272,587	695,547,674	97.4
	1002014610	Forests Conservation and Management	714,272,587	695,547,674	97.4
		Grand Total	**14,985,206,088**	**13,530,709,334**	**90.3**

Source: *Narok County Treasury*

The sub-programmes with the highest implementation levels based on absorption rates were Referral Services in the Department of Health & Sanitation at 99.5 per cent, Accounting services in the Department of Finance at 99.1 per cent, Livestock Information Management in the Department of Agriculture, Livestock & Fisheries at 98.4 per cent, and Metropolitan Planning & Infrastructure Development at 97.9 per cent of budget allocation.

3.33.13 Accounts Operated Commercial Banks

The County government operated a total of 27 accounts with commercial banks. This is contrary with 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 only exemption is for imprest bank accounts for petty cash.

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;

1. 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 16th August,2024.

2. Failure by fund administrators to submit quarterly financial and non-financial reports to the COB within the timelines provided by law is against the requirement of Section 168 of the PFM Act, 2012. The reports for the five Funds were not submitted to the Controller of Budget.

3. The high pending bills amounted to Kshs.764.64 million as of 30th June 2024. Further, there was non-adherence to the pending bills payment plan by the County Treasury.

4. Use of manual payroll. Personnel emoluments amounting to Kshs.507.50 million were processed through the manual payroll, accounting for 11.6 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.

5. 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 petty cash and revenue collection accounts.

6. High expenditure on domestic travel at Kshs.314.57 million.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

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

3. *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.*

4. *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.*

5. *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.*

6. *The county should reduce expenditure on domestic travel by holding activities within the county.*

3.34. County Government of Nyamira

3.34.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 is Kshs.7.28 billion, comprising Kshs.2.16 billion (29.6 per cent) and Kshs.5.13 billion (70.4 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 2.6 per cent compared to the previous financial year when it was Kshs.7.09 billion, and comprised of Kshs.2.19 billion towards development expenditure and Kshs.4.90 billion for recurrent expenditure.

To finance the budget, the County expects to receive Kshs.5.33 billion (73.3 per cent) as the equitable share of revenue raised nationally, Kshs.965.81 million (13.3 per cent) as additional allocations/conditional grants, a cash balance of Kshs.295.16 million (4.1 per cent) brought forward from FY 2022/23 and generate Kshs.687.00 million (9.5 per cent) as gross own source revenue. The own-source revenue includes Kshs.230.00 million (3.2 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.457.00 million (6.3 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.231.

3.34.2 Revenue Performance

In the FY 2023/24, the County received Kshs.4.91 billion as an equitable share of the revenue raised nationally, Kshs.631.68 million as additional allocations/conditional grants, a cash balance of Kshs.295.16 million from FY

2022/23 and raised Kshs.369.80 million as own-source revenue (OSR). The raised OSR includes Kshs.220.81 million as FIF and Kshs.148.98 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.6.20 billion, as shown in Table 3.231.

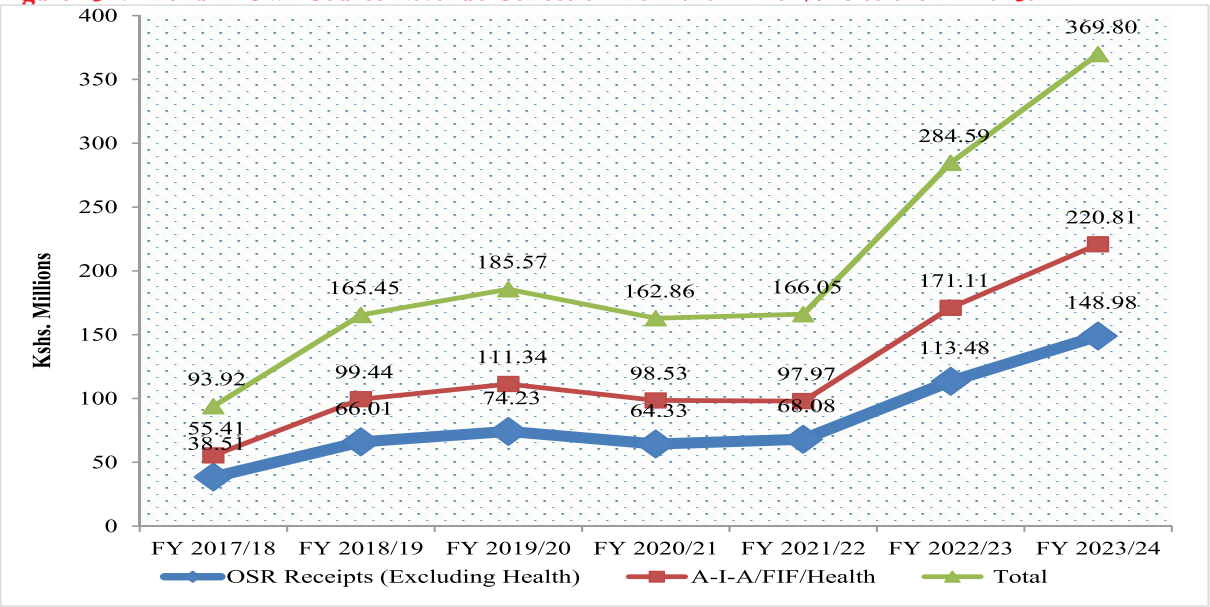
Table 3.231: Nyamira County, Revenue Performance in the FY 2023/24

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**	5,334,198,486	4,907,462,608	92.0
Sub Totals		**5,334,198,486**	**4,907,462,608**	**92.0**
B	**Conditional Grants**			
1	DANIDA-PHC	8,778,000	8,778,000	100.0
2	World Bank Grant for National and Rural Inclusive Growth	100,000,000	89,966,414	90.0
3	Agricultural Sector Development Support Programme II	531,293	1,031,293	194.1
4	Aggregated Industrial Park Programme	250,000,000	62,500,000	25.0
5	County Climate Institutional Support (CCIS)-World Bank	11,000,000	0	0.0
6	County Climate Resilience Support (CCRS)-World Bank	162,210,133	162,210,134	100.0
7	Kenya Informal Settlement Improvement Project (KISIP)	112,082,214	112,082,214	100.0
8	Livestock Value Chain Support Project	28,647,360		0.0
9	National Agricultural Value Chain Development Project (NAVCDP)	200,000,000	195,112,952	97.6
10	Conditional Grant for Provision of Fertilizer Subsidy Programme	92,563,428		0.0
Sub-Total		**965,812,428**	**631,681,007**	**65.4**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	457,000,000	148,981,607	32.6
2	Balance b/f from FY2022/23	295,164,989	295,164,989	100.0
3	Facility Improvement Fund (FIF)	230,000,000	220,814,736	96.0
Sub Total		**982,164,989**	**664,961,332**	**67.7**
Grand Total		**7,282,175,903**	**6,204,104,947**	**85.2**

Source: *Nyamira County Treasury*

Figure 131 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

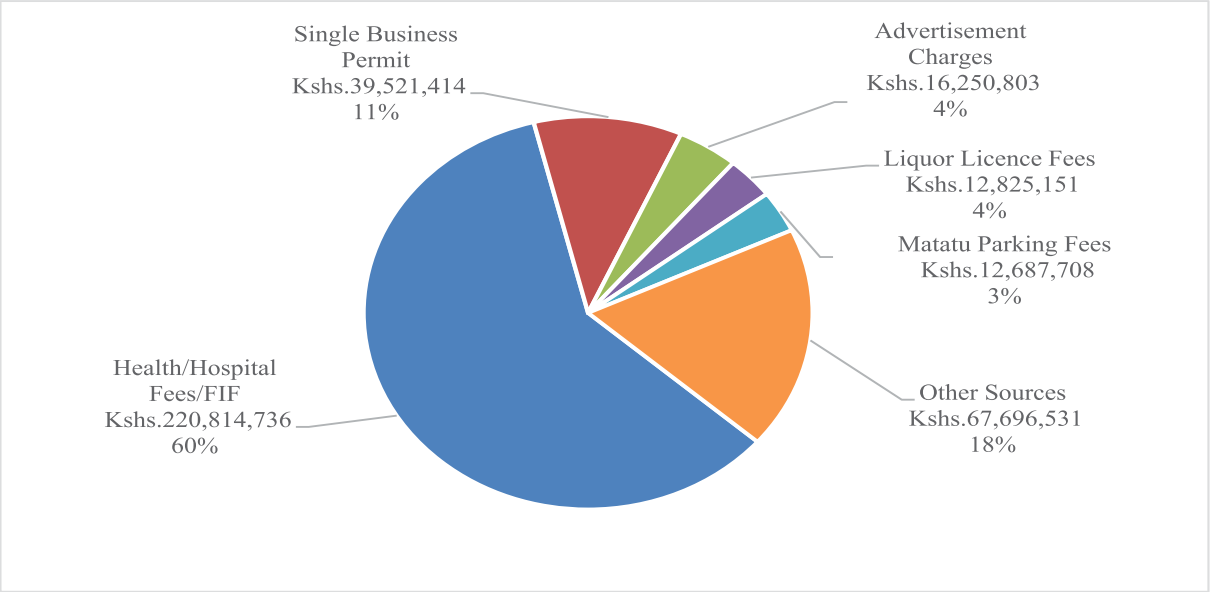
Figure 131: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Nyamira County Treasury*

In FY 2023/24, the County generated a total of Kshs.369.80 million from its sources of revenue, including FIF. This amount represented an increase of 29.9 per cent compared to Kshs.284.59 million realized in FY 2022/23 and was 53.8 per cent of the annual target and 7.5 per cent of the equitable revenue share disbursed during the period. The increase in OSR can be attributed to stringent revenue collection measures and surveillance. The revenue streams which contributed the highest OSR receipts are shown in Figure 132.

Figure 132: Top Streams of Own Source Revenue in the FY 2023/24



Source: Nyamira County Treasury

The highest revenue stream, Kshs.220.81 million, was from the Facility Improvement Fund (FIF), which contributed 60.0 per cent of the total OSR receipts during the reporting period.

3.34.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.78 billion from the CRF account during the reporting period, which comprised Kshs.1.38 billion (23.8 per cent) for development programmes and Kshs.4.40 billion (76.2 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24

indicates that Kshs.3.42 billion was released towards Employee Compensation and Kshs.980.29 million for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.518.53 million.

3.34.4 County Expenditure Review

The County spent Kshs.6.17 billion on development and recurrent programmes in the reporting period. The expenditure represented 106.6 per cent of the total funds released by the CoB and comprised of Kshs.1.32 billion and Kshs.4.85 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 61.2 per cent, while recurrent expenditure represented 94.6 per cent of the annual recurrent expenditure budget.

3.34.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.381.52 million, comprising of Kshs.151.57 million for recurrent expenditure and Kshs.229.95 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.275.47 million, which consisted of Kshs.108.24 million for recurrent expenditure and Kshs.167.23 million for development programmes. As of the end of FY 2023/24, the outstanding amount was Kshs.142.31 million inclusive of unpaid bills incurred in FY 2023/24.

The County Assembly reported outstanding pending bills of Kshs.36.18 million as of 30th June 2024.

3.34.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.07 billion on employee compensation, Kshs.1.05 billion on operations and maintenance, and Kshs.1.21 billion on development activities. Similarly, the County Assembly spent Kshs.355.51 million on employee compensation, Kshs.376.77 million on operations and maintenance, and Kshs.106.60 million on development activities, as shown in Table 3.232.

Table 3.232: 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	**4,380,383,049**	**746,578,493**	4,116,049,284	732,272,442	**94.0**	**98.1**
Compensation to Employees	2,751,597,398	388,639,070	3,068,958,561	355,505,963	111.5	91.5
Operations and Maintenance	1,628,785,651	357,939,423	1,047,090,723	376,766,479	64.3	105.3
Development Expenditure	**1,986,813,705**	**168,400,656**	**1,211,741,582**	**106,603,726**	**61.0**	**63.3**
Total	**6,367,196,754**	**914,979,149**	**5,327,790,866**	**838,876,168**	**83.7**	**91.7**

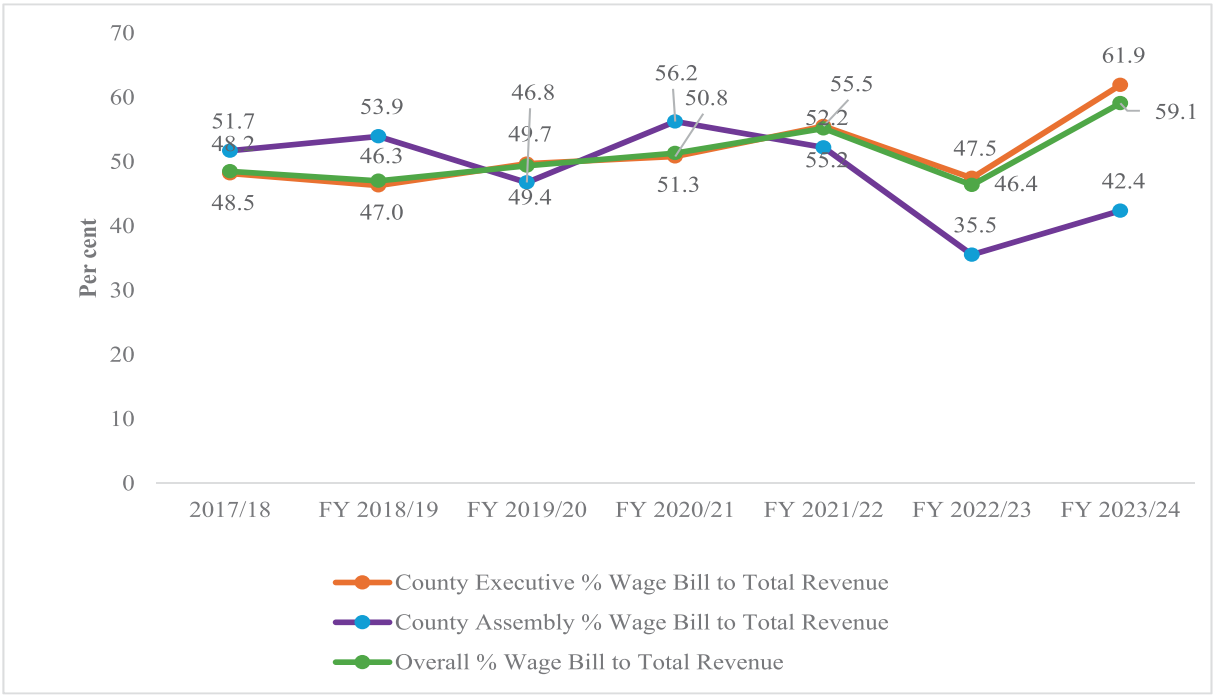
***Source**: Nyamira County Treasury*

3.34.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.3.42 billion, or 55.2 per cent of the available revenue, which amounted to Kshs.6.20 billion. This expenditure represented an increase from Kshs.3.06 billion reported in FY 2022/23. The wage bill included Kshs.680.46 million paid to health sector employees, translating to 19.9 per cent of the total wage bill. The increase in employee compensation was due to newly recruited staff in various departments in the payroll during the months of January and February 2024, the implementation of the Housing levy and the implementation of the SRC circular, which increased civil servants' salaries in August 2023.

Figure 133 shows the trend of personnel expenditures as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 133: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Nyamira County Treasury

The County Assembly spent Kshs.7.03 million on committee sitting allowances for the 35 MCAs against the annual budget allocation of Kshs.12.31 million. The average monthly sitting allowance was Kshs.15,430 per MCA. The County Assembly has established 20 Committees.

3.34.8 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.432.07 million to county-established funds in FY 2023/24, constituting 5.9 per cent of the County's overall budget. Further, the County allocated Kshs.10.00 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.233 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.233: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs.)	Submission of Annual Financial Statements (Yes/No.)
1.	Health Facility Improvement Fund	230,000,000	-	-	No.
2.	Emergency fund	10,000,000	-	146,000,000	No.
3.	Education Support Fund	133,218,112	198,826,813	611,000,000	No.
4.	Car Loan & Mortgage	25,000,000	50,381,118	147,500,000	YES
5	Loans to traders (Revolving Fund)	8,348,044	-	-	No.
6	Co-operative Enterprise Development Fund	500,000			No.
7.	Car and Mortgage Fund(assembly)	25,000,000		431,000,000	No.
	Total	**432,066,156**	**249,207,931**	**1,335,500,000**	

Source: *Nyamira County Treasury*

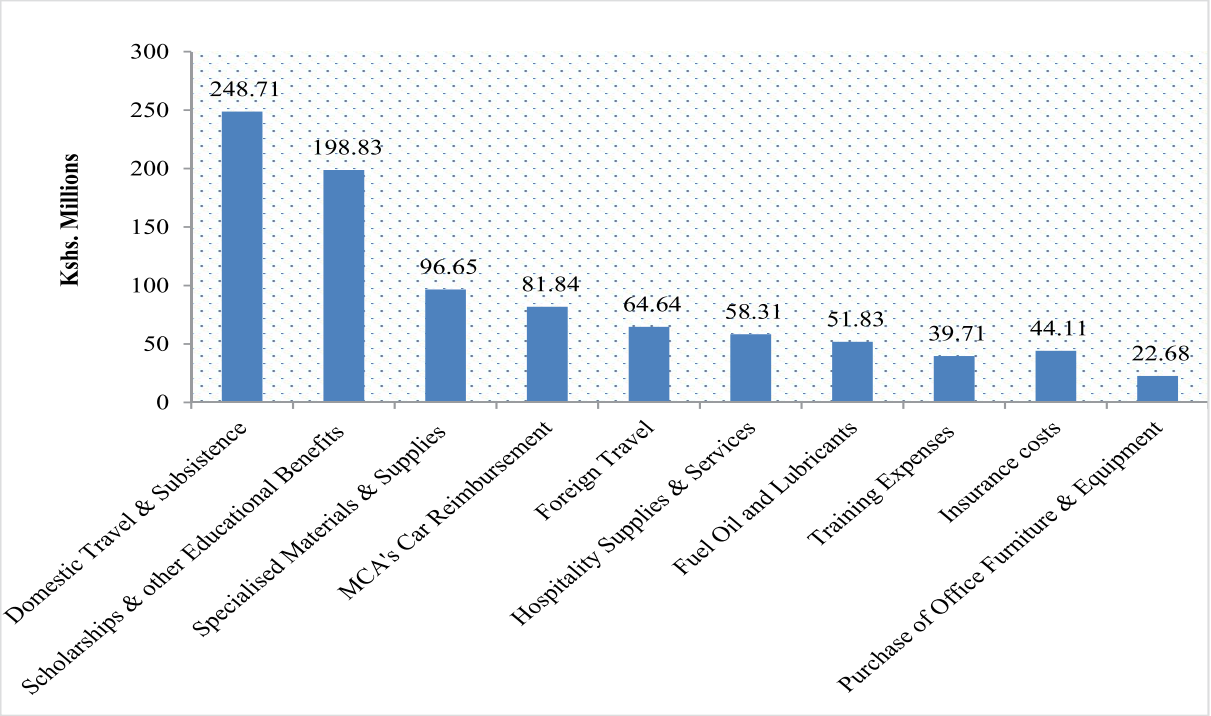
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of 6 funds, as indicated in Table 3.233, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.34.9 Expenditure on Operations and Maintenance

Figure 134 summarises the Operations and Maintenance expenditure by major categories.

Figure 134: Nyamira County, Operations and Maintenance Expenditure by Major Categories



Source: *Nyamira County Treasury*

Expenditure on domestic travel amounted to Kshs.248.71 million and comprised Kshs.126.85 million spent by the County Assembly and Kshs.121.86 million by the County Executive. Expenditure on foreign travel amounted to Kshs.64.64 million by the County Executive. However, the County Executive failed to provide a detailed report on foreign travel.

Included in the operations and maintenance costs is an expenditure of Kshs.30.93 million on legal fees/dues, arbitration and compensation payments.

3.34.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.32 billion on development programmes, a decrease of 5.0 per cent compared to FY 2022/23, when the County spent Kshs.1.39 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.234: 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	Gender, Youth, Social, Culture and Sports	proposed Erection and Construction of Manga Stadium Pavilion	Manga	104,023,527	7,708,711	7
2	Health Services	proposed construction & completion of in-patient block at Ekerenyo Sub-county hospital	Ekerenyo	34,000,000	6,283,935	18

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
3	Health Services	Proposed renovation of mortuary and installation of a new cooling system at Nyamira County referral hospital	Nyamira Town	9,040,205	5,992,479	66
4	Health Services	Proposed construction and completion of in-patient wards at Nyamusi Health Centre	Bokeira	34,865,540	5,468,862	16
5	Roads, Transport & Public Works	Road maintenance of Ritongo-Matunwa-Nyabira IV-Kambini-Kabosi road	Magombo	4,356,075	4,356,075	100
6	Trade, Tourism, Industrialization and Co-operatives Development	Proposed completion of Keroka Market ablution block	Rigoma	3,937,915	3,937,915	100
7	Roads, Transport & Public Works	Routine maintenance of Nyagekoboko-Mokarate-Moteomokamba-Boitabai Nyamao Road	Bokeira Ward	3,497,400	3,497,400	100
8	Education & Vocational Training	Proposed construction and completion of 2-door ECDE classrooms and 3-door pit latrines at Ensinyo Primary School	Esise	3,495,225	3,495,225	100
9	Roads, Transport & Public Works	Road maintenance of Ritongo-Matunwa-Nyabira IV-Kambini-Kabosi road	Magombo	4,356,075	4,356,075	100
10	Education & Vocational Training	Proposed construction and completion of 2-door ECDE classrooms and 3-door pit latrines at Ensinyo Primary School	Esise	3,495,225	3,495,225	100

Source: Nyamira County Treasury

3.34.11 Budget Performance by Department

Table 3.235 summarises the approved budget allocation, expenditure and absorption rate by departments in FY 2023/24.

Table 3.235: Nyamira 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
Nyamira County Assembly	746.58	168.40	732.27	106.90	732.25	106.60	100.0	99.7	98.1	63.3
County Executive	394.87	114.80	286.59	106.13	377.28		131.6	-	95.5	-
Finance, ICT & Planning	181.86	358.56	154.77	375.54	170.85	163.95	110.4	43.7	93.9	45.7
Agriculture - Crop Management	69.47		59.77		62.25	410.38	104.1	-	89.6	-
Environment, Energy	114.44	284.31	96.61	182.70	87.88	89.93	91.0	49.2	76.8	31.6
Education & Vocational Training	523.84	50.30	487.41	24.13	586.63	29.63	120.4	122.8	112.0	58.9
Health Services	823.01	91.22	640.25	7.24	704.13	17.74	110.0	244.9	85.6	19.4
Lands, Housing, Physical Planning	146.13	160.11	132.67	131.84	140.59	118.84	106.0	90.1	96.2	74.2
Roads, Transport & Public Works	123.00	194.60	121.23	141.68	121.42	123.11	100.2	86.9	98.7	63.3
Trade, Tourism, Industrialization	55.14	519.50	45.18	192.00	44.11	113.85	97.6	59.3	80.0	21.9
Sports, Gender, Cultures	72.62	25.90	66.94	22.40	62.42	12.68	93.2	56.6	85.9	49.0
County Public Service Board	58.17	-	46.56	-	55.13	-	118.4	-	94.8	-
Public Service Management	338.50	8.00	203.01	7.90	287.32	7.70	141.5	97.5	84.9	96.2
Nyamira Municipality	41.45	83.31	14.08	17.41	36.24	83.51	257.3	479.7	87.4	100.2
County Attorney	5.15	3.00	2.91		3.65		125.7	-	71.0	-
Economic Planning, Rm & ICT	277.71	35.00	215.81	13.00	247.11	23.69	114.5	182.2	89.0	67.7
Livestock & Fisheries Services	110.90	14.50	107.20	6.44	104.59	7.46	97.6	115.9	94.3	51.5
Primary Healthcare	1,044.12	43.70	991.49	43.69	1,024.45	9.28	103.3	21.2	98.1	21.2

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
TOTAL	5,126.96	2,155.21	4,404.75	1,379.01	4,848.30	1,318.35	110.1	95.6	94.6	61.2

***Source**: Nyamira County Treasury*

Analysis of expenditure by departments shows that the Nyamira Municipality recorded the highest absorption rate of the development budget at 100.2 per cent, followed by the Department of Public Service Management at 96.2 per cent. The Department of Education & Vocational Training had the highest percentage of recurrent expenditure to budget at 112.0 per cent. In comparison, the Department of the County Attorney had the lowest at 71.0 per cent. The Nyamira Municipality expenditure of above 100 per cent of the approved budget allocation should be investigated further by the County Treasury and a report filed with the oversight institution.

Further, a number of departments reported expenditures above approved exchequer issues which points to diversion of funds and lack of a financial control system at the County Treasury.

3.34.12 Budget Execution by Programmes and Sub-Programmes

Table 3.236 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.236: Nyamira County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates (Kshs.)		Expenditure as of 30th June 2024 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Assembly							
Programme 1: general administration & support services	SP 1. General administration.	281,888,438	-	272,400,900	-	**96.6**	-
	SP 2. Policy and planning	131,135,270	-	128,135,000	-	**97.7**	-
Programme 2: Oversight services	SP 1. Committee management services	23,206,500	-	23,204,542	-	**100.0**	-
Programme 3: legislation & representation	SP 1. Legislation services	310,348,285	-	308,514,000	-	**99.4**	-
	SP 2. Infrastructure development	-	168,400,656		106,903,726	-	**63.5**
Sub Total		**746,578,493**	**168,400,656**	**732,254,442**	**106,903,726**	**98.1**	**63.5**
Department of County Executive office.							
Programme1: General Administration & Support Services	S.P. 1. General administration	296,086,009	-	285,449,734	-	**96.4**	-
	SP 2. Policy development & support services	63,498,333	-	62,278,974	-	**98.1**	-
Programme 2: Governance and Co-ordination	SP 1. County results co-ordination	9,621,880	-	7,083,544	-	**73.6**	-
	SP 2. Intergovernmental & public relations	9,950,100	-	7,758,450	-	**78.0**	-
	SP 3. Executive management services	15,716,503	-	14,709,516	-	**93.6**	-
	Sub-Total	**394,872,825**	-	**377,280,218**	-	**95.5**	-
Department of Finance and Accounting services							

Programme	Sub-Programme	Approved Estimates (Kshs.)		Expenditure as of 30th June 2024 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Programme 1: general administration & support services	SP 1 General Administration	54,172,935	-	53,895,706	-	**99.5**	-
	SP 2. Policy development & support serv.	6,100,000	-	5,329,797	-	**87.4**	-
	SP 3. Supply chain management	9,414,006	-	8,171,600	-	**86.8**	-
Programme 3: Accounting Services	SP 1. Accounting & financial services	-	114,799,393	-	163,946,478	-	140.1
Programme 4: Financial Management & Control	SP 1. Financial services	100,319,688	-	94,960,985	-	**94.7**	-
	SP 2. Audit services	11,800,700	-	8,445,286	-	**71.6**	-
Policy Planning	Policy and Planning	50,000.0	-	50,000	-	100	-
	Sub-Total	**181,857,329**	**114,799,393**	**170,853,374**	**163,946,478**	**93.9**	**140.1**
Department of Crop and Agribusiness Management							
Programme1: General Administration & Support Services	S.P. 1. General administration	48,163,798.0	-	44,844,293	-	**93.1**	-
	SP 2. Policy and planning	517,690.0	-	398,400	-	**77.0**	-
Programme 2: Crop Agribusiness	SP 1. Crop development services	18,142,000.0	341,844,356	14,458,950	396,610,659.0	**79.7**	**116.0**
	SP 2. Land use management services	2,650,000.0	16,718,230	2,547,900	13,768,230.0	**96.1**	**82.4**
	Sub-Total	**69,473,488.0**	**358,562,586**	**62,249,543**	**410,378,889**	**89.6**	**114.5**
Department of Environment, energy, natural resources and mining.							
Programme 1: general administration & support services	S.P.1	1,500,000					
	SP 1 General Administration	78,690,152	-	76,988,903	-	**97.8**	-
Programme 2: Energy and Mineral Resources	SP 1. Other sources of energy	7,200,000	9, 000, 000	3,623,577	-	**50.3**	-
	S.P. 4. Mineral exploitation & promotion	7,400,000	-	699,500	-	**9.5**	-
Programme 3: Water Supply and Management Services	SP 1. Rural water services	2,000,000	57,100,000	1,622,900	24,390,625	**81.1**	**42.7**
Programme 4: Environmental Protection	SP 1. Pollution & waste management	4,000,000	-	2,966,200	-	**74.2**	-
	SP 2. Agroforestry promotion	13,650,000	218,210,133	1,979,600	63,542,710	**14.5**	**29.1**
	Subtotal	**114,440,152**	**284,310,133**	**87,880,680**	**89,933,314.0**	**76.8**	**31.6**
Department of Education and Vocational Training.							
Programme1: General Administration & Support Services	S.P. 1. General administration.	378,075,141	-	377,225,968	-	**99.8**	-
Programme2: ECDE & CCC Services	S.P. 1. ECDE & CCC management service	3,500,500.0	48,800,000	2,809,350	29,129,019.0	**80.3**	**59.7**
programme 3: Vocational Services	SP 1. Vocational management services	142,264,245	1,500,000.0	206,593,032	499,680.0	**145.2**	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Expenditure as of 30th June 2024 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Subtotal	**523,839,886**	**50,300,000**	**586,628,350**	**29,628,699.0**	**112.0**	**58.9**
Department of Health Services							
Programme1: General Administration & Support Services	S.P. 1. Administration support services	559,552,080		556,846,806		**99.5**	-
Programme 2: Curative Health Services	SP 1. Medical services	261,000,000	91,223,901	145,249,570	17,739,141.0	**55.7**	**19.4**
	SP 2. Facility infrastructural services	2,455,000.0	-	2,036,500	-	**83.0**	-
	Subtotal	**823,007,080**	**91,223,901**	**704,132,876**	**17,739,141.0**	**85.6**	**19.4**
Department of Lands, housing, physical planning and urban development.							
Programme1: General Administration & Support Services	S.P. 1. General administration	114,768,602	-	114,467,492	-	**99.7**	-
	SP 1. Policy planning	7,261,441.0	-	6,534,200	-	**90.0**	-
Programme5: Physical Planning and Surveying Services	SP 1. Physical planning	21,600,000.0	31,240,065	17,253,168	29,439,500.0	**79.9**	**94.2**
Programme 7: Management and development of towns	SP 1. Town management & co-ordination	2,500,000.0	128,871,549	2,335,062	89,403,928.0	**93.4**	**69.4**
	Subtotal	**146,130,043**	**160,111,614**	**140,589,922**	**118,843,428.0**	**96.2**	**74.2**
Department of Roads, transport and public works.							
Programme1: General Administration & Support Services	S.P. 5. Administration & support services	100,315,811	-	99,912,222	-	**99.6**	-
	SP 6. Policy and planning	583,250	-	580,820	-	**99.6**	-
Programme2 Roads Development and Management	SP 2. Construction of roads and bridges	19,600,000.0	194,600,163	19,152,802	123,105,143	**97.7**	**63.3**
	SP 4. Infrastructural development	2,500,000.0	-	1,769,600	-	**70.8**	-
	Subtotal	**122,999,061**	**194,600,163**	**121,415,444**	**123,105,143.0**	**98.7**	**63.3**
Department of Trade, tourism, industrialization and Co-operative development							
Programme1: General Administration & Support Services	S.P. 1. General administration	31,932,657	-	31,451,534	-	**98.5**	-
	SP 2. Policy and planning services	788,950	-	687,350	-	**87.1**	-
Programme 4: Trade, Co-operative & Investment	SP 1. Co-operative promotion	9,410,000	503,000,00	9,137,412	103,419,046.0	**97.1**	**20.6**
	SP 2. Trade promotion	13,012,344	16,500,000	2,831,350	10,430,547.0	**21.8**	**63.2**
	Subtotal	**55,143,951**	**519,500,000**	**44,107,646**	**113,849,593.0**	**80.0**	**21.9**
Department of Youths, sports, gender, culture and social services							
Programme1: General Administration & Support Services	S.P. 1. General administration	53,341,929	-	52,523,644	-	**98.5**	-
Programme 2: Policy, Planning & Support Services	SP 2. Mainstreaming services	8,310,000	-	4,023,580	-	**48.4**	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Expenditure as of 30th June 2024 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Programme 3: Promotion and Management of Sports	SP 1. Community development	9,470,000	17,900,000	5,308,930	6,917,516	**56.1**	38.6
	SP 2. Cultural promotion heritage	1,500,000.0	8,000,000.0	561,400	5,761,720	**37.4**	72.0
	Subtotal	**72,621,929**	**25,900,000**	**62,417,554**	**12,679,236**	**85.9**	**49.0**
Department of County Public Service Board							
Programme1: General Administration & Support Services	S.P. 1. General administration	48,919,260	-	46,339,327	-	**94.7**	-
	SP 2. Policy planning	6,775,500	-	6,725,449	-	**99.3**	-
Programme2: Support Servi ces	SP Legal services	2,478,100	-	2,065,500	-	**83.4**	-
	Subtotal	**58,172,860**	-	**55,130,276**	-	**94.8**	-
Department of Public Service Management.							
Programme1: General Administration & Support Services	S.P. 1. General administration	217,608,088	-	244,721,279	-	**112.5**	-
	SP 2. Policy planning	6,520,000	-	3,334,920	-	**51.1**	-
	SP 7. Communication services	2,075,000	-	295,000	-	**14.2**	-
Economic Planning &Budgeting	SP 3. Community development	500,000	-	404,800	-	**81.0**	-
Programme 10: Co-ordination, Strategy & HR Services	S.P. 1. Field coordination & administration	4,200,000	8,000,000	2,035,468	7,697,834.0	**48.5**	**96.2**
	SP 2. Strategy & advisory services	3,000,000	-	1,562,300	-	**52.1**	-
	SP 3. Human resource management	27,565,207	-	-	-	-	-
	SP 4. Human resource development	77,030,000	-	34,963,000		**45.4**	
	Subtotal	**338,498,295**	**8,000,000**	**287,316,767**	**7,697,834**	**84.9**	**96.2**
Department of Nyamira Municipality							
Programmme1:General Administration & Support Services	S.P. 1. General administration	20,436,132	-	16,706,698	-	**81.8**	-
	SP 2. Policy and planning	21,010,366		19,531,295		**93.0**	
Programme 2: Roads Development & Management	SP 4. Infrastructure development	-	83,305,915	-	83,509,853	-	**100.2**
	Subtotal	**41,446,498**	**83,305,915**	**36,237,993**	**83,509,853**	**87.4**	**100.2**
Department of County Attorney							
Programme1: General Administration & Support Services	S.P. 1. General administration	1,149,000	-	874,875	-	**76.1**	-
	SP 2. Legal services	4,000,000	3,000,000	2,778,368	-	**69.5**	-
	Subtotal	**5,149,000**	**3,000,000**	**3,653,243**	-	**71.0**	-
Department of Economic planning, resource mobilization & ICT							

Programme	Sub-Programme	Approved Estimates (Kshs.)		Expenditure as of 30th June 2024 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Programme1: General Administration & Support Services	S.P. 1. General administration	171,844,393	-	154,562,492	-	**89.9**	-
Programme2: Economic Planning and Budgeting	SP 1. Economic planning	47,509,894	2,000,000	40,650,988	-	**85.6**	-
Programme4: ICT Services	SP 1. ICT Services	6,960,000	13,000,000	5,432,870	9,700,000.0	**78.1**	-
Programme5: Resource mobilization	SP 2. Internal resource mobilization	49,600,000	5,000,000.0	45,260,733	4,084,811.0	**91.3**	-
Programme30: Control and Management of Public Finances	SP 2. Budget implementation & monitor	1,800,000	15,000,000	1,206,700	9,903,778.0	55.6	**66.0**
	Subtotal	**277,714,287**	**35,000,000**	**247,113,783**	**23,688,589.0**	**73.0**	**67.7**
Department of Livestock and Fisheries							
Programme1: General Administration & Support Services	S.P. 1. General administration	100,418,347	-	97,911,413	-	**97.5**	-
	SP 2. Policy and planning	517,690	-	516,550	-	**99.8**	-
Programme3: Fisheries Development & Promotion	S.P. 1. Aquaculture promotion services	3,500,000	3,000,000	1,857,700	2,200,000.0	**53.1**	**73.3**
Programme 4: Livestock Development and Promotion	SP 1. Value addition and marketing	2,962,000	500,000	1,462,300	393,200.0	**49.4**	**78.6**
	SP 2. Animal health disease & mgt.	3,500,000	11,000,000	2,840,200	4,868,000.0	**81.1**	**44.3**
	Subtotal	**110,898,037**	**14,500,000**	**104,588,163**	**7,461,200.0**	**94.3**	**51.5**
Department of Primary - Health							
Programme1: General Administration & Support Services	S.P. 1. General administration	1,009,094,540	-	1,006,713,324	-	**99.8**	-
	SP 2. Health policy planning & financing	1,230,000	-	1,226,495	-	**99.7**	-
Programme 2: Curative Health Services	SP 2. Facility infrastructure services	33,793,788	43,700,000.0	16,513,633	9,280,185.0	**48.9**	**21.2**
	Subtotal	**1,044,118,328**	**43,700,000**	**1,024,453,452**	**9,280,185.0**	**98.1**	**21.2**
Grand Total		**5,126,961,542**	**2,155,214,361**	**4,848,303,726**	**1,318,645,308**	**94.6**	**61.2**

***Source**: Nyamira County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Accounting & financial services in the Department of Finance and Accounting Services at 140.1 per cent, Crop development services in the Department of Crop and Agribusiness Management at 116.0 per cent, Infrastructure development at Nyamira Municipality at 100.2 per cent, and Field co-ordination & administration in the Department of Public service management at 96.2 per cent of budget allocation. Abortion rates above 100 per cent should be investigated by the County Treasury and appropriately addressed.

3.34.13 Accounts Operated Commercial Banks

The County government operated a total of 15 accounts with commercial banks. 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.

3.34.14 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;

1. 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 26th July 2024. Further, the report was incomplete as it did not include details of foreign travel.

2. The under performance of own-source revenue at Kshs.369.80 million against an annual target of Kshs.687.00 million, representing 53.8 per cent of the annual target.

3. Failure to refund unspent funds from FY 2022/23 into the CRF account, which led to actual expenditure being above the approved exchequer issues in several departments as shown in Table 3.236.

4. Failure by Fund Administrators to submit quarterly financial and non-financial reports to the COB within the timelines provided in law, which is against the requirement of Section 168 of the PFM Act, 2012. The reports for the Health Facility Improvement Fund, Emergency Fund, Education Support Fund, Loans to Traders (Revolving Fund), Co-operative Enterprise Development Fund, and County Assembly Car and Mortgage Fund were not submitted to the Controller of Budget.

5. High wage bills which accounted for 55.2 per cent of the County total revenue in FY 2023/24 which is above the ceiling provided in law.

6. Expenditures above approved budget allocations for programmes and sub-programmes as shown in Table 3.233 which points to lack of a control mechanism in the use of public resources.

7. Law expenditure on development programmes which accounted for 21.4 per cent of total expendire.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

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

3. *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.*

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

5. *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.*

6. *The County Treasury should investigate the departments where expenditures on programmes were above 100 per cent of budget allocations and take necessary action.*

7. *The county should prioritise expenditure on development programmes to meet the threshold in law.*

3.35. County Government of Nyandarua

3.35.1 Overview of FY 2023/24 Budget

The County's approved first supplementary budget for FY 2023/24 was Kshs.8.75 billion, comprising Kshs.3.18 billion (36.4 per cent) and Kshs.5.57 billion (63.6 per cent) allocation for Development and recurrent

programmes, respectively. The approved supplementary budget estimates represented an increase of 15.4 per cent compared to the previous financial year when it was Kshs.7.58 billion and comprised of Kshs.2.27 billion towards development expenditure and Kshs.5.31 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.5.91 billion (67.5 per cent) as the equitable share of revenue raised nationally, Kshs.1.18 billion (13.5 per cent) as additional allocations/conditional grants, a cash balance of Kshs.437.46 million (5.0 per cent) brought forward from FY 2022/23 and generate Kshs.1.23 billion (14 per cent) as gross own source revenue. The own source revenue includes Kshs.431.56 million (4.9 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.793.44 million (9.16 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.234.

3.35.2 Revenue Performance

In the FY 2023/24, the County received Kshs.5.43 billion as an equitable share of the revenue raised nationally, Kshs.441.47 million as additional allocations/conditional grants, had a cash balance of Kshs.437.46 million from FY 2022/23 and raised Kshs.515.74 million as own-source revenue (OSR). The raised OSR includes Kshs.205.75 million as FIF and Kshs.309.99 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.6.83 billion, as shown in 3.237.

Table 3.237: Nyandarua County, Revenue Performance in the FY 2023/24

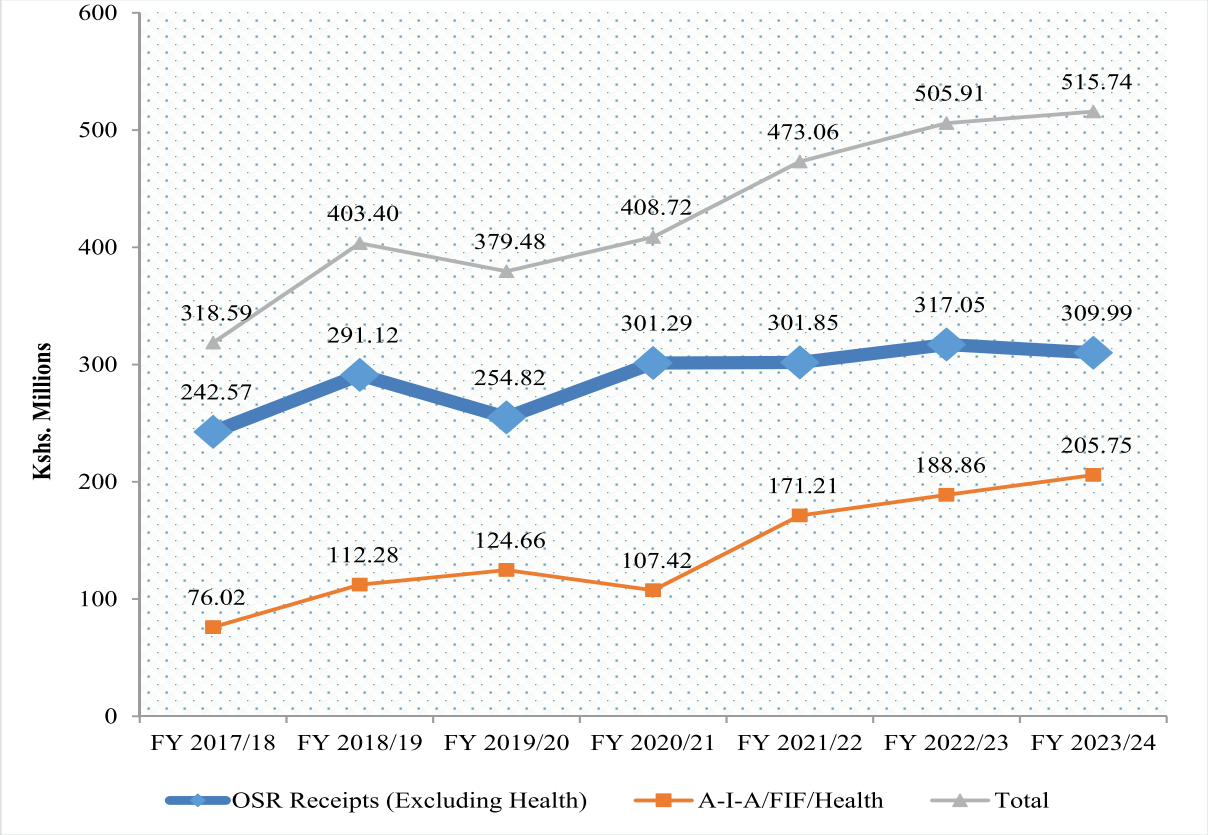
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	5,905,976,056	5,433,497,971	92.0
Sub Total		**5,905,976,056**	**5,433,497,971**	**92.0**
B	**Conditional Grants**			
1	Supplement for Construction of County Headquarters	121,000,000	-	-
2	Leasing of Medical Equipment	124,723,404	-	-
3	Aggregated Industrial Parks Programme	100,000,000	-	-
4	Fertilizer Subsidy Programme	121,624,039	-	-
5	Livestock Value Chains Support Project	135,204,000	-	-
6	IDA (World Bank) - National Agriculture Value Chain Development Project (NAVCDP)	250,000,000	117,308,355	46.9
7	World Bank Grant for Climate Smart Agriculture Project (KCSAP)	90,000,000	-	-
8	Sweden- Agricultural Sector Development Support Programme (ASDSP) Level II	2,999,617	500,000	16.7
9	DANIDA - Primary Health Care in a Devolved Context	8,893,500	11,000,000	123.7
10	World Bank -Kenya Informal Settlement Improvement Project-KISIP II	50,000,000	235,008,704	470.0
11	World Bank- Financing Locally Led Climate Action Program (FLLOCA)- County Climate Institutional Support (CCIS) Grants	11,000,000	-	-
12	World Bank- Financing Locally Led Climate Action Program (FLLOCA)- County Climate Resilience Investment Grant	136,000,000	77,655,189	57.1
13	Transfer of library services	5,730,418	-	-
14	Kenya Devolution Support Programme Level 1	22,538,054	-	-
Sub-Total		**1,179,713,032**	**441,472,248**	**37.4**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	793,435,975	309,994,465	39.1
2	Balance b/f from FY2022/23	437,462,456	437,462,456	100.0

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
3	Facility Improvement Fund (FIF)	431,564,025	205,746,307	47.7
Sub Total		**1,662,462,456**	**953,203,228**	57.3
Grand Total		**8,748,151,544**	**6,828,173,447**	**78.1**

Source: *Nyandarua County Treasury*

Figure 135 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

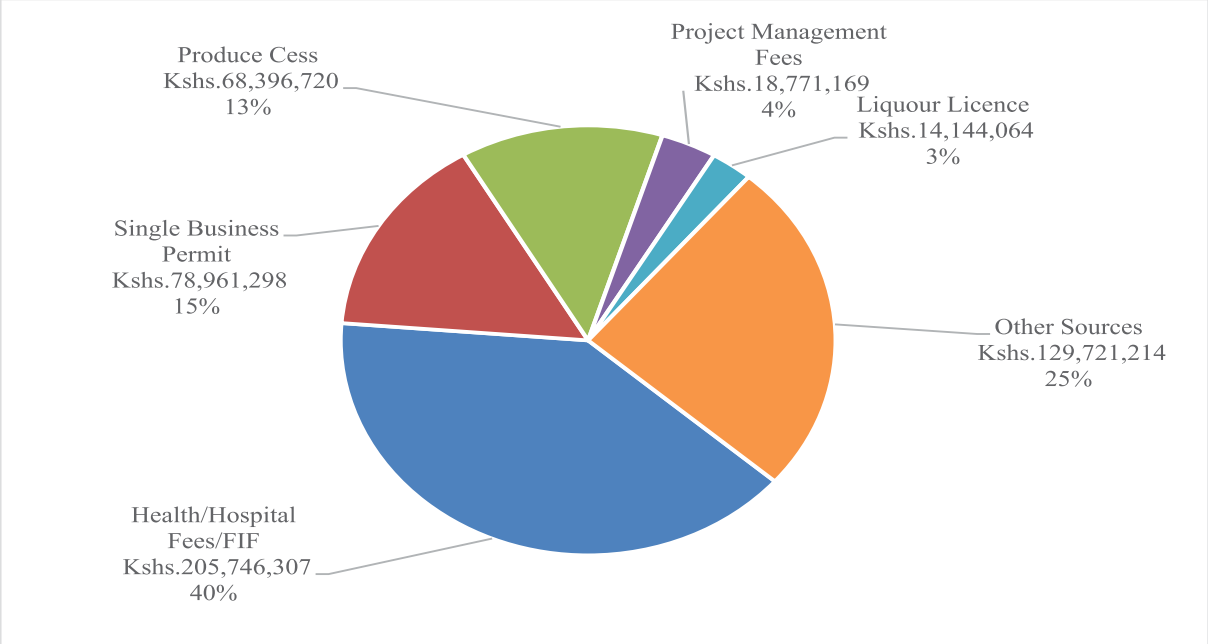
Figure 135: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Nyandarua County Treasury*

In FY 2023/24, the County generated a total of Kshs.515.74 million from its sources of revenue, including FIF and AIA. This amount represented an increase of 1.9 per cent compared to Kshs.505.91 million realised in FY 2022/23 and was 42.1 per cent of the annual target and 9.5 per cent of the equitable revenue share disbursed during the period. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.13.6 million. The revenue streams which contributed the highest OSR receipts are shown in Figure 136.

Figure 136: Top Streams of Own Source Revenue in the FY 2023/24



Source: Nyandarua County Treasury

Hospital fees, which contributed 40 per cent of the total OSR receipts during the reporting period, were the highest revenue stream, worth Kshs. 205.75 million.

3.35.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.64 billion from the CRF account during the reporting period, which comprised Kshs.1.45 billion (21.8 per cent) for development programmes and Kshs.5.19 billion (78.2 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.2.78 billion was released towards Employee Compensation and Kshs.2.42 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.71.93 million.

3.35.4 County Expenditure Review

The County spent Kshs.6.64 billion on development and recurrent programmes in the reporting period. The expenditure represented 100 per cent of the total funds released by the CoB and comprised Kshs.1.46 billion and Kshs.5.18 billion on Development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 45.9 per cent, while recurrent expenditure represented 93 per cent of the annual recurrent expenditure budget.

3.35.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County Executive reported a stock of pending bills amounting to Kshs.197.17 million, comprising of Kshs.56.53 million for recurrent expenditure and Kshs.140.7 million for development activities. In the FY 2023/24, the County Executive settled its entire stock of pending bills amounting to Kshs.197.17 million reported at the beginning of FY 2023/24.

During the year, an additional stock of pending bills amounting to Kshs.323.07 million was included in the supplementary budget over and above what was reported at the beginning of FY 2023/24, out of which the county settled Kshs.85.54 million.

The County Assembly reported outstanding pending bills of Kshs.57.63 million as of 30th June 2024.

3.35.6 Expenditure by Economic Classification

An analysis of expenditure by economic classification indicates that the County Executive spent Kshs.2.4 billion on employee compensation, Kshs.1.91 billion on operations and maintenance, and Kshs.1.4 million on development activities. Similarly, the County Assembly spent Kshs.375.86 million on employee compensation, Kshs.493.11 million on operations and maintenance, and Kshs.54.94 million on development activities, as shown in Table 3.238.

Table 3.238: Summary of Budget and Expenditure by Economic Classification

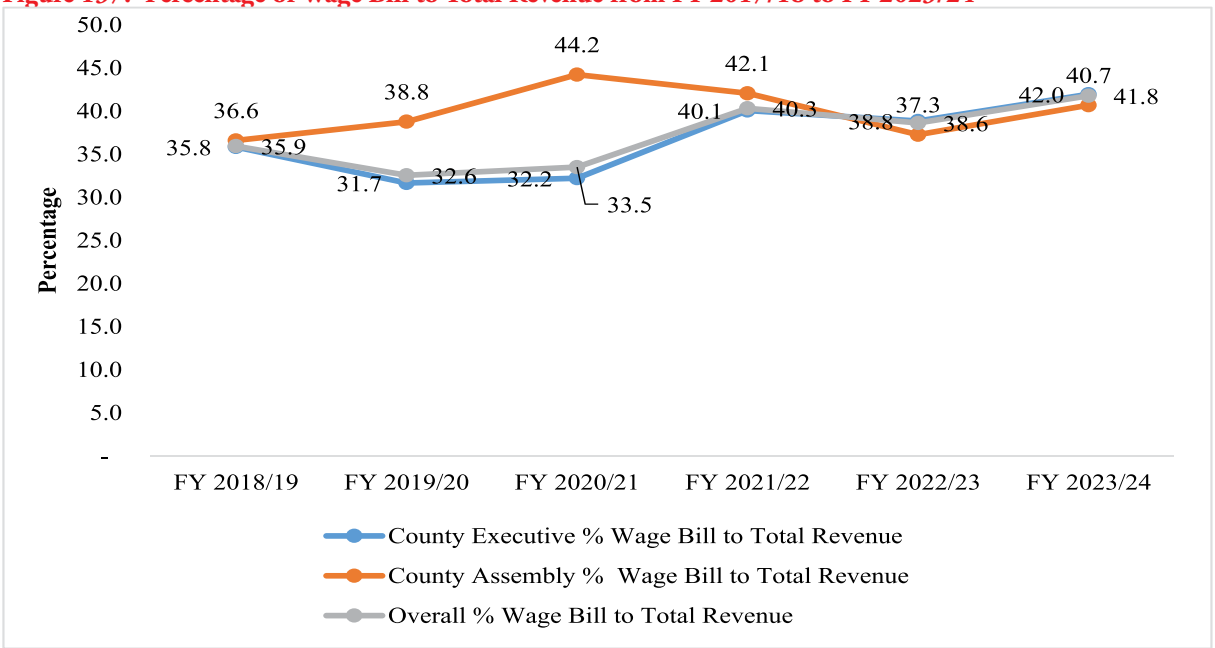
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**4,686,765,678**	**880,285,706**	**4,309,931,208**	**868,972,793**	**92.0**	**98.7**
Compensation to Employees	2,259,730,418	383,224,131	2,397,250,402	375,862,029	106.1	98.1
Operations and Maintenance	2,427,035,260	497,061,575	1,912,680,806	493,110,764	78.8	99.2
Development Expenditure	**3,071,100,160**	**110,000,000**	**1,403,939,580**	**54,943,109**	**45.7**	**49.9**
Total	**7,757,865,838**	**990,285,706**	**5,713,870,788**	**923,915,902**	**73.7**	**93.3**

***Source**: Nyandarua County Treasury*

3.35.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.2.77 billion, or 40.6 per cent of the available revenue, which amounted to Kshs.6.83 billion. This expenditure represented an increase from Kshs.2.48 billion reported in FY 2022/23. The wage bill included Kshs.1.06 billion paid to health sector employees, translating to 38.4 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 137.

Figure 137: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Nyandarua County Treasury

Further analysis indicates that PE costs amounting to Kshs.2.64 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.132.29 million was processed through manual payrolls. The manual payrolls accounted for 4.8 per cent of the total PE cost.

The County Assembly spent Kshs.34.37 million on committee sitting allowances for the 41 MCAs and the Speaker against the annual budget allocation of Kshs.35.1 million. The average monthly sitting allowance was Kshs.68,193 per MCA. The County Assembly has established 17 Committees.

3.35.8 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.425.4 million to county-established funds in FY 2023/24, constituting 4.8 per cent of the County's overall budget. Further, the County allocated Kshs.45 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 3.239 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.239: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs)	Actual Expenditure (Kshs.)	Submission of Financial Statements (Yes/ No)
	County Executive Established Funds				
1	Emergency Fund	45,000,000	40,000,000	-	Yes
2	Executive Car & Mortgage	70,000,000	70,000,000	-	Yes
3	Bursary	204,900,000	182,500,000	-	Yes
	County Assembly Established Funds				
4	Staff Car & Mortgage	30,500,000	30,500,000	-	No
5	MCAs Car & Mortgage	75,000,000	75,000,000	-	No
	Total	**425,400,000**	**398,000,000**	-	

Source: *Nyandarua County Treasury*

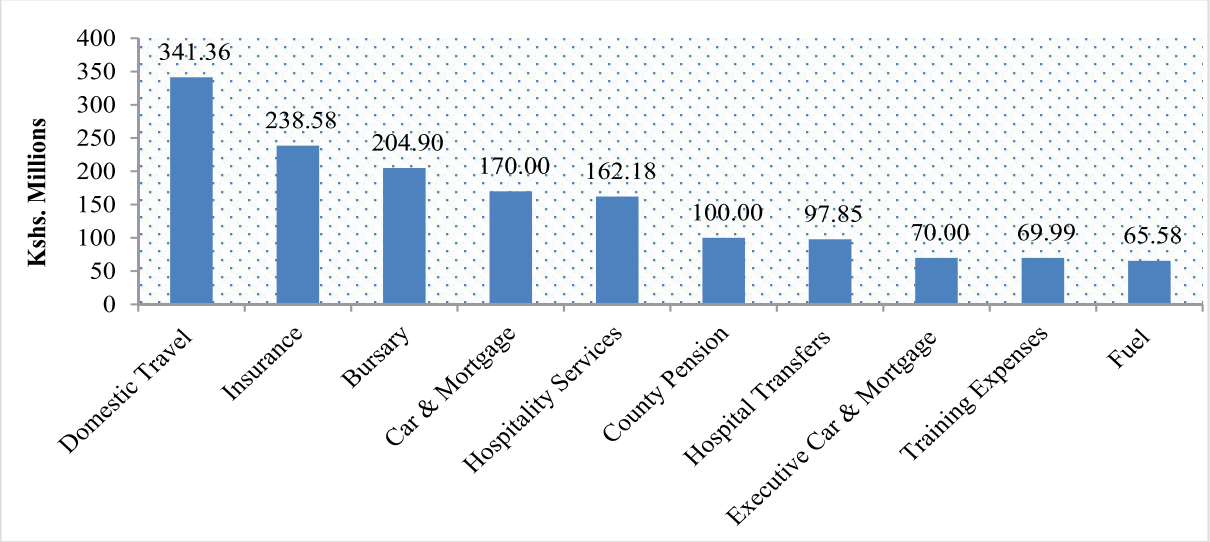
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of the County Assembly Funds, as indicated in Table 3.236, contrary to PFM Act Sec.168(3)

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.

3.35.9 Expenditure on Operations and Maintenance

Figure 138 summarises the Operations and Maintenance expenditure by major categories.

Figure 138: Nyandarua County, Operations and Maintenance Expenditure by Major Categories



Source: *Nyandarua County Treasury*

Expenditure on domestic travel amounted to Kshs.341.36 million and comprised Kshs.127.62 million spent by the County Assembly and Kshs.213.74 million by the County Executive. Expenditure on foreign travel amounted to Kshs.25.84 million and comprised Kshs.16.5 million by the County Assembly and Kshs.9.33 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.240 below;-

Table 3.240: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	2	01/08/2023 to 7/08/2023	Attend ICPAK training	Dubai	2,304,761
County Assembly	6	15th to 24th June 2023	Parliamentary practices and procedure training	Arusha	1,983,780
County Assembly	7	9th to 18th July 2023	Corporate governance training	Addis Ababa	4,087,878
County Assembly	5	26th January- 2nd February 2024	Learning tour at the East African Legislative Assembly	Arusha	2,162,400

Source: Nyandarua County Treasury and Nyandarua County Assembly

The operations and maintenance costs included Kshs.31.79 million in Legal fees/Dues, arbitration, and compensation payments.

3.35.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.46 billion on development programmes, a decrease of 12.6 per cent compared to FY 2022/23, when the County spent Kshs.1.67 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.241: Nyandarua County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract sum	Amount paid to date (Kshs)	Implementation status (%)
1	Tourism & Trade	Development of County Aggregation and Industrial Park (CAIP) -County contribution	Njabini Kiburu	500,000,000	464,500,000	92.9
2	Health	Construction and completion of JM Kariuki Medical Complex	Ol Kalou	1,470,000,000	98,082,853	6.7
3	Public Works	County headquarters (County contribution)	Headquarters	30,000,000.00	29,912,979.00	99.7
4	Agriculture & Livestock	County Subsidized AI Programme (Kshs. 1.5M/ Ward) except Magumu, Karau, Kiriita, Shamata, Njabini and Ndaragwa Central	All wards except Magumu, Karau, Kiriita, Shamata, Njabini and Ndaragwa Central	30,000,000	25,499,132	85.0
5	County Assembly	Construction of an Office Block - interior design and finishing	County Assembly	30,000,000	20,191,871	67.3
6	County Assembly	Construction of Speaker residence - construction of perimeter wall	County Assembly	19,000,000	19,000,000	100.0
7	Energy	Electricity (Floodlights and Streetlights)	Countywide	20,000,000	18,136,341	90.7
8	Agriculture & Livestock	County Pyrethrum Promotion	(Kshs. 1M/ Ward) except Magumu, Geta, Karau, Charagita, Kiriita, Shamata, Mirangine and Ndaragwa Central	17,000,000	17,000,000	100.0
9	Agriculture & Livestock	Purchase of vaccines & sera (vaccination program)	Countywide	8,000,000	8,000,000	100.0
10	Water & Environment	Rutara Borehole water project- Equipping with submersible pump and solar panels	Kanjuiri	3,999,833	4,000,000	100.0

Source: Nyandarua County Treasury

3.35.11 Budget Performance by Department

Table 3.242 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.242: Nyandarua 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
Office of the Governor	136.00	-	121.56	-	125.95	-	92.6	-
County Secretary & Head of Public Service	58.95	-	56.26	-	56.63	-	96.1	-
Office of The County Attorney	37.65	-	25.70	-	25.70	-	68.2	-
Public Service Administration & Devolution	2,625.31	-	2,600.41	-	2,599.53	-	99.0	-
County Public Service Board	25.00	-	24.66	-	24.66	-	98.6	-
Finance, Economic Planning and ICT	585.17	21.00	493.72	2.00	515.72	2.00	88.1	9.5
Health Services	424.68	352.09	359.62	129.46	353.62	129.46	83.3	36.8
Education, Children, Gender Affairs, Culture and Social Services	168.58	98.30	126.30	14.37	126.30	14.37	74.9	14.6
Tourism, Cooperative Development, Trade & Industrialization	68.14	265.17	63.05	68.61	56.05	68.61	82.3	25.9
Youth Empowerment, Sports and Arts	77.26	3.50	69.19	0.66	68.69	0.66	88.9	19.0
Water, Environment, Climate Change& Natural Resources	58.03	527.52	34.23	273.31	33.24	215.37	57.3	40.8
Public Works, Roads, Transport, Housing & Energy	101.84	1,029.99	104.70	607.18	100.81	678.73	99.0	65.9
Lands, Physical Planning and Urban Development	61.71	136.40	44.79	77.22	48.09	77.22	77.9	56.6
Ol-Kalou Municipality	9.89	19.00	8.32	10.29	8.32	10.29	84.1	54.2
Mairo-Inya Municipality	8.00	3.00	3.93	3.00	3.93	3.00	49.1	99.9
Engineer Municipality	7.00	3.50	5.71	-	5.71	-	81.6	-
Agriculture, Livestock & Fisheries	233.55	611.63	181.20	204.23	156.98	204.23	67.2	33.4
County Assembly	880.29	110.00	868.97	54.94	868.97	54.94	98.7	49.9
Total	**5,567.05**	**3,181.10**	**5,192.32**	**1,445.28**	**5,178.90**	**1,458.88**	**93.0**	**45.9**

***Source**: Nyandarua County Treasury*

Analysis of expenditure by departments shows that the Department of Mairo-Inya Municipality recorded the highest absorption rate of the development budget at 99.9 per cent, followed by the Department of Public Works, Roads, Transport, Housing & Energy at 65.9 per cent. The Department of Public Works & Transport and the Department of Public Service & Administration had the highest percentage of recurrent expenditure to budget at 99 per cent. The Department of Water & Environment had the lowest at 57.3 per cent.

3.35.12 Budget Execution by Programmes and Sub-Programmes

Table 3.243 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.243: Nyandarua County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
OFFICE OF THE GOVERNOR							
General administration, planning and support services	Service Delivery Coordination	84,440,000	-	76,948,478	-	91.13	-
	Governor's press services	18,500,000	-	18,499,026	-	99.99	-
	Liaison and Intergovernmental Relations	33,060,000	-	30,504,377	-	92.27	-
Sub Total		**136,000,000**	-	**125,951,881**	-	**92.61**	
OFFICE OF THE COUNTY SECRETARY & HEAD OF PUBLIC SERVICE-							
County Secretary	County Administration	47,270,000	-	45,340,835	-	95.92	-
	Cabinet Affairs	2,580,000	-	2,578,893	-	99.96	-
	Communication and Public Relations	5,800,000	-	5,468,509	-	94.28	-
	County Records Management	3,300,000	-	3,240,174	-	98.19	-
Sub Total		**58,950,000**	-	**56,628,411**	-	**96.06**	-
OFFICE OF COUNTY ATTORNEY							
County Attorney Services	Legal and public affairs	37,650,000	-	25,695,844	-	68.25	-
Sub Total		**37,650,000**	-	**25,695,844**	-	68.25	-
PUBLIC SERVICE & DEVOLUTION (ADMIN)							
Human Resource Management	Payroll (Including Compensation to employees)	2,262,800,418	-	2,238,173,388	-	98.91	-
	Human Resource Management (Including employee gratuity, pension and medical insurance)	322,710,311	-	321,852,484	-	99.73	-
Public administration	Public Administration	5,255,000	-	5,269,755	-	100.28	-
	Sub-county and ward administration	22,145,000	-	21,823,122	-	98.55	-
	Enforcement and Compliance	12,400,000	-	12,414,932	-	100.12	-
Sub Total		**2,625,310,729**	-	**2,599,533,681**	-	**99.02**	-
COUNTY PUBLIC SERVICE BOARD							
County Public Service Board	County Public Service Board	25,000,000	-	24,658,591	-	98.63	-
Sub Total		**25,000,000**	-	**24,658,591**	-	**98.63**	-
FINANCE, ECONOMIC PLANNING AND ICT							
Public Finance Management	County Funds	319,900,000	15,000,000	314,900,000	-	98.44	-
	Treasury services	67,750,746	-	66,631,500	-	98.35	-
	Financial reporting	7,293,495	-	7,288,000	-	99.92	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Revenue Collection and Administration (Including automation)	34,560,000	-	30,984,208	-	89.65	-
	Revenue Enhancement and Monitoring	27,989,028	-	26,113,535	-	93.30	-
	Supply Chain Management	9,434,500	-	9,432,020	-	99.97	-
	Internal Audit and Risk Management	9,650,000	-	9,646,918	-	99.97	-
	Internal Audit Committee	3,050,000	-	3,049,400	-	99.98	-
Economic Planning and Development	Economic Development Planning, including KDSP	63,252,640	-	10,643,317	-	16.83	-
	County Statistics and Data Bank	6,457,000	-	6,456,200	-	99.99	-
	Monitoring and Evaluation	3,500,000	-	3,435,419	-	98.15	-
	Economic Modelling and Research	3,000,000	-	2,999,500	-	99.98	-
	County Budgeting	17,370,000	-	15,790,200	-	90.91	-
	Resource Mobilization and Debt Management	3,300,000	-	2,799,500	-	84.83	-
ICT and E-government Services	ICT and E-government Services	8,666,234	6,000,000	5,554,334	1,997,600	64.09	33.29
Sub Total		**585,173,643**	**21,000,000**	**515,724,051**	**1,997,600**	**88.13**	**9.51**
HEALTH SERVICES							
Preventive and Promotive Services	Preventive and Promotive Services	33,030,000	-	28,190,795	-	85.35	-
Curative Services	Curative Services	279,538,700	-	214,041,854	-	76.57	-
	Universal health care and grants	102,820,000	-	102,678,702	-	99.86	-
General administration, planning and support Services	Solid Waste and Cemeteries	9,293,300	1,500,000	8,708,869	-	93.71	-
	Infrastructure and Equipment		350,594,012	-	129,458,205	-	36.93
Subtotal		**424,682,000**	**352,094,012**	**353,620,220**	**129,458,205**	**83.27**	**36.77**
EDUCATION, CHILDREN, GENDER AFFAIRS, CULTURE & SOCIAL SERVICES							
Primary education	ECDE	24,630,000	44,899,376	14,597,769	1,855,013	59.27	4.13
Youth Training and Development	Revitalization of youth polytechnics	47,404,576	10,300,000	56,268,703	-	118.70	-
Culture and library services	development and promotion of culture	8,610,000	5,000,000	8,080,728	-	93.85	-
Children, Gender and Social Services	Social Services	42,340,000	7,500,000	27,736,515	-	65.51	-
	Children and Gender Affairs	13,150,000	-	12,644,201	-	96.15	

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
General administration, planning and support services	Alcohol Drinks Control and Civic Education	32,443,675	30,604,256	6,971,575	12,519,597	21.49	40.91
Sub Total		**168,578,251**	**98,303,632**	**126,299,491**	**14,374,610**	**74.92**	**14.62**
TOURISM, COOPERATIVE DEVELOPMENT, TRADE & INDUSTRIALIZATION							
Trade development and promotion	Financial and Trade Services	11,850,000	21,825,840	8,742,483		73.78	-
	Nyandarua County Trade Development and Investment Authority (NCTDIA)	10,000,000	-	6,017,039	-	60.17	-
Industrial Development and Investment	Industrial and Enterprise Development	7,850,000	201,400,000	7,693,178	50,000,000	98.00	24.83
	Weights & Measures	5,700,000	-	4,649,310	-	81.57	-
Cooperative Development and management	Cooperative Audit Extension Services	2,430,000	-	2,378,330	-	97.87	-
	Cooperative Development	10,102,800	-	9,507,775	-	94.11	-
Tourism development and promotion	tourism infrastructure development	20,206,342	41,940,950	17,061,485	18,606,104	84.44	44.36
Sub Total		**68,139,142**	**265,166,790**	**56,049,600**	**68,606,104**	**82.26**	**25.87**
YOUTH, SPORTS AND ARTS							
Sports	Sports Development	41,220,000	3,498,020	40,346,739	663,314	97.88	18.96
Youth Affairs	Youth Affairs	25,890,527	-	19,191,933	-	74.13	-
Arts & Theater	Arts & Theater	10,150,000	-	9,147,530	-	90.12	-
Sub Total		**77,260,527**	**3,498,020**	**68,686,202**	**663,314**	**88.90**	**18.96**
WATER, ENVIRONMENT, CLIMATE CHANGE AND NATURAL RESOURCES							
Water Resource Development.	water resource conservation and protection, infrastructure and flood control	16,350,000	231,674,708	14,942,030	72,420,593	91.39	31.26
Environment	Environmental support and management	4,900,000	13,854,900	4,572,658	3,997,790	93.32	28.85
	Climate change resilience	29,334,875	168,000,000	6,357,097	84,268,976	21.67	50.16
	natural resource	6,450,000	111,988,979	6,394,102	54,679,362	99.13	48.83
Irrigation and Drainage infrastructure	promotion of irrigation and drainage development and management	1,000,000	2,000,000	971,900	-	97.19	-
Sub Total		**58,034,875**	**527,518,587**	**33,237,787**	**215,366,721**	**57.27**	**40.83**
TRANSPORT, ENERGY AND PUBLIC WORKS							
Road transport	Transport (Including fuel level, General Administration & Support Services)	44,600,000	623,634,416	44,132,637	507,466,449	98.95	81.37
	Public Works	9,962,265	207,982,000	8,019,569	41,739,430	80.50	20.07
Alternative energy technologies	alternative energy technologies	29,040,000	41,100,000	29,039,996	24,216,836	100.00	58.92

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
General administration, planning and support services	Emergency Response & Preparedness	14,180,000	-	13,643,468	-	96.22	-
Housing	Housing	4,055,800	157,269,359	5,972,150	105,309,302	147.25	66.96
Sub Total		**101,838,065**	**1,029,985,775**	**100,807,820**	**678,732,017**	**98.99**	**65.90**
LANDS, PHYSICAL PLANNING AND URBAN DEVELOPMENT							
Land policy and planning	Physical Planning	13,800,000	-	5,103,239	-	36.98	-
	Survey and Mapping	15,500,000	-	9,509,486	-	61.35	-
	Land Administration and Management	29,046,100	53,000,000	28,832,993	10,035,000	99.27	18.93
Urban Development	Urban Development	3,367,322	83,401,644	4,647,800	67,184,148	138.03	80.55
Sub Total		**61,713,422**	**136,401,644**	**48,093,518**	**77,219,148**	**77.93**	**56.61**
MUNICIPALITIES							
Municipalities	Ol'kalou municipality	9,887,900	18,997,664	8,319,127	**10,293,421**	84.13	54.18
	Engineer Municipality	7,000,000	3,000,000	5,714,440	2,996,000	81.63	99.87
	Mairo-Inya Municipality	8,000,000	3,500,000	3,930,200	-	49.13	-
Sub Total		**24,887,900**	**25,497,664**	**17,963,767**	**13,289,421**	**72.18**	**52.12**
AGRICULTURE, LIVESTOCK AND FISHERIES							
Crop development and management	land and crop development	70,379,617	469,424,036	58,920,394	204,232,441	83.72	43.51
	Seed Potato Production Unit (SPPU Lab)	19,275,325	-	3,862,529	-	20.04	-
Livestock Resources Management and Development	livestock production and management	34,855,000	139,210,000	24,299,398	-	69.72	-
	Veterinary Services	18,950,000	2,000,000	18,796,852	-	99.19	-
Fisheries Development and management	fisheries policy, strategy and capacity building	3,500,000	1,000,000	1,966,506	-	56.19	-
General administration, planning and support services	Institution Support (ATCs)	21,900,000	-	4,994,339	-	22.81	-
	Agriculture Mechanization Services	5,921,800	-	3,375,813	-	57.01	-
	General Administration and Extension Services	9,015,383	-	8,073,776	-	89.56	-
	Subsidized Artificial Insemination	49,750,000	-	32,690,737	-	65.71	-
Sub Total		**233,547,125**	**611,634,036**	**156,980,344**	**204,232,441**	**67.22**	**33.39**
Grand Total Executive		**4,686,765,679**	**3,071,100,160**	**4,309,931,208**	**1,403,939,580**	**91.96**	**45.71**
COUNTY ASSEMBLY							
County Assembly	Legislative, oversight and representation	880,285,706	110,000,000	868,972,793	54,943,109	98.71	49.95
Sub Total		**880,285,706**	**110,000,000**	**868,972,793**	**54,943,109**	98.71	49.95
Grand Total County		**5,567,051,385**	**3,181,100,160**	**5,178,904,001**	**1,458,882,689**	**93.03**	**45.86**

***Source**: Nyandarua County Treasury*

The sub-programmes with the highest implementation levels based on absorption rates were Alternative energy technologies in the Department of Public Works & Energy at 100 per cent, Governor's press in the Office of the Governor at 99.9 per cent, and Supply chain management services in the Department of Finance & Economic Planning at 99.9 per cent of budget allocation.

3.35.13 Accounts Operated Commercial Banks

The County government operated 88 accounts with commercial banks. 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.

3.35.14 Key Observations and Recommendations

While overseeing and reporting on the county budget implementation, the COB identified the following challenges that hampered effective budget implementation.

1. The under performance of own-source revenue at Kshs.515.74 million against an annual target of Kshs.1.23 billion, representing 42.1 per cent of the annual target.

2. Use of manual payroll. Personnel emoluments amounting to Kshs.132.29 million were processed through the manual payroll, accounting for 4.8 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.

3. Low expenditure on development expenditure, which was 21.9 per cent of total expenditure in FY 2023/24. This is below the 30 per cent threshold provided in law.

4. High expenditure on wage bills accounted for 40.6 per cent of the available revenue in FY 2023/24, above the legal ceiling of 35 per cent.

5. High expenditure on domestic travel at Kshs.341.36 million.

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

1. *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.*

2. *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. *The County should prioritize expenditure on development programmes to ensure that its expenditure meets the provisions of the law.*

4. *The County government should develop and implement strategies to ensure that expenditures on the wage bill are within the legal ceiling.*

5. *The county should reduce travelling expenditure by holding activities within the county headquarters.*

3.36. County Government of Nyeri

3.36.1 Overview of FY 2023/24 Budget

The County's approved budget for FY 2023/24 was Kshs.8.98 billion, comprising Kshs.2.79 billion (31.0 per cent) and Kshs.6.2 billion (69.0 per cent) allocation for development and recurrent programme, respectively. The approved budget estimates represented an increase of 18.1 per cent compared to the previous financial year when it was Kshs.7.61 billion and comprised of Kshs.2.29 billion towards development expenditure and Kshs.5.32 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.6.49 billion (68.2 per cent) as the equitable share of revenue raised nationally, Kshs.592.89 million (6.2 per cent) as additional allocations/conditional grants, a cash balance of Kshs.1.1 billion (11.6 per cent) brought forward from FY 2022/23, generate Kshs.1.33 billion (13.9 per cent) as gross own source revenue and Kshs.250,000 from other revenues. The own-source revenue includes Kshs.572.02 million (5.5 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.800 million (8.4 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.244.

3.36.2 Revenue Performance

In the FY 2023/24, the County received Kshs.5.97 billion as an equitable share of the revenue raised nationally, Kshs.456.89 million as additional allocations/conditional grants, and Kshs had a cash balance of Kshs.1.1 billion from FY 2022/23, and raised Kshs.1.41 billion as own-source revenue (OSR). The raised OSR includes Kshs.740.43 million as FIF and Kshs.667.12 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.8.93 billion, as shown in Table 3.244.

Table 3.244: Nyeri County, Revenue Performance in the FY 2023/24

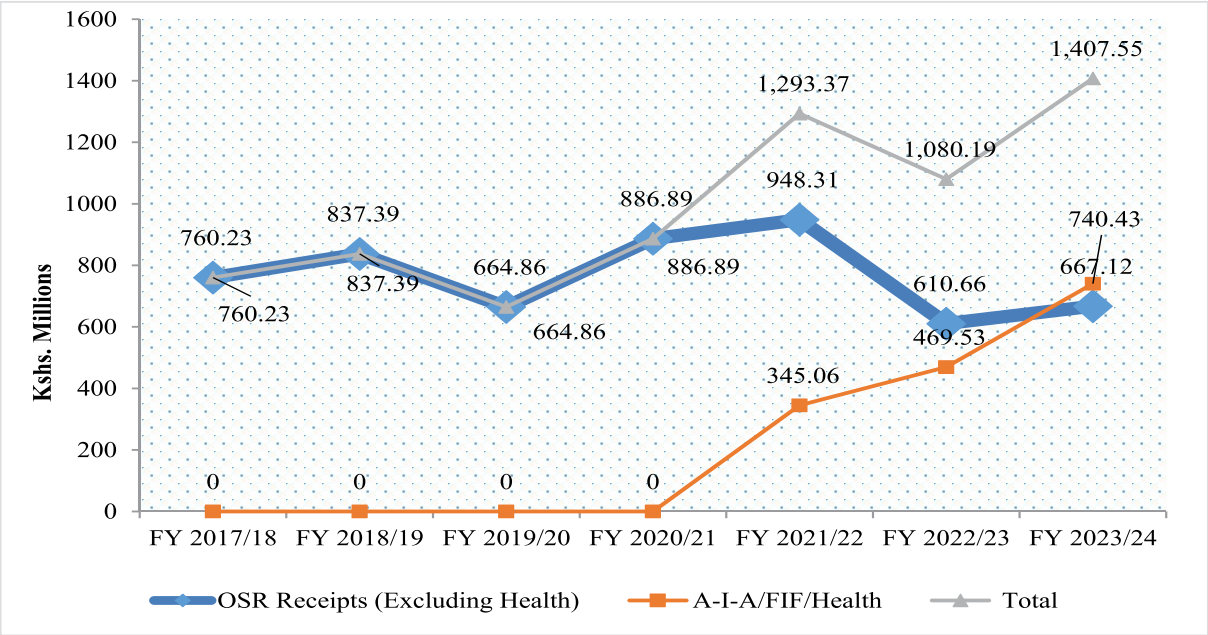
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	6,485,331,051	5,966,504,567	92.0
Sub Total		**6,485,331,051**	**5,966,504,567**	**92.0**
B	**Conditional Grants**			
1	Transfer of library services	24,582,672		0.0
2	Kenya Informal Settlement Programme (KISIP II)	135,648,946	135,648,946	100.0
3	DANIDA	9,875,250	9,875,250	100.0
4	IDA (World Bank) Credit - National Agricultural Value Chain Development Programme (NAVCDP)	192,539,557	199,668,236	103.7
5	Aquaculture Business Development Programme (ABDP)	19,315,146		0.0
6	Livestock Value Chain Support Project	71,182,920		0.0
7	Sweden - Agricultural Sector Development Support Programme (ASDSP II)	3,741,641	2,241,641	59.9
8	IDA (World Bank) Credit - (Financing Locally - Led Climate Action (FLLoCA) program - County Climate Institutional Support (CCIS) Grants	11,000,000	11,000,000	100.0
9	IDA (World Bank) Credit - FLLoCA Climate Change Grant Level 2	125,000,000	98,455,028	6.6 per
Sub-Total		**592,886,132**	**456,889,101**	**77.1**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	800,000,000	667,120,607	83.4
2	Balance b/f from FY2022/23	1,103,934,925	1,103,934,925	100.0
3	Facility Improvement Fund (FIF)	572,026,212	740,425,500	129.4
4	Other Revenues	250,000	0	
Sub Total		2,476,211,137	2,511,481,032	101.4

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
Grand Total		9,554,428,320	8,934,874,700	93.5

Source: *Nyeri County Treasury*

Figure 139 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

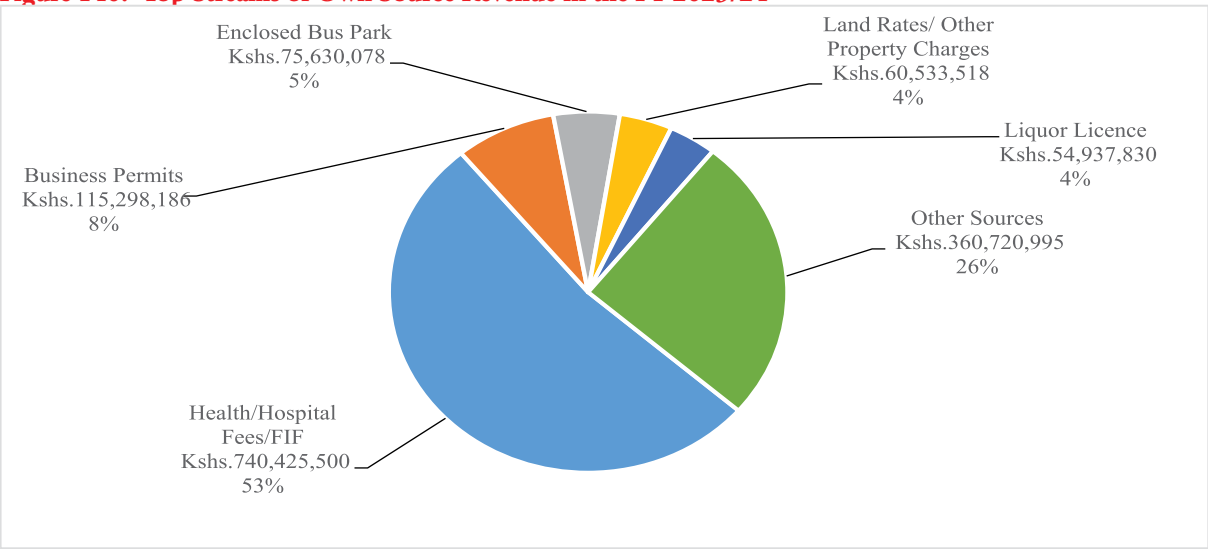
Figure 139: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Nyeri County Treasury*

In the FY 2023/24, the County generated a total of Kshs.1.41 billion from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 30.3 per cent compared to Kshs.1.08 billion realized in FY 2022/23 and was 106.1 per cent of the annual target and 23.6 per cent of the equitable revenue share disbursed during the period. The revenue streams which contributed the highest OSR receipts are shown in Figure 140.

Figure 140: Top Streams of Own Source Revenue in the FY 2023/24



Source: Nyeri County Treasury

The highest revenue stream of Kshs.740.43 million was from Health/Hospital fee/FIF, contributing to 53.0 per cent of the total OSR receipts during the reporting period.

3.36.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.8.05 billion from the CRF account during the reporting period, which comprised Kshs.2.07 billion (25.8 per cent) for development programmes and Kshs.5.97 billion (74.2 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.4.25 million was released towards Employee Compensation and Kshs.1.73 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.55.52 million.

3.36.4 County Expenditure Review

The County spent Kshs.7.94 billion on development and recurrent programmes in the reporting period. The expenditure represented 98.7 per cent of the total funds released by the CoB and comprised Kshs.2.02 billion and Kshs.5.92 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 72.4 per cent, while recurrent expenditure represented 95.6 per cent of the annual recurrent expenditure budget.

3.36.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.88.48 million, comprising Kshs.67.95 million for recurrent expenditure and Kshs.20.53 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.81.09 million, which consisted of Kshs.65.96 million for recurrent expenditure and Kshs.15.12 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.7.39 million. This does not include unpaid bills accrued in FY 2023/24.

The County Assembly did not report any pending bills as of 30th June 2024.

3.36.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.98 billion on employee compensation, Kshs.1.17 billion on operations and maintenance, and Kshs.2.0 billion on development activities. Similarly, the County Assembly spent Kshs.257.66 million on employee compensation, Kshs.518.84 million on operations and maintenance, and Kshs.18.95 million on development activities, as shown in Table 3.245.

Table 3.245: 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	**5,391,262,835**	**805,714,253**	**5,150,619,820**	**776,504,754**	**95.5**	**96.4**
Compensation to Employees	4,080,889,856	271,014,523	3,981,218,111	257,661,664	97.6	95.1
Operations and Maintenance	1,310,372,979	534,699,730	1,169,401,709	518,843,090	89.2	97.0
Development Expenditure	**2,735,425,020**	**50,000,000**	**1,997,067,113**	**18,949,568**	**73.0**	**37.9**
Total	**8,126,687,855**	**855,714,253**	**7,147,686,933**	**795,454,322**	**88.0**	**93.0**

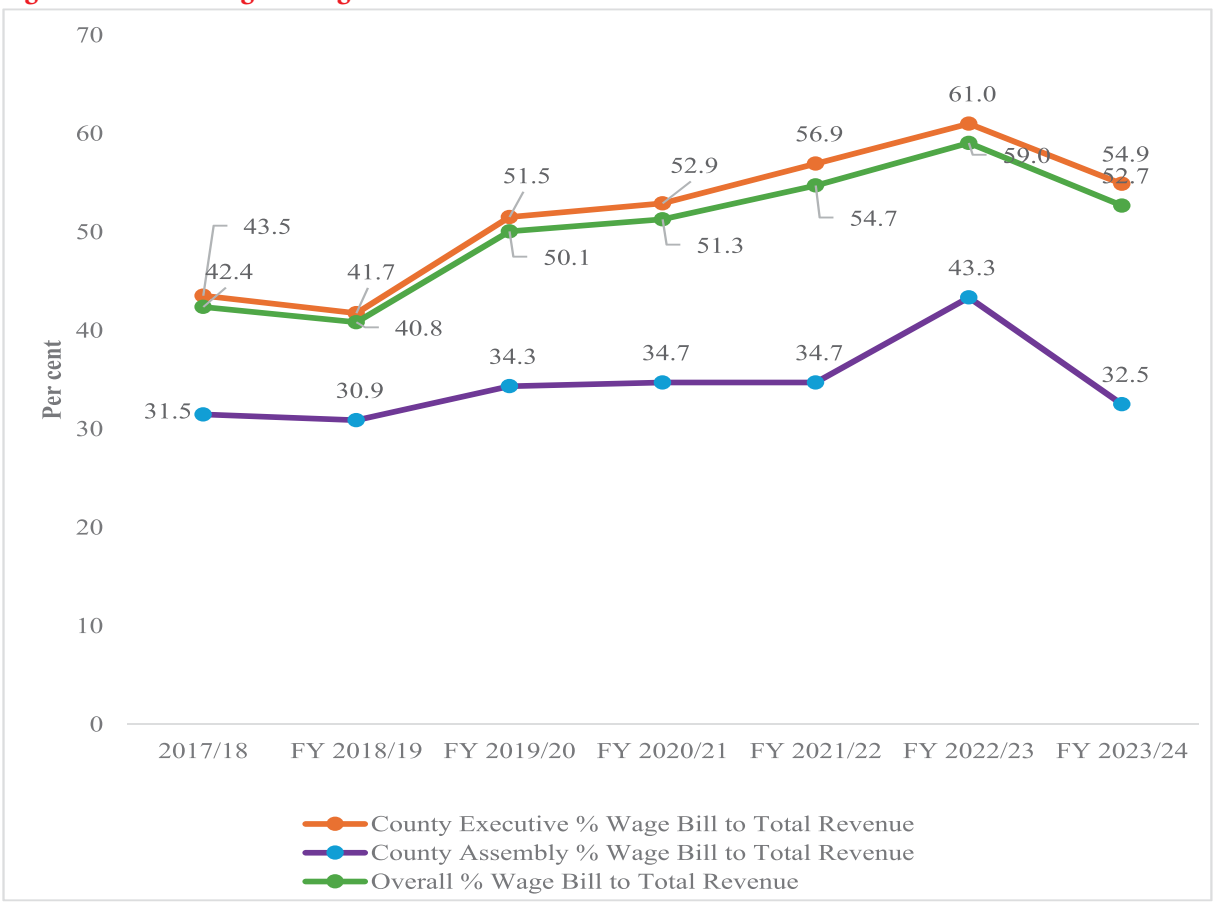
***Source**: Nyeri County Treasury*

3.36.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.24 billion, or 47.4 per cent of the available revenue, which amounted to Kshs.8.93 billion. This expenditure represented an increase from Kshs.7.91 billion reported in FY 2022/23. The wage bill included Kshs.2.37 billion paid to health sector employees, translating to

55.9 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 141.

Figure 141: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



***Source**: Nyeri County Treasury*

Further analysis indicates that PE costs amounting to Kshs.3.83 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.413.22 million was processed through manual payrolls. The manual payrolls accounted for 10.8 per cent of the total PE cost.

The County Assembly spent Kshs.19.94 million on committee sitting allowances for the 43 MCAs against the annual budget allocation of Kshs.20.2 million. The average monthly sitting allowance was Kshs.38,637 per MCA. The County Assembly has established 24 Committees.

3.36.8 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.100.0 million to county-established funds in FY 2023/24, constituting 1.1 per cent of the County's overall budget. The County did not allocate any funds to the Emergency Fund contrary to Section 110 of the PFM Act, 2012, which requires counties to establish an Emergency Fund of up to 2 per cent of its last audited revenue in a single year to cater for any unforeseen occurrences. Table 3.246 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.246: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues	Actual Expenditure (Kshs.)	Cumulative disbursements to the fund (Kshs)	Submission of Financial Statements
County Executive Established Funds						
1	Elimu Fund	100,000,000.00	-	-	242,000,000.00	No
2	Emergency Fund	-	-	-	20,000,000.00	No
3	Health Fund	-	-	-	141,701,379.00	No
4	Enterprise Development Fund	-	-	-	40,000,000.00	No
5	Car Mortgage Fund (Executive)	-	-	-	100,000,000.00	No
County Assembly Established Funds						
1	Car Mortgage Fund (Assembly Staff)	-	-	-	122,393,125.00	No
	Total	**100,000,000.00**			**850,094,504.00**	

Source: *Nyeri County Treasury*

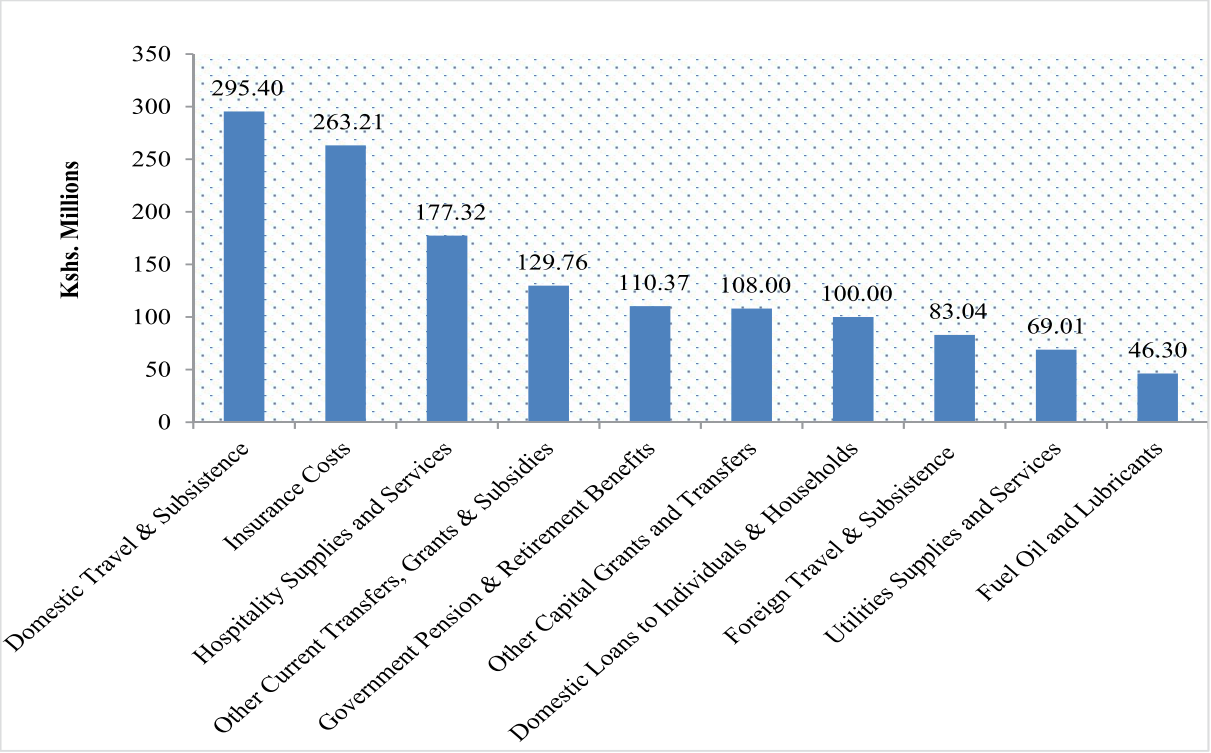
During the reporting period, the CoB did not receive quarterly financial returns from all the Fund Administrators, as indicated in Table 3.243, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.36.9 Expenditure on Operations and Maintenance

Figure 142 summarises the Operations and Maintenance expenditure by major categories.

Figure 142: Nyeri County, Operations and Maintenance Expenditure by Major Categories



Source: *Nyeri County Treasury*

Expenditure on domestic travel amounted to Kshs.295.40 million and comprised Kshs.161.64 million spent by the County Assembly and Kshs.133.76 million by the County Executive. Expenditure on foreign travel amounted to Kshs.83.04 million and comprised Kshs.68.51 million by the County Assembly and Kshs.14.53 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.247 below; -

Table 3.247: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers	Date Of Travel	Purpose of Travel	Destination	Total Cost (Kshs)
County Executive	2	13/9/23 to 20/9/23	Allowance while Attending the SDG Action Weekend - Side Events Ahead Of The 78th Session of The United Nations General Assembly.	New York, USA	1,107,470.84
County Executive	1	1/12/22 to 12/12/22	Allowances and sundry items while attending a training on national security and diplomacy at Galilee International Management Institute	Israel	396,494.00
County Executive	1	27/05/2023 to 3/06/2023	Foreign travel expenses for his excellency the Governor while attending the pension summit and bench marking tour in Amsterdam, Netherlands	Amsterdam	164,371.00
County Executive	1	19/02/2023- to 22/02/2023	Foreign travel expenses for his excellency the Governor field visit to Kigali, Rwanda, to benchmark on PPP for rural water services	Kigali	50,465.00
County Executive	2	11/06/2023 to 17/6/2023	Allowances for foreign travel while accompanying his excellency the Governor for an investment and learning mission to the Kingdom of Morocco	Morocco	1,229,067.00
County Executive			Final payment for provision of air ticket from Nairobi to Bogota, Colombia & back		550,000.00
County Executive			Air tickets from Nairobi to Casablanca (Morocco) and back		706,625.00
County Executive			Part payment cost of air ticket from Nairobi to Israel & back		155,000.00
County Executive	1	22/12/2023 to 10/12/2023	Facilitation for foreign travel to Zambia to attend AAPAM 42nd Annual Round Table Conference	Livingstone, Zambia	417,434.83
County Executive	1	6/4/2022 to 13/4/2022	Facilitation while attending and participating in the International Partnership for Enhanced Capacity on Municipalities for Sustainable Development Programme	Madrid Spain	506,340.00
County Executive	1	13t/22022 to to 20/2/2-22	Facilitation while attending Dubai Expo 2020	Dubai	522,799
County Executive	1	18/03/2023 to 25/03/2023	Facilitation for the P.A to the Governor while accompanying H.E. The Governor while attending a High Level Coffee Exposure visit.	Colombia	245,473
County Executive	1	27/05/2023 to 03/06/2023	Facilitation for the P.A to the Governor while accompanying H.E The Governor while attending A pension summit and bench marking tour	Netherlands	382,482
County Executive	1	27/05/2023 to 03/06/2024	Reimbursement of money used as an advance payment and travel cost for H.E the Governor and his P.A. while attending a pension summit and bench marking tour.	Netherlands	517,500
County Executive	1	18/03/2023 to 25/03/2023	Facilitation for H.E. The Governor while attending a High-Level Coffee Exposure visit.	Colombia	443,670
County Executive	1	27/05/2024 to 01/06 2024	Attending the 27th World Health Assembly (H.E EDWARD MUTAHI Kahiga)	Geneva, Switzerland	926,099
County Executive	1	27t/05 2024 to 01/06 2024	Facilitation to the Personal Assistant to the Governor while accompanying the Governor attending the 27th World Health Assembly	Geneva, Switzerland	485,056
County Executive	1	19/02/2023 to 22/02/2023	Facilitation for the P.A to the Governor while accompanying H.E The Governor while at Kigali	Rwanda	109,420
County Assembly	13	18/04 2023 to 27/05 2023	While attending a training on capacity building.	Arusha	6,202,280.00
County Assembly	5	26/06/2023 to 8/07 2023	While attending a training on East Africa Legislative Assembly	Arusha	2,506,560.00
County Assembly	1	24/07/2023 to 03/08/2023	While attending a training for chairpersons of County Assemblies Health Committees	Arusha	595,728.00

Arm of County Government	No. of Officers	Date Of Travel	Purpose of Travel	Destination	Total Cost (Kshs)
County Assembly	1	29/06/2023 to 10/07/2023	While attending an international conference on post-pandemic strategic public administration and management.	Australia	739,200
County Assembly	1	3/06/2024 to 07/07/2023	While attending a bespoke workshop on legal and legislative drafting training.	Arusha	298,880.00
County Assembly	4	20/08/2023 to 03/09/2023	While attending training at the East Africa Legislative Assembly	Arusha	2,792,930.00
County Assembly	7	23/10/2023 to 28/10/2023	While on a retreat to attend effective Leadership and Governance Training.	Dubai	4,099,550.00
County Assembly	6	30/10/2023 to 08/11/2023	While on a retreat to attend Effective Oversight for County Transformation Training.	Turkey	4,372,508.00
County Assembly	7	10/12/2023 to 17/12/2023	While on a study tour at the East Africa legislative assembly	Arusha	2,238,272.00
County Assembly	7	19/01/2024 to 29/01/2024	while attending a Board training	Dubai	6,503,100.00
County Assembly	1	30/10/2023 to 4/11/2023	While attending a training on effective leadership and Governance oversight for County transformation.	Turkey	698,392.00
County Assembly	1	13/09/2023 to 22/09/2023	While attending County Assemblies Forum training	Arusha	469,236.00
County Assembly	7	13/12/2023 to 23/12/2023	While on a study tour at the East Africa legislative assembly	Arusha	3,381,840.00
County Assembly	6	10/12/2023 to 17/12/2023	While on a study tour at the East Africa legislative assembly	Arusha	2,542,272.00
County Assembly	7	18/12/2023 to 26/12/2023	while attending a facilitation skills training course	Singapore	5,000,268.00
County Assembly	7	9/12/2023 to 18/05/2023	while attending a facilitation skills training course	Singapore	7,082,180.00
County Assembly	8	12/05/2024 to 20/05/2024	While attending training on "Leadership through the vision of developing and implementing organizational excellence."	Dubai	4,595,896.00
County Assembly	5	19/04/2024 to 26/05/2024	While attending a training on "Leadership through the vision of developing and implementing organizational excellence".	Dubai	2,922,720.00
County Assembly	2	19/05/2024 to 31/05/2024	While attending a training on Human Resource management and development programme.	Arusha	1,095,642.00
County Assembly	1	19/05/2024 to 01/05/2024	While attending training on contract monitoring and disbursement management.	Arusha	421,428.00

Source: Nyeri County Treasury and County Assembly

Included in the operations and maintenance costs is an expenditure of Kshs.70.73 million on legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.36.10 Development Expenditure

In the FY 2023/24, the County reported expenditure of Kshs.2.02 billion on development programmes, representing an increase of 17.3 per cent compared to FY 2022/23 when the County spent Kshs.1.72 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.248: 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	Agriculture, Livestock and Fisheries	National Agricultural Value Chain Development Programme (NAVCDP)	Countywide	192,539,557	192,539,557	100%
3	Lands, Physical Planning, Housing and Urbanization	KISIP II- Infrastructure development Informal Settlements (Small Works)	Rware ward (Kiawara Settlement) Ruringu ward (Kiamwathi and Chorongi settlements) Iriaini ward (Ihwagi settlement) Mweiga ward (Kiawara and Gikomo Settlements)	135,648,946	135,648,946	100%
4	Transport, Public Works & Infrastructure	Streetlight Bills	Countywide	82,700,610	82,700,610	100%
5	Water, Environment & Natural Resources	Conditional grant for Climate Change Programme (Level II)	County	185,000,000	75,909,257	41%
6	Transport, Public Works & Infrastructure	Purchase of Workshop Tools, Spares and Small Equipment (empowerment Equipment)	County Wide	59,882,732	58,953,730	98%
7	Trade, Culture, Tourism & Cooperative Development	Construction of an industrial park	County Wide	100,000,000	57,632,729	58%
8	Health, Public Health and sanitation	Completion of the emergency unit at Karatina Level 4 Hospital	County wide	45,000,000	35,885,334	80%
9	Transport, Public Works & Infrastructure	KISIP II- Infrastructure development Informal Settlements (Small Works)	Rware ward (Kiawara Settlement) Ruringu ward (Kiamwathi and Chorongi settlements) Iriaini ward (Ihwagi settlement) Mweiga ward (Kiawara and Gikomo Settlements)	30,000,000	30,000,000	100%

Source: Nyeri County Treasury

3.36.11 Budget Performance by Department

Table 3.249 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.249: Nyeri 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 & Deputy Governor	172.93	46.60	172.56	18.79	154.88	18.79	89.8	100.0	89.6	40.3
Office of the County Secretary	143.06	14.25	138.44	14.05	132.67	13.29	95.8	94.6	92.7	93.2
Finance and Economic Planning	879.40	66.66	809.23	26.48	814.71	46.72	100.7	176.4	92.6	70.1
Lands, Physical Planning, Housing and Urbanization	95.48	295.21	92.48	264.66	88.35	265.20	95.5	100.2	92.5	89.8
Health, Public Health and sanitation	2,459.24	465.96	2,395.03	254.18	2,452.18	280.33	102.4	110.3	99.7	60.2

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
Gender and Social Services	106.60	123.58	105.93	111.71	96.21	113.31	90.8	101.4	90.3	91.7
County Public Service, Administration & Youth Affairs	417.19	52.69	388.44	43.41	346.74	43.41	89.3	100.0	83.1	82.4
Agriculture, Livestock and Fisheries	246.08	453.60	244.76	306.63	230.72	328.48	94.3	107.1	93.8	72.4
Trade, Culture, Tourism & Cooperative Development	79.49	203.36	76.82	174.47	74.75	125.73	97.3	72.1	94.0	61.8
Education, Science and Technology	503.69	110.21	503.25	62.17	499.81	62.17	99.3	100.0	99.2	56.4
Water, Environment & Natural Resources	85.66	337.60	77.09	267.54	79.25	189.30	102.8	70.8	92.5	56.1
County Assembly	805.71	50.00	773.91	18.95	774.30	18.95	100.1	100.0	96.1	37.9
County Public Service Board	47.48	6.00	46.98	3.43	46.71	3.43	99.4	100.0	98.4	57.2
Transport, Public Works & Infrastructure	88.28	559.69	87.71	507.80	71.30	506.91	81.3	99.8	80.8	90.6
Office of the County Attorney	66.69	-	59.70	-	62.34	-	104.4	-	93.5	-
Total	**6,196.98**	**2,785.43**	**5,972.34**	**2,074.27**	**5,924.92**	**2,016.02**	**99.2**	**97.2**	**95.6**	**72.4**

***Source**: Nyeri County Treasury*

Analysis of expenditure by departments shows that the Department of Office of the County Secretary recorded the highest absorption rate of development budget at 93.2 per cent, followed by the Department of Gender and Social Services at 91.7 per cent. The Department of Health, Public Health and Sanitation had the highest percentage of recurrent expenditure to budget at 99.7 per cent, while the Department of Transport, Public Works and Infrastructure had the lowest at 80.8 per cent.

Further, we note some departments reported expenditures above approved exchequer issues which is an indication of a weak budgetary control, namely; the Department of Finance and Economic Planning, the Department of Lands, Physical Planning, Housing and Urbanization, the Department of Health, Public Health and sanitation, and the Department of Agriculture, Livestock and Fisheries.

3.36.12 Budget Execution by Programmes and Sub-Programmes

Table 3.250 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.250: Nyeri County, Budget Execution by Programmes and Sub-Programmes

Department	Program	Sub-Program	Approved Estimate		Cumulative Expenditure		Absorption Rate (%)	
			Recurrent	Development	Recurrent	Development	Recurrent Expenditure	Development Expenditure
Executive Office of the Governor and the Deputy Governor	Management and Co-ordination of county affairs	Administration, planning and support services	149,362,688	46,600,000	132,597,084	18,785,244	89	40
		coordination of county functions	18,315,284	-	17,530,123	-	96	-
		Management of county affairs	5,249,565	-	4,748,735	-	90	-
Executive Office of the Governor and the Deputy Governor Total			**172,927,537**	**46,600,000**	**154,875,942**	**18,785,244**	90	40

Department	Program	Sub-Program	Approved Estimate		Cumulative Expenditure		Absorption Rate (%)	
			Recurrent	Development	Recurrent	Development	Recurrent Expenditure	Development Expenditure
Office of the County Secretary	Coordination of County Functions and Public Service Management	Administration, planning and support services	140,875,811	14,250,000	130,902,364	13,285,435	93	93
		County publicity campaign	2,183,220	-	1,767,133	-	81	-
Office of the County Secretary Total			**143,059,031**	**14,250,000**	**132,669,497**	**13,285,435**	93	93
Finance, Economic Planning and ICT	Executive services	Administration and personnel services	712,796,361	66,662,775	662,002,517	46,719,795	93	70
	Economic Planning and Policy Formulation	Economic Planning and Policy Formulation	15,261,036	-	13,873,064	-	91	-
		Monitoring and Evaluation	9,064,060	-	8,958,984	-	99	-
	Public Finance Management	Financial Accounting	43,449,974	-	40,018,981	-	92	-
		Internal Audit	9,212,300	-	8,469,352	-	92	-
		Procurement Compliance and Reporting	13,076,679	-	12,277,525	-	94	-
	ICT Development	ICT Infrastructure Development	5,467,575	-	5,264,420	-	96	-
	Revenue Mobilization	Revenue Mobilization	71,068,678	-	63,842,859	-	90	-
Finance, Economic Planning and ICT Total			**879,396,663**	**66,662,775**	**814,707,702**	**46,719,795**	93	70
Lands, Physical Planning and Urban Development	Physical planning services	Administration and personnel services	86,379,643	295,211,992	80,100,037	265,202,796	93	90
	Housing Development and Human Settlement	Government Building	4,821,057	-	4,155,797	-	86	-
	Land Policy and Planning	Land Policy Formulation	4,277,943	-	4,094,302	-	96	-
Lands, Physical Planning and Urban Development Total			**95,478,643**	**295,211,992**	**88,350,136**	**265,202,796**	93	90
Health Services and Public Health	Administration, Planning and General Support Services	Administration, Planning and General Support Services	2,425,965,931	465,963,767	2,419,001,088	280,334,036	100	60
	Health Services	Community Health	2,922,000	-	2,823,843	-	97	-
		Health Services	30,354,638	-	30,354,638	-	100	-
Health Services and Public Health Total			**2,459,242,569**	**465,963,767**	**2,452,179,569**	**280,334,036**	100	60
Gender, Youth, Social Services and Sports	General Administration and Planning services	Administration and personnel services	78,560,305	-	75,066,667	-	96	-
	Library Services and Disaster Management	Administration and planning services	17,627,000	96,000,492	14,562,834	89,685,572	83	93
	Social Development and Protection	County children's home management	3,242,000	-	2,822,442	-	87	-

Department	Program	Sub-Program	Approved Estimate		Cumulative Expenditure		Absorption Rate (%)	
			Recurrent	Development	Recurrent	Development	Recurrent Expenditure	Development Expenditure
	Sports and Talents Development	Recreation and Sporting Services	-	27,582,011	-	23,619,912	-	86
		Search and nurture talents	7,167,588	-	3,762,660	-	52	-
Gender, Youth, Social Services and Sports Total			**106,596,893**	**123,582,503**	**96,214,603**	**113,305,484**	90	92
County Public Service and Solid Waste Management	Human resources Management	Administration Planning and Support Services	408,745,064	17,194,150	340,207,892	10,282,852	83	60
	Sanitation management	Administrative Support Services	-	35,500,000	-	33,124,898	-	93
		Environment Conservation, Protection and Management	8,448,828	-	6,531,427	-	77	-
County Public Service and Solid Waste Management Total			**417,193,892**	**52,694,150**	**346,739,319**	**43,407,750**	83	82
Agriculture, Livestock and Aquaculture Development	Agricultural Management	Administration and planning services	232,191,315	68,199,929	219,095,765	56,789,450	94	83
	County Extension Services and Aquaculture Development	Administrative Support Services	3,663,860	47,375,111	2,750,021	24,507,220	75	52
	Coffee Improvement Program	Coffee Improvement Program	-	197,539,557	-	197,539,907	-	100
	Crop Management	County Agriculture Extension Program	2,030,003	31,199,500	1,368,223	24,434,613	67	78
	AMS Naromoru	Development Of Agricultural Land For Crop Production	1,226,000	2,000,000	1,226,000	1,189,445	100	59
	Wambugu ATC	Farm Development	5,300,000	-	5,300,000	-	100	-
	Livestock Production Management	Provision of Extension Services to Livestock farmers	1,670,500	107,282,920	982,591	24,021,996	59	22
Agriculture, Livestock and Aquaculture Development Total			**246,081,678**	**453,597,017**	**230,722,600**	**328,482,631**	94	72
Trade, Cooperatives, Culture and Tourism	Co-operatives	Cooperative Development And Management	5,769,585	24,500,000	5,484,999	22,740,376	95	93
	Tourism Development	Promotion of Tourism	7,032,000	14,095,113	6,904,020	11,261,557	98	80
	Trade Development	Trade Promotion	66,689,930	164,762,757	62,363,377	91,724,294	94	56
Trade, Cooperatives, Culture and Tourism Total			**79,491,515**	**203,357,870**	**74,752,396**	**125,726,227**	94	62
Education and Training	General administration and policy Development and implementation	Administrative Support Services	499,993,691	82,000,936	496,367,013	40,660,972	99	50

Department	Program	Sub-Program	Approved Estimate		Cumulative Expenditure		Absorption Rate (%)	
			Recurrent	Development	Recurrent	Development	Recurrent Expenditure	Development Expenditure
	ECDE Management	ECDE Management	3,692,496	-	3,438,050	-	93	-
	Youth Training and Development	Youth Training and Development	-	28,213,878	-	21,512,075	-	76
Education and Training Total			**503,686,187**	**110,214,814**	**499,805,063**	**62,173,047**	99	56
Water, Environment, and Climate Change	Water Management	Administrative Support Services	78,744,685	-	72,782,481	-	92	-
	Environment and Climate Change	Environment Conservation, Protection and Management	6,914,910	227,292,760	6,471,908	90,370,833	94	40
	Water Management	Water Services	-	110,304,455	-	98,929,326	-	90
Water, Environment, and Climate Change Total			**85,659,595**	**337,597,215**	**79,254,389**	**189,300,159**	93	56
County Assembly	General administration, Policy Development and implementation	Administration and planning services	805,714,253	50,000,000	774,304,754	18,949,568	96	38
County Assembly Total	General administration, Policy Development and implementation		**805,714,253**	**50,000,000**	**774,304,754**	**18,949,568**	96	38
County Public Service Board		Administration and personnel services	47,477,641	6,000,000	46,708,458	3,430,700	98	57
County Public Service Board Total			**47,477,641**	**6,000,000**	**46,708,458**	**3,430,700**	98	57
Roads, Transport, Public Works, Infrastructure and Energy	General Administration and Planning services	Administration, planning and support services	76,606,907	-	60,136,560	-	79	-
	Roads development, maintenance and management	County access and feeder roads improvement	-	285,789,526	-	257,410,042	-	90
	Energy Sector Development	Street Lighting	-	273,903,391	-	249,503,767	-	91
	Energy Sector Development	Street lighting programme	11,669,200	-	11,158,756	-	96	-
Roads, Transport, Public Works, Infrastructure and Energy Total			**88,276,107**	**559,692,917**	**71,295,316**	**506,913,809**	81	91
County Attorney	General Administration and Planning services	Management of county affairs	66,694,884	-	62,344,830	-	93	-
Total			**66,694,884**	-	**62,344,830**	-	93	-
Grand Total			**6,196,977,088**	**2,785,425,020**	**5,924,924,574**	**2,016,016,681**	**96**	**72**

***Source**: Nyeri County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Administration, Planning and General Services and Health Services, both in the Department of Health Services and Public Health at 100 per cent, Development of Agricultural Land for crop production and Farm Development both in the Department of Agriculture, Livestock and Aquaculture Development at 100 per cent, Administrative

Support Services in the Department of Education and Training at 99 per cent, and Administration and personnel services in the Department of County Public Service Board at 98 per cent of budget allocation.

3.36.13 Accounts Operated Commercial Banks

The County government operated a total of 17 accounts with commercial banks. 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.

3.36.14 Key Observations and Recommendations

While overseeing and reporting on the implementation of the County budget, the COB identified the following challenges which hampered effective budget implementation.

1. 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 1st August 2024.
2. A high wage bill accounted for 47.4 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided in law.
3. Use of manual payroll. Personnel emoluments amounting to Kshs.413.22 million were processed through the manual payroll, accounting for 9.7 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.
4. 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 Established County Funds and Revenue Accounts.
5. Poor management of vote books by the County Treasury and weak budgeting practice, as shown in Table 3.246, where the County incurred expenditure over approved exchequer issues and diversion of funds.
6. Law expenditure on development programmes which accounted for 25.4 per cent of total expenditure.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166*
2. *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.*
3. *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.*
4. *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.*
5. *The County Treasury should observe proper management of the vote book and observe a strong budgeting practice of incurring expenditure over the approved exchequer issues and diversion of funds.*
6. *The County should prioritise expenditure on development programme to ensure it is inline with threshold of the law.*

3.37. County Government of Samburu

3.37.1 Overview of FY 2023/24 Budget

The County's approved second supplementary budget for FY 2023/24 was Kshs.7.52 billion, comprising Kshs.2.48 billion (32.9 per cent) and Kshs.5.05 billion (67.1 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 7.8 per cent compared to the previous financial year when it was Kshs. 6.98 billion and comprised of Kshs.2.18 billion towards development expenditure and Kshs.4.79 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs. 5.59 billion (74.3 per cent) as the equitable share of revenue raised nationally, Kshs.879.58 million as additional allocations/conditional grants, a cash balance of Kshs.794.93 million (10.6 per cent) brought forward from FY 2022/23 and generate Kshs.256.03 million (3.4 per cent) as gross own source revenue. The own-source revenue includes Kshs.17 million (5.6 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.239.03 million (93.4 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.248.

3.37.2 Revenue Performance

In the FY 2023/24, the County received Kshs.5.15 billion as an equitable share of the revenue raised nationally, Kshs. 419.84 million as additional allocations/conditional grants, had a cash balance of Kshs.794.93 million from FY 2022/23 and raised Kshs.266.58 million as own-source revenue (OSR). The raised OSR includes Kshs.11.13 million as FIF and Kshs.255.45 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.6.63 billion, as shown in Table 3.251.

Table 3.251: Samburu County, Revenue Performance in the FY 2023/24

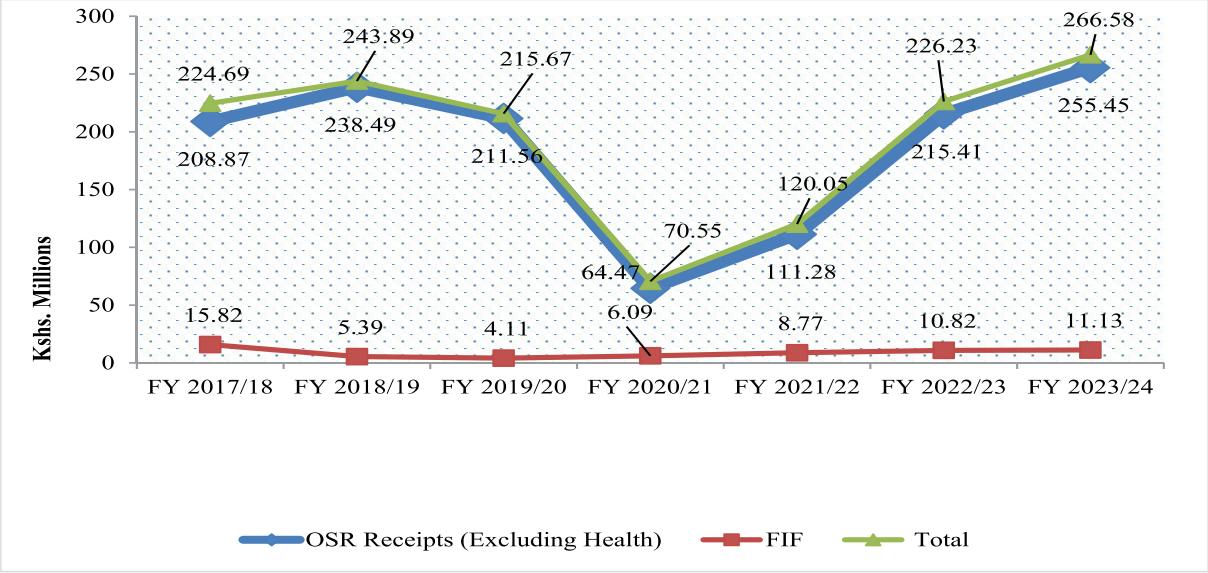
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	5,594,312,489.00	5,146,767,489	92.0
Subtotal				
B	**Additional Allocations/Conditional Grants**			
1	Conditional Grant-Leasing of Medical Equipment	124,723,404	-	-
2	DANIDA (Health support funds)	8,431,500		-
3	World bank loan for National agricultural and rural inclusive growth project	5,000,000	4,261,825.85	85.2
4	Mineral Royalties	905,740	-	-
5	De-Risking and Value Enhancement (DRIVE) -livestock	207,839,480	-	-
6	Fertilizer subsidy	12,431,664	-	-
7	Agriculture Sector Development Support Programme (ASDSP)	2,793,523	-	-
8	Kenya Livestock Commercialization Project (KELCLOP)	37,500,000	-	-
9	World bank loan for National agricultural and rural inclusive growth project B/F	39,696,527	39,696,527	100.0
10	Agriculture Sector Development Support Programme (ASDSP) B/F	27,783,925	27,783,925	100.0
11	ELRP(Locust) B/F	53,393,156	53,393,156	100.0
12	Finance Locally-led Climate Action Program(FLLoCA) b/f	17,600,000	17,600,000	100.0
13	Fuel Levy b/f	11,615,658	11,615,658	100.0
14	KDSP B/F	10,380,389	10,380,389	100.0
15	ELRP(Locust)	200,970,152	199,785,419.40	99.4
16	KUSP-UIG b/f	1,317,155	1,317,155	100.0
17	KUSP-UDG b/f	1,194,559	1,194,559	100.0
18	Finance Locally-led Climate Action Program(FLLoCA)	116,000,000	52,816,262.00	45.5

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
Subtotal		**879,576,832.30**	**419,844,876.25**	**47.7**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	239,027,400	255,453,581	106.9
2	Facility Improvement Fund (FIF)	17,000,000	11,130,343	65.5
Subtotal		**256,027,400**	**266583,924**	104.1
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2022/23	794,929,376	794,929,376	100.0
Sub Total		794,929,376	794,929,376	100.0
Grand Total		**7,524,846,097**	**6,628,125,666**	**88.1**

Source: *Samburu County Treasury*

Figure 143 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

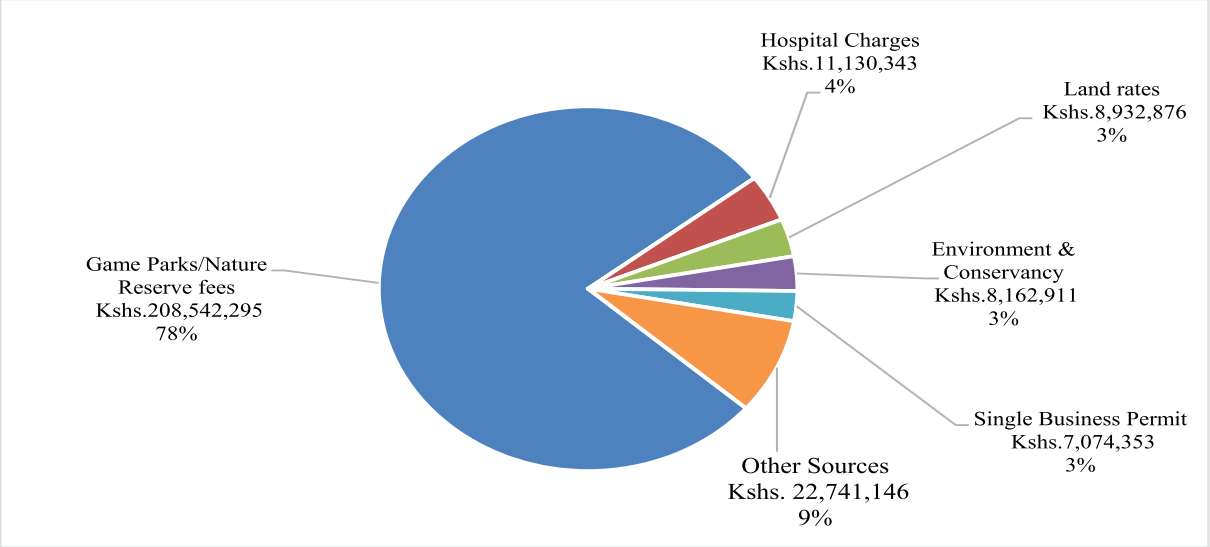
Figure 143: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Samburu County Treasury*

In the FY 2023/24, the County generated a total of Kshs.266.58 million from its sources of revenue and AIA. This amount represented an increase of 17.8 per cent compared to Kshs.226.23 million realized in FY 2022/23 and was 4.1 per cent of the annual target and 5.2 per cent of the equitable revenue share disbursed during the period. The increase in OSR can be attributed to the adoption of a revenue management system in revenue collection. The revenue streams which contributed the highest OSR receipts are shown in Figure 144.

Figure 144: Top Streams of Own Source Revenue in the FY 2023/24



Source: Samburu County Treasury

The highest revenue stream, Kshs.208.54 million, was from Game Park and Nature fees, which contributed 78 per cent of the total OSR receipts during the reporting period.

3.37.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.19 billion from the CRF account during the reporting period, which comprised Kshs.1.51 billion (24.3 per cent) for development programmes and Kshs.4.69 billion (75.7 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.2.62 billion was released towards Employee Compensation and Kshs.2.06 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.16.26 million.

3.37.4 County Expenditure Review

The County spent Kshs.6.19 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 of Kshs.1.51 billion and Kshs.4.69 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 59.9 per cent, while recurrent expenditure represented 92.8 per cent of the annual recurrent expenditure budget.

3.37.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.517.43 million, comprising Kshs.93.89 million for recurrent expenditure and Kshs.423.53 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.306.45 million, which consisted of Kshs.8.99 million for recurrent expenditure and Kshs.297.46 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.210.98 million. This does not include pending bills incurred in FY 2023/24.

The County Assembly did not report any outstanding pending bills as of 30 June 2024.

3.37.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.2.35 billion on employee compensation, Kshs.1.74 billion on operations and maintenance, and Kshs.1.42 billion on

development activities. Similarly, the County Assembly spent Kshs.267.27 million on employee compensation, Kshs.325.64 million on operations and maintenance, and Kshs.88.97 million on development activities, as shown in Table 3.252.

Table 3.252: 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	**4,455,021,624**	**592,999,097**	**4,092,568,528**	**592,901,885**	**91.9**	**100.0**
Compensation to Employees	2,462,981,535	267,266,028	2,355,267,885	267,266,028	95.6	100.0
Operations and Maintenance	1,992,040,089	325,733,069	1,737,300,643	325,635,857	87.2	100.0
Development Expenditure	**2,381,825,375**	**95,000,000**	**1,417,487,051**	**88,967,142**	**59.5**	**93.6**
Total	**6,836,846,999**	**687,999,097**	**5,510,055,579**	**681,869,027**	**80.6**	**99.1**

***Source**: Samburu County Treasury*

3.37.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.2.62 billion, or 42.2 per cent of the available revenue, which amounted to Kshs.6.63 billion. This expenditure represented an increase from Kshs.2.20 billion reported in FY 2022/23. The wage bill included Kshs.795.29 million paid to health sector employees, translating to 30.3 per cent of the total wage bill.

Further analysis indicates that PE costs amounting to Kshs.2.30 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.319.65 million was processed through manual payrolls. The manual payrolls accounted for 12.2 per cent of the total PE cost.

The County Assembly spent Kshs.16.45 million on committee sitting allowances for the 25 MCAs against the annual budget allocation of Kshs.31.2 million. The average monthly sitting allowance was Kshs.54,846 per MCA. The County Assembly has established 15 Committees.

3.37.8 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.361 million to county-established funds in FY 2023/24, constituting 4.7 per cent of the County's overall budget. Further, the County allocated Kshs.30 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 3.253 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.253: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds				
1	Conservancy Fund	125,000,000	67,500,000	67,500,000	No
2	Executive Car Loan and Mortgage	8,000,000	-	-	No
3	Bursaries and Support Services	134,000,000	133,000,000	Not provided	No
4	Youth and Women Fund	11,000,000	-	-	No
5	PLWD Fund	5,000,000	-	-	No
6	Emergency Fund	30,000,000	-	-	No
	County Assembly Established Funds				
1	County Assembly Car Loan and Mortgage	56,000,000	55,300,000	55,300,000	No
	Total	**361,000,000**	**141,700,000**	**122,800,000**	

Source: *Samburu County Treasury*

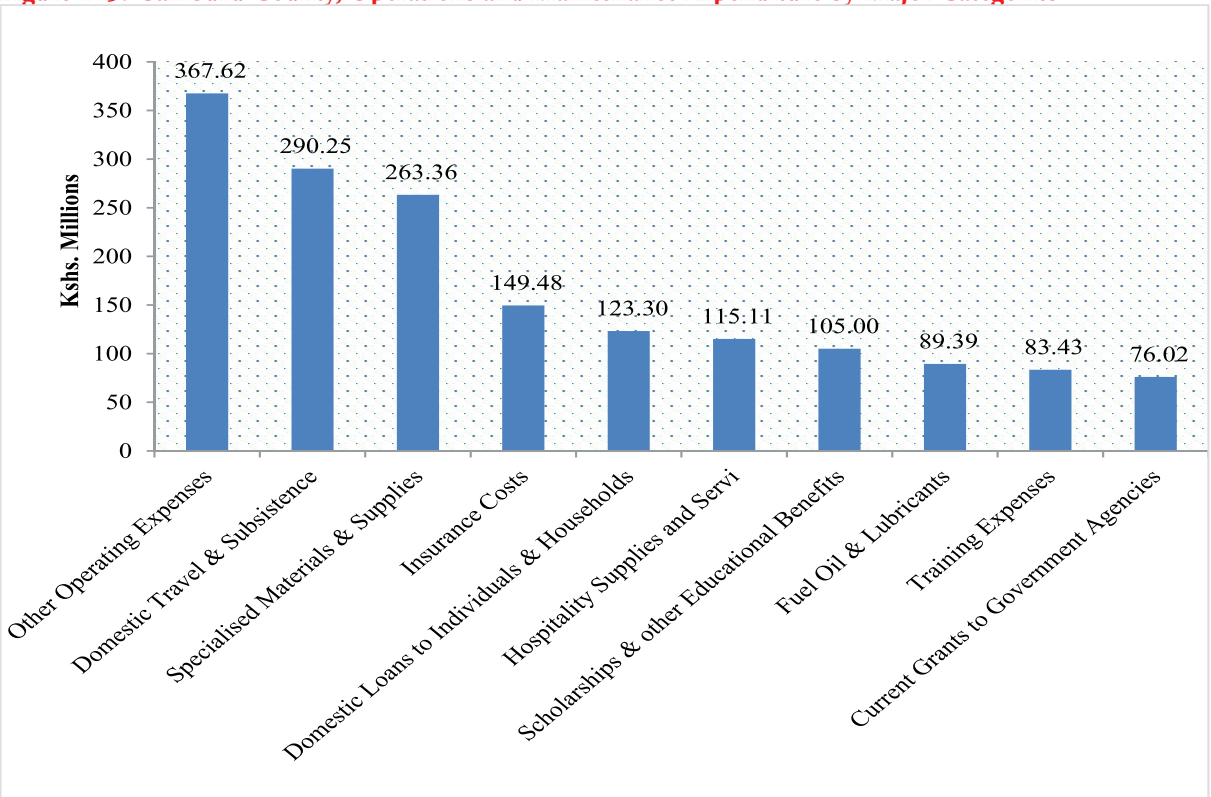
During the reporting period, the CoB did not receive quarterly financial returns from all the Fund Administrators, as indicated in Table 3.250, contrary to the requirement of Section 168 of the PFM Act, 2012. The administration costs of the funds could not be ascertained due to the non-submission of quarterly financial returns.

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.

3.37.9 Expenditure on Operations and Maintenance

Figure 145 summarises the Operations and Maintenance expenditure by major categories.

Figure 145: Samburu County, Operations and Maintenance Expenditure by Major Categories



Source: Samburu County Treasury

Expenditure on domestic travel amounted to Kshs.290.25 million and comprised Kshs.57.18 million spent by the County Assembly and Kshs.233.07 million by the County Executive. Expenditure on foreign travel amounted to Kshs.20.85 million and comprised Kshs.7.97 million by the County Assembly and Kshs.12.88 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.254 below;-

Table 3.254: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Samburu County Executive	5	5th May 2024 To 28th May 2024	Study Tour On Modern Agriculture Sector Practices In Denmark	Denmark	4,650,100
Samburu County Executive	6	28 May 2024 To 31 May 2024	International Program on Communities and Citizen Engagement Summit In DUBAI	Dubai	1,512,920
Samburu County Executive	4	5th May 2024 To 28th May 2024	Study Tour on Modern Agriculture Sector Practices In DENMARK	Denmark	2,500,000
Samburu County Executive	4	28 May 2024 To 31 May 2024	International Program on Communities and Citizen Engagement Summit In DUBAI	Dubai	1,481,420

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Samburu County Executive	1	28 May 2024 To 31 May 2024	International Program on Communities and Citizen Engagement Summit In DUBAI	Dubai	705,000
Samburu County Executive	1	28 May 2024 To 31 May 2024	International Program on Communities and Citizen Engagement Summit in DUBAI	Dubai	1,690,000
Samburu County Executive	1	10th To 15th June 2024	ICPAK Leadership Seminar in ISTANBUL	Istanbul	616,995
Samburu County Executive	5	5th May 2024 To 28th May 2024	Study Tour on modern agriculture sector practices in DENMARK	Denmark	2,600,000
Samburu County Assembly	4	27th September2022	ICPAK Training on Leadership Summit	Dubai	4,347,874
Samburu County Assembly	1	30 July 2023	Agricultural summit	Israel	1,374,250
Samburu County Assembly	1	15 August 2023	Deputy Speakers Forum	Israel	1,270,350
Samburu County Assembly	4	30 September 2023	CASB training	Arusha	2,347,403

Source: Samburu County Treasury and Samburu County Assembly

The operations and maintenance costs include an expenditure of Kshs.357.92 million on management fees and Kshs.9.71 million on legal fees/dues, arbitration and compensation payments.

3.37.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.51 billion on development programmes, a decrease of 18.0 per cent compared to FY 2022/23, when the County spent Kshs.1.84 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.255: 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	Agriculture, Livestock and Fisheries	Supply & Delivery of Somali Camel Breed	11 wards	84,000,000	84,000,000	100
2	Agriculture, Livestock and Fisheries	Supply and Delivery of Sahiwal Breed Cattles heifers	7 Wards	79,182,000	79,182,000	100
3	Agriculture, Livestock and Fisheries	Provision of certified maize and bean seeds	County wide	40,360,000	40,360,000	100
4	Samburu County Assembly	Construction of County Assembly Chambers	Maralal Ward	36,754,844	36,754,844	100
5	Environment and Natural Resources	Drilling and Equipping Of 4No B/Holes at Suguta &Maralal	Samburu central	21,835,038	21,835,038	100
6	Environment and Natural Resources	Drilling and Equiipingg of 3no. Boreholes(Leere, Naimaral and Mekewe Samburu North)	Samburu north	17,984,870	17,984,870	100
7	Samburu County Assembly	Supply and Installation of the County Assembly Chamber Furniture	Maralal Ward	33,275,000	17,765,000	53
8	Health Services	Being Payment of Supply and Delivery of Toyota Land Cruiser Ambulance for Health Department	WAMBA NORTH	16,910,000	16,910,000	100
9	Health Services	Installation and Commissioning of Local Area Networking	MARALAL	15,970,000	15,970,000	100

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
10	Agriculture, Livestock and Fisheries	Supply and Delivery of Galla Bucks	4 wards	13,770,000	13,770,000	100

Source: Samburu County Treasury

3.37.11 Budget Performance by Department

Table 3.256 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.256: Samburu 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 Executive	505.20	8.00	478.82	4.48	478.82	4.48	100.0	100.0	94.8	56.0
Finance, Economic Planning & ICT	849.92	50.19	773.75	22.99	773.75	22.99	100.0	100.0	91.0	45.8
Agriculture, Livestock Development, Veterinary Services & Fisheries	220.96	980.65	193.68	501.44	193.68	501.44	100.0	100.0	87.7	51.1
Water, Environment, Natural Resources & Energy	191.57	338.72	142.60	238.74	142.60	238.74	100.0	100.0	74.4	70.5
Education and Vocational Training	608.27	141.00	579.79	100.97	579.79	100.97	100.0	100.0	95.3	71.6
Medical Services, Public Health & Sanitation	1,362.44	292.98	1,300.91	176.70	1,300.91	176.70	100.0	100.0	95.5	60.3
Lands, Housing, Physical Planning & Urban Development	174.24	91.33	145.88	19.94	145.88	19.94	100.0	100.0	83.7	21.8
Roads, Transport & Public Works	116.68	286.17	89.83	202.47	89.83	202.47	100.0	100.0	77.0	70.8
Tourism, Trade, Enterprise Development & Cooperatives	249.41	178.06	218.81	118.26	218.81	118.26	100.0	100.0	87.7	66.4
Culture, Social Services, Gender, Sports & Youth Affairs	176.32	54.74	168.49	31.48	168.49	31.48	100.0	100.0	95.6	57.5
County Assembly	593.00	95.00	592.90	88.97	592.90	88.97	100.0	100.0	100.0	93.6
TOTAL	**5,048.02**	**2,516.83**	**4,685.47**	**1,506.45**	**4,685.47**	**1,506.45**	**100.0**	**100.0**	**92.8**	**59.9**

***Source**: Samburu County Treasury*

Analysis of expenditure by departments shows that the County Assembly recorded the highest absorption rate of development budget at 93.6 per cent, followed by the Department of Education and Vocational Training at 71.6 per cent. The County Assembly had the highest percentage of recurrent expenditure to budget at 100 per cent, while the Department of Water, Environment, Natural Resources & Energy had the lowest at 74.4 per cent.

3.37.12 Budget Execution by Programmes and Sub-Programmes

Table 3.257 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.257: Samburu County, Budget Execution by Programmes and Sub-Programmes

Programme	Description	Approved Estimates FY 2023/24		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Executive Services		**434,385,438**	**8,000,000**	**383,880,732**	4,481,256	**88.4**	**97.2**
	Administration and Coordination of County Affairs	-	-	-	-	-	-
	Sub County Administration	224,002,644	-	203,204,391	-	**90.7**	-
	Coordination, Supervision and Human Resource Services	170,448,176	8,000,000	141,512,104	4,481,256	**83.0**	**97.2**
	Management of County Affairs	39,934,618	-	39,164,237	-	**98.1**	-
Organization of County Business		-	-	-	-	-	-
	Public Sector Advisory Services	-	-	-	-	-	-
Economic, Social & Political Advisory Service		**14,497,686**	-	**13,888,798**	-	**95.8**	-
	County Policing	-	-	-	-	-	-
	General Administration Planning and Support Services	14,497,686	-	13,888,798	-	**95.8**	-
Administration of Human Resources in County Public Service		**56,314,926**	-	**55,406,629**	-	**98.4**	-
	General Administration Planning and Support Services	56,314,926	-	55,406,629	-	**98.4**	-
Administration Services		-	-	-	-	-	-
	Special Programs	-	-	-	-	-	-
Special Programs		-	-	-	-	-	-
	Grand Total	-	-	-	-	-	
		505,198,050	**8,000,000**	478,818,598	4,481,256	**89.7**	**97.2**
Finance, Economic Planning & ICT		-	-	-	-	-	-
	General Administration Planning and Support Services	-	-	-	-	-	-
Administration Services		**497,604,580**	**42,194,000**	**487,840,408**	**29,856,960**	**98.0**	**70.8**
	System Security	459,307,438	-	450,075,260	-	**98.0**	-
	Public Finance Management	38,297,142	42,194,000	37,765,148	29,856,960	**98.6**	**70.8**

Programme	Description	Approved Estimates FY 2023/24		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Fiscal Planning		**304,277,839**	**8,000,000**	**276,455,370**	**8,000,000**	**90.9**	**100.0**
	Resource Mobilization	51,773,670	8,000,000	41,320,771	8,000,000	**79.8**	**100.0**
	Budget Formulation Coordination and management	88,801,113	-	86,097,335	-	**97.0**	-
	Public finance and Accounting	14,311,920	-	13,038,203	-	**91.1**	-
	Internal Audit	42,478,495	-	41,502,855	-	**97.7**	-
	Data Management	20,411,858	-	15,523,091	-	**76.0**	-
	Procurement	19,000,000	-	18,030,513	-	**94.9**	-
	Monitoring & Evaluation /Statistical	25,825,602	-	24,345,263	-	**94.3**	-
	Special Programs	41,675,181	-	36,597,339	-	**87.8**	-
Special Programs		**35,354,323**	**-**	**32,326,265**	**-**	**91.4**	-
	General ministration(Economic Planning and ICT)	35,354,323	-	32,326,265	-	**91.4**	-
General Administration (Economic Planning and ICT)		**12,682,895**	**-**	**10,679,468**	**-**	**84.2**	-
	Grand Total	12,682,895	-	10,679,468	-	**84.2**	-
		849,919,637	**50,194,000**	773,749,223	22,993,000	**95.0**	**75.4**
Agriculture, Livestock Development, Veterinary Services & Fisheries		-	-	-	-	-	-
	General Administration Planning and Support Services	-	-	-	-	-	-
Administration, Planning and Support Services		**79,394,821**	**-**	**72,938,296**	**-**	**91.9**	-
	Livestock Resource Management and Development	79,394,821	-	72,938,296	-	**91.9**	-
Promotion of Value Addition of Livestock and Livestock Products		**72,276,278**	**912,767,981**	**62,719,438**	**333,609,404**	**86.8**	**36.5**
	Promotion of Dairy Production, Breeding and Disease Control	18,303,764	853,527,981	17,808,190	279,496,280	**97.3**	**32.7**
	Livestock marketing and range land management	27,141,854	- 1,000,000	26,512,964	-	**97.7**	-
	Livestock Diseases Management and Control	11,741,904	-	10,760,876	-	**91.6**	-
		15,088,756	60,240,000	7,637,409	54,113,124	**50.6**	**89.8**
Development of capture fisheries resources		**8,332,664**	**15,827,086**	**6,231,177**	**15,826,286**	**74.8**	**100.0**

Programme	Description	Approved Estimates FY 2023/24		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Crop Production and Management	8,332,664	15,827,086	6,231,177	15,826,286	**74.8**	**100.0**
Crop Production and Food Security		**60,958,708**	**52,051,664**	**51,819,371**	**40,360,000**	**85.0**	**77.5**
	Agricultural Extension Research and Training	20,392,822	- 240,000	14,023,788	-	**68.8**	-
	Grand Total	40,565,886	52,291,664	37,795,583	40,360,000	**93.2**	**77.2**
		220,962,471	**980,646,731**	**193,708,282**	**389,795,690**	**87.7**	**39.7**
Water, Environment, Natural Resources & Energy		-	-	-	-	-	-
	General Administration Planning and Support Services	-	-	-	-	-	-
Administration, Planning and Support Services		-	-	-	-	-	-
	Pollution control& monitoring	-	-	-	-	-	-
Administration		**57,862,262**	**267,635,500**	**48,068,745**	**226,806,709**	**83.1**	**84.7**
	Forests Conservation and Management	57,862,262	267,635,500	48,068,745	226,806,709	**83.1**	**84.7**
Forests Conservation and Management		**32,333,851**	**71,080,550**	**13,750,962**	**25,969,794**	**42.5**	**36.5**
	Pollution control& monitoring	24,442,020	2,200,000	11,039,769	2,199,124	**45.2**	**100.0**
	Forests Conservation and Management	7,891,831	68,880,550	2,711,193	23,770,670	**34.4**	**34.5**
Control of soil erosion		**11,474,810**	-	**5,868,332**	-	**51.1**	-
	Mining Services	5,661,970	-	3,048,997	-	**53.9**	-
	Water Catchment and Protection Services	2,460,790	-	1,521,395	-	**61.8**	-
	Environmental Management and Protection	3,352,050	-	1,297,940	-	**38.7**	-
Water and sanitation services		**89,902,594**	-	**78,529,632**	-	**87.3**	-
	Storm water management	81,670,389	-	73,227,990	-	**89.7**	-
	Grand Total	8,232,205	-	5,301,642	-	**64.4**	-
		191,573,517	**338,716,050**	**146,217,670**	**252,776,503**	**76.3**	**74.6**
Education and Vocational Training		-	-	-	-	-	-
	General Administration Planning and Support Services	-	-	-	-	-	-
Administration, Planning and Support Services		-	-	-	-	-	-
	General Administration Planning and Support Services	-	-	-	-	-	-

Programme	Description	Approved Estimates FY 2023/24		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Bursary Management Services		**240,766,617**	-	**212,707,219**	-	**88.3**	-
	General Administration Planning and Support Services	-	-	-	-		
	Education & Training Services	240,766,617	-	212,707,219	-	**88.3**	-
Promotion of Early Childhood Education		**357,053,381**	**134,595,000**	**354,805,814**	105,556,678	**99.4**	**78.4**
	Promotion of youth empowerment	357,053,381	134,595,000	354,805,814	105,556,678	**99.4**	**78.4**
	Management and development of Sports & Sports facilities	-	-	-	-	-	-
Sports Development, Training & Competition		-	-	-	-	-	-
	Youth Training and Development	-	-	-	-	-	-
SP1 Revitalization of Youth Polytechnics		**10,445,312**	**6,404,900**	**8,397,198**	6,404,840	**80.4**	**100.0**
	Grand Total	10,445,312	6,404,900	8,397,198	6,404,840	**80.4**	**100.0**
		608,265,310	**140,999,900**	**575,910,231**	101,961,518	**94.7**	**72.3**
Medical Services, Public Health & Sanitation		-	-	-	-	-	-
	General Administration Planning and Support Services	-	-	-	-	-	-
Administration, Planning and Support Services		-	-	-	-	-	-
	Preventive and Promotive Health Services	-	-	-	-	-	-
Non-communicable Disease & Prevention Control		**301,050,821**	-	**295,716,936**	-	**98.2**	-
	Maternal Health Services	32,518,515	-	31,497,222	-	**96.9**	-
	Communicable Disease Control	54,637,138	-	53,800,687	-	**98.5**	-
	Health Promotive Services	84,029,736	-	83,077,151	-	**98.9**	-
	Health curative Services	129,865,432	-	127,341,876	-	**98.1**	-
County Referral Services		**819,789,457**	**24,380,389**	**805,065,824**	**21,128,240**	**98.2**	**86.7**
	Free Primary Healthcare	647,659,473	24,380,389	640,101,119	21,128,240	**98.8**	**86.7**
	Provision Of Essential Health Services In All The Levels	150,675,046	-	146,890,007	-	**97.5**	-

Programme	Description	Approved Estimates FY 2023/24		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	General Administration Planning and Support Services	21,454,938	-	18,074,699	-	**84.2**	-
Health Standards and Quality Assurance Services		**241,603,979**	**268,596,424**	**233,857,996**	**198,891,560**	**96.8**	**74.0**
	Research And Development	76,834,490	-	75,387,300	-	**98.1**	-
	Health Infrastructure development	9,056,172	-	8,143,039	-	**89.9**	-
	Human Resources for health	9,973,576	-	9,264,301	-	**92.9**	-
	Health Policy, Planning & Financing	101,473,482	-	99,999,514	-	**98.5**	-
		44,266,259	268,596,424	41,063,842	198,891,560	**92.8**	**74.0**
Water Catchment and Protection Services		-	-	-	-		
	Grand Total	**1,362,444,257**	**292,976,813**	**1,334,640,757**	**220,019,800**	**98.0**	**75.1**
Lands, Housing, Physical Planning & Urban Development		-	-	-	-	-	-
	General Administration Planning and Support Services	-	-	-	-	-	-
Administration, Planning and Support Services		**122,762,015**	**5,000,000**	**83,954,894**	-	**68.4**	-
	Land Use Policy and Planning	122,762,015	5,000,000	83,954,894	-	**68.4**	-
Housing management services		**16,572,824**	**50,130,000**	**13,880,713**	3,577,600	**83.8**	**7.1**
	GIS Data Base creation	1,004,955	-	406,925	-	**40.5**	-
	Spatial Planning	-	-	-	-	-	-
	Survey And Mapping	7,617,044	-	7,206,691	-	**94.6%**	-
	Urban Centers Administration	7,950,825	50,130,000	6,267,097	35,776,000	**78.8**	**71.4**
Urban center management		**34,909,894**	**36,195,293**	**31,765,297**	22,386,559	**91.0**	**61.8**
	Grand Total	34,909,894	36,195,293	31,765,297	22,386,559	**91.0**	**61.8**
		174,244,733	**91,325,293**	**129,600,904**	58,162,559	**74.4**	**63.7**
Roads, Transport & Public Works		-	-	-	-	-	-
	General Administration Planning and Support Services	-	-	-	-	-	-
Administration, Planning and Support Services		-	-	-	-	-	-
	General Administration Planning and Support Services	-	-	-	-	-	-
Administrative services		**76,292,635**	-	**68,063,220**	-	**89.2**	-

Programme	Description	Approved Estimates FY 2023/24		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Design, implementation and supervision of public buildings	58,576,209	-	51,902,697	-	**88.6**	-
	Firefighting services	13,638,860	-	11,803,239	-	**86.5**	-
	Infrastructure, Roads & Transport Services	4,077,566	-	2,357,283	-	**57.8**	-
Street lights management		**40,390,197**	**286,165,308**	**32,650,163**	**177,287,028**	**80.8**	**62.0**
	Rehabilitation of Roads, Drainage and Bridges	16,247,732	16,000,000	15,308,146	14,746,090	**94.2**	**92.2**
	Public Road transport and parking	9,927,809	270,165,308	6,442,164	162,540,938	**64.9**	**60.2**
	Design, supervision and rehabilitation of County Buildings	3,920,836	-	2,987,860	-	**76.2**	-
	General Administration Planning and Support Services	10,293,820	-	7,911,994	-	**76.9%**	-
Administration		-	-	-	-	-	-
	Land Use Policy and Planning	-	-	-	-	-	-
Pollution control& monitoring		-	-	-	-	-	-
	Conservation and Management of Natural Ecosystems	-	-	-	-	-	-
Storm water management		-	-	-	-	-	-
	Water and sanitation services	-	-	-	-	-	-
	Grand Total	-	-	-	-	-	-
		116,682,832	**286,165,308**	**98,713,383**	**177,287,028**	**84.6**	**62.0**
Tourism, Trade, Enterprise Development & Cooperatives		-	-	-	-	-	-
	General Administration Planning and Support Services	-	-	-	-	-	-
General administration		**66,617,224**	**152,902,650**	**57,629,512**	**99,642,928**	**86.5**	**65.2**
	Cooperatives Development and Management	66,617,224	152,902,650	57,629,512	99,642,928	**86.5**	**65.2**
SACCO members' empowerment		**27,141,289**	-	**18,888,451**	-	**69.6**	-
	Enhance Marketing Co-operatives	-	-	-	-	-	-
	Promote Commerce and Enterprises	27,141,289	-	18,888,451	-	**69.6**	-
Business Development Services for MSE's		**2,081,500**	-	**1,193,573**	-	**57.3**	-
	Promotion of Tourism and Marketing	2,081,500	-	1,193,573	-	**57.3**	-

Programme	Description	Approved Estimates FY 2023/24		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Tourism and Infrastructure Development		**122,837,098**	-	**107,849,131**	-	**87.8**	-
	Establish & Management of County Tourism Information Centre	-	-	-	-	-	-
	Tourism Training & capacity Building	111,537,098	-	97,897,244	-	**87.8**	-
	Trade Development and Promotion	11,300,000	-	9,951,888	-	**88.1%**	-
Domestic trade development		**19,204,771**	-	**15,228,267**	-	**79.3**	-
	Market development and promotion of fair trade services	18,304,771	-	14,500,567	-	**79.2**	-
	General Administration Planning and Support Services	900,000	-	727,700	-	**80.9**	-
General Administration Planning and Support Services		**11,531,684**	**25,161,600**	**9,989,410**	**28,338,800**	**86.6**	**112.6**
	General Administration Planning and Support Services	11,531,684	25,161,600	9,989,410	28,338,800	**86.6**	**112.6**
		249,413,566	**178,064,250**	**210,778,343**	**127,981,728**	**84.5**	**71.9**
Culture, Social Services, Gender, Sports & Youth Affairs		-	-	-	-	-	-
	Education & Training Services	-	-	-	-	-	-
Promotion of youth empowerment		-	-	-	-	-	-
	Management and development of Sports & Sports facilities	-	-	-	-	-	-
Sports Development, Training & Competition		**61,730,000**	**29,037,030**	**55,488,696**	**24,484,290**	**89.9**	**84.3**
	Public Sector Advisory Services	61,730,000	29,037,030	55,488,696	24,484,290	**89.9**	**84.3**
Economic, Social & Political Advisory Service		**4,886,036**	-	**3,283,077**	-	**67.2**	-
	General Administration Planning and Support Services	4,886,036	-	3,283,077	-	**67.2**	-
General Administration Planning and Support Services		**60,830,185**	**25,700,000**	**46,884,031**	**19,384,721**	**77.1**	**75.4**
	Community Mobilization and Development	60,830,185	25,700,000	46,884,031	19,384,721	**77.1**	**75.4**
Community Mobilization and Development		**25,196,884**	-	**15,330,708**	-	**60.8**	-

Programme	Description	Approved Estimates FY 2023/24		Actual Expenditure		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Development and Promotion of Culture	5,608,872	-	4,297,294	-	**76.6**	-
	Social Welfare and Gender	4,518,012	-	3,078,405	-	**68.1**	-
	Conservation of Heritage	14,250,000	-	7,18 5,710	-	**50.4**	-
	Development and management of sports facilities	820,000	-	769,300	-	**93.8**	-
Development and management of sports facilities		**7,430,000**	-	**7,030,206**	-	**94.6**	-
	General Administration Planning and Support Services	7,430,000	-	7,030,206	-	**94.6**	-
General Administration Planning and Support Services (Sports)		**16,244,147**	-	**14,504,570**	-	**89.3**	-
	General Administration Planning and Support Services	16,244,147	-	14,504,570	-	**89.3**	-
		176,317,252	**54,737,030**	**142,200,979**	**43,869,011**	**80.7**	**80.1**
County Assembly							
	Legislative and Oversight	136,625,668	22,000,000	136,625,668	22,000,000	100.0	100.0
	County Assembly Administration	216,253,823	73,000,000	216,253,000	66,967,142	100.0	91.7
	Representation	240,119,606	-	240,119,106	-	100.0%	-
		592,999,097	95,000,000	592,997,774	88,967,142	-	93.6
GRAND TOTAL		**5,048,020,722**	**2,516,825,375**	**4,685,470,413**	**1,506,454,193**	**92.8**	**59.9**

***Source**: Samburu County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: General Administration Planning and Support Services in the Department of Trade and Industrialization at 112.6 per cent, Legislative and Oversight in the County Assembly at 100 per cent, Pollution Control & monitoring in the Department of Water and Environment at 100 per cent, and Crop Production and Management in the Department of Agriculture at 100 per cent of budget allocation.

3.37.13 Accounts Operated Commercial Banks

The County government operated a total of 24 accounts with commercial banks. 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.

3.37.14 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;

1. 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 1st August 2024.

2. Failure by Fund Administrators to submit quarterly financial and non-financial reports to the COB within the timelines provided in laws, which is against the requirement of Section 168 of the PFM Act,

2012. The reports for the Conservancies Fund – Department of Tourism, Trade Enterprise Development and Cooperatives, Executive Car Loan and Mortgage, Bursaries Fund, Youth and Women Fund, People Living with Disability Fund, Emergency Fund and County Assembly Car Loan and Mortgage Fund were not submitted to the Controller of Budget.

3. High level of pending bills which amounted to Kshs. 210.98 million as of 30 June 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.

4. High wage bills accounted for 42.2 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided in law.

5. Use of manual payroll. Personnel emoluments amounting to Kshs.319.65 million were processed through the manual payroll, accounting for 12.2 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.

6. 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.

7. Law expendire on development expenditure which was 24.6 per cent of total expenditure.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

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

3. *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.*

4. *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.*

5. *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.*

6. *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.*

7. *The County should prioritise expenditure on development to meet the legal provision of 30 per cent.*

3.38. County Government of Siaya

3.38.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget II for FY 2023/24 was Kshs.9.76 billion, comprising Kshs.3.85 billion (40.6 per cent) and Kshs.5.91 billion (59.4 per cent) allocation for development and recurrent programmes, respectively. The approved supplementary budget estimates represented an increase of 13.5 per cent compared to the previous financial year when it was Kshs.8.60 billion and comprised of Kshs.2.83 billion towards development expenditure and Kshs.5.77 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.7.26 billion (74.4 per cent) as the equitable share of revenue raised nationally, Kshs.874.01 million as additional allocations/conditional grants (9 per cent), a cash balance of Kshs.864.09 million (8.9 per cent) brought forward from FY 2022/23 and

generate Kshs.760.00 million (7.8 per cent) as gross own source revenue. The own-source revenue includes Kshs.325.51 million (3.3 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.434.49 million (4.5 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.258.

3.38.2 Revenue Performance

In the FY 2023/24, the County received Kshs.6.68 billion as an equitable share of the revenue raised nationally, Kshs.477.54 million as additional allocations/conditional grants, a cash balance of Kshs.864.09 million from FY 2022/23 and raised Kshs.610.74 million as own-source revenue (OSR). The raised OSR includes Kshs.388.63 million as Health FIF and Kshs.222.10 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.8.63 billion, as shown in Table 3.258.

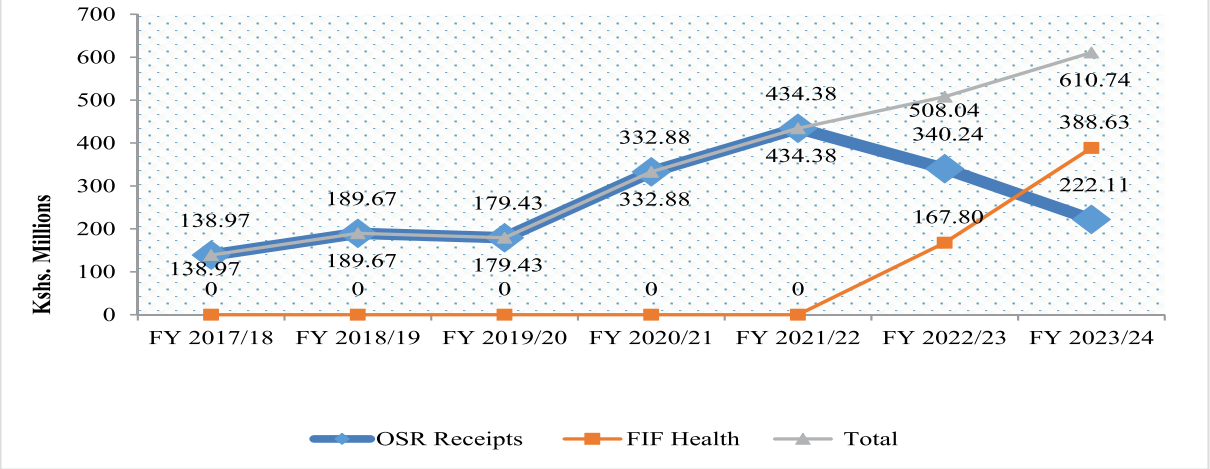
Table 3.258: Siaya County, Revenue Performance in the FY 2023/24

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, 263, 019, 559**	**6, 681, 978, 904**	**92.0**
Subtotal		**7, 263, 019, 559**	**6, 681, 978, 904**	**92.0**
B	**Additional Allocations/Conditional Grants**			
1	County Integrated Industrial Park	250, 000, 000	62, 500, 000	25.0
2	National Agricultural Value Chain Project	200, 000, 000	195, 112, 952	97.6
3	FLLoCA -Development grant	168, 555, 660	128, 982, 155	100
4	Fertilizer subsidy programme	166, 455, 063	-	-
5	Kenya livestock commercialization project	30, 500, 000	28, 269, 536	92.7
6	Livestock value chain support project	14, 323, 680	-	-
7	Aqua culturally business development	13, 838, 473	-	-
8	FLLooCA - CCIS	11, 000, 000	11, 000, 000	100
9	DANIDA	10, 568, 250	10, 568, 250	100
10	Transfer of library services	7, 474, 485	-	-
11	Agricultural sector development support project	1, 037, 537	1, 537, 537	148.2
12	Allocation of mining royalties	259, 152	-	-
Subtotal		**874, 012, 300**	**477, 543, 935**	-
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	434, 494, 994	222, 110, 969	51.1
2	Facility Improvement Fund (FIF)	325, 505, 006	388, 626, 776	119.4
Subtotal		**760, 000, 000**	**610, 737, 745**	**80.4**
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2022/23	864, 091, 625	864, 091, 625	100
Sub Total		**864, 091, 625**	**864, 091, 625**	**100**
Grand Total		**9, 761, 123, 387**	**8,634,352,209**	**88.5**

Source: *Siaya County Treasury*

Figure 146 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

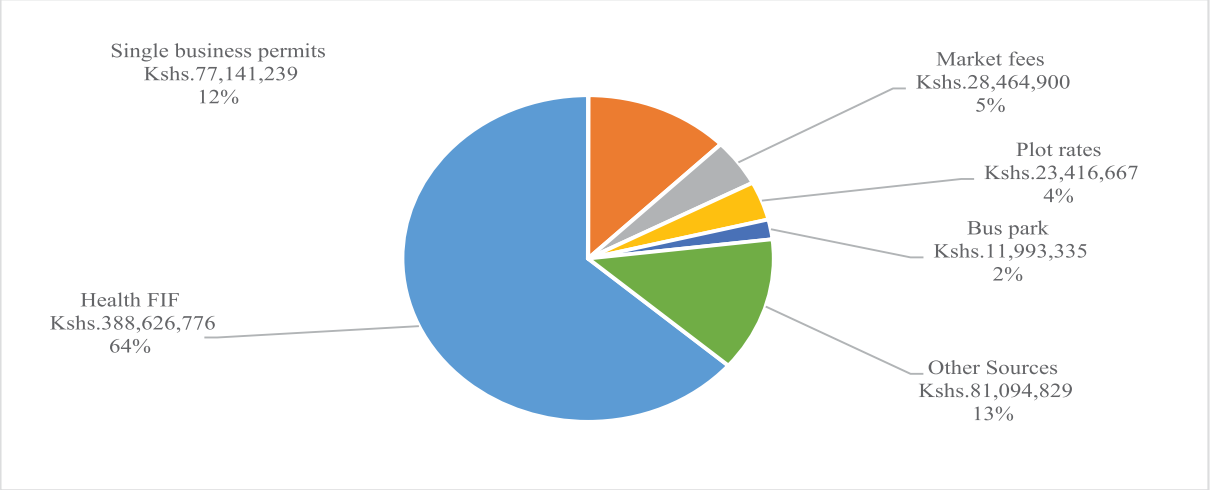
Figure 146: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Siaya County Treasury*

The County Treasury did not provide information on actual receipts for FY 2017/18 to FY 2021/22. In FY 2023/24, the County generated a total of Kshs.610.74 million from its sources of revenue, including FIF and AIA. This amount represented an increase of 20.2 per cent compared to Kshs.508.04 million realized in FY 2022/23 and was 80.4 per cent of the annual target and 9.1 per cent of the equitable revenue share disbursed during the period. The revenue streams which contributed the highest OSR receipts are shown in Figure 147.

Figure 147: Top Streams of Own Source Revenue in the FY 2023/24



Source: Siaya County Treasury

The highest revenue stream of Kshs.388.63 was from health FIF, contributing to 64.0 per cent of the total OSR receipts during the reporting period.

3.38.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.8.09 billion from the CRF account during the reporting period, which comprised Kshs.2.53 billion (31.3 per cent) for development programmes and Kshs.5.56 billion (68.7 per cent) for recurrent programmes. An analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.3.49 billion was released towards Employee Compensation and Kshs.2.07 billion for Operations and Maintenance expenditure.

3.38.4 County Expenditure Review

The County spent Kshs.7.63 billion on development and recurrent programmes in the reporting period. The expenditure represented 87.5 per cent of the total funds released by the CoB and comprised Kshs.2.49 billion and Kshs.5.14 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 64.6 per cent, while recurrent expenditure represented 86.8 per cent of the annual recurrent expenditure budget.

3.38.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.761.29 million, comprising Kshs.397.20 million for recurrent expenditure and Kshs.364.09 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.457.34 million, which consisted of Kshs.194.54 million for recurrent expenditure and Kshs.262.84 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.303.91 million. However, the reported pending bills do not include those incurred in FY 2023/24.

The County Assembly reported outstanding pending bills of Kshs.12.67 million as of 30 June 2024.

3.38.6 Expenditure by Economic Classification

An analysis of expenditure by economic classification indicates that the County Executive spent Kshs.2.87 billion on employee compensation, Kshs.1.47 billion on operations and maintenance, and Kshs.2.30 billion on development activities. Similarly, the County Assembly spent Kshs.325.23 million on employee compensation, Kshs.478.56 million on operations and maintenance, and Kshs.188.89 million on development activities, as shown in Table 3.259.

Table 3.259: Summary of Budget and Expenditure by Economic Classification

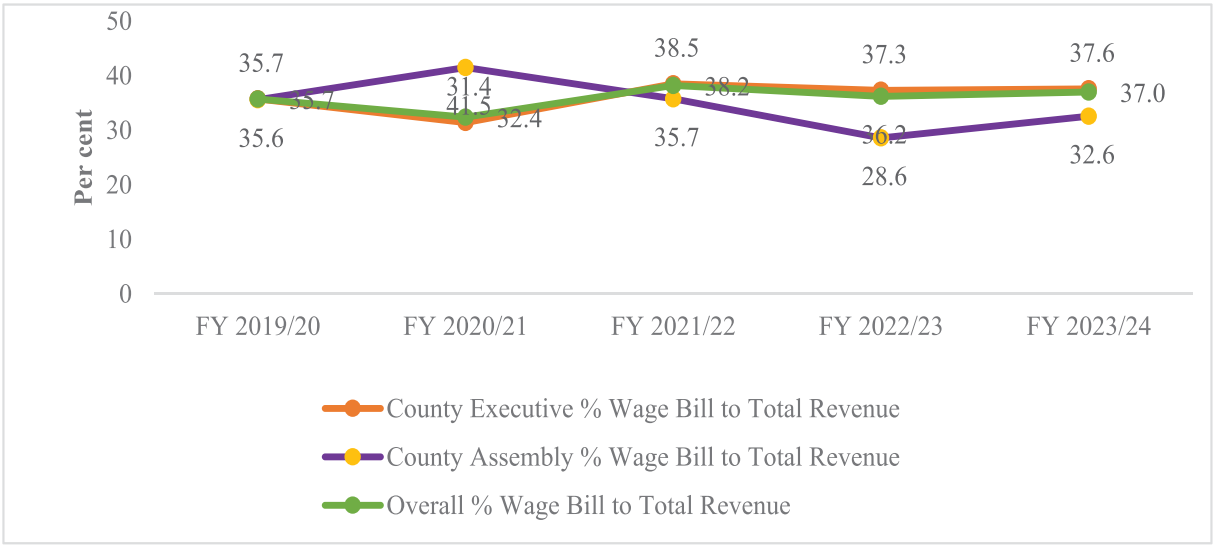
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**5,101,076,013**	**808, 171, 151**	**4,334,890,413**	**803,782,756**	**85.0**	**99.5**
Compensation to Employees	3,025,210,864	326,615,378	2,869,669,224	325,227,272	94.9	99.6
Operations and Maintenance	2,075,865,149	481, 555, 773	1,465,221,189	478,555,484	70.6	99.4
Development Expenditure	**3,521,220,293**	**330,655,931**	**2,298,301,699**	**188,893,779**	**65.3**	**57.1**
Total	**8,622,296,306**	**1,138,827,082**	**6,633,192,112**	**992,676,535**	**76.9**	**86.3**

***Source**: Siaya County Treasury*

3.38.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.3.19 billion, or 37.2 per cent of the available revenue, which amounted to Kshs.8.58 billion. This expenditure represented an increase of 6.3 per cent from Kshs.3.00 billion reported in FY 2022/23. The wage bill included Kshs.1.54 billion paid to health sector employees, translating to 48.1 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2018/19 to FY 2023/24 is shown in Figure 148.

Figure 148: Percentage of Wage Bill to Total Revenue from FY 2018/19 to FY 2023/24



Source: Siaya County Treasury

Further analysis indicates that PE costs amounting to Kshs.2.08 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.1.11 billion was processed through manual payrolls. The manual payrolls accounted for 34.8 per cent of the total PE cost.

The County Assembly spent Kshs.24.74 million on committee sitting allowances for the 42 MCAs and the Speaker against the annual budget allocation of Kshs.24.74 million. The average monthly sitting allowance was Kshs.47,946 per MCA. The County Assembly has established 23 Committees.

3.38.8 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.256.84 million to county-established funds in FY 2023/24, constituting 2.6 per cent of the County's overall budget. Further, the County allocated Kshs.87.67 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.260 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.260: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1	County Bursary Fund	110, 600, 000	110, 600, 000	110, 600, 000	751, 200, 000	Yes
2	County Emergency Fund	87, 671, 874	40, 000, 000	39, 314, 704	290, 000, 000	Yes
3	Cooperative Development Fund	30, 000, 000	-	-	-	No
	County Assembly Established Funds					
1	County assembly car loan & mortgage fund	28, 573, 000	28, 573, 000	28, 573, 000	419, 212, 000	Yes
	Total	**256, 844, 874**	**179, 173, 000**	**178, 487, 704**	**1,460,412,000**	

Source: *Siaya County Treasury*

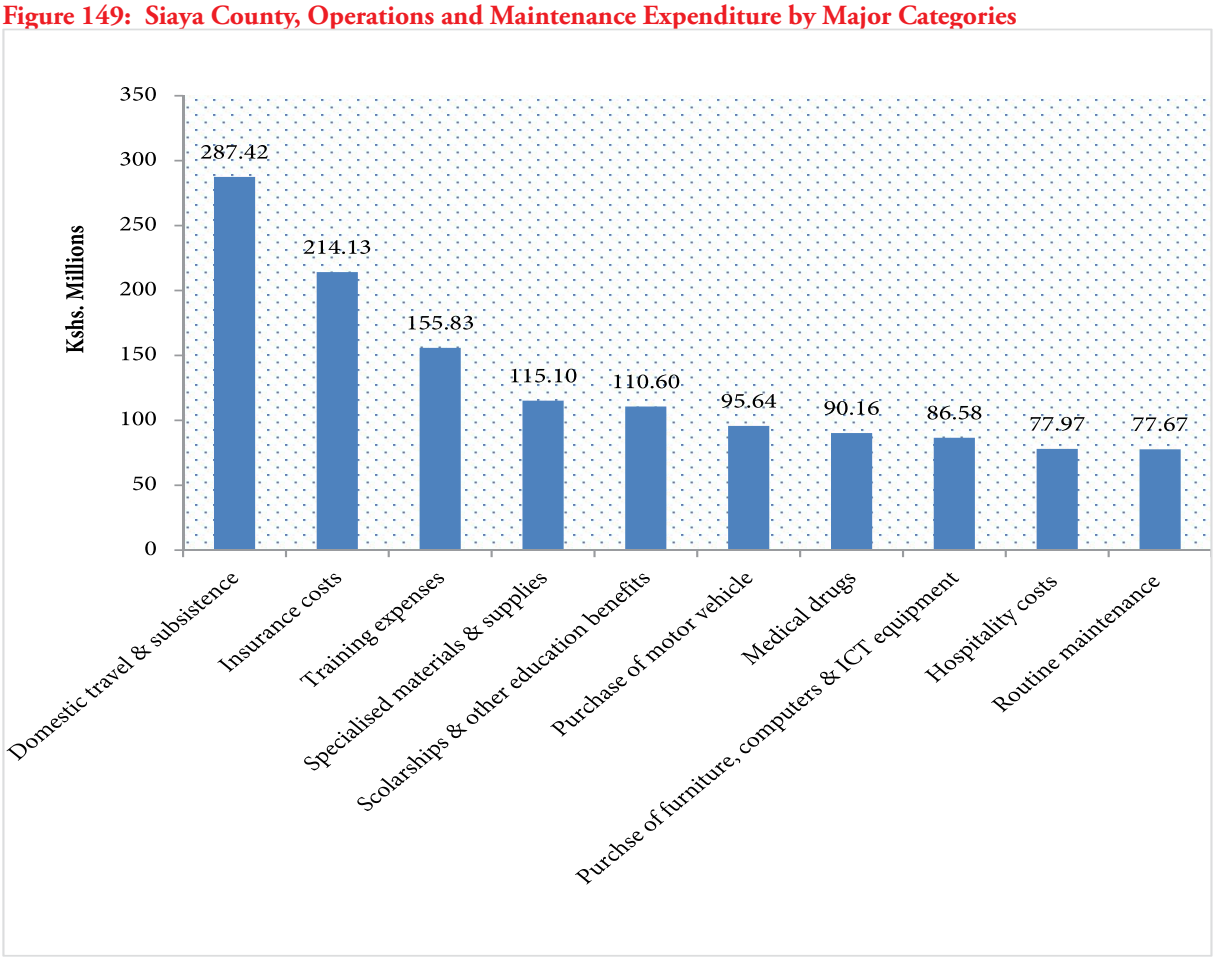
During the reporting period, the CoB did receive quarterly financial returns from the Fund Administrators of 3 funds, as indicated in Table 3.260.

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.

3.38.9 Expenditure on Operations and Maintenance

Figure 149 summarises the Operations and Maintenance expenditure by major categories.

Figure 149: Siaya County, Operations and Maintenance Expenditure by Major Categories



Source: *Siaya County Treasury*

Expenditure on domestic travel amounted to Kshs.287.42 million and comprised Kshs.134.86 million spent by the County Assembly and Kshs.152.57 million by the County Executive. Expenditure on foreign travel amounted to Kshs.27.07 million and comprised Kshs.1.09 million by the County Assembly and Kshs.25.97 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.261 below;

Table 3.261: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	5	14th -21st September 2023	Promote partnership and economic cooperation	Iran	3,570,605
County Executive	8	16th – 21st October 2023	Foreign education program	Qatar	3,438,205
County Executive	3	9th – 15th November 2023	Intra- African trade fair 2023	Egypt	1,250,604
County Executive	4	2nd – 7th December 2023	Development of inter-county Rai 1 network	India	1,622,777
County Executive	6	7th – 18th June 2024	Exchange visit by Governor & delegation	Taber Canada	4,734,196

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 -13th April 2023	Sports and cultural tour	Ethiopia	1,094,991
County Assembly	1	11th – 22nd March 2023	68th session of the Commission on Women's Status	New York	

Source: Siaya County Treasury and Siaya County Assembly

The operations and maintenance costs include Kshs.20.7 million for legal fees/dues, arbitration, and compensation payments.

3.38.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.2.49 billion on development programmes, representing an increase of 63.8 per cent compared to FY 2022/23, when the County spent Kshs.1.52 billion.

Table 3.262 summarises development projects with the highest expenditure in the reporting period.

Table 3.262: 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	County Assembly	Construction and fencing of ward offices	Ward HQs	160, 167, 929	125, 408, 776	78.3
2	County Assembly	Networking of Ward office	Ward HQs	102, 183, 608	100, 520, 437	98.4
3	Sports	Proposed construction of Siaya County Stadium	Siaya town	424, 872, 927	441, 964, 497	85
4	Industrialization	Establishment of industrial par	Central Alego	483, 688, 922	48, 368, 892	15
5	Roads	Upgrade to bitumen standard.	Rabango -Siaya Township School Road.	52, 542, 620	50, 000, 000	90
6	Roads	Upgrade to bitumen standard.	Yala rind road	26, 900, 000	39, 850, 732	100
7	Lands, Housing	Purchase of land for bus park	Ugunja	23, 000, 000	15, 000, 000	100
8	Health services	48 body refrigeration machine.	Siaya and Bondo hospital morgues.	50, 227, 989	47, 659, 593	100
9	Education	Completion of Randago VTC	Randago	3, 293, 368	3, 293, 368	100
10	Agriculture	Construction of rice milling plant	Siriwo	47, 721, 373	40, 000, 000	83

Source: Siaya County Treasury

3.38.11 Budget Performance by Department

Table 3.263 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.263: 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	808.17	330.66	809.82	188.90	803.78	188.89	99.3	100.0	98.1	57.1
Finance & Economic Planning	1,085.29	35.77	905.50	2.00	911.40	5.80	100.7	289.4	84.0	16.2
Health Services	2,209.85	368.11	2,130.08	261.89	1,901.67	267.22	89.3	102.0	86.1	72.6
Governorship, Admin & ICT	540.32	6.13	540.32	6.13	452.06	5.11	83.7	83.4	83.7	83.4

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
Smart Agriculture, Irrigation, Food Security, Livestock & Fisheries	313.28	628.75	292.75	409.22	236.31	492.81	80.7	120.4	75.4	78.4
Water, Sanitation, Environment	94.08	415.02	80.14	230.22	82.19	157.91	102.6	68.6	87.4	38.0
Education, Youth Affairs, Gender & Social Services	366.88	337.78	353.42	264.84	350.21	249.33	99.1	94.1	95.5	73.8
Lands, Physical Planning, Housing	129.24	35.10	118.80	60.90	99.57	50.07	83.8	82.2	77.0	142
Public Works, Energy, Roads & Trans	95.32	902.31	89.31	636.55	82.72	632.37	92.6	99.3	86.8	70.1
Trade, Enterprise & Industrialization	167.80	550.34	167.8	320.38	147.49	236.04	87.9	73.7	87.9	42.9
Tourism, Culture, Sports and Arts	99.02	241.91	75.42	149.74	71.26	201.64	94.5	134.7	72.0	83.4
	5,909.25	**3,851.88**	**5,563.38**	**2,530.78**	**5,138.67**	**2,487.20**	**92.4**	**98.3**	**86.8**	**64.6**

***Source**: Siaya County Treasury*

An analysis of expenditure by departments shows that the Department of Tourism, Culture, Sports and Arts and the Department of Governorship, administration & ICT recorded the highest absorption rate of development budget at 83.4 per cent. The County Assembly had the highest percentage of recurrent expenditure to budget at 98.1 per cent, followed by the Department of Education, Youth Affairs, gender and Social Services at 95.5 per cent, while the Department of Tourism, culture, sports and Arts had the lowest at 72.0 per cent.

The Department of Lands, Physical Planning, and Urban Development had an over 100 per cent development absorption rate because of budget cuts during the supplementary budget. This is irregular, and the County Treasury should take corrective action.

3.38.12 Budget Execution by Programmes and Sub-Programmes

Table 3.264 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.264: 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.		**808, 171, 151**	**330, 655, 931**	**803, 782, 755**	**188, 893, 780**	-	-
	S.P. 2. Legislation	324, 904, 421	-	322, 952, 374	-	99.3	-
	S.P. 3. Oversight	43, 100, 000	-	43, 099, 950	-	100	-
	S.P 4. Staff management and development	451, 235, 650	330, 655, 931	437, 730, 432	188, 893, 780	97.0	57.1
	Sub Total	**808, 171, 151**	**330, 655, 931**	**803, 782, 755**	**188, 893, 780**	-	-
Department of Finance and Economic Planning							
Programme 3.		**1,085,287,604**	**35, 768, 230**	**848, 573, 583**	**5, 801, 317**		
	S.P. 1. Financial services	26, 678, 460	-	14, 576, 702	-	54.6	-
	S.P. 2. Administration planning, revenue	892, 428, 242	35, 768, 230	688, 877, 055	5, 801, 317	77.2	16.2
	S.P. 3. Procurement	7, 904, 321	-	7, 151, 084	-	90.5	-
	S.P. 4. Budget services	85, 262, 111	-	66, 306, 806	-	77.8	-
	S.P. 5. Internal Audit services	10, 439, 329	-	9, 100, 774	-	87.2	-
	S.P. 6. Economic planning services	39, 779, 511	-	31, 113, 069	-	78.2	-
	S.P. 7. Planning services	22, 795, 321	-	31, 448, 092	-	13.8	-
	Sub-Total	**1,085,287,604**	**35, 768, 230**	**848, 573, 583**	**5, 801, 317**		

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Department of Health Services.							
Programme 1.		**2,209,849,928**	**368, 105, 701**	**1,649,397,895**	**267, 215, 553**	-	-
	S.P. 1. General administration & planning	1,607,868,554	-	1,347,156,457	-	83.8	-
	S.P. 2. Curative healthcare services	195, 093, 825	191, 582, 155	150, 306, 950	160, 621, 271	77.0	83.8
	S.P. 3. Preventive, promotive & rehabilitative	109, 776, 175	176, 523, 546	86, 280, 805	106, 594, 282	78.6	60.4
	S.P. 5. Facility improvement fund	151, 814, 034	-	31, 410, 905	-	20.7	-
	S.P. 6. HIV services	30, 160, 688	-	30, 121, 894	-	99.9	-
	S.P. 8. TB services	4, 400, 000	-	3, 851, 884	-	87.5	-
	S.P. 9. Nutrition services	60, 578, 536	-	63, 000	-	0.1	-
	S.P. 10. Environmental health services	50, 158, 116	-	206, 000	-	0.4	-
	Sub-Total	**2,209,849,928**	**368,105,701**	**1,649,397,895**	**267, 215, 553**		
Governorship, administration and ICT							
Programme 2.		**540, 322, 777**	**6, 128, 430**	**452, 061, 190**	**5, 110, 974**	-	-
	S.P. 1. General admin, planning & support services	204, 626, 124	-	171, 815, 588	-	84.0	-
	S.P. 2. Office of the Governor	135, 561, 668	6, 128, 430	106, 760, 100	5, 110, 974	78.8	83.4
	S.P. 3. County executive administration	3, 814, 267	-	3, 292, 278	-	86.3	-
	S.P. 4. County Public Service Board	61, 651, 031	-	51, 534, 203	-	83.6	-
	S.P. 5. Firefighting & disaster management	5, 696, 955	-	5, 330, 530	-	93.6	-
	S.P. 6. Sub-county administration	121, 846, 232	-	106, 939, 962	-	87.8	-
	S.P. 7. Human resource management	7, 126, 500	-	6, 288, 530	-	8.2	-
	Subtotal	**540, 322, 777**	**6, 128, 430**	**452, 061, 190**	**5, 110, 974**		
Department of Smart agriculture, irrigation, food security, livestock and fisheries							
Programme 1.		**313, 275, 025**	**628, 753, 785**	**229, 927, 389**	**492, 805, 605**		
	S.P. 1. General administration	96, 665, 644	265, 386, 485	63, 707, 616	135, 139, 988	65.9	50.9
	S.P. 3. Veterinary services	24, 551, 276	25, 306, 524	6, 278, 587	18, 855, 499	25.6	74.5
	S.P. 4. Crop management	166, 098, 017	290, 460, 308	152, 228, 452	313, 182, 451	91.6	107.8
	S.P. 5. Fisheries development & management	25, 960, 088	47, 600, 468	7, 712, 734	25, 627, 666	29.7	53.8
	Subtotal	**313, 275, 025**	**628, 753, 785**	**229, 927, 389**	**492, 805, 605**		
Department of Water, sanitation, environment, climate change and natural resources.							
Programme 1.		**94, 077, 129**	**415, 522, 350**	**68, 194, 918**	**157, 912, 280**		
	S.P. 1. General administration	38, 611, 497	-	22, 754, 760	-	58.9	-
	S.P. 2. Water services	34, 386, 480	414, 522, 350	31, 405, 288	154, 412, 280	91.3	37.3
	S.P. 3. Forestry	21, 079, 152	500, 000	14, 034, 870	3, 500, 000	66.6	700
	Subtotal	**94, 077, 129**	**415, 522, 350**	**68, 194, 918**	**157, 912, 280**	-	-
Department of Education, youth affairs, gender and social services.							

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 1.		**366, 882, 298**	**337, 783, 920**	**271, 211, 263**	**249, 331, 764**		
	S.P. 1. General administration & planning services	334, 559, 547	-	238, 536, 478	-	71.3	-
	S.P. 2. ECDE programmes	10, 349, 382	237, 863, 554	9, 239, 963	152, 598, 401	89.2	64.1
	S.P. 3. Youth polytechnics & youth training	3, 753, 584	43, 639, 817	2, 819, 306	55, 704, 976	75.1	127.6
	S.P. 5. Sports	-	27, 311, 689	-	31, 274, 829	-	114.5
	S.P. 7. Social services	18, 219, 785	28, 968, 860	21, 615, 516	9, 753, 557	118.6	33.7
	Subtotal	**366, 882, 298**	**337, 783, 920**	**271, 211, 263**	**249, 331, 764**		
Department of Lands, Physical Planning, Housing and Urban Development.							
Programme 2.		**129, 243, 098**	**35, 104, 827**	**74, 572, 165**	**50, 072, 323**	-	-
	S.P. 1. Physical planning	67, 394, 533	-	39, 506, 737	-	58.6	-
	S.P. 3. Land surveying and mapping	11, 470, 000	15, 660, 320	6, 280, 831	6, 320, 000	54.8	40.4
	S.P. 5. Housing	6, 615, 000	5, 607, 680	4, 587, 998	11, 500, 000	69.4	205.1
	S.P. 6. General administration, planning & support	43, 763, 565	13, 836, 827	24, 196, 599	32, 252, 323	55.3	233.1
	Sub total	**129, 243, 098**	**35, 104, 827**	**74, 572, 165**	**50, 072, 323**		
Department of public works, energy, roads and transport.							
Programme 1.		**95, 323, 273**	**902, 308, 563**	**47, 723, 601**	**632, 373, 283**		
	S.P. 1. General administration services	4, 536, 199	-	2, 065, 535	-	45.5	-
	S.P. 2. Road development, maintenance & mgt	89, 377, 074	902, 308, 563	44, 297, 466	632, 373, 283	49.6	70.0
	S.P. 3. County government building services	1, 410, 000	-	1, 360, 600	-	96.5	-
	Subtotal	**95, 323, 273**	**902, 308, 563**	**47, 723, 601**	**632, 373, 283**	-	-
Department of trade, enterprise and Industrialization.							
Programme 1		**167, 798, 084**	**550, 335, 342**	**98, 486, 747**	**236, 038, 071**	-	-
	S.P. 1. General administration & planning S	122, 628, 552	-	69, 546, 836	-	56.7	-
	S.P. 2. Trade development & investment	3, 745, 000	-	3, 224, 713	-	86.1	-
	S.P. 3. Promotion of fair trade practises	13, 875, 000	-	12, 543, 778	-	90.4	-
	S.P. 5. Cooperative extension services	25, 863, 532	-	11, 759, 520	-	45.5	-
	S.P. 6. Market services	1, 686, 000	550, 335, 342	1, 411, 900	236, 038, 071	83.7	42.9
	Subtotal	**167, 798, 084**	**550, 335, 342**	**98, 486, 747**	**236, 038, 071**		
Department of tourism, culture, sports and arts.							
Programme 1.		-	**189, 447, 655**	-	**180, 617, 574**	-	-
	S.P. 5. Sports	-	189, 447, 655	-	180, 617, 574	-	95.3
Programme 2.		**99, 016, 797**	**52, 461, 490**	**52, 264, 398**	**21, 022, 957**	-	-
	S.P. 2. Tourism	-	52, 461, 490	-	21, 022, 957	-	40.0
	S.P. 3. General administration, planning	82, 751, 797	-	39, 354, 469	-	47.6	-
	S.P. 4. Communication services	9, 550, 000	-	7, 664, 095	-	80.3	-
	S.P. 5. Wildlife services	6, 715, 000	-	5, 245, 834	-	78.1	-

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
	Sub total	99, 016, 797	241, 909, 145	52, 264, 398	201, 640, 530	52.8	83.4
Grand Total		5,920,316,084	3,851,875,384	5,138,673,169	2,487,195,479	86.8	64.6

***Source**: Siaya County Treasury*

The sub-programmes with the highest levels of implementation based on absorption rates were General Administration, Planning and Support Services in the Department of Lands, Physical Planning, Housing and Urban Development at 233.1 per cent, Housing at 205.1 per cent, Youth Polytechnics & Youth Training in the Department of Education, Youth Affairs, Gender and Social Services at 127.6 per cent of budget allocation. Absorption rates above 100 per cent are irregular and should be investigated and corrective actions taken by the County Treasury.

3.38.13 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;

1. 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 22 July 2024.
2. Own-source revenue under performed at Kshs.610.74 million, representing 80.4 per cent of the annual target, against an annual target of Kshs.760.00 million
3. There was a high level of pending bills, which amounted to Kshs.303.91 million as of 30 June 2024. Further, the County Treasury did not adhere to the pending bills payment plan.
4. The high wage bill accounted for 37.2 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided in law.
5. Use of manual payroll. Personnel emoluments amounting to Kshs.1.11 billion were processed through the manual payroll, accounting for 34.8 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.
6. The County government uses commercial bank accounts to operate the established county funds 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:

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *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.*
3. *The 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.*
4. *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.*
5. *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.*

6. *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.*

3.39. County Government of Taita Taveta

3.39.1 Overview of FY 2023/24 Budget

The County's approved Supplementary budget for FY 2023/24 was Kshs.7.50 billion, comprising Kshs.2.32 billion (31.1 per cent) and Kshs.5.17 billion (68.9 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 4.3 per cent compared to the previous financial year when it was Kshs.7.19 billion, comprised of Kshs.2.19 billion for development expenditure and Kshs.4.99 billion for recurrent expenditures.

To finance the budget, the County expected to receive Kshs.5.04 billion (67.2 per cent) as the equitable share of revenue raised nationally, Kshs.1.57 billion (21.0 per cent) as additional allocations/conditional grants, Kshs.51.75 million (0.7 per cent) from other revenue sources, generate Kshs.628.66 million (8.3 per cent) as gross own source revenue and a cash balance of Kshs.206.38 million (2.8 per cent) brought forward from FY 2022/23 The gross own-source revenue includes Kshs.201.68 million (32 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.426.98 million (68 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.265.

3.39.2 Revenue Performance

In the FY 2023/24, the County received Kshs.4.63 billion as an equitable share of the revenue raised nationally, Kshs.690.44 million as additional allocations/conditional grants, a cash balance of Kshs.206.38 million from FY 2022/23 and raised Kshs.461.18 million as own-source revenue (OSR). The raised OSR includes Kshs.210.12 million as FIF and Kshs.251.06 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.5.99 billion, as shown in Table 3.265.

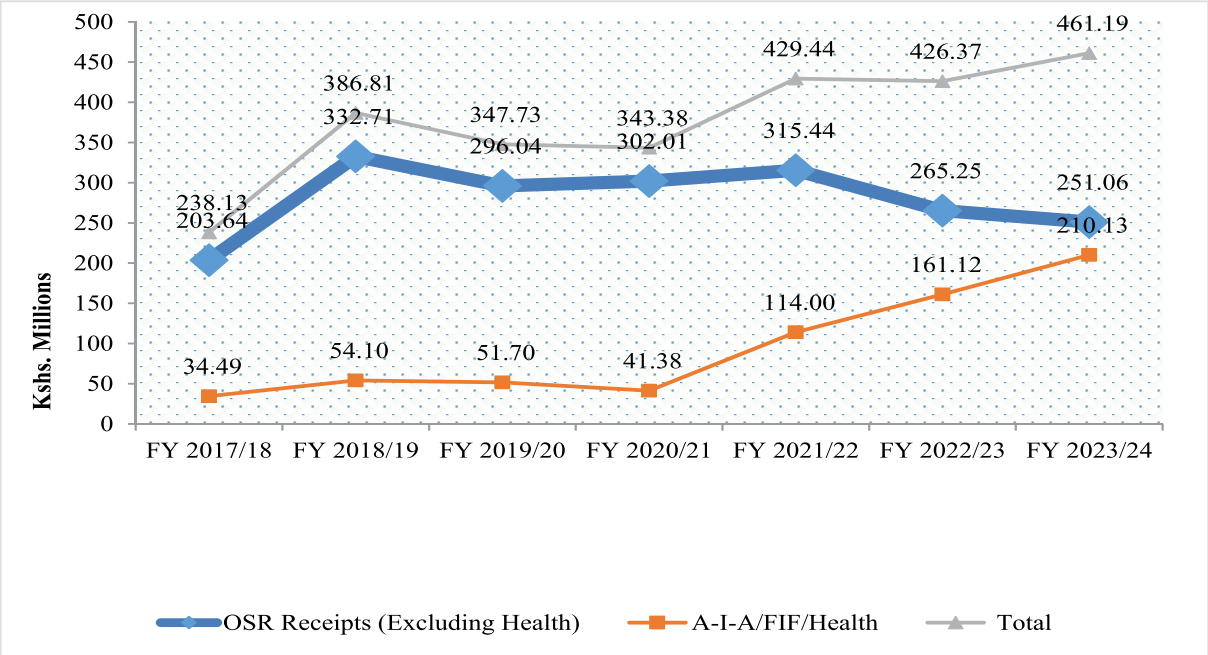
Table 3.265: Taita Taveta County, Revenue Performance in the FY 2023/24

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**	**5,040,427,430**	**4,637,193,237**	**92.00**
Sub Total		**5,040,427,430**	**4,637,193,237**	**92.00**
B	Conditional Grants			
1	Kenya Informal Settlement improvement Project (KISIP-II)-IDA (World Bank)	40,000,000	30,000,000	75.00
2	IDA-WB National Agricultural Value Chain Development Project (NAVCDP)	250,000,000	199,797,856	79.92
3	Kenya Climate Smart Agriculture Program - IDA (World Bank)	90,000,000	-	-
4	Water and Sanitation Development Project (World Bank)	950,000,000	363,103,336	38.22
5	Danida grant for Primary healthcare for devolved system program	7,738,500	-	-
6	Locally Led Climate Action Programme Climate Change Institutional Support (CCIS)	11,000,000	-	-
7	Agricultural Sector Development Support Programme (ASDSP II)-Sweden	1,991,302	2,491,302	125.11
8	Locally Led Climate Action Programme-FLLoCAP- CCIS & CCRI WB grant (B/F 2022-23)	95,053,502	95,053,502	100.00
9	Fertilizer Subsidy Programme	43,540,521	-	-

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
10	Livestock Value Chain Support Project	21,485,520	-	-
11	De-risking and value enhancement (DRIVE)	63,341,980	-	-
	Sub-Total	**1,574,151,325**	**690,445,996**	**43.86**
D	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	426,985,000	251,061,302	58.80
2	Balance b/f from FY2022/23	206,386,113	206,386,113	100.00%
3	A-I-A (Including FIF/Health)	201,682,445	210,125,350	104.19%
4	Other Revenues	51,756,326	-	
Sub Total		**886,809,884**	**667,572,765**	**75.28%**
Grand Total		**7,501,388,639**	**5,995,211,998**	**79.92%**

Source: *Taita Taveta County Treasury*

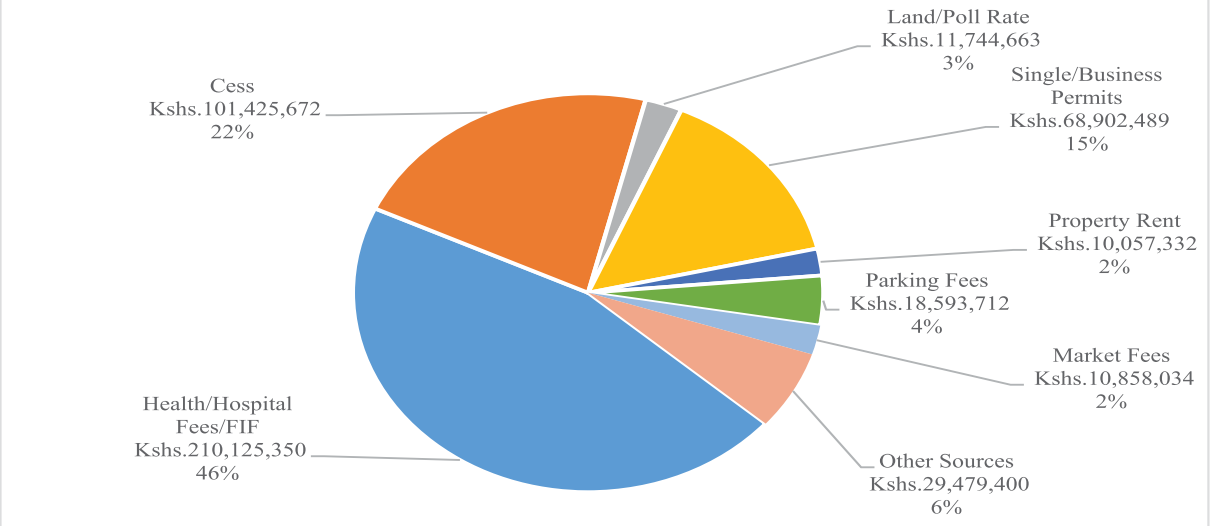
Figure 150: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Taita Taveta County Treasury*

In the FY 2023/24, the County generated a total of Kshs.461.18 million from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 8.1 per cent compared to Kshs.426.37 million realized in a similar period in FY 2022/23 and was 73.3 per cent of the annual target and 9.9 per cent of the equitable revenue share disbursed during the period. The revenue streams which contributed the highest OSR receipts are shown in Figure 151.

Figure 151: Top Streams of Own Source Revenue in the FY 2023/24.



Source: Taita Taveta County Treasury

The highest revenue stream of Kshs.210.12 million was from Health/Hospital Fees/FIF, contributing to 46 per cent of the total OSR receipts during the reporting period.

3.39.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.87 billion from the CRF account during the reporting period, which comprised Kshs.1.09 billion (18.6 per cent) for development programmes and Kshs.4.78 billion (81.4 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.3.24 billion was released towards Employee Compensation and Kshs.1.51 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of the FY 2023/24 was Kshs.41.0 million.

3.39.4 County Expenditure Review

The County spent Kshs.5.87 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 of Kshs.1.09 billion and Kshs.4.78 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 46.9 per cent, while recurrent expenditure represented 92.5 per cent of the annual recurrent expenditure budget.

3.39.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.02 billion, comprising of Kshs.584.03 million for recurrent expenditure and Kshs.440.21 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.285.94 million which consisted of Kshs.60.16 million for recurrent expenditure and Kshs.225.77 million for development programmes.

As at end of the FY 2023/24, the outstanding amount of pending bills by the County Executive was Kshs.1.63 billion which included bills accrued in the FY 2023/24. The County Assembly reported outstanding pending bills of Kshs.126.22 million as of 30th June 2024.

3.39.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.2.95 billion on employee compensation, Kshs.1.05 billion on operations and maintenance, and Kshs.1.06 billion on development activities. Similarly, the County Assembly spent Kshs.231.43 million on employee compensation, Kshs.545.77 million on operations and maintenance, and Kshs.28.30 million on development activities, as shown in Table 3.266.

Table 3.266: Summary of Budget and Expenditure by Economic Classification

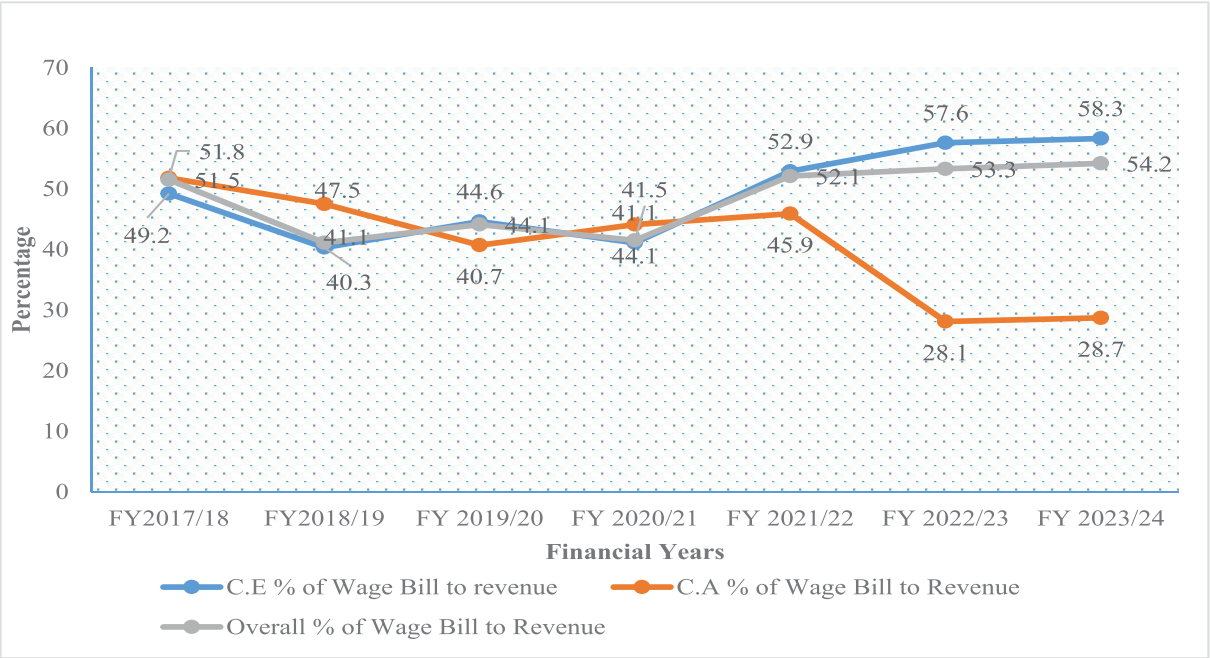
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**4,391,514,765**	**780,884,679**	**4,006,125,483**	**777,213,526**	**91.2**	**99.5**
Compensation to Employees	3,043,124,260	235,109,553	2,955,405,282	231,438,400	97.1	98.4
Operations and Maintenance	1,348,390,505	545,775,126	1,050,720,201	545,775,126	77.9	100.0
Development Expenditure	**2,268,980,276**	**60,008,919**	**1,064,098,564**	**28,307,231**	**46.9**	**47.2**
Total	**6,660,495,041**	**840,893,598**	**5,070,224,047**	**805,520,757**	**76.1**	**95.8**

***Source**: Taita Taveta County Treasury*

3.39.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.3.18 billion, or 53 per cent of the available revenue, which amounted to Kshs.5.99 billion. This expenditure represented a decrease from Kshs.3.27 billion reported in FY 2022/23. The wage bill included Kshs.1.56 billion paid to health sector employees, translating to 49.1 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 152.

Figure 152: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Taita Taveta County Treasury

Further analysis indicates that PE costs amounting to Kshs.3.18 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.49.59 million was processed through manual payrolls. The manual payrolls accounted for 1.6 per cent of the total PE cost.

The County Assembly spent Kshs.40.75 million on committee sitting allowances for the 32 MCAs against the annual budget allocation of Kshs.40 million. The average monthly sitting allowance was Kshs.106,125 per MCA. The County Assembly has established 23 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.336.78 million to county-established funds in FY 2023/24, constituting 4.4 per cent of the County's overall budget. Further, the

County allocated Kshs.20 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 3.267 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.267: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (KShs.)	Exchequer Issues (Kshs)	Actual Expenditure (Kshs.)	Cumulative disbursements to the fund as of 30th June 2024 (Kshs)	Submission of Financial Statements as of 30th June 2024 (Yes/No.)
County Executive Established Funds						
1	Education Fund	236,000,000	160,000,000	158,514,341	898,764,969	YES
2	County Emergency Fund	20,000,000	8,000,000	8,000,000	107,160,190	YES
3	County Executive Car Loan & Mortgage Fund	42,187,056	32,000,000	32,000,000	181,140,188	YES
County Assembly Established Funds						
4	County Assembly Car Loan& Mortgage Scheme Fund	38,600,000	38,600,000	38,600,000	321,000,000	YES
	Total	**336,787,056**	**238,600,000**	**237,114,341**	**1,508,065,347**	

Source: *Taita Taveta County Treasury*

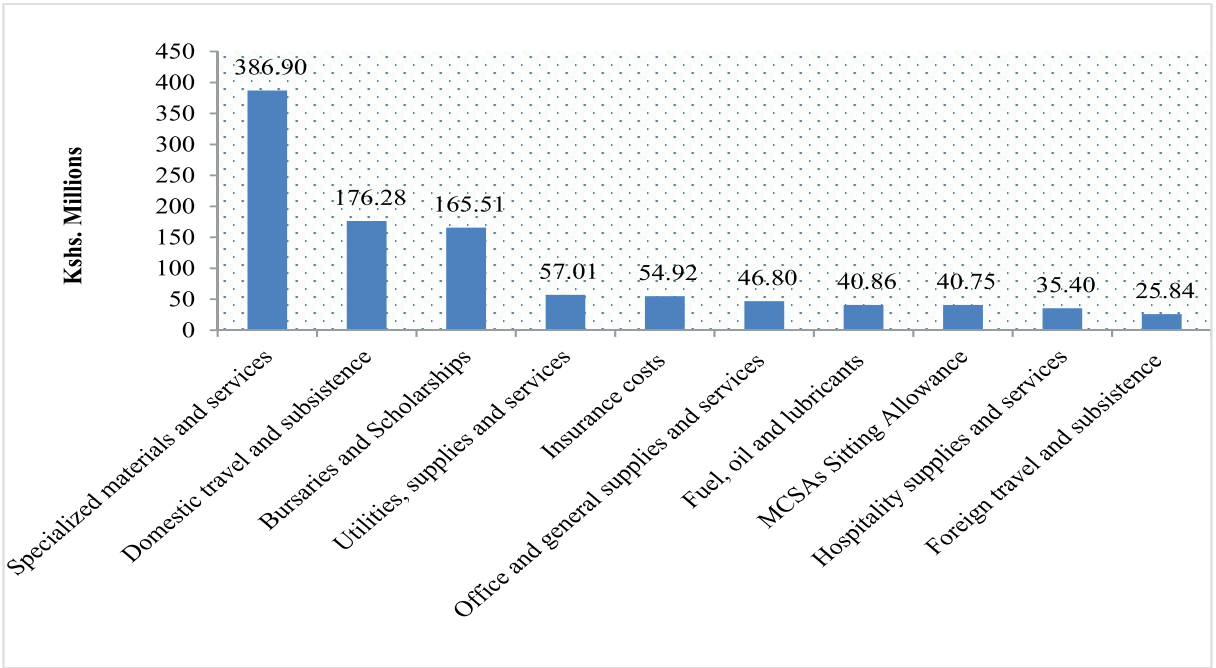
During the reporting period, the OCOB received all the quarterly financial returns from the Fund Administrators of the four funds, as indicated in Table 3.267 above.

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.

3.39.9 Expenditure on Operations and Maintenance

Figure 153 summarises the Operations and Maintenance expenditure by major categories.

Figure 153: Taita Taveta County, Operations and Maintenance Expenditure by Major Categories



Source: *Taita Taveta County Treasury*

Expenditure on domestic travel amounted to Kshs.176.27 million and comprised Kshs.102.48 million spent by the County Assembly and Kshs.73.79 million by the County Executive. Expenditure on foreign travel amounted

to Kshs.25.83 million and comprised Kshs.21.72 million by the County Assembly and Kshs.4.11 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.268 below; -

Table 3.268: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	6	1st Aug to 10th Aug 2023	WSPU executive committee meeting and 25th world scout jamboree in Korea from 1st to 10th August 2023	S. Korea	3,254,860
County Assembly	8	5th to 10th Aug 2023	Tanzania EALA bench marking trip	TANZANIA	1,600,000
County Assembly	6	5th to 10th Aug 2023	leadership master class	DUBAI	3,042,900
County Assembly	7	5th to 10th Aug 2023	leadership experiential master class	DUBAI	2,798,320
County Assembly	7	29th July to 5th August	Training in Public Administration and management I	ISRAEL	5,254,400
County Assembly	1	27th oct 2023 to 5th November 2023	Performance management systems training	United Kingdom	1,326,756
County Assembly	19	22nd to 28th October 2023	training on legislative process and parliamentary procedures	Uganda	4,451,635
County Executive	1	24th Aug to 7th Sept 2023	Jumuiya Trade, Investments & Education Exchange Mission	USA	1,231,970
County Executive	2	17th-20th Oct 2023	The Hand In Hand Initiative Investment Forum	Italy	1,885,350
County Executive	1	4th-9th Feb 2024	Invest In African Mining Indaba Conference	South Africa	993,260

Source: Taita Taveta County Treasury and Taita Taveta County Assembly

3.39.10 Development Expenditure

In the FY 2023/24, the County reported expenditure of Kshs.1.09 billion on development programmes, representing a decrease of 13.4 per cent compared to FY 2022/23 when the County spent Kshs.1.26 billion.

The table 3.269 summarises development projects with the highest expenditure in the reporting period.

Table 3.269: Taita Taveta County, List of Development Projects with the Highest Expenditure

S/No.	Project Name	Department	Location	Budget (Kshs.)	Expenditure (Kshs.)	Absorption Rate
1	Locally Led Climate Action Programme (Climate Change) WB	Water	County wide	106,053,502	11,115,692	10%
2	Kenya Informal Settlement Improvement Project-World Bank	Lands	County wide	40,000,000	30,000,000	75%
3	WB-National Agricultural Value Chain development Project	Agriculture	County wide	250,000,000	111,690,267	45%
4	Agricultural Sector Development Support Programme	Agriculture	County wide	1,991,302	1,991,302	100%
5	Water and Sanitation Development Project (World Bank)	Agriculture	County wide	650,000,000	169,212,336	26%
6	Pending Bills	Finance	County wide	331,431,501	247,470,562	75%
7	County Assembly Chamber	C Assembly	Wundanyi	48,220,389	28,307,231	59%

Source: Taita Taveta County Treasury

3.39.11 Budget Performance by Department

Table 3.270 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.270: 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	780.88	60.01	777.21	28.31	777.21	28.31	100.0	100.0	99.53	47.17
Public Service and Administration	3,269.41	-	3,256.56	-	3,256.56	-	100.0	-	99.61	-
The Governor's and Deputy Governor's Office	151.21	-	102.37	-	102.37	-	100.0	-	67.70	-
Finance and Economic Planning	258.88	200.00	240.70	193.70	240.70	193.70	100.0	100.0	92.98	96.85
Agriculture, Livestock and Fisheries	15.25	559.46	10.97	223.35	10.97	223.35	100.0	100.0	71.93	39.92
Water and Irrigation	24.85	1,123.93	10.21	506.47	10.21	506.47	100.0	100.0	41.09	45.06
Education and Libraries	247.39	56.80	164.13	6.88	164.13	6.88	100.0	100.0	66.34	12.11
Health	350.67	72.49	169.59	16.43	169.59	16.43	100.0	100.0	48.36	22.67
Trade, Tourism and Cooperative Development	10.43	8.60	7.22	1.45	7.22	1.45	100.0	100.0	69.23	16.86
County Public Service Board	13.48	-	10.33	-	10.33	-	100.0	-	76.66	-
Infrastructure and Public Works	14.34	98.10	11.38	26.07	11.38	26.07	100.0	100.0	79.39	26.57
Lands, Environment and Natural Resources	20.99	68.00	15.44	46.06	15.44	46.06	100.0	100.0	73.58	67.73
Youth, Gender, Sports, Culture and Social Services	14.63	81.60	7.23	43.69	7.23	43.69	100.0	100.0	49.39	53.54
Total	**5,172.40**	**2,328.99**	**4,783.34**	**1,092.41**	**4,783.34**	**1,092.41**	**100.0**	**100.0**	**92.48**	**46.90**

***Source**: Taita Taveta County Treasury*

Analysis of expenditure by departments shows that the Department of Finance and Economic Planning recorded the highest absorption rate of the development budget at 96.8 per cent, followed by the Department of Lands, Housing, and Urban Planning at 67.7 per cent. The County Assembly had the highest percentage of recurrent expenditure to budget at 99.6 per cent, while the Department of Water and Irrigation had the lowest at 41.1 per cent.

3.39.12 Budget Execution by Programmes and Sub-Programmes

Table 3.271 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.271: Taita Taveta County, Budget Execution by Programmes and Sub-Programmes

Program	Sub Programme	Description	Approved Budget	Actual Expenditure	Absorption (%)
0		**Default Value (Non- Non-Departmental)**	**-**		
	103003260	Infrastructure Development programme	-	-	-
	701003260	General Administration support services	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
	3260		-	-	-
3261000100		**County Assembly Headquarters**	**840,893,598.00**	**805,520,757.00**	96
	701003260	General Administration support services	780,884,679.00	777,213,526.00	100
	702003260	County Assembly Infrastructure improvement	60,008,919.00	28,307,231.00	47
3262000100		**Headquarters**	**3,253,832,259.00**	**3,209,885,864.80**	99
	3260		-	-	-
	704003260	General Administration and Management of County Affairs	-	-	-
	703003260	Decentralized Infrastructure development programme	-	-	-
	701003260	General Administration support services	3,253,832,259.00	3,209,885,864.80	99
	705003260	Leadership Development Programme	-	-	-
3262000200		**Taveta Sub County Administration**	**1,317,900.00**	**997,861.00**	76
	705003260	Leadership Development Programme	-	-	-

Program	Sub Programme	Description	Approved Budget	Actual Expenditure	Absorption (%)
	701003260	General Administration support services	1,317,900.00	997,861.00	76
3262000300		**Wundanyi Sub County Administration**	**935,000.00**	**634,673.00**	68
	703003260	Decentralized Infrastructure development programme	-	-	-
	701003260	General Administration support services	935,000.00	634,673.00	68
3262000400		**Mwatate Sub County Administration**	**1,143,000.00**	**735,327.00**	64
	703003260	Decentralized Infrastructure development programme	-	-	-
	701003260	General Administration support services	1,143,000.00	735,327.00	64
3262000500		**Voi Sub County Administration**	**1,500,000.00**	**1,077,065.00**	72
	701003260	General Administration support services	1,500,000.00	1,077,065.00	72
3262000600		**Taveta Town Administration**	-	-	-
	705003260	Leadership Development Programme	-	-	-
	703003260	Decentralized Infrastructure development programme	-	-	-
	701003260	General Administration support services	-	-	-
3262000700		**Voi Town Administration**	-	-	-
	705003260	Leadership Development Programme	-	-	-
	701003260	General Administration support services	-	-	-
	703003260	Decentralized Infrastructure development programme	-	-	-
3262000800		**County Policing Authority**	-	-	-
	701003260	General Administration support services	-	-	-
3262000900		**Human Resource Management**	**4,682,000.00**	**2,283,600.00**	49
	701003260	General Administration support services	4,682,000.00	2,283,600.00	49
3262001000			**4,338,000.00**	**2,886,498.00**	67
	701003260	General Administration support services	4,338,000.00	2,886,498.00	67
3262001100			**1,660,000.00**	**581,510.00**	35
	701003260	General Administration support services	1,660,000.00	581,510.00	35
3263000100		**Headquarters**	**92,900,000.00**	**61,171,295.25**	66
	705003260	Leadership Development Programme	-	-	-
	704003260	General Administration and Management of County Affairs	92,900,000.00	61,171,295.25	66
	703003260	Decentralized Infrastructure development programme	-	-	-
	701003260	General Administration support services	-	-	-
3263000200		**Office of the Deputy Governor**	**19,800,000.00**	**13,844,540.00**	70
	705003260	Leadership Development Programme	-	-	-
	704003260	General Administration and Management of County Affairs	19,800,000.00	13,844,540.00	70
	101003260	Administration Planning and Support Services	-	-	-
3263000300		**Special Programmes Unit**	**7,700,000.00**	**2,296,056.00**	30
	704003260	General Administration and Management of County Affairs	7,700,000.00	2,296,056.00	30
	703003260	Decentralized Infrastructure development programme	-	-	-
	705003260	Leadership Development Programme	-	-	-
3263000400		**Service Delivery Unit**	**950,000.00**	**553,457.00**	58
	704003260	General Administration and Management of County Affairs	950,000.00	553,457.00	58
3263000500		**Industrialization**	**5,500,000.00**	**2,738,010.00**	50
	705003260	Leadership Development Programme	-	-	-
	704003260	General Administration and Management of County Affairs	5,500,000.00	2,738,010.00	50
	703003260	Decentralized Infrastructure development programme	-	-	-
3263000600		**ICT**	**5,900,000.00**	**1,290,786.70**	22
	705003260	Leadership Development Programme	-	-	-
	704003260	General Administration and Management of County Affairs	5,900,000.00	1,290,786.70	22
	703003260	Decentralized Infrastructure development programme	-	-	-
3263000700			**4,770,000.00**	**671,391.00**	14

Program	Sub Programme	Description	Approved Budget	Actual Expenditure	Absorption (%)
	704003260	General Administration and Management of County Affairs	4,770,000.00	671,391.00	14
3263000800			**2,370,000.00**	**1,052,642.00**	44
	704003260	General Administration and Management of County Affairs	2,370,000.00	1,052,642.00	44
3263000900			**11,320,000.00**	**4,155,267.00**	37
	704003260	General Administration and Management of County Affairs	11,320,000.00	4,155,267.00	37
3264000100		**Headquarters**	**76,172,500.00**	**69,314,621.65**	91
	701003260	General Administration support services	-	-	-
	707003260	Treasury Development Programme	-	-	-
	706003260	General Administration, Planning, Internal Audit & Support Services	76,172,500.00	69,314,621.65	91
3264000200		**County Emergency Fund**	**12,000,000.00**	**8,000,000.00**	67
	701003260	General Administration support services	-	-	-
	706003260	General Administration, Planning, Internal Audit & Support Services	12,000,000.00	8,000,000.00	67
	707003260	Treasury Development Programme	-	-	-
3264000300		**Equalization of Wards Infrastructure**	-	-	-
	707003260	Treasury Development Programme	-	-	-
3264000400		**Planning**	**56,767,597.00**	**40,164,002.00**	71
	707003260	Treasury Development Programme	-	-	-
	706003260	General Administration, Planning, Internal Audit & Support Services	56,767,597.00	40,164,002.00	71
3264000500		**Gratuity Fund**	-	-	-
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	-
3264000700		**County Executive Administration**	**42,187,056.00**	**32,000,000.00**	76
	706003260	General Administration, Planning, Internal Audit & Support Services	42,187,056.00	32,000,000.00	76
	701003260	General Administration support services	-	-	-
3264000800		**Internal Audit Services**	**6,520,000.00**	**5,168,825.00**	79
	706003260	General Administration, Planning, Internal Audit & Support Services	6,520,000.00	5,168,825.00	79
3264000900		**Revenue Management**	**18,550,000.00**	**13,306,655.50**	72
	706003260	General Administration, Planning, Internal Audit & Support Services	18,550,000.00	13,306,655.50	72
	701003260	General Administration support services	-	-	-
3264001000		**Procurement**	**3,307,500.00**	**2,510,600.00**	76
	706003260	General Administration, Planning, Internal Audit & Support Services	3,307,500.00	2,510,600.00	76
3264001100		**Accounting Services**	**20,720,000.00**	**17,104,450.00**	83
	701003260	General Administration support services	-	-	-
	706003260	General Administration, Planning, Internal Audit & Support Services	20,720,000.00	17,104,450.00	83
3264001200		**Kenya Devolution Support Programme**	-	-	-
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	-
	701003260	General Administration support services	-	-	-
3264001300			**222,660,897.00**	**221,755,538.95**	100
	707003260	Treasury Development Programme	200,003,951.00	199,173,340.95	100
	706003260	General Administration, Planning, Internal Audit & Support Services	22,656,946.00	22,582,198.00	100
3265000100		**Headquarters**	**462,068,021.00**	**313,780,938.40**	68
	105003260	Livestock and Fisheries Development	384,568,021.00	294,196,927.40	77
	102003260	Development programme	-	-	-
	101003260	Administration Planning and Support Services	6,100,000.00	2,875,678.00	47
	104003260	Agricultural Development Programme	71,400,000.00	16,708,333.00	23

Program	Sub Programme	Description	Approved Budget	Actual Expenditure	Absorption (%)
3265000200		**Livestock**	**7,060,000.00**	**1,397,875.00**	20
	104003260	Agricultural Development Programme	3,000,000.00	-	-
	101003260	Administration Planning and Support Services	4,060,000.00	1,397,875.00	34
	105003260	Livestock and Fisheries Development	-	-	-
	102003260	Development programme	-	-	-
3265000300		**Fisheries**	**1,190,000.00**	**592,590.00**	50
	101003260	Administration Planning and Support Services	1,190,000.00	592,590.00	50
	102003260	Development programme	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
3265000400		**Veterinary**	**10,395,272.00**	**1,723,767.00**	17
	102003260	Development programme	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
	104003260	Agricultural Development Programme	6,500,000.00	-	-
	101003260	Administration Planning and Support Services	3,895,272.00	1,723,767.00	44
3265000500		**Agribusiness Project (EU Grant)**	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
	102003260	Development programme	-	-	-
	104003260	Agricultural Development Programme	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
3265000600		**Kenya Climate Smart Agric Program**	**90,000,000.00**	**6,200,000.00**	7
	1001003260	Water and irrigation Development Programme	-	-	-
	104003260	Agricultural Development Programme	-	-	-
	105003260	Livestock and Fisheries Development	90,000,000.00	6,200,000.00	7
3265000700		**Water**	**3,991,302.00**	**2,491,302.00**	62
	104003260	Agricultural Development Programme	-	-	-
	105003260	Livestock and Fisheries Development	3,991,302.00	2,491,302.00	62
3266000100		**Headquarters**	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
3266000300		**Veterinary**	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
3266000400		**Fisheries**	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
3267000100		**Headquarters**	**51,723,780.00**	**14,322,189.00**	28
	1001003260	Water and Irrigation Development Programme	47,050,000.00	11,005,679.00	23
	1002003260	General Administration, Support and Support Services	4,673,780.00	3,316,510.00	71
3267000200		**Water Services**	-	-	-
	1002003260	General Administration, Support and Support Services	-	-	-
	1001003260	Water and Irrigation Development Programme	-	-	-
3267000300		**Bulk Water Project**	-	-	-
	1001003260	Water and Irrigation Development Programme	-	-	-
3267000400		**Ambulance services**	**950,000,000.00**	**363,926,936.00**	38
	1001003260	Water and Irrigation Development Programme	950,000,000.00	363,926,936.00	38
3267000500		**Public Health and Sanitation**	**23,925,000.00**	**13,300,000.00**	56
	1001003260	Water and Irrigation Development Programme	23,925,000.00	13,300,000.00	56
3267000600		**Promotion of primary healthcare**	**123,131,102.00**	**19,781,094.00**	16
	1003003260	Natural Resources Support Programme	5,777,600.00	5,338,261.00	92
	1001003260	Water and Irrigation Development Programme	102,953,502.00	14,371,333.00	14
	1002003260	General Administration, Support and Support Services	11,000,000.00	71,500.00	1
	901003260	General administration, Planning & support	3,400,000.00	-	-
3268000100		**Headquarters**	**59,100,000.00**	**11,707,989.10**	20

Program	Sub Programme	Description	Approved Budget	Actual Expenditure	Absorption (%)
	1001003260	Water and Irrigation Development Programme	-	-	-
	501003260	General Administration, Planning and Support services	7,300,000.00	2,101,176.15	29
	502003260	Early Childhood Education and Youth Training Development Programme	51,800,000.00	9,606,812.95	19
3268000200		**Polytechnics**	**6,490,000.00**	**4,126,092.35**	64
	501003260	General Administration, Planning and Support services	1,490,000.00	879,183.90	59
	502003260	Early Childhood Education and Youth Training Development Programme	5,000,000.00	3,246,908.45	65
3268000300		**Early Childhood Development**	**1,300,000.00**	**697,833.95**	54
	502003260	Early Childhood Education and Youth Training Development Programme	-	-	-
	301003260	General Administration and Support Services Programme	-	-	-
	501003260	General Administration, Planning and Support services	1,300,000.00	697,833.95	54
3268000400		**Library services**	**1,300,000.00**	**572,945.00**	44
	502003260	Early Childhood Education and Youth Training Development Programme	-	-	-
	501003260	General Administration, Planning and Support services	1,300,000.00	572,945.00	44
3268000500		**Education Fund**	**236,000,000.00**	**180,811,667.00**	77
	501003260	General Administration, Planning and Support services	236,000,000.00	180,811,667.00	77
	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**	**221,473,000.00**	**170,395,083.65**	77
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	-
	704003260	General Administration and Management of County Affairs	-	-	-
	401003260	Administration and Support Services	148,984,500.00	148,984,500.00	100
	402003260	Health Development Programme	72,488,500.00	21,410,583.65	30
3269000200		**Wesu Hospital**	**12,547,260.00**	**5,443,671.00**	43
	401003260	Administration and Support Services	12,547,260.00	5,443,671.00	43
3269000300		**Moi Referral Hospital**	**120,223,373.00**	**36,040,241.00**	30
	401003260	Administration and Support Services	120,223,373.00	36,040,241.00	30
3269000400		**Mwatate Hospital**	-	-	-
	401003260	Administration and Support Services	-	-	-
3269000500			-	-	-
	401003260	Administration and Support Services	-	-	-
3269000600			**18,888,916.00**	**7,966,748.00**	42
	401003260	Administration and Support Services	18,888,916.00	7,966,748.00	42
3269000700			-	-	-
	401003260	Administration and Support Services	-	-	-
3269000800			-	-	-
	401003260	Administration and Support Services	-	-	-
3269000900			**13,689,992.00**	**6,872,663.00**	50
	401003260	Administration and Support Services	13,689,992.00	6,872,663.00	50
3269001000			**28,014,769.00**	**12,604,393.00**	45
	401003260	Administration and Support Services	28,014,769.00	12,604,393.00	45
3269001100			**8,318,135.00**	**3,276,311.00**	39
	401003260	Administration and Support Services	8,318,135.00	3,276,311.00	39
	402003260	Health Development Programme	-	-	-
3270000100		**Headquarters**	**12,035,000.00**	**2,568,701.40**	21
	302003260	Trade Development programme.	8,600,000.00	-	-

Program	Sub Programme	Description	Approved Budget	Actual Expenditure	Absorption (%)
	301003260	General Administration and support services programme	3,435,000.00	2,568,701.40	75
3270000200		**Trade**	-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and support services programme	-	-	-
3270000300		**Sports**	-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and support services 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**	-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and support services programme	-	-	-
3270000700		**Culture**	-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and support services programme	-	-	-
3270000800		**Markets**	-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and support services programme	-	-	-
3270000900			**200,000.00**	**134,682.00**	67
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and support services programme	-	-	-
3270001100		**Weights and Measures**	**200,760.00**	**86,625.00**	43
	301003260	General Administration and support services programme	200,760.00	86,625.00	43
3270001200			-	-	-
	301003260	General Administration and support services programme	-	-	-
	302003260	Trade Development programme.	-	-	-
3270001300		**Liquor Control and Licensing Fund**	-	-	-
	301003260	General Administration and support services programme	2,000,000.00	1,273,860.00	64
3270001400			**1,618,850.00**	**1,001,256.60**	62
	301003260	General Administration and support services programme	1,618,850.00	1,001,256.60	62
	302003260	Trade Development programme.	-	-	-
3271000100		**Headquarters**	-	-	-
	703003260	Decentralized Infrastructure development programme	-	-	-
	701003260	General Administration support services	-	-	-
3272000100		**Headquarters**	**5,390,000.00**	**3,941,920.20**	73
	101003260	Administration Planning and Support Services	5,390,000.00	3,941,920.20	73
3272000200		**ICT**	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
	103003260	Infrastructure Development programme	-	-	-
3272000300		**Roads**	-	-	-
	103003260	Infrastructure Development programme	-	-	-
	102003260	Development programme	-	-	-
	101003260	Administration Planning and Support Services	8,550,000.00	5,569,412.75	65
3272000400		**Housing**	**100,000.00**	**68,748.25**	69
	103003260	Infrastructure Development programme	-	-	-
	102003260	Development programme	-	-	-
	101003260	Administration Planning and Support Services	100,000.00	68,748.25	69
3272000500		**Public Works**	**300,000.00**	**215,957.25**	72
	101003260	Administration Planning and Support Services	300,000.00	215,957.25	72

Program	Sub Programme	Description	Approved Budget	Actual Expenditure	Absorption (%)
	103003260	Infrastructure Development programme	-	-	-
	102003260	Development programme	-	-	-
3272000600		**Defunct Local Authorities**	-	-	-
	302003260	Trade Development programme.	-	-	-
	103003260	Infrastructure Development programme	-	-	-
3273000100		**Headquarters**	-	-	-
	102003260	Development programme	68,000,000.00	47,056,840.00	69
	1003003260	Natural Resources Support Programme	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
	301003260	General Administration and support services programme	-	-	-
3273000200		**Mwatate Municipal Administration**	-	-	-
	1003003260	Natural Resources Support Programme	-	-	-
	102003260	Development programme	-	-	-
	101003260	Administration Planning and Support Services	1,650,000.00	1,369,016.00	83
3273000300			**4,541,169.00**	**2,037,562.50**	45
	102003260	Development programme	-	-	-
	1003003260	Natural Resources Support Programme	-	-	-
	101003260	Administration Planning and Support Services	4,541,169.00	2,037,562.50	45
3273000400			-	-	-
	102003260	Development programme	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
3273000500		**Environment and Natural Resources**	-	-	-
	1003003260	Natural Resources Support Programme	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
3273000600			-	-	-
	301003260	General Administration and support services programme	-	-	-
	102003260	Development programme	-	-	-
	103003260	Infrastructure Development programme	-	-	-
3276000100		**Headquarters**	-	-	-
	1003003260	Natural Resources Support Programme	14,628,600.00	7,225,266.00	49
	1002003260	General Administration,Support and Support Services	81,600,000.00	43,690,600.00	54
	301003260	General Administration and support services programme	-	-	-
		Total	7,501,388,639	5,875,744,804	78

***Source**: Taita Taveta County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Treasury Development programme in the Department of Finance and Economic Planning at 100 per cent, General administration, Planning, Internal audit & Support services in Department of Finance and Economic Planning at 100 per cent, General administration & Support services in the Department of Health Services at 100 per cent and General Administration and Support Services in the County assembly at 100 per cent of budget allocation.

3.39.13 Accounts Operated Commercial Banks

The County government operated a total of 37 accounts with commercial banks. 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.

3.39.14 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;

1. Under performance of own-source revenue at Kshs.461.18 million against an annual target of Kshs.628.66 million, representing 73.3 per cent of the annual target.
2. High level of pending bills which amounted to Kshs.1.63 billion as of 30th June 2024. This includes bills accrued in FY 2023/24.
3. High wage bills which accounted for 53 per cent of the County total revenue in FY 2023/24 which is above the ceiling provided in law.
4. Law expendire on development programmes which accounted for 18.6 per cent of total expenditure.

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

1. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. The County Treasury should have in place appropriate austerity measures implemented during the financial year to ensure expenditure commitments are aligned with available revenue.*
2. *The county leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the next financial year.*
3. *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.*
4. *The County should prioritise expenditure on development programmes to adhere to the 30 per cent ceiling in law.*

3.40. County Government of Tana River

3.40.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget II for the FY 2023/24 was Kshs.8.87 billion, comprising Kshs.3.55 billion (40.1 per cent) and Kshs.5.31 billion (59.9 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 11.1 per cent compared to the previous financial year when the approved budget was Kshs.7.98 billion, comprising Kshs.2.51 billion (31.5 per cent) and Kshs5.47 billion (68.5 per cent) allocation for development and recurrent programmes.

To finance the budget, the County expected to receive Kshs.6.79 billion (76.6 per cent) as the equitable share of revenue raised nationally, Kshs.3.95 million (0.01 per cent) as Facility Improvement Fund (revenue from health facilities), Kshs.872.98 (9.8 per cent) million as conditional grants, a cash balance of Kshs.1.11 billion (12.5 per cent) from FY 2022/23 and generate Kshs.92.67 million (1 per cent) as ordinary own-source revenue. A breakdown of the conditional grants is provided in Table 3.272.

3.40.2 Revenue Performance

During the financial year, the County received Kshs.6.24 billion as an equitable share of the revenue raised nationally, Kshs.333.53 million as additional allocations/conditional grants, had a cash balance of Kshs.1.11 billion from FY 2022/23, and raised Kshs.88.78 million as own-source revenue (OSR). The raised OSR includes Kshs.3.78 million as FIF. The total funds available for budget implementation during the period amounted to Kshs.7.78 billion, as shown in Table 3.272.

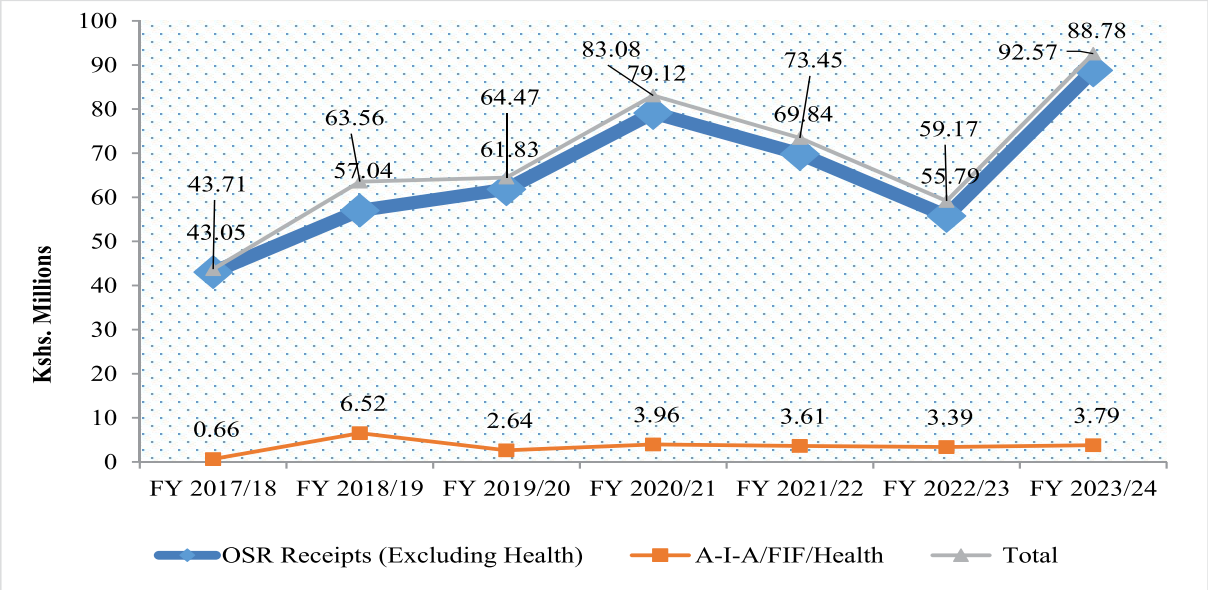
Table 3.272: Tana River County, Revenue Performance in the FY 2023/24

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**	6,790,702,542	6,247,446,338.00	92.0
Sub Total		**6,790,702,542**	**6,247,446,338**	**92.0**
B	**Conditional Grants**			
1	Kenya Climate Smart Agriculture Project (KCSAP)	90,000,000	61,249,435	68.1
2	DANIDA (Universal Healthcare in Devolved System Program)	10,683,750	10,683,750	100.0
3	Agricultural Sector Development Support Programme (ASDSP) II	1,296,540	500,000	38.6
4	National Agricultural Value Chain Development Project (NAVCDP)	250,000,000	199,504,080	79.8
5	Financing Locally-Led Climate Action (FLLoCA) - County Climate Institutional Support (CCIS)	11,000,000	-	-
6	Livestock Value Chain Support Project	14,323,680	-	-
7	De-Risking and Value Enhancement (DRIVE)	226,457,980	-	-
8	Kenya Marine Fisheries and Socio-Economic Development (KEMSFED)	33,164,181	-	-
9	Provision of Fertilizer Subsidy Programme	15,049,566	-	-
10	Supplement for Construction of County Headquarters	121,000,000	-	-
11	Aggregated Industrial Parks Programme	100,000,000	-	-
12	Allocations for Mineral Royalties	10,624	-	-
13	Undisclosed conditional grants	-	61,599,435	-
Sub-Total		**872,986,321**	**333,536,700**	**38.2**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	92,673,773	88,783,403	95.8
2	Balance b/f from FY2022/23	1,109,178,403	1,109,178,403	100.0
3	Facility Improvement Fund (FIF)	3,956,827	3,785,117	95.7
Sub Total		1,205,809,003	1,201,746,923	99.7
Grand Total		**8,869,497,866**	**7,782,729,961**	**87.7**

Source: *Tana River County Treasury*

Figure 154 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 154: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24

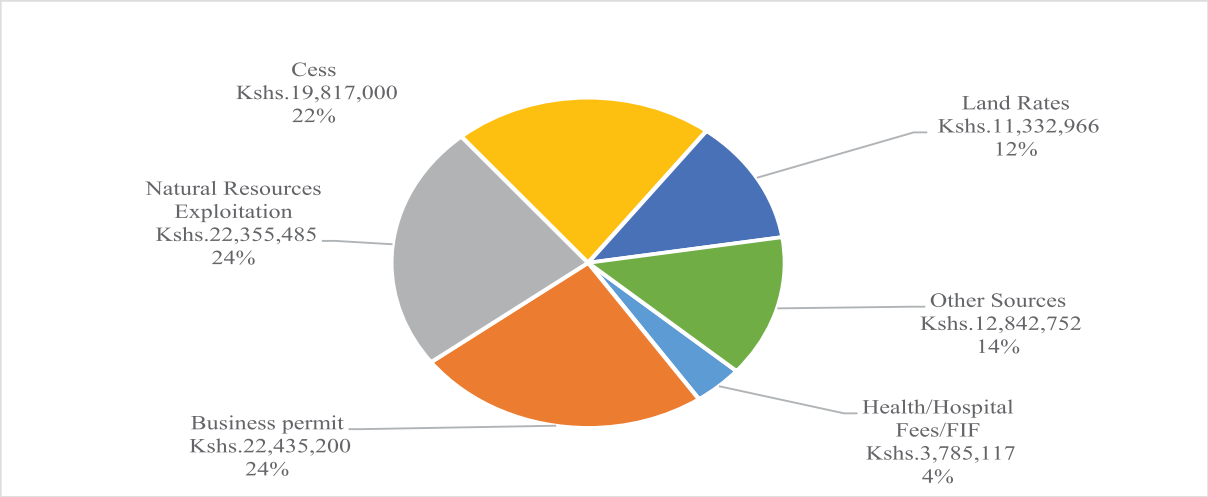


Source: *Tana River County Treasury*

In FY 2023/24, the County generated a total of Kshs.88.78 million from its revenue sources, inclusive of FIF. This amount represented an increase of 50.0 per cent compared to Kshs.59.17 million realized in FY 2022/23. It was 99.9 per cent of the annual target and 1.1 per cent of the equitable revenue share disbursed during the period.

The revenue streams which contributed the highest OSR receipts are shown in Figure 155.

Figure 155: Top Streams of Own Source Revenue in the FY 2023/24



Source: *Tana River County Treasury*

The highest revenue stream, Kshs.22.43 million, was from Business permits, contributing 24 per cent of the total OSR receipts during the reporting period.

3.40.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.7.49 billion from the CRF account during the reporting period, comprising Kshs.2.2 billion (30.3 per cent) for development programmes and Kshs.5.22 billion (69.7 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in FY 2023/24 indicates that Kshs.2.34 billion was released towards Employee Compensation and Kshs.2.87 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.298.88 million.

3.40.4 County Expenditure Review

During the reporting period, the County spent Kshs7.23 billion on development and recurrent programmes. The expenditure represented 96.6 per cent of the total funds released by the CoB and comprised Kshs.2.05 billion and Kshs.5.18 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 28.4 per cent, while recurrent expenditure represented 71.6 per cent of the annual recurrent expenditure budget.

3.40.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.2.63 billion, comprising of Kshs.1.39 billion for recurrent expenditure and Kshs.1.24 billion for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.1.11 billion. They comprised Kshs.523.74 million for recurrent expenditure and Kshs.591.68 million for development programmes. As of the end of FY 2023/24, the outstanding amount was Kshs.2.12 billion inclusive of FY 2023/24 bills.

The County Assembly reported outstanding pending bills of Kshs.3.77 million as of 30th June 2024.

3.40.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.1.94 billion on employee compensation, Kshs.2.61 billion on operations and maintenance, and Kshs.1.84 billion on

development activities. Similarly, the County Assembly spent Kshs.345.23 million on employee compensation, Kshs.278.15 million on operations and maintenance, and Kshs.213.69 million on development activities, as shown in Table 3.273.

Table 3.273: 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	**4,537,385,634**	**677,653,973**	**4,556,413,619**	**623,381,874**	**100.4**	**92.0**
Compensation to Employees	1,958,490,652	399,754,437	1,945,837,586	345,234,626	99.4	86.4
Operations and Maintenance	2,578,894,982	277,899,536	2,610,576,033	278,147,248	101.2	100.1
Development Expenditure	3,557,940,753	330,783,780	1,843,633,915	213,698,148	51.8	64.6
Total	**8,095,326,387**	**1,008,437,753**	**6,400,047,534**	**837,080,022**	**79.1**	**83.0**

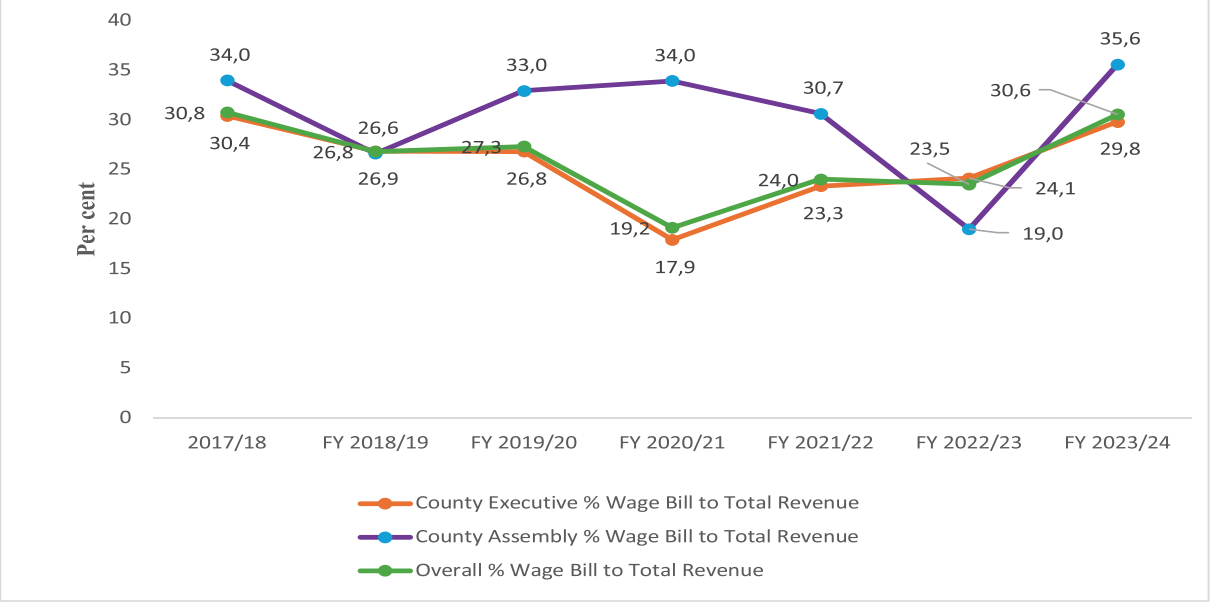
***Source**: Tana River County Treasury*

3.40.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.2.29 billion, or 28.7 per cent of the available revenue, which amounted to Kshs.2.34 billion. This expenditure represented an increase from Kshs.1.93 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.932.91 million paid to health sector employees, translating to 41 per cent of the total wage bill.

Figure 156 shows the trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 156: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



***Source:** Tana River County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.27 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.15.66 million was processed through manual payrolls. The manual payrolls accounted for 0.7 per cent of the total PE cost.

The County Assembly spent Kshs.6.79 million on committee sitting allowances for the 27 MCAs against the annual budget allocation of Kshs.8.4 million. The average monthly sitting allowance was Kshs.20,979 per MCA. The County Assembly has established 19 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.416.97 million to county-established funds in FY 2023/24, constituting 4.7 per cent of the County's overall budget. Further, the County allocated Kshs.137.74 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.274 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.274: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 30th June 2024
County Executive Established Funds					
1	Tana River County Scholarship Fund	50,000,000.00	-	-	Yes
2	Tana River County Emergency Fund	137,746,663.00	137,746,663.00	137,746,663.00	Yes
3	Tana River County Bursary Fund	154,500,000.00	154,500,000.00	-	No
4	Tana River Car Loan & Mortgage	60,000,000.00	60,000,000.00	60,000,000.00	Yes
5	Livestock Fund	14,727,370 .00	10,727,000 .00	-	No
	Total	**416,974,033 .00**	**362,973,663 .00**	**197,746,663 .00**	

Source: *Tana River County Treasury*

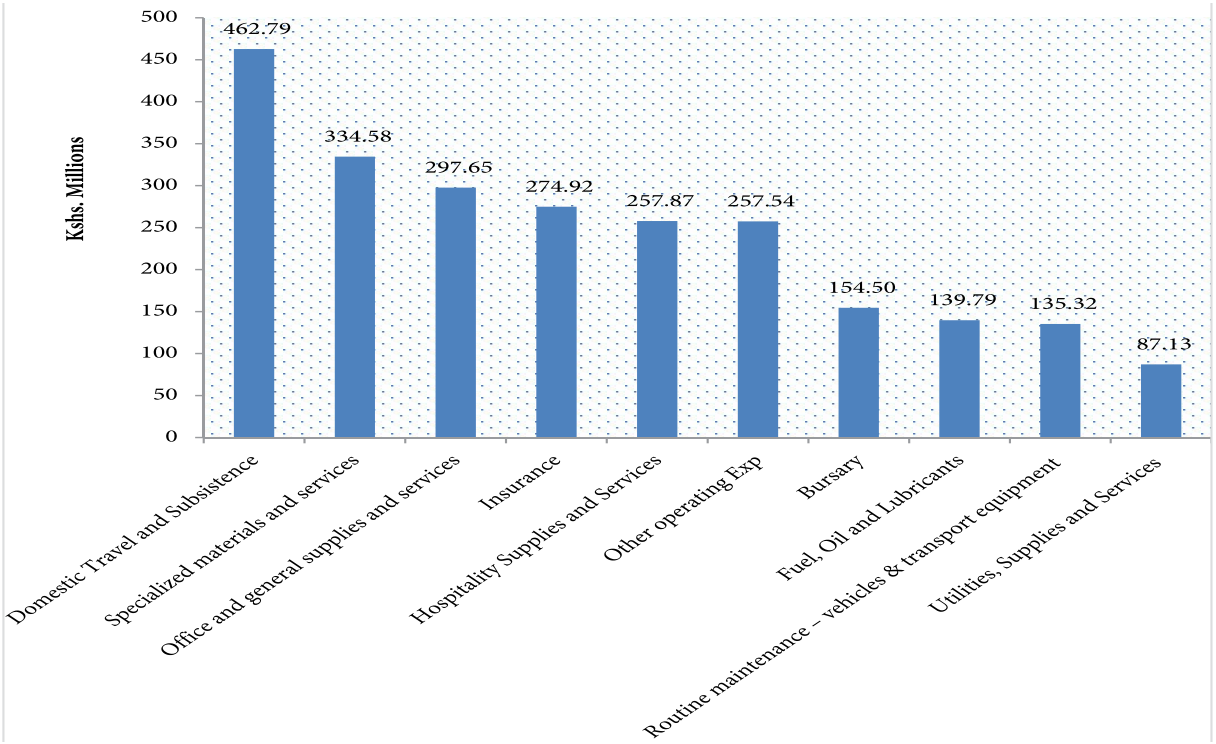
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of Bursary Fund and Livestock Fund as indicated in Table 3.274, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.40.9 Expenditure on Operations and Maintenance

Figure 157 summarises the Operations and Maintenance expenditure by major categories.

Figure 157: Tana River County, Operations and Maintenance Expenditure by Major Categories



Source: *Tana River County Treasury*

Expenditure on domestic travel amounted to Kshs.462.78 million and comprised Kshs.108.54 million spent by the County Assembly and Kshs.354.24 million by the County Executive. Expenditure on foreign travel amounted to Kshs.25.53 million and comprised Kshs.3.13 million by the County Assembly and Kshs.22.4 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.275 below; -

Table 3.275: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Office of the Governor	4	22/08/2023	Jumuiya trade investment and education exchange mission - 15th to 21st Sept 2023	USA	9,186,650.00
County Assembly	8	2023	bench marking tour of Ethiopia	Ethiopia	3,130,490.00
Office of the Governor	1	2/3/2023	Annual heroes' day from 2nd-10th march 2023	South Africa	1,078,640.00
Office of the Governor	1	Sept 2023	The 78th Session of the UN General Assembly	New York	1,776,920.00
Office of the Governor	1	18/09/2023	Board audit committee training	Turkey	1,398,255.00
Office of the Governor	1	2023	Annual logistics cluster preparedness workshop	Germany	929,000.00

Source: *Tana River County Treasury*

A breakdown of "*Other Operating Expenses*" in the O&M costs in the above graph relates to legal fees, subscription to professional bodies, contracted guard services, contracted professional services and membership fees'

Included in the operations and maintenance costs is an expenditure of Kshs.2.85 million on garbage collection and Kshs.124.28 million on legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.40.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.2.05 billion on development programmes, an increase of 129.8 per cent compared to FY 2022/23, when the County spent Kshs.894.84 million. The table 3.276 summarises development projects with the highest expenditure in the reporting period.

Table 3.276: Tana River County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Budget (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
1	Trade, Tourism and Industry	County Aggregated Industrial Parks	County wide	150,000,000.00	150,000,000.00	113,000,000.00	30.00
2	Water and Energy	Madogo water supply improvement works and other civil works	Madogo	35,000,000.00	35,000,000.00	29,226,210.00	80.00
3	Agriculture, Livestock, Fisheries and Veterinary Services	Purchase of 2 dehuller machines with packaging, colour sorting and whitening components	Hola and Bura	25,000,000.00	25,000,000.00	23,800,000.00	100.00
4	Roads, Transport, Public Works	Construction of Storm Water Drainage in Bura	Bura	20,000,000.00	20,000,000.00	19,637,640.00	100.00
5	Roads, Transport, Public Works	Rehabilitation of roads: B89 - Sera	B89 - Sera	18,000,000.00	18,000,000.00	17,208,020.00	100.00
6	Education and Vocational Training	Purchase of a 62-seater bus for YEIC	Youth Empowerment and Innovation Centre	20,000,000.00	20,000,000.00	16,051,000.00	100.00
7	Agriculture, Livestock, Fisheries and Veterinary Services	Galole ATC	Boji	15,800,000.00	15,800,000.00	15,800,000.00	100.00
8	Roads, Transport, Public Works	Expansion of shoulders and service bay in Hola Town	Hola Town	15,000,000.00	15,000,000.00	14,638,620.00	100.00
9	Hola Municipality	Construction of 3km Storm Water Drainage	Handmaid Cluster	15,000,000.00	15,000,000.00	14,399,370.00	100.00
10	Gender, Culture, Youth, Sports	Mapping of heritage sites	Countywide	12,908,480.00	12,908,480.00	12,908,480.00	100.00

Source: *Tana River County Treasury*

3.40.11 Budget Performance by Department

Table 3.277 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.277: Tana River County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Million Kshs.)		Exchequer Issues (Million Kshs.)		Expenditure (Million Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	678	366	665	305	623	214	93.8	70.1	92.0	58.4
Office of The Governor and Deputy Governor	437		437		437		100.0	-	100.0	-
Finance and Planning	546	747	543	605	543	599	100.0	99.0	99.5	80.2
County Public Service Board	68	-	68	-	68		100.0	-	99.8	-
Trade, Tourism, Wildlife and Cooperative Development	86	253	83	153	83	153	100.0	100.0	96.8	60.4
Agriculture, Livestock, Fisheries and Veterinary	197	774	182	269	182	258	100.0	95.6	92.5	33.3
Culture, gender, Youth, Sports and Social Services	55	40	48	38	48	17	100.0	45.2	87.6	42.9
Education and Vocational Training	260	156	235	150	235	91	100.0	60.7	90.5	58.5
Medical Services, Public Health and Sanitation	1,315	202	1,307	97	1,307	98	100.0	100.6	99.4	48.4
Special program	178	-	178	-	178		100.0	-	100.0	-
Roads, Transport, Public works, Housing and Urbanisation	78	568	77	312	77	313	100.0	100.5	98.9	55.2

Water, Irrigation, Environment and Natural Resources	123	293	115	246	115	218	100.0	88.3	93.9	74.3
Public Service, Administration and Citizen Participation	1,214	43	1,212	7	1,212	7	100.0	94.2	99.8	16.3
Lands and Physical Planning	44	67	44	39	44		100.0	-	99.6	-
Hola Municipality	34	50	27	50	27	50	100.0	100.0	79.0	99.6
Total	**5,312**	**3,558**	**5,221**	**2,272**	**5,180**	**2,018**	**99.2**	**88.8**	**97.5**	**56.7**

***Source**: Tana River County Treasury*

Analysis of expenditure by departments shows that the Department of Hola Municipality recorded the highest absorption rate of the development budget at 99.6 per cent, followed by the Department of Finance at 80.2 per cent. The Department of Special programme had the highest percentage of recurrent expenditure to budget at 100 per cent while the Department of Hola Municipality had the lowest at 79 per cent.

3.40.12 Budget Execution by Programmes and Sub-Programmes

Table 3.278 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.278: Tana River County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Office of the Governor							
Executive Services	County leadership & coordination of CDAs	41,500,000	-	41,500,000	-	100	-
	County Government Advisory Service	51,000,000	-	51,000,000	-	100	-
	Coordination of peace and cohesion	17,373,562	-	17,373,562	-	100	-
	Sub Total	**109,873,562**	**-**	**109,873,562**	**-**		-
General Administration, Planning and support services	General Administration, Planning and support services	326,768,101	-	326,768,101	-	100	-
	Sub Total	**326,768,101**	**-**	**326,768,101**	**-**		-
	Grand Total	**436,641,663**	**-**	**436,641,663**	**-**	**100**	-
Finance and Economic planning							
Public Finance Management	PFM Enhancement	5,789,349	-	5,789,349	-	100	-
	Economic planning and Budgeting	33,625,694	-	33,625,694	-	100	-
	Monitoring and Evaluation	17,980,523	-	17,882,712	-	99	-
	Supply chain management services	20,700,000	-	20,700,000	-	100	-
	Own Source revenue collection	22,120,000	-	21,955,215	-	99	-
	Accounting & Finance	24,700,000	-	23,354,106	-	95	-
	Internal Audit	12,782,110	-	11,897,200	-	93	-
	General Administration	408,098,096	-	408,098,096	-	100	-
	Development	-	746,986,713	-	599,442,327	-	80.2
	Sub Total	**545,795,772**	**-**	**543,302,371**	**-**	**100**	-
	Grand Total	**545,795,772**	**746,986,713**	**543,302,371**	**599,442,327**	**100**	**80**

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Public Service Board							
General Administration, Planning and Support Services	General Administration, Planning and Support Services	60,633,155	-	60,633,155	-	100	-
Ethics, Governance and Compliance	Ethics, Governance and Compliance	1,806,960	-	1,806,960	-	-	-
Skills and competency development	Skills and competency development	1,578,824	-	1,578,824	-	100	-
Human Resource management and development	Human Resource management and development	3,962,316	-	3,851,580	-	97	-
	Grand Total	**67,981,255**	-	**67,870,519**	-	**100**	-
Trade,Tourism and co-operative development							
Trade, weights and measures	Trade, weights and measures	67,414,849	253,000,000	67,414,849	152,900,000	100	60.43
Tourism promotion	Tourism promotion	9,499,849	-	6,722,178	-	71	-
Cooperative Development	Cooperative Development	8,685,000	-	8,685,000	-	100	-
	Grand Total	**85,599,698**	**253,000,000**	**82,822,027**	**152,900,000**	**97**	**60.43**
Agriculture and Rural Development							
Agricultural Development	Crop Husbandry	6,969,666	-	6,969,666	-	65	-
	Plant Disease Control	1,600,000	-	1,600,000	-	55	-
	Agricultural Mechanization Services(AMS)	24,614,500	-	24,486,885	-	49	-
	UCSAP	20,000,000		20,000,000		25	
	ASDSP	5,000,000	-	5,000,000	-	100	-
	FAO	1,245,700	-	1,245,700	-	80	-
	Development	-	567,850,000	-	83,166,127	-	14.65
	Sub-Total	**59,429,866**	**567,850,000**	**59,302,251**	**83,166,127**	**49**	**14.65**
	General Administration, Planning and Support Services	1,887,000	-	1,887,000	-	-	-
	Empowerment of women and youth on fish safety and quality assurance	1,520,000	-	1,520,000	-	-	-
Fisheries Development	Construction of ice plant and cold storage	16,202,370	-	16,187,895.20	-	77	-
	Development	-	14,727,370	-	10,000,000	-	67.90
	Sub-Total	**19,609,370**	**14,727,370**	**19,594,895**	**10,000,000**	**64**	**67.90**
	General Administration, Planning and Support Services	2,612,372	-	2,612,372	-	8	-
	Extension services	62,072,388	-	41,802,162	-	93	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Breed improvement and artificial insemination	2,468,872	-	2,468,872		58	-
	Veterinary Public Health/ Abattoirs	1,118,500	-	1,118,500	-	35	-
	Leather Development Services	26,912,712	-	26,182,846	-	96	-
	Control Tsetse fly and Laboratory Services	2,685,000	-	2,685,000	-	-	-
	Conduct disease surveillance and carry out timely vaccination	25,382,000	33,875,087	15,382,000	30,000,000	65	88.56
	Sub-Total	**123,251,844**	**33,875,087.00**	**92,251,752**	**30,000,000**	**82**	**88.56**
	General Administration, Planning and Support Services	47,766,440	-	7,766,440	-	-	-
	Livestock Extension Services	1,805,000	12,000,000.00	1,805,000	12,000,000	21	100.00
	Animal Husbandry	4,292,500	145,100,000.00	1,158,900	122,481,405	43	84.41
	Sub-Total	**53,863,940**	**157,100,000.00**	**10,730,340**	**134,481,405**	**9**	**85.60**
	Grand Total	**196,725,154**	**773,552,457**	**181,879,239**	**257,647,532**	**64**	33.31
Gender, Social Service and Youth Development							
Child Protection.	Baseline Survey for OVC	4,876,000	-	4,876,000	-	100	-
	Community Awareness creation on Child Rights and Child Protection	1,250,000	-	1,250,000	-	100	-
	Enhanced Child Participation	430,000	-	430,000	-	100	-
Social development and Protection.	Women empowerment	461,800	-	461,800	-	100	-
	Gender and Leadership	12,853,200	27,000,000	11,201,490	4,908,480	87	18.18
	Youth Empowerment	-	-	-	-		-
Sports Training and Competitions	county Sports leagues	7,763,447	-	6,298,130	-	81	-
	Sports equipment and support	1,759,000	-	-	-	-	-
	Sub-Total	**29,393,447**	**27,000,000**	**24,517,420**	**4,908,480**	**83**	**18.18**
Culture and art development	Culture Promotion and Development	13,350,000	13,000,000	13,350,000	12,267,165	100	94.36
	Empowerment/Capacity building of cultural practitioners	4,940,000	-	3,031,600	-	61	-
	Sub-Total	**18,290,000**	**13,000,000**	**16,381,600**	**12,267,165**	**90**	94.36
General administration, support and planning	General administration, support and planning	7,000,000	-	7,000,000	-	**100**	-
	Sub-Total	**7,000,000**	**-**	**7,000,000**	**-**	**100**	-
	Grand Total	**54,683,447**	**40,000,000**	**47,899,020**	**17,175,645**	**88**	42.94
Education,Vocational training and ECDE							
Early Child care services	ECDE quality education standards service	1,000,000	-	484,000	-	**48**	-
	ECDE Access and Retention Services	46,800,000	15,000,000	25,524,176	10,606,584	**55**	70.71
	Sub Total	**47,800,000**	**15,000,000**	**26,008,176**	**10,606,584**	**54**	**70.71**

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Vocational Training Services	VTC quality standards training services	9,510,342	-	9,510,342	-	100	-
	Free VTC education and training	15,156,327	-	12,156,327	-	80	-
	Sub Total	**24,666,669**	**-**	**21,666,669**	**-**	**88**	-
General Administration, Planning and support services	General Administration, Planning and support services	187,800,000	22,535,447	187,800,000	17,907,000	100	79.46
	Sub-Total	**187,800,000**	**22,535,447**	**187,800,000**	**17,907,000**	**100**	**79.46**
VTC access and retention of training	Development	-	118,000,000	-	62,545,535	-	53.00
	Sub Total	**-**	**118,000,000**	**-**	**62,545,535**	**-**	**53.00**
	Grand Total	**260,266,669**	**155,535,447**	**235,474,845**	**91,059,119**	**90**	**58.55**
Health and Sanitation							
Curative and Rehabilitative	Medical Supplies	160,650,000	88,000,000	160,650,000	17,663,731	100	20.07
	Medical Services	32,200,000	113,700,000	31,110,495	80,000,000	97	70.36
	Ambulance services	11,700,000	-	7,022,890	-	60	-
Preventive and Promotive	Preventive and Promotive	17,050,041	-	15,789,657	-	93	-
	Mobile clinics	5,800,000	-	4,883,621	-	84	-
	Licensing and control of undertaking	9,045,859	-	8,809,902	-	97	-
	Sub Total	**236,445,900**	**201,700,000**	**228,266,565**	**97,663,731**	**97**	**48.42**
General Administration, Planning and support services	General Administration, Planning and support services	1,078,619,063	-	1,078,619,063	-	100	-
	Development	-	-	-	-	-	-
	Sub Total	**1,078,619,063**	**-**	**1,078,619,063**	**-**	**100**	-
	Grand Total	**1,315,064,963**	**201,700,000**	**1,306,885,628**	**97,663,731**	**197**	**48.42**
Special Programme							
Drought management (Preparedness, Response, Mitigation and Recovery	Drought contingency	3,000,000	-	3,000,000	-	100	-
	Disaster Risk Management Fund	154,702,243	-	154,702,243	-	100	-
Social protection and response to other disasters	Food distribution and rations	3,032,392	-	3,032,392	-	100	-
	Sub-Total	**160,734,635**	**-**	**160,734,635**	**-**	**100**	-
General Administration, Planning and Support Services	General Administration, Planning and Support Services	17,500,000	-	17,500,000	-	100	-
	Sub-Total	**17,500,000**	**-**	**17,500,000**	**-**	**100**	-
	Grand Total	**178,234,635**	**-**	**178,234,635**	**-**	**100**	-
Roads and public works							

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Roads Development	Routine maintenance	3,968,466	141,232,356	3,968,466	60,948,719	100	43.15
	Opening of new roads	1,688,220	42,200,000	1,688,220	-	100	-
	Grading, Murraming and tarmacking	1,334,710	8,000,000	1,334,710	-	100	-
	Monitoring and Evaluation	1,843,800	-	1,843,800	-	100	-
	Sub-Total	**8,835,196**	**191,432,356**	**8,835,196**	**60,948,719**	**100**	**31.84**
Public works and services	Public works and services	17,978,505	376,850,000	17,978,505	252,526,342	100	67.01
	Sub Total	**17,978,505**	**376,850,000**	**17,978,505**	**252,526,342**	**100**	**67.01**
General Administration and Support Services	General Administration and Support Services	51,425,038	-	50,577,948	-	98	-
	Sub-Total	**51,425,038**	**-**	**50,577,948**	**-**	**98**	-
	Grand Total	**78,238,739**	**568,282,356**	**77,391,649**	**313,475,061**	**99**	**55.16**
Water, Environment and Natural Resources							
	Environmental Protection	54,428,041	100,000,000	52,869,393	76,000,000	97	76.00
	Control of Air Pollution	1,627,520	-	386,303	-	24	-
	Solid Waste Management	11,696,200	32,500,000	6,958,700	-	59	-
	Sub-Total	**67,751,761**	**132,500,000**	**60,214,396**	**76,000,000**	**89**	57.36
General administration, planning support	General administration, planning support	23,635,380	-	23,635,380	-	100	-
	Sub-Total	**23,635,380**	**-**	**23,635,380**	**-**	**100**	-
Water Services	Water Management services	14,564,039	142,050,044	14,564,039	139,314,663	100	98.07
	Water Sanitation & Hygiene	12,965,375	2,549,956	12,965,375	557,794	100	21.87
	Storm Water Management	3,730,723	-	3,730,723	-	100	-
Energy Development	Energy	-	16,000,000	-	1,830,550	-	11.44
	Sub-Total	**31,260,137**	**160,600,000**	**31,260,137**	**141,703,007**	**100**	**88.23**
	Grand Total	**122,647,278**	**293,100,000**	**115,109,913**	**217,703,007**	**94**	**74.28**
Public service and administration							
General Administration, support and planning	General Administration, support and planning	941,225,666	-	941,225,666	-	100	-
Human Resource & Development	Performance management system	8,200,000	-	8,200,000	-	100	-
	Human resource development	181,629,351	-	181,629,351	-	100	-
County Administration	Administration	44,700,000	35,000,000	44,700,000	-	100	-
	Enforcement	32,500,000	8,000,000	32,500,000	6,989,000	100	87.36
Citizen Participation	Citizen Participation	6,100,000	-	4,216,363	-	69	-
	Sub Total	**1,214,355,017**	**43,000,000**	**1,212,471,380**	**6,989,000**	**100**	**16.25**
Grand Total		**1,214,355,017**	**43,000,000**	**1,212,471,380**	**6,989,000**	**100**	**16.25**
Lands and physical planning							
General Administration, Planning and support services	General Administration, Planning and support services	1,344,626	-	1,344,626	-	100	-

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Land Policy and Planning	Physical Planning	26,064,624	37,000,000	26,015,635	19,000,000	100	51.35
	Survey, Mapping and GIS	6,405,000	30,000,000	6,286,326	20,785,988	98	69.29
	Land Administration	10,279,500	-	10,260,892	-	100	-
	Grand Total	**44,093,750**	**67,000,000**	**43,907,479**	**39,785,988**	**100**	**59.38**
County Assembly							
General Administration and Support Services	General Administration and Support Services	677,653,973	365,783,780	623381874	213698147.6	92	58.42
	Sub-Total	**677,653,973**	**365,783,780**	**623,381,874**	**213,698,148**	**92**	**58.42**
Hola Municipality							
General Administration and Support Services	General Administration and Support Services	33,575,100	50,000,000	26,523,250	49,792,505	79	99.59
	Sub-Total	**33,575,100**	**50,000,000**	**26,523,250**	**49,792,505**	**79**	**99.59**
Grand Total		**5,311,557,113**	**3,557,940,753**	**5,179,795,493**	**2,057,332,064**	**98**	**57.82**

Source: *Tana River County Treasury*

Based on absorption rates, the sub-programmes with the highest implementation levels were County Leadership in the Department of Office of the Governor at 100 per cent, general administration in the Department of County Public Service Board at 100 per cent, General administration in the Department of Finance at 100 per cent, and disaster risk management in the Department of Special Programmes at 100 per cent of budget allocation.

3.40.13 Accounts Operated Commercial Banks

The County government operated 34 accounts with commercial banks. 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.

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;

1. The County Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report.
2. Fund administrators' failure to submit quarterly financial and non-financial reports to the COB within the timelines provided by law is against the requirement of Section 168 of the PFM Act, 2012. The reports for the Bursary Fund and Livestock Fund fund administrators were not submitted to the Controller of Budget.
3. There was a high level of pending bills, which amounted to Kshs.2.12 billion as of 30th June 2024.
4. Use of manual payroll. Personnel emoluments amounting to Kshs.15.6 million were processed through manual payroll, accounting for 0.7 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.
5. High expenditure on domestic traveel at Kshs. 462.78 million which may be wasteful expenditure.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

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

3. *The 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.*

4. *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.*

5. *The County should minimize expenditure on domestic travel by undertaking activities within the county headquaters.*

3.41. County Government of Tharaka Nithi

3.41.1 Overview of FY 2023/24 Budget

The County's approved second supplementary budget for FY 2023/24 was Kshs.6.52 billion, comprising Kshs.2.15 billion (33 per cent) and Kshs.4.37 billion (67 per cent) allocation for development and recurrent programmes, respectively. The approved second supplementary budget estimates represented an increase of 14.7 per cent compared to the previous financial year when it was Kshs.5.68 billion and comprised of Kshs.1.32 billion towards development expenditure and Kshs.4.36 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.4.38 billion (67.2 per cent) as the equitable share of revenue raised nationally, Kshs.1.44 billion (22 per cent) as additional allocations/conditional grants, a cash balance of Kshs.253.64 million (3.9 per cent) brought forward from FY 2022/23 and generate Kshs.450.67 million (6.9 per cent) as gross own source revenue. The own-source revenue includes Kshs.149.80 million as Facility Improvement Fund (revenue from health facilities) and Kshs.300.87 million as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.279 .

3.41.2 Revenue Performance

In the FY 2023/24, the County received Kshs.4.03 billion as an equitable share of the revenue raised nationally, Kshs.506.8 million as additional allocations/conditional grants, a cash balance of Kshs.229.93 million from FY 2022/23 and raised Kshs.417.35 million as own-source revenue (OSR). The raised OSR includes Kshs.160.98 million as FIF and Kshs.256.36 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.5.18 billion, as shown in Table 3.279.

Table 3.279: Tharaka Nithi County, Revenue Performance in the FY 2023/24

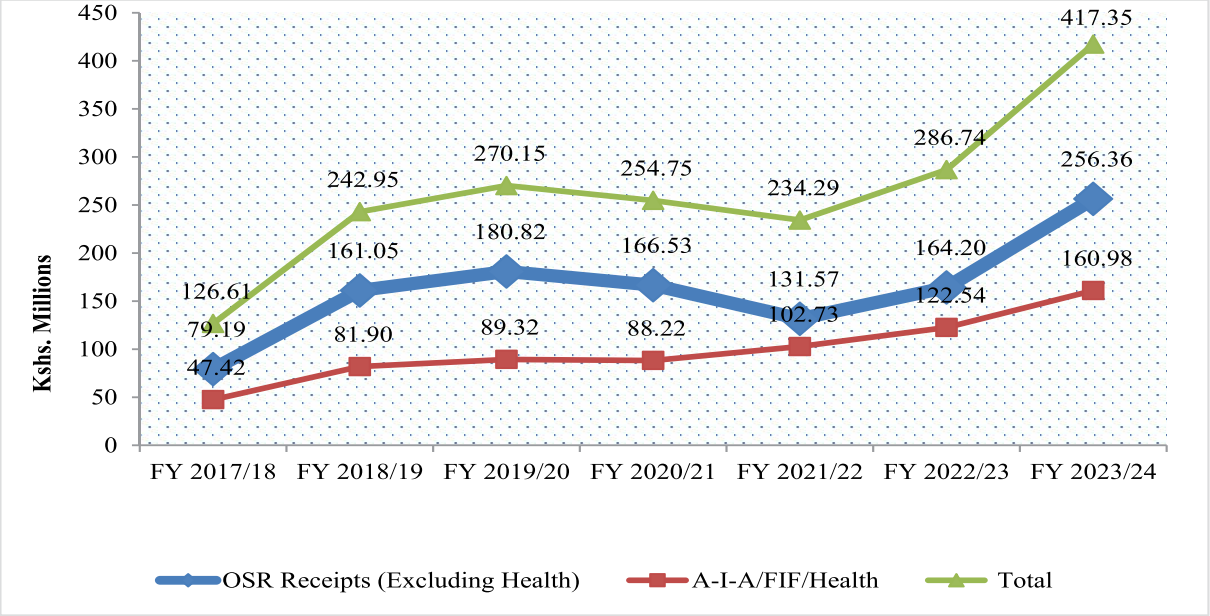
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	4,378,234,821	4,027,976,038	92.0
Sub Total		**4,378,234,821**	**4,027,976,038**	**92.0**
B	**Conditional Grants**			
1	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	90,000,000	-	-
2	IDA (World Bank) Credit (National Agricultural Value Chain Development Project (NAVCDP)	250,000,000	195,112,952	78.0
3	DANIDA Grant	14,856,750	7,161,000	48.2
4	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	1,785,670	2,285,670	128.0
5	Kenya Informal Settlement Programme (KISP)II	92,630,231	92,630,231	-
6	World Bank Emergency Locust Responses Projects (ELRP)	105,805,161	104,620,428	-

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
7	World Bank KWASH PforR	150,000,000	-	-
8	Aquaculture Business Development Programme (ABDP)	12,810,384	-	-
9	Aggregated Industrial Parks Programme	100,000,000	-	-
10	Financing Locally Led Climate Action Programme (FLLoCA) Program	205,050,000	104,989,776	-
11	Livestock Value Chain Support Project	28,647,360	-	-
12	De-risking and Value Chain Enhancement (DRIVE)	63,341,980	-	-
13	Provision for provision of Fertilizer Subsidy Programme	71,299,830	-	-
14	Other Conditional Grants- CHP National Grant	22,137,500	-	-
15	Supplement for construction of county headquarters	103,160,000	-	-
16	Leasing of Medical Equipment	124,723,404	-	-
Sub-Total		**1,436,248,270**	**506,800,057**	**35.3**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	300,870,000	256,362,512	85.2
2	Balance b/f from FY2022/23	253,643,267	229,926,006	90.6
3	Facility Improvement Fund (FIF)	149,800,000	160,983,523	107.5
Sub Total		**704,313,267**	**647,272,041**	**91.9**
Grand Total		**6,518,796,358**	**5,182,048,136**	**79.5**

Source: *Tharaka Nithi County Treasury*

Figure 158 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

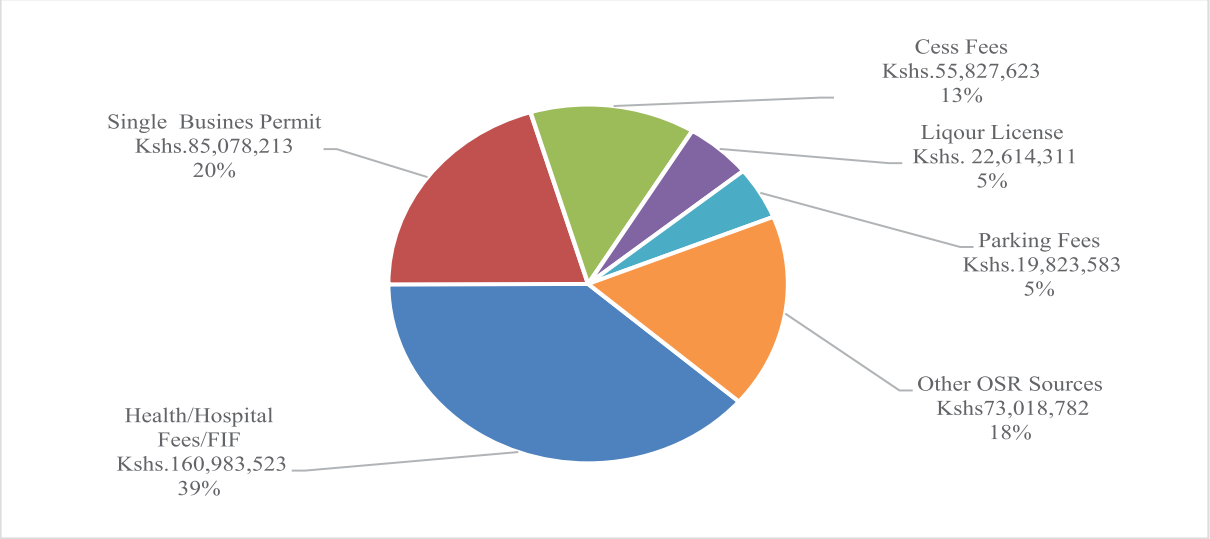
Figure 158: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Tharaka Nithi County Treasury*

In FY 2023/24, the County generated a total of Kshs.417.35 million from its sources of revenue, including FIF and AIA. This amount represented an increase of 45.5 per cent compared to Kshs.286.74 million realized in FY 2022/23 and was 92.6 per cent of the annual target and 10.4 per cent of the equitable revenue share disbursed during the period. The revenue streams which contributed the highest OSR receipts are shown in Figure 159.

Figure 159: Top Streams of Own Source Revenue in the FY 2023/24



Source: *Tharaka Nithi County Treasury*

The highest revenue stream of Kshs.160.98 million was from the Health FIF, contributing to 39 per cent of the total OSR receipts during the reporting period.

3.41.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.5.20 billion from the CRF account comprised Kshs.1.27 billion (24.5 per cent) for development programmes and Kshs.3.93 billion (75.5 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.2.73 billion was released towards Employee Compensation and Kshs.1.21 billion for Operations and Maintenance expenditure.

3.41.4 County Expenditure Review

The County spent Kshs.5.09 billion on development and recurrent programmes in the reporting period. The expenditure represented 97.8 per cent of the total funds released by the CoB and comprised of Kshs.1.17 billion and Kshs.4.57 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 54.5 per cent, while recurrent expenditure represented 89.7 per cent of the annual recurrent expenditure budget.

3.41.5 Settlement of Pending Bills

The County Executive reported outstanding pending bills of Kshs.627.33 million as of 30th June 2024, comprising Kshs.408.83 million for recurrent expenditure and Kshs.218.50 million for development expenditure. The County Assembly reported outstanding pending bills of Kshs.113.63 million as of 30th June 2024.

3.41.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.2.5 billion on employee compensation, Kshs.914.36 million on operations and maintenance, and Kshs.1.16 billion on development activities. Similarly, the County Assembly spent Kshs.214.11 million on employee compensation, Kshs.291.72 million on operations and maintenance, and Kshs.11.28 million on development activities, as shown in Table 3.280.

Table 3.280: Summary of Budget and Expenditure by Economic Classification

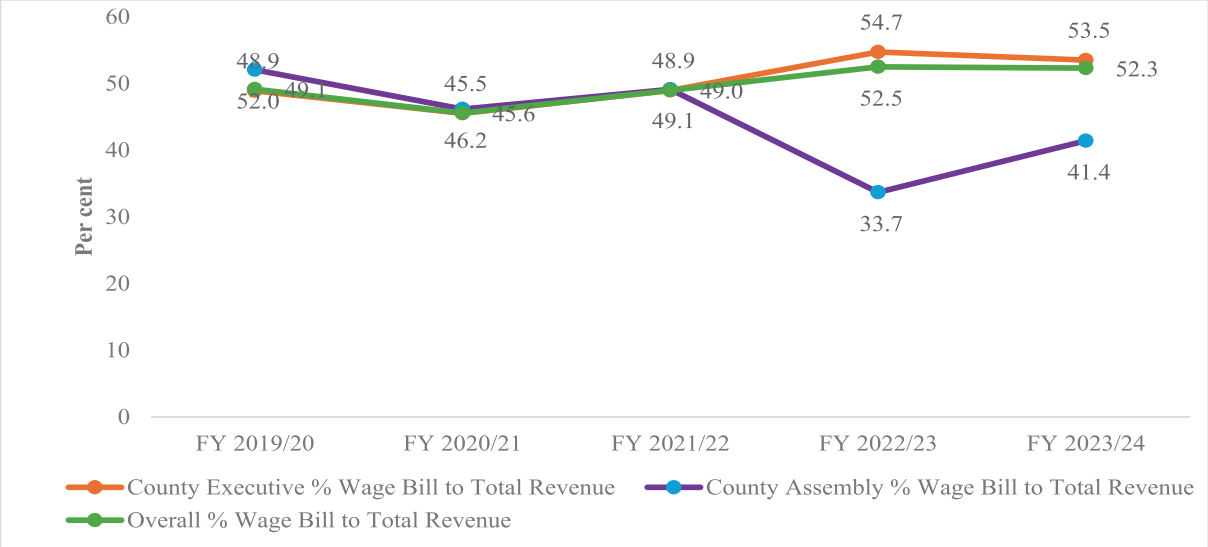
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**3,821,114,983**	**544,516,596**	**3,409,728,768**	**505,827,343**	**89.2**	**92.9**
Compensation to Employees	2,616,068,607	270,236,463	2,495,366,791	214,110,905	95.4	79.2
Operations and Maintenance	1,205,046,376	274,280,133	914,361,977	291,716,438	75.9	106.4
Development Expenditure	**2,133,164,779**	**20,000,000**	**1,162,947,202**	**11,277,328**	**54.5**	**56.4**
Total	**5,954,279,762**	**564,516,596**	**4,572,675,970**	**517,104,671**	**76.8**	**91.6**

***Source**: Tharaka Nithi County Treasury*

3.41.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.2.71 billion, or 52.3 per cent of the available revenue, which amounted to Kshs.5.18 billion. This expenditure decreased from Kshs.2.85 billion reported in FY 2022/23. The wage bill included Kshs.1.23 billion paid to health sector employees, translating to 45.2 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 160.

Figure 160: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



***Source:** Tharaka Nithi County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.63 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.91.82 million was processed through manual payrolls. The manual payrolls accounted for 3.4 per cent of the total PE cost.

The County Assembly spent Kshs.18.23 million on committee sitting allowances for the 23 MCAs against the annual budget allocation of Kshs.26.11 million. The average monthly sitting allowance was Kshs.66,225 per MCA.

3.41.8 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.124 million to county-established funds in FY 2023/24, constituting 1.9 per cent of the County's overall budget. Further, the County allocated Kshs.15 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.281 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.281: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24(Kshs.)	Exchequer Issues FY 2023/24 (Kshs.)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 30th June 2024 (Yes/No.)
1.	Tharaka Nithi County Emergency Fund	15,000,000	-	-	Yes
2.	Tharaka Nithi County Bursary Fund	34,000,000	34,000,000	405,562	Yes
3.	Tharaka Nithi County Executive Staff Mortgage and Car Loan Scheme Fund	75,000,000	70,000,000	55,914,935	Yes
4.	Tharaka Nithi County Youth Empowerment Fund	-	-	5,997	Yes
5.	Tharaka Nithi County Assembly Car Loan & Mortgage Fund	-	-	1,428,671	Yes
	Total	**124,000,000**	**103,000,000**	**57,755,165**	

Source: *Tharaka Nithi County Treasury*

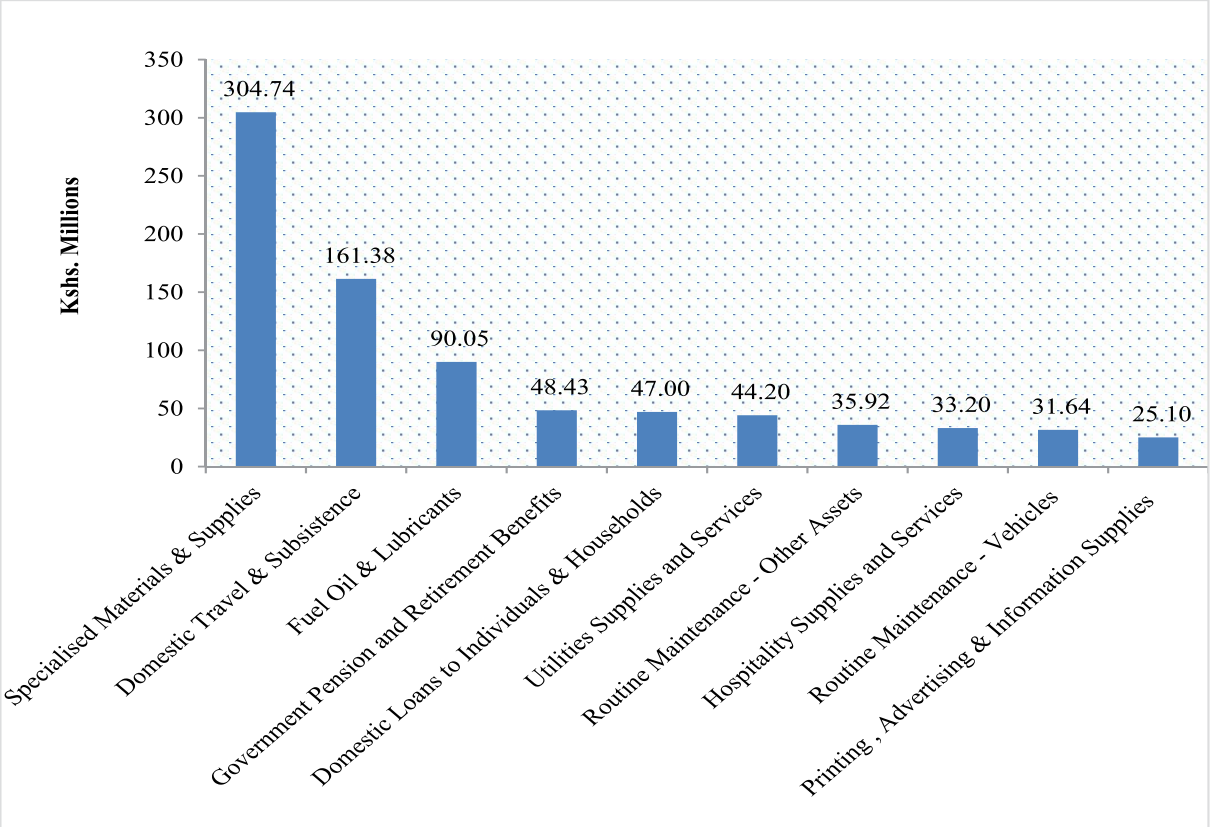
During the reporting period, the CoB received quarterly financial returns from the Fund Administrators of the 5 funds, as indicated in Table 3.281, as per the requirement of Section 168 of the PFM Act, 2012.

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.

3.41.9 Expenditure on Operations and Maintenance

Figure 161 summarises the Operations and Maintenance expenditure by major categories.

Figure 161: Tharaka Nithi County, Operations and Maintenance Expenditure by Major Categories



Source: *Tharaka Nithi County Treasury*

Expenditure on domestic travel amounted to Kshs.161.38 million and comprised Kshs.129.29 million spent by the County Assembly and Kshs.32.09 million by the County Executive. Expenditure on foreign travel amounted

to Kshs.13.20 million and comprised Kshs.8.24 million by the County Assembly and Kshs.4.95 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.282 below;-

Table 3.282: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Executive	1	26/05/2024	Kenya delegation to 77th Health Assembly	Geneva, Switzerland	806,557.20
Executive	1	10th June 2024	Waste management Familiarization visit	Ghana	292,060.00
Executive	1	10th June 2024	Waste management Familiarization visit	Ghana	467,690.00
Executive	1	24th June 2023	Kenya @60 Jamhuri Celebrations	Atlanta, Georgia	277,200.00
Executive	1	24th September 2023	Kenya @60 Jamhuri Celebrations	Atlanta, Georgia	394,800.00
Executive	1	28th November 2023	Conference of the Parties(COP 28)	Dubai	592,069.45
Executive	1	28th November 2023	Conference of the Parties(COP 28)	Dubai	702,346.40
Executive	1	28th November 2023	Conference of the Parties(COP 28)	Dubai	918,617.70
County Assembly	11	5th to 11th April 2023	Conference on enhancing the effectiveness of County Assemblies Women's Caucuses	Rwanda	4,299,374
County Assembly	2	5th to 15th December 2023	EAC MSME'S Trade Fair	Burundi	898,032
County Assembly	6	19th to 24th April 2023	International summit on Creative Modelling for Sustainable Development	Ethiopia	816,900
County Assembly	6	5th to 11th April 2023	Governance and Strategic Leadership in Government Summit	Arusha-Tanzania	696,732
County Assembly	1	17th to 21st September 2023	Empowerment of women in politics Summit	Dubai	536,900
County Assembly	1	5th to 9th December 2023	Dynamic Times Conference	Dubai, UAE	340,050

Source: *Tharaka Nithi County Treasury and Tharaka Nithi County Assembly*

The operations and maintenance costs included Kshs.20.23 million in legal fees/dues and arbitration.

3.41.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.17 billion on development programmes, an increase of 29.1 per cent compared to FY 2022/23, when the County spent Kshs.914.06 million.

The table 3.283 summarizes development projects with the highest expenditures in the reporting period.

Table 3.283: 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	Health Services	Completion and equipping Maternity block at Kaare Dispensary	Mwimbi	1,997,935	1,995,495	99.9
2	Health Services	Refurbishment, renovation and equipping of Amenity Unit at Chuka County Referral Hospital (Fencing, minor gate, walkways, parking, consultation rooms, etc)	Karingani	11,172,470	4,807,182	43.0
3	Lands and Physical planning	County Spatial Plan	Countywide	25,497,440	5,000,000	19.6
4	Environment, Mining and Natural Resources	Climate Change Fund-County funding	Countywide	74,000,000	68,800,000	93.0
5	Fisheries and Ecosystem Development	Aquaculture Development & support	Countywide	12,810,384	9,865,050	77.0
6	Agriculture and livestock	Crop Subsidy	Countywide	108,499,272	117,999,064	108.8
7	Agriculture and livestock	Artificial Insemination and Breeding Programme	Countywide	7,059,360	6,925,200	98.1

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
8	Agriculture and livestock	Operationalization of Itugururu ATI	Itugururu/Magumoni ward	4,000,000	3,824,652	95.6
9	Agriculture and livestock	Tea buying centres rehabilitation	Chuka, Muthambi and Maara sub-counties	6,000,000	5,976,540	99.6
10	Roads, Infrastructure and Public Works	Proposed Repair Works of Existing Skip Bins for Tharaka Nithi County	Countywide	3,550,925	3,530,430	99.4
11	Roads, Infrastructure and Public Works	Proposed Fabrication of Litter Bins For Tharaka Nithi County	Countywide	2,542,200	2,505,400	98.6
12	Roads, Infrastructure and Public Works	Proposed, Supply and Installation Of 910 KVA Standby Generating Set at The Executive Offices In Chuka For Tharaka Nithi County	Karingani	1,868,500	1,844,623	98.7
13	Roads, Infrastructure and Public Works	Proposed Chain-link Fencing at The Deputy Governor's Residence at Kathanje	Igambangombe	2,471,350	2,444,070	98.9
	County Assembly	Construction of the Speaker's residence	County Headquarters	33,709,617	3,658,608	10.9

Source: *Tharaka Nithi County Treasury*

3.41.11 Budget Performance by Department

Table 3.284 summarizes the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.284: Tharaka Nithi 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 and Deputy Governor	151.45	-	111.97	-	109.75	-	98.0	-	72.5	-
Roads, Infrastructure, And Public Works	282.60	671.88	240.41	520.99	240.35	520.30	100.0	99.9	85.1	77.4
Medical Services	1736.03	40.00	1640.36	19.15	1639.77	19.15	100.0	100.0	94.5	47.9
Agriculture, Livestock, Veterinary Services, and Cooperative Development	168.05	689.44	160.72	450.13	159.37	446.45	99.2	99.2	94.8	64.8
Administration and Public Service	123.70	-	114.08	-	113.87	-	99.8	-	92.1	-
Education and Vocational Training	268.19	44.71	246.90	39.93	246.67	37.53	99.9	94.0	92.0	84.0
Finance and Economic Planning	281.91	216.00	218.76	-	218.75	-	100.0	-	77.6	-
Tourism, Environment and Natural Resources	36.75	-	30.27	173.79	26.97	79.80	89.1	45.9	73.4	-
County Assembly	544.52	20.00	505.83	11.28	505.83	11.28	100.0	100.0	92.9	56.4
Water Services and Irrigation	46.89	86.00	38.27	38.85	36.34	38.85	94.9	100.0	77.5	45.2
County Public Service Board	36.97	-	23.75	-	22.52	-	94.8	-	60.9	-
Public Health and Sanitation	395.13	124.72	328.09	-	327.94	-	100.0	-	83.0	-
Youth and Sport	28.20	5.00	26.56	-	24.66	-	92.8	-	87.4	-
Culture and Tourism	26.08	1.50	16.99	-	16.95	-	99.8	-	65.0	-
Revenue and Resource Mobilization	111.34	1.00	105.44	-	104.87	-	99.5	-	94.2	-

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
Lands Physical Planning and Housing	49.20	123.16	48.26	15.49	48.12	15.49	99.7	100.0	97.8	12.6
Fisheries and Ecosystem Development	11.20	19.81	10.68	2.97	10.06	2.97	94.2	100.0	89.8	15.0
Gender Children and Social Services	19.81	-	18.59	-	17.60	-	94.7	-	88.9	-
Trade Investment Promotion Energy and Industry	47.62	109.95	45.53	-	45.16	2.40	99.2	-	94.8	2.2
Total	**4,365.63**	**2,153.16**	**3,931.43**	**1,272.58**	**3,915.56**	**1,174.22**	**99.6**	**92.3**	**89.7**	**54.5**

***Source**: Tharaka Nithi County Treasury*

Analysis of expenditure by departments shows that the Department of Education and Vocational Training recorded the highest absorption rate of development budget at 84 per cent, followed by the Department of Roads, Infrastructure, and Public Works at 77.4 per cent. The Department of Public Health and Sanitation, Department of Youth and Sport, the Department of Culture and Tourism, the Department of Revenue and Resource Mobilization, and the Department of Finance and Economic Planning did not report any expenditure on their development budget.

3.41.12 Budget Execution by Programmes and Sub-Programmes

Table 3.285 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.285: Tharaka Nithi County, Budget Execution by Programmes and Sub-Programmes

Programme Description	Approved Budget Estimates FY 2023-24		The sum of Cumulative Expenditure		Absorption rate (%)	
	Recurrent	Development	Recurrent	Development	Recurrent	Development
3611 Office of Governor and Deputy Governor	-	**151,454,823**	-	**109,750,762**	-	**72**
P: County Government Advisory Services	-	**25,700,000**	-	**16,602,544**	-	**65**
0702013610 SP: Public Sector Advisory Services (Legal & Economic Advisors)	-	15,900,000	-	10,999,584	-	69
0702033610 SP: Communication and Strategy	-	9,800,000	-	5,602,960	-	57
P: County Leadership and Coordination of MDAs	-	**6,633,000**	-	**2,730,920**	-	**41**
0701033610 SP: Coordination of CMAs (Office of County Secretary)	-	6,633,000	-	2,730,920	-	41
P: General Administration, Planning and Support Services	-	**119,121,823**	-	**90,417,298**	-	**76**
0706043610 SP: Management of County Affairs (Office of Governor)	-	84,071,823	-	64,169,909	-	76
0706053610 SP: Coordination and Supervisory Services (Deputy Governor's Office)	-	35,050,000	-	26,247,389	-	75
3612 Roads, Infrastructure and Public Works	**671,875,931**	**282,600,372**	**520,301,726**	**240,353,653**	**77**	**85**
P: General Administration Planning and Support Services	**19,845,700**	**66,722,060**	**5,040,843**	**63,970,561**	**25**	**96**
0101023610 SP: General Administration Services	19,845,700	-	5,040,843		25	0
0201013610 SP: General Administration Services	-	66,722,060	-	63,970,561	-	96
P: Kathwana Municipality Development Programme	**10,000,000**	**5,910,210**	-	**1,794,937**	-	**30**
0109013610 SP: Kathwana Urban Area Support	10,000,000	5,910,210	-	1,794,937	-	30
P: Public Works and Housing Services	-	**8,918,502**	-	**7,002,472**	-	**79**
0108013610 SP: Public Works Services	-	8,918,502	-	7,002,472	-	79
P: Roads Transport	**467,700,000**	**154,699,600**	**370,789,802**	**135,467,918**	**79**	**88**
0202013610 SP: Rural Roads Improvement and Maintenance Services	467,700,000	154,699,600	370,789,802	135,467,918	79	88

Programme Description	Approved Budget Estimates FY 2023-24		The sum of Cumulative Expenditure		Absorption rate (%)	
	Recurrent	Development	Recurrent	Development	Recurrent	Development
P: Urban Development and Administration	**174,330,231**	**46,350,000**	**144,471,081**	**32,117,765**	**83**	**69**
0710013610 SP: Urban Administrative Services	174,330,231	46,350,000	144,471,081	32,117,765	83	69
3613 Medical Services	**40,000,000**	**1,736,028,103**	**19,154,795**	**1,639,774,331**	**48**	**94**
P: Curative and Rehabilitative Services	**32,500,000**	**202,229,134**	**17,159,300**	**201,989,167**	**53**	**100**
0401013610 SP: Primary Healthcare	32,500,000	-	17,159,300	-	53	-
0401073610 SP: Medical Supplies	-	165,829,134	-	165,789,712	-	100
0401083610 SP: Laboratory Services	-	36,400,000	-	36,199,455	-	99
P: General Administration Planning and Support Services	**7,500,000**	**1,485,598,469**	**1,995,495**	**1,394,397,941**	**27**	**94**
0404013610 SP: General Administration Services	7,500,000	81,500,000	1,995,495	68,503,699	27	84
0404033610 SP: Human resource management	-	1,207,135,469	-	1,206,535,704	-	100
0404043610 SP: Policy,Planning, Financing and Budgeting	-	196,963,000	-	119,358,538	-	61
P: ICT Infrastructure Development	**-**	**48,200,500**	**-**	**43,387,223**	**-**	**90**
0205013610 SP: ICT Infrastructure Development	-	48,200,500	-	43,387,223	-	90
3615 Agriculture and Crop Production	**689,439,531**	**168,049,531**	**446,446,049**	**159,366,139**	**65**	**95**
P: Cooperative Development and Management	**-**	**583,850**	**-**	**273,600**	**-**	**47**
0304013610 SP: Cooperative Development	-	583,850	-	273,600	-	47
P: Crop Development and Management	**577,590,831**	**4,159,142**	**430,159,793**	**1,649,200**	**74**	**40**
0105013610 SP: Crops Development, Agribusiness and Market Development	577,590,831	4,159,142	430,159,793	1,649,200	74	40
P: General Administration Planning and Support Services	**6,000,000**	**99,815,525**	**5,279,670**	**96,857,373**	**88**	**97**
0101013610 SP: Administration, Policy, Strategy and Management of Agriculture	6,000,000	99,815,525	5,279,670	96,857,373	88	97
P: Livestock and Fisheries Resource Management and Development	**105,848,700**	**63,491,014**	**11,006,586**	**60,585,966**	**10**	**95**
0106013610 SP: Livestock Policy Development and Capacity Building	92,989,340	55,941,014	1,181,386	55,661,566	1	100
0106023610 SP: Veterinary Services and Disease Prevention	12,859,360	7,550,000	9,825,200	4,924,400	76	65
3616 Public Administration and Devolution Affairs	**-**	**123,702,884**	**-**	**113,873,192**	**-**	**92**
P: General Administration, Planning and Support Services	**-**	**123,702,884**	**-**	**113,873,192**	**-**	**92**
0706013610 SP: General Administration and Support Services	-	119,024,634	-	111,512,092	-	94
0706023610 SP: Sub-County Administration and Field Services	-	664,650	-	199,800	-	30
0706103610 SP: Human Resource Management Services	-	4,013,600	-	2,161,300	-	54
3617 Education, Gender, Culture and Social Services	**44,705,951**	**268,187,124**	**37,534,752**	**246,674,001**	**84**	**92**
P: Education and Youth Training	**44,705,951**	**62,242,324**	**37,534,752**	**41,009,352**	**84**	**66**
0504013610 SP: Promotion of Basic Education (ECDE)	37,000,000	48,106,809	30,068,801	28,351,772	81	59
0504023610 SP: Youth Training and Capacity Building	7,705,951	14,135,515	7,465,951	12,657,580	97	90
P: General Administration Planning and Support Services	**-**	**205,944,800**	**-**	**205,664,649**	**-**	**100**
0501013610 SP: Administration Planning and Support Services	-	205,944,800	-	205,664,649	-	100
3619 Finance and Economic Planning	**-**	**281,912,880**	**-**	**218,753,186**	**-**	**78**
P: Economic Policy and County Planning	**-**	**7,741,200**	**-**	**5,227,110**	**-**	**68**
0703023610 SP: Monitoring and Evaluation Services	-	2,202,200	-	2,719,200	-	123
0703043610 SP: Economic Development, Planning and Coordination Services	-	2,289,000	-	1,003,700	-	44
0703053610 SP: County Statistics Services	-	3,250,000	-	1,504,210	-	46
P: Financial Management Services	**-**	**10,404,400**	**-**	**7,642,480**	**-**	**73**

Programme Description	Approved Budget Estimates FY 2023-24		The sum of Cumulative Expenditure		Absorption rate (%)	
	Recurrent	Development	Recurrent	Development	Recurrent	Development
0704033610 SP: Supply Chain Management Services	-	2,410,000	-	1,325,580	-	55
0704053610 SP: Audit Services	-	3,009,000	-	2,190,730	-	73
0704063610 SP: Budget Formulation and Coordination	-	1,972,000	-	1,357,450	-	69
0704083610 SP: Accounting Services	-	3,013,400	-	2,768,720	-	92
P: General Administration, Planning and Support Services	**-**	**263,767,280**	**-**	**205,883,596**	**-**	**78**
0706103610 SP: Human Resource Management Services	-	263,767,280	-	205,883,596	-	78
3620 Environment, Mining and Natural Resources	**216,000,000**	**36,748,300**	**79,800,000**	**26,966,926**	**37**	**73**
P: Environment and Natural Resources Management	**216,000,000**	**36,748,300**	**79,800,000**	**26,966,926**	**37**	**73**
1001013610 SP: Environment and Natural Resource	216,000,000	36,748,300	79,800,000	26,966,926	37	73
3622 Water Services and Irrigation	**86,000,000**	**46,891,250**	**38,849,891**	**36,335,795**	**45**	**77**
P: Water Supply Services	**86,000,000**	**46,891,250**	**38,849,891**	**36,335,795**	**45**	**77**
1002013610 SP: Domestic Water Services	59,500,000	40,223,450	29,906,685	35,695,395	50	89
1002023610 SP: Water Storage Services	-	1,305,800		372,500	-	29
1002033610 SP: Irrigation and Drainage Services	26,500,000	5,362,000	8,943,207	267,900	34	5
3623 County Public Service Board	**-**	**36,970,400**	**-**	**22,520,540**	**-**	**61**
P: General Administration, Planning and Support Services	**-**	**36,970,400**	**-**	**22,520,540**	**-**	**61**
0706013610 SP: General Administration and Support Services	-	25,900,400	-	21,074,672	-	81
0706103610 SP: Human Resource Management Services	-	11,070,000	-	1,445,868	-	13
3625 Public Health and Sanitation	**124,723,404**	**395,126,401**	**--**	**327,941,797**	**--**	**83**
P: Preventive and Promotive Health Services	**124,723,404**	**395,126,401**	**-**	**327,941,797**	**-**	**83**
0402013610 SP: Health Promotion and Disease Control	124,723,404	347,267,400	-	301,455,304	-	87
0402033610 SP: Environmental Health services	-	47,859,001	-	26,486,493	-	55
3628 Youth and Sports	**5,000,000**	**28,203,550**	**-**	**24,658,072**	**-**	**87**
P: Sports Development and Promotion	**5,000,000**	**28,203,550**	**-**	**24,658,072**	**-**	**87**
0505013610 SP: County Football League and Clubs Development	-	179,050	-	161,250	-	90
0505023610 SP: Athletics Championships and Other Games	-	333,400	-	14,600	-	4
0505033610 SP: Talent Search and Promotion	5,000,000	27,691,100	-	24,482,222	-	88
3629 Culture and Tourism	**1,500,000**	**26,084,000**	**-**	**16,954,211**	**-**	**65**
P: Culture, Arts and Social Services	**1,500,000**	**25,342,000**	**-**	**16,705,011**	**-**	**66**
0506013610 SP: Culture and Arts Promotion	1,500,000	25,342,000	-	16,705,011	-	66
P: Tourism Development and Promotion	**-**	**742,000**	**-**	**249,200**	**-**	**34**
0302013610 SP: Tourism Promotion and Infrastructure Development	-	330,000	-	-	-	-
0302033610 SP: Miss Tourism Tharaka Nithi	-	412,000	-	249,200	-	60
3630 Revenue and Resource Mobilization	**1,000,000**	**111,335,320**	**-**	**104,871,054**	**-**	**94**
P: Financial Management Services	**-**	**14,401,720**	**-**	**11,447,620**	**-**	**79**
0704073610 SP: Resource Mobilization and Management	-	14,401,720	-	11,447,620	-	79
P: Resource Mobilization	**1,000,000**	**96,933,600**	**-**	**93,423,434**	**-**	**96**
0712013610 SP: Revenue Administration	1,000,000	96,933,600	-	93,423,434	-	96
3631 Lands, Physical Planning and Housing	**123,160,000**	**49,196,890**	**15,490,200**	**48,115,015**	**13**	**98**
P: General Administration, Planning and Support Services	**103,160,000**	-	-	-	-	-
0301013610 SP: General Administration and Support Services	103,160,000	-	-	-	-	-
P: Land Policy and Planning	**20,000,000**	**49,196,890**	**15,490,200**	**48,115,015**	**77**	**98**

Programme Description	Approved Budget Estimates FY 2023-24		The sum of Cumulative Expenditure		Absorption rate (%)	
	Recurrent	Development	Recurrent	Development	Recurrent	Development
0102013610 SP: Physical Planning Services	20,000,000	46,749,480	15,490,200	46,419,940	77	99
0102033610 SP: Land administration & management	-	2,447,410	-	1,695,075	-	69
3632 Fisheries And Ecosystem Development	**19,810,384**	**11,200,075**	**2,970,000**	**10,057,335**	**15**	**90**
P: Livestock and Fisheries Resource Management and Development	**19,810,384**	**11,200,075**	**2,970,000**	**10,057,335**	**15**	**90**
0106033610 SP: Fisheries Development and Promotion	19,810,384	11,200,075	2,970,000	10,057,335	15	90
3633 Gender, Children and Social Services	**-**	**19,806,550**	**-**	**17,600,000**	**-**	**89**
P: Gender and Youth Empowerment	**-**	**19,806,550**	**-**	**17,600,000**	**-**	**89**
0503023610 SP: Gender, Youth and Women Empowerment	-	19,806,550	-	17,600,000	-	89
3634 Trade, Investment Promotion, Energy and Industry	**109,949,578**	**47,616,530**	**2,399,789**	**45,162,760**	**2**	**95**
P: Energy Resource Development & Management	**4,799,578**	**185,500**	**2,399,789**	**117,650**	**50**	**63**
0204013610 SP: Energy Resource Development & Management	4,799,578	185,500	2,399,789	117,650	50	63
P: General Administration, Planning and Support Services	**5,000,000**	**46,873,230**	**-**	**44,886,720**	**-**	**96**
0301013610 SP: General Administration and Support Services	5,000,000	46,873,230	-	44,886,720	-	96
P: Industrial Development and Investment	**100,150,000**	**557,800**	**-**	**158,390**	**-**	**28**
0305033610 SP: Industrial Development	100,000,000	557,800	-	158,390	-	28
0305043610 SP: Consumer Protection & Fair-Trade Practices	150,000	-	-	-	-	-
County Executive	**2,133,164,779**	**3,821,114,983**	**1,162,947,202**	**3,409,728,768**	**55**	**89**
County Assembly						
Department County Assembly						
General Administration, Planning and Support Services	Office of the Clerk	250,608,079.00	20,000,000.00	230,838,071	11,277,328	92	56
County Legislation Services	County Assembly Services	202,962,965.54	-	184,043,721	-	91	-
	Coordination Services (Office of the Speaker)	6,300,000.00	-	6,300,000	-	100	-
	Procedure and Oversight Services (Committees)	84,645,551.00	-	84,645,551.00	-	100	-
Grand Total County Assembly		**544,516,596**	**20,000,000**	**505,827,343**	**11,277,328**	**93**	**56**

***Source**: Tharaka Nithi County Treasury and Tharaka Nithi County Assembly*

An analysis of sub-programmes shows that monitoring and Evaluation Services under the Department of Finance and Economic Planning had an absorption rate of 123 per cent of recurrent budget allocation, which is irregular and should be addressed by the County.

3.41.13 Key Observations and Recommendations

While overseeing and reporting on the implementation of the County budget, the COB identified the following challenges that hampered effective budget implementation.

1. High level of pending bills, which amounted to Kshs.740.96 million as of 30th June 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.

2. High wage bills accounted for 52.3 per cent of the County's total revenue in FY 2023/24, above the legal ceiling of 35 per cent of the County's revenue.

3. Low absorption of funds allocated to the development expenditure budget, which translated to 23.1 per cent of total expenditure in the reporting period. This was below the 30 per cent threshold in law. Further, several departments did not report any expenditure on the development budget, as shown in Table 3.281.

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

1. *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.*
2. *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.*
3. *The County government should prioritize expenditure on development activities to enhance compliance with the law on the 30 per cent threshold.*

3.42. County Government of Trans Nzoia

3.42.1 Overview of FY 2023/24 Budget

The County's final approved supplementary budget for FY 2023/24 was Kshs.10.18 billion, comprising Kshs.4.35 billion (42.8 per cent) and Kshs.5.83 billion (57.2 per cent) allocation for development and recurrent programmes. The approved budget estimates represented an increase of 11.7 per cent compared to the previous financial year when it was Kshs.9.11 billion, comprised of Kshs.3.31 billion for development expenditure and Kshs.5.80 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.7.49 billion (73.6 per cent) as the equitable share of revenue raised nationally, Kshs.1.12 billion as additional allocations/conditional grants, a cash balance of Kshs.910 million (8.9 per cent) brought forward from FY 2022/23, and generate Kshs.642 million (6.3 per cent) as gross own source revenue. The own-source revenue includes Kshs.342 million (3.4 per cent) as Facility Improvement Fund (revenue from health facilities) and, Kshs.301 million (3 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.283.

3.42.2 Revenue Performance

In the FY 2023/24, the County received Kshs.6.89 billion as an equitable share of the revenue raised nationally, Kshs.832.14 million as additional allocations/conditional grants, a cash balance of Kshs.910.23 million from FY 2022/23 and raised Kshs.476.63 million as own-source revenue (OSR). The raised OSR includes Kshs.209.85 million as FIF and Kshs.266.78 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.9.11 billion, as shown in Table 3.286.

Table 3.286: Trans Nzoia County, Revenue Performance in the FY 2023/24

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**	7,499,822,440	6,899,836,646	92
Subtotal		**7,499,822,440**	**6,899,836,646**	**92**
B	**Additional Allocations/Conditional Grants**			
1	IDA (World Bank) Credit (National Agricultural and Rural Inclusive Growth Project (NARIGP)	5,000,000	7,099,764	142
2	DANIDA Grant (Universal Healthcare in Devolved System Program)	10,510,500	10,510,500	100
3	Kenya Livestock Commercialization Programme	35,500,000	16,095,837	45.3
4	Livestock Chain Support Project	71,618,400	-	-
5	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	1,051,336	1,551,336	147.6
6	Kenya Informal Settlement Programme II	300,000,000	300,000,000	100

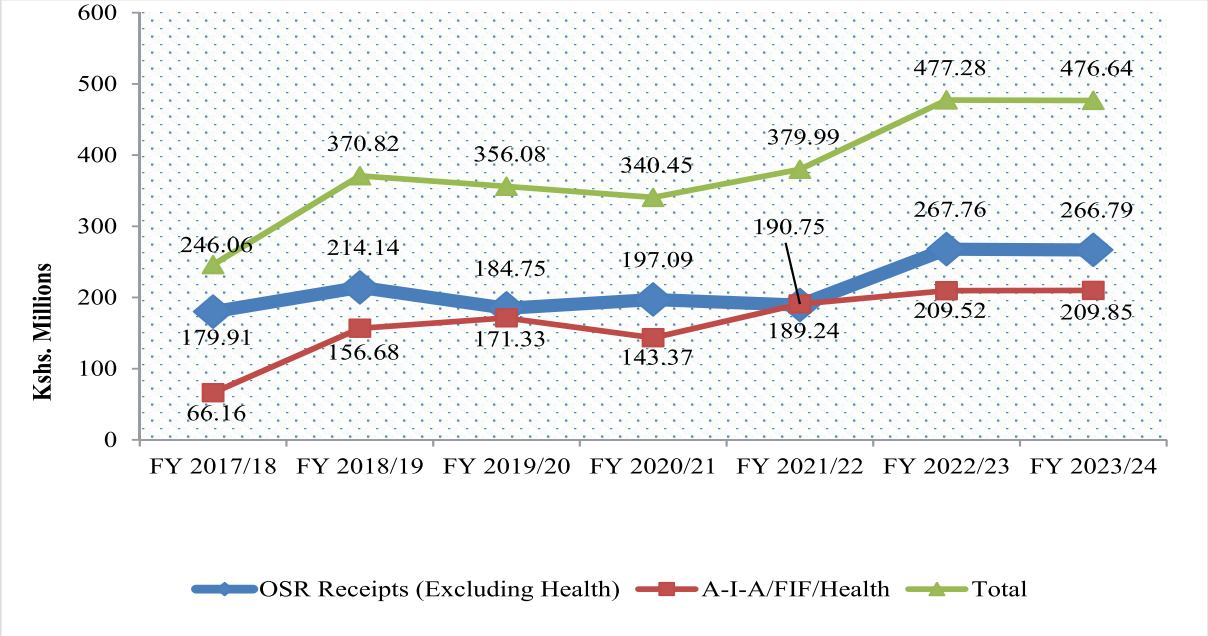
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
7	IDA – FLLoCA (County Climate Institutional Support) Grant of the Conditional Grant	11,000,000	-	-
8	IDA - FLLoCA (County Climate Resilient Investment) Grant	234,382,335	234,382,335	100
9	National Value Chain Development Programme	200,000,000	200,000,000	100
10	Aggregated Industrial Parks Programme	250,000,000	62,500,000	25
11	Equalization Fund	7,478,246	-	-
Subtotal		**1,126,540,817**	**832,139,773**	**73.9**
C	**Own Source Revenue**			
12	Ordinary Own Source Revenue	342,000,000	266,785,779	78
13	Facility Improvement Fund (FIF)	301,700,000	209,852,393	69.6
Subtotal				
D	**Other Sources of Revenue**			
14	Unspent balance from FY 2022/23	910,237,312	910,237,312	100
15	Other Revenues ()	4,855,500	-	-
Sub Total		**1,558,792,812**	**1,386,875,484**	**89**
Grand Total		**10,185,156,069**	**9,118,851,903**	**89.5**

Source: *Trans Nzoia County Treasury*

The County has governing legislation on the operation of FIF.

Figure 162 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 162: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24

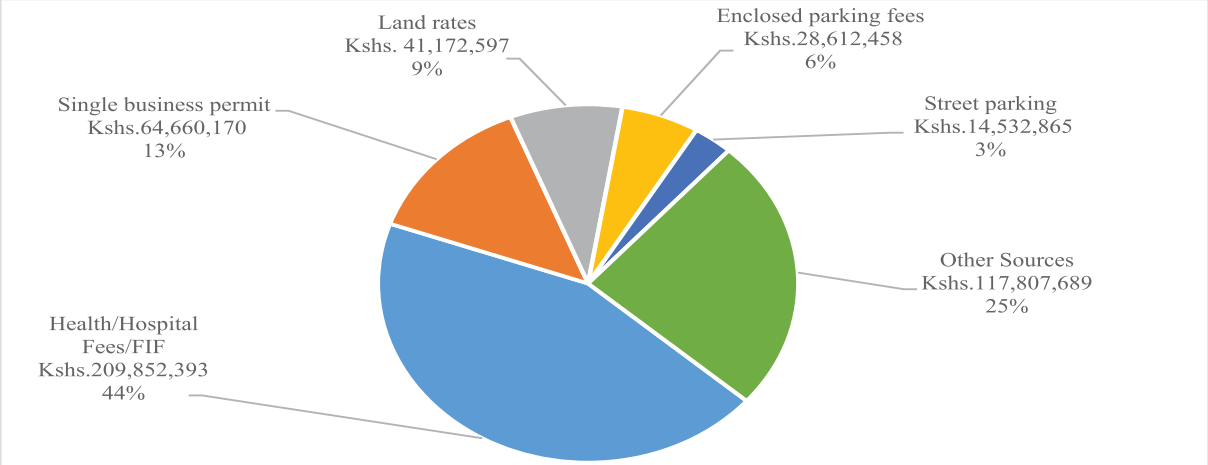


Source: *Trans Nzoia County Treasury*

In FY 2023/24, the County generated a total of Kshs.476.63 million from its revenue sources, inclusive of FIF and AIA. This amount represented a decrease of 0.1 per cent compared to Kshs.477.28 million realized in a similar period in FY 2022/23. It was 75.9 per cent of the annual target and 6.9 per cent of the equitable revenue share disbursed during the period.

The revenue streams which contributed the highest OSR receipts are shown in Figure 163.

Figure 163: Top Streams of Own Source Revenue in the FY 2023/24



Source: Trans Nzoia County Treasury.

The highest revenue stream, Kshs.209.85 million, was from hospital fees, which contributed 44 percent of the total OSR receipts during the reporting period.

3.42.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.8.62 billion from the CRF account during the reporting period, which comprised Kshs.2.82 billion (32.7per cent) for development programmes and Kshs.5.80 billion (67.3 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.3.36 billion was released towards Employee Compensation and Kshs.2,44 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.16.72 million.

3.42.4 County Expenditure Review

The County spent Kshs.8.40 billion on development and recurrent programmes in the reporting period. The expenditure represented 97.4 per cent of the total funds released by the CoB and comprised Kshs.2.60 billion and Kshs.5.80 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 59.8 per cent, while recurrent expenditure represented 99.4 per cent of the annual recurrent expenditure budget.

3.42.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.16 billion, comprising Kshs.807.74 million for recurrent expenditure and Kshs.353.42 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.353.88 million. They comprised Kshs.204.46 million for recurrent expenditure and Kshs.149.42 million for development programmes. Further, the County accumulated pending bills amounting to Kshs.1.28 billion in FY 23/24. Therefore, as of 30th June 2023, the outstanding amount was Kshs.2.08 billion.

3.42.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.06 billion on employee compensation, Kshs.1.97 billion on operations and maintenance, and Kshs.2.31 billion on development activities. Similarly, the County Assembly spent Kshs.300.30 million on employee compensation, Kshs.459.46 million on operations and maintenance, and Kshs.285.93 million on development activities, as shown in Table 3.287.

Table 3.287: 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	**5,070,948,756**	**759,771,133**	**5,038,071,007**	**759,771,133**	**99.4**	**100**
Compensation to Employees	3,061,716,809	300,309,476	3,060,505,967	300,309,476	100	100
Operations and Maintenance	2,009,231,947	459,461,657	1,977,565,040	459,461,657	98.4	100
Development Expenditure	**4,028,786,180**	**325,650,000**	**2,316,744,063**	**285,939,756**	**57.5**	**87.8**
Total	**9,099,734,936**	**1,085,421,133**	**7,354,815,070**	**1,045,710,889**	**80.8**	**96.3**

***Source**: Trans Nzoia County Treasury*

3.42.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.3.36 billion, or 36.9 per cent of the available revenue, which amounted to Kshs.9.06 billion. This expenditure represented an increase from Kshs.3.30 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.1.60 billion paid to health sector employees, translating to 47.6 per cent of the total wage bill.

Further analysis indicates that PE costs amounting to Kshs.3.20 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.152.62 million was processed through manual payrolls. The manual payrolls accounted for 4.5 per cent of the total PE cost.

The County Assembly spent Kshs.24.54 million on committee sitting allowances for the 34 MCAs against the annual budget allocation of Kshs.45.61 million. The average monthly sitting allowance was Kshs.60,166 per MCA. The County Assembly has established 22 Committees.

3.42.8 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.230.97 million to county-established funds in FY 2023/24, constituting 2.3 per cent of the County's overall budget. Further, the County allocated Kshs.10 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.288 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.288: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1	Car Loan and Mortgage	50,000,000	25,000,000	-	Not provided	No
2	Elimu Bursary Fund	125,000,000	75,000,000	-	891,000,000	No
3	Nawiri Fund	-	-	-	84,000,000	No
4	Youth and Women Development fund	-	-	-	102,000,000	No
5	Emergency Fund	10,000,000	-	-	Not provided	No
	County Assembly Established Funds					
6	Car Loan and Mortgage Scheme Fund (Members and Staff)	45,976,857	45,976,857	45,976,857	289,979,954	Yes
	Total	**230,976,857**	**145,976,857**	45,976,857	289,979,954	

Source: *Trans Nzoia County Treasury*

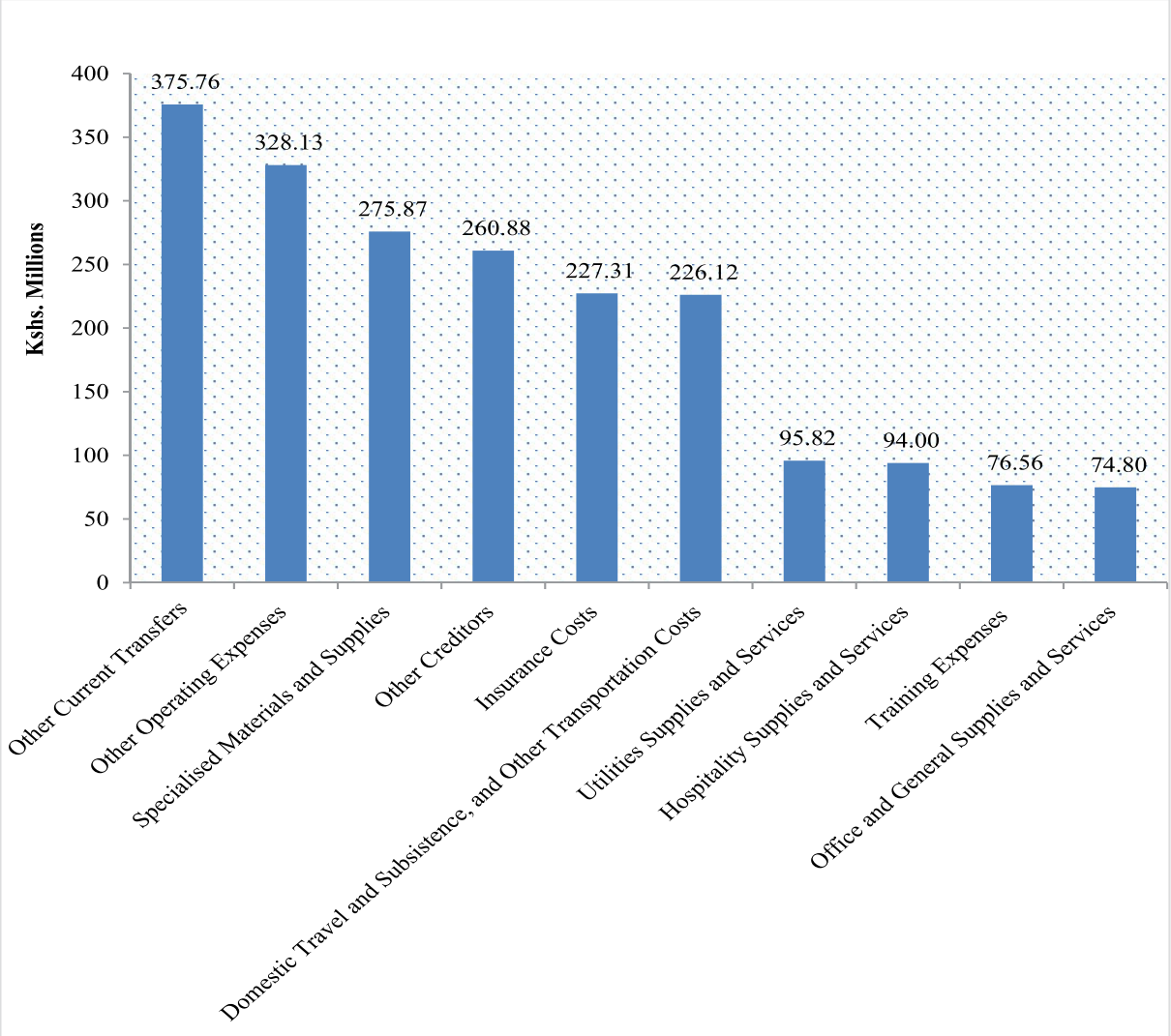
During the reporting period, the CoB did not receive quarterly financial returns from the County Executive Fund Administrators of Car Loan and Mortgage, Elimu Bursary Fund, Nawiri Fund, Youth and Women Development Fund, and Emergency Fund, as indicated in Table 3.285, contrary to the requirement of Section 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.

3.42.9 Expenditure on Operations and Maintenance

Figure 164 summarises the Operations and Maintenance expenditure by major categories.

Figure 164: Trans Nzoia County, Operations and Maintenance Expenditure by Major Categories



Source: *Trans Nzoia County Treasury*

Expenditure on domestic travel amounted to Kshs.226.12 million and comprised Kshs.148.90 million spent by the County Assembly and Kshs.77.22 million by the County Executive. Expenditure on foreign travel amounted to Kshs.1.19 million by the County Assembly. Expenditure on foreign travel is summarized in Table 3.289 below; -

Table 3.289: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	1	25th February to 2nd March 2024	David Scott Partners USA Kenya County Assemblies Legislative Exchange Mission	USA	461,000
County Assembly	2	17th March to 23rd march 2024	Leadership and Management Skills Programme	Dubai-UAE	734,000
Total					**1,195,000**

Source: Trans Nzoia County Treasury and Trans Nzoia County Assembly

The operations and maintenance costs include an expenditure of Kshs.21.78 million on Legal fees/Dues, arbitration, and compensation payments.

3.42.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.2.60 billion on development programmes, representing an increase of 21.7 per cent compared to FY 2022/23, when the County spent Kshs.2.14 billion.

The table below summarises development projects with the highest expenditure in the reporting period.

Table 3.290: 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	Gender, Youth	Rehabilitation and Modernization of Kenyatta Stadium Phase 1A-Kitale	Kenyatta Stadium	657,305,895	326,497,930	50
2	County Assembly	Proposed Construction of Administration Building and Assembly Chambers.	County Assembly Hall, next to Kitale Law Courts.	464,359,150	294,212,946	72
3	Public Service Management	Proposed construction of Trans Nzoia county headquarters	Trans Nzoia County headquarters	498,835,545	251,673,401	50
4	Lands	Road construction in informal settlement schemes	Mitume Tuwani,matisi Kipsongo	940,358,829	188,071,766	20
5	Trade &Industrialization	County industrial &Aggregation park	Namandala	499,166,766	110,000,000	15
6	Agriculture	Supply of Hybrid maise	Countywide	100,000,000	99,999,900	100
7	Public Service Management	Proposed construction of mother-child hospital at Tom Mboya Dispensary	Kitale-Town Tom Mboya dispensary	101,613,650	82,355,553	80
8	Finance	Revenue enhancement and reform system	County Headquarter	26,968,080	26,968,080	100
9	County Assembly	Proposed Construction of Speaker's Residence.	Speakers Residence Milimani Estate, Kitale.	34,966,971.80	23,992,720	65
10	County Assembly	Proposed Construction of County Assembly Wellness and Committee Centre.	The County Assembly Centre facility is next to the Kitale ASK Showground.	46,925,465	22,879,125	60

Source: Trans Nzoia County Treasury

3.42.11 Budget Performance by Department

Table 3.291 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.291: Trans Nzoia 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	248.58	346.04	248.07	325.54	247.89	324.08	99.9	99.5	99.7	93.7
Livestock	12.89	202.32	12.24	62.56	11.91	60.82	97.3	97.2	92.4	30.1
Trade, Commerce	47.99	561.99	46.47	154.34	46.25	154.24	99.5	99.9	96.4	27.4
Water, Environment and Natural Resources	71.63	555.28	71.11	359.83	70.66	149.28	99.4	41.5	98.6	26.9
Public Works, Transport and Infrastructure	138.71	490.02	138.04	457.49	137.93	457.34	99.9	100	99.4	93.3
Health Corporate	2,071.63	198.95	2,071.40	35.38	2,071.20	35.05	100	99.1	-	17.6
Lands, Housing	86.62	426,54	86.43	374.45	86.29	374.09	99.8	99.9	99.6	87.7
Municipality Board of Kitale	24.49	23.03	23.22	-	22.61	-	97.4	-	92.3	-
Gender, Sports, Culture	151.62	306.43	150.59	289.42	149.96	289.33	99.6	100	98.9	94.4
Governance	162.67	5.0	161.37	-	161.19	-	99.9	-	99.1	-
PSM	587.15	342.30	586.37	162.14	585.83	162.04	99.9	99.9	99.8	47.3
CPSB	74.56	12.99	74.34	1.2	74.31	1.2	100	100	99.7	9.8
Education, ICT	627.28	146.79	624.02	35.67	623.81	35.43	100	99.3	99.4	24.1
Finance	667.37	399.24	655.29	273.79	653.39	273.71	99.7	100	97.9	68.6
Economic Planning	43.55	11.80	42.44	-	42.15	-	99.3	-	96.8	-
County Attorney	54.15	-	52.79	-	52.59	-	99.6	-	97.1	-
County Assembly	759.77	325.65	759.77	285.93	759.77	285.93	100	100	100	87.8
	5,830.72	**4,354.43**	**5,804.04**	**2,817.87**	**5,797.84**	**2,602.68**	**99.8**	**92.3**	**99.4**	**59.7**

***Source**: Trans Nzoia County Treasury*

Analysis of expenditure by departments shows that the Department of Gender, Sports, Culture recorded the highest absorption rate of development budget at 94.4 per cent, followed by the Department of Agriculture at 93.7 per cent. The Department of County Assembly had the highest percentage of recurrent expenditure to budget at 100 per cent while the Department of Municipality Board of Kitale had the lowest at 92.3 per cent.

3.42.12 Budget Execution by Programmes and Sub-Programmes

Table 3.292 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.292: Trans Nzoia County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Agriculture, Livestock							
Crop Development	Crop Diversification	-	346,041,386	-	324,075,860	-	93.7

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Post-harvest management and value addition	-	202,326,469	-	60,826,707		30.1
	Administrative and Support Services	261,481,256	-	259,806,081	-	99.4	-
	Sub Total	**261,481,256**	**548,367,855**	**259,806,081**	**384,902,567**	**99.4**	**70**
Trade, Commerce and Industry							
Medium and small Enterprises	Medium and small Enterprises	-	561,995,111	-	154,247,245	-	27.4
Administrative and Support Services	Administrative and Support Services	47,991,495	-	46,252,304	-	96.4	-
	Sub-Total	**47,991,495**	**561,995,111**	**46,252,304**	**154,247,245**	**96.4**	**27.4**
Water, Environment and Natural Resources							
Environment management and protection	Waste Management	-	555,285,902	-	149,282,520	-	26.9
Administrative and Support Services	Administrative and Support Services	71,639,564	-	70,669,166	-	98.6	-
	Sub-Total	**71,639,564**	**555,285,902**	**70,669,166**	**149,282,520**	**98.6**	**26.9**
Public Works, Roads and Infrastructure							
Road Construction and Road Maintenance	Maintenance of Roads	-	490,021,850	-	457,347,985	-	93.3
Administrative and Support Services	Administrative and Support Services	138,711,444	-	137,938,889	-	99.4	-
	Sub-Total	**138,711,444**	**490,021,850**	**137,938,889**	**457,347,985**	**99.4**	**93.3**
Lands, Housing and Urban Planning							
Administrative and Support Services	Administrative and Support Services	86,618,815	426,545,094	86,299,067	374,091,724	99.6	87.7
	Sub-Total	**86,618,815**	**426,545,094**	**86,299,067**	**374,091,724**	**99.6**	**87.7**
Gender, Sports, Culture and Tourism							
Cultural development and promotion	Culture development	-	306,437,301	-	289,337,688	-	94.4
Administrative and Support Services	Administrative and Support Services	151,622,882	-	149,966,994	-	98.9	-
	Sub-Total	**151,622,882**	**306,437,301**	**149,966,994**	**289,337,688**	**98.9**	**94.4**
Public Service Management							
Infrastructure Development	Supervision and Management of Projects	-	342,307,924	-	162,048,335	-	47.3

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Administrative and Support Services	Administrative and Support Services	587,155,177	-	585,838,529	-	99.8	-
	Sub-Total	**587,155,177**	**342,307,924**	**585,838,529**	**162,048,335**	**99.8**	**47.3**
Education and ICT							
Vocational Training Development	Vocational Training Development	-	146,790,725	-	35,436,132	-	24.1
Administrative and Support Services	Administrative and Support Services	627,282,622	-	623,817,577	-	99.4	-
	Sub-Total	**627,282,622**	**146,790,725**	**623,817,577**	**35,436,132**	**99.4**	**24.1**
Finance							
Administrative and Support Services	Supervision and Management of Projects	-	399,240,847	-	273,719,680	-	68.6
	Administrative and Support Services	667,370,844	-	653,398,943	-	97.9	-
	Sub-Total	**667,370,844**	**399,240,847**	**653,398,943**	**273,719,680**	**97.9**	**68.6**
Governance							
Infrastructure Development	Supervision and Management of Projects	-	5,000,000	-	-	-	-
Administrative and Support Services	Administrative and Support Services	162,671,440	-	161,199,456	-	99.1	-
	Sub-Total	**162,671,440**	**5,000,000**	**161,199,456**	-	**99.1**	-
County Public Service Board							
Governance and County Values	Infrastructure Development	-	12,995,000	-	1,278,050	-	9.8
Administrative and Support Services	Administrative and Support Services	74,560,299	-	74,312,445	-	99.7	-
	Sub-Total	**74,560,299**	**12,995,000**	**74,312,445**	**1,278,050**	**99.7**	**9.8**
Health Corporate							
Administrative and Support Services	Preventive Health Services	-	198,958,655	-	35,052,135	-	17.6
	Administrative and Support Services	2,071,639,253	-	2,071,201,615	-	100	-
	Sub-Total	**2,071,639,253**	**198,958,655**	**2,071,201,615**	**35,052,135**	**100**	**17.6**
Economic Planning							
County Research and Development Planning		-	11,800,000	-	-	-	-

Programme	Sub-Programme	Approved Estimates FY 2023/24		Actual Expenditure as of 30th June 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Administrative and Support Services	Administrative and Support Services	43,553,780	-	42,152,233	-	96.8	-
	Sub-Total	**43,553,780**	**11,800,000**	**42,152,233**	-	**96.8**	-
Municipality Board of Kitale							
Administrative And Support Services	Administrative and Support Services	24,492,705	**23,039,916**	**22,617,818**	-	-	-
	Sub-Total	**24,492,705**	**23,039,916**	**22,617,818**	-	-	-
County Attorney							
Administrative and Support Services	Administrative and Support Services	54,157,180	-	52,599,891	-	97.1	-
	Sub-Total	**54,157,180**	-	**52,599,891**	-	**97.1**	-
County Assembly							
Administrative and Support Services	Administrative and Support Services	759,771,133	325,650,000	759,771,133	285,939,756	100	87.8
	Sub-Total	**759,771,133**	**325,650,000**	**759,771,133**	**285,939,756**	**100**	**87.8**
Grand Total		**5,830,719,889**	**4,354,436,180**	**5,797,842,140**	**2,602,683,819**	**99.4**	**59.7**

***Source**: Trans Nzoia County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were Administrative And Support Services in the Department of Health Corporate at 100 per cent, Administrative And Support Services in the Department of County Assembly at 100 per cent, Administrative and support services in the Department of Public service management at 99.8 per cent and Administrative and support services in the Department of county public service board at 99.7 per cent of budget allocation.

3.42.13 Accounts Operated Commercial Banks

The County government operated a total of 11 accounts with commercial banks. 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.

3.42.14 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;

1. 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 5th August 2024
2. The under performance of own-source revenue at Kshs.476.63 million against an annual target of Kshs.643.70 million, representing 75.9 per cent of the annual target.

3. Failure by Fund Administrators 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 Elimu Bursary Fund, Nawiri Fund, Youth and Women Development Fund, Emergency Fund and Car Loan and Mortgage Scheme Fund were not submitted to the Controller of Budget.

4. There was a high level of pending bills, which amounted to Kshs.2.08 billion as of 30 June 2024. Further, the County Treasury did not adhere to the pending bills payment plan.

5. High wage bills accounted for 36.9 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided by law.

6. Use of manual payroll. Personnel emoluments amounting to Kshs.152.62 million were processed through manual payroll, accounting for 4.5 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where there is a lack of proper controls.

7. High expenditure on dometics travel at Kshs. 226.12 million which should be rationalised to save funds for key activities.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

2. *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.*

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

4. *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.*

5. *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.*

6. *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.*

7. *The County should minimize expenditure on domestic travel by undertaking activites within the County Headquaters.*

3.43. County Government of Turkana

3.43.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.17.22 billion, comprising Kshs.7.05 billion (41 per cent) and Kshs.10.17 billion (59 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 34.4 per cent compared to the previous financial year when the approved budget was Kshs.12.81 billion and comprised of Kshs.4.13 billion towards development expenditure and Kshs.8.68 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.13.14 billion (76.9 per cent) as the equitable share of revenue raised nationally, Kshs.1.46 billion as conditional grants (7.8 per cent), a cash balance of Kshs.2.40

billion (14.0 per cent) from FY 2022/23, and generate Kshs.220 million (1.3 per cent) as gross own source revenue. A breakdown of the conditional grants is provided in Table 3.293.

3.43.2 Revenue Performance

In the FY 2023/24, the County received Kshs.12.09 billion as an equitable share of the revenue raised nationally, Kshs.501.85 million as conditional grants, had a cash balance of Kshs.2.40 billion from FY 2022/23, and raised Kshs.530.65 million as own-source revenue (OSR). The raised OSR includes Kshs.95.37 million as FIF and Kshs.435.27 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.15.52 billion, as shown in 3.293.

Table 3.293: Turkana County, Revenue Performance in the FY 2023/24

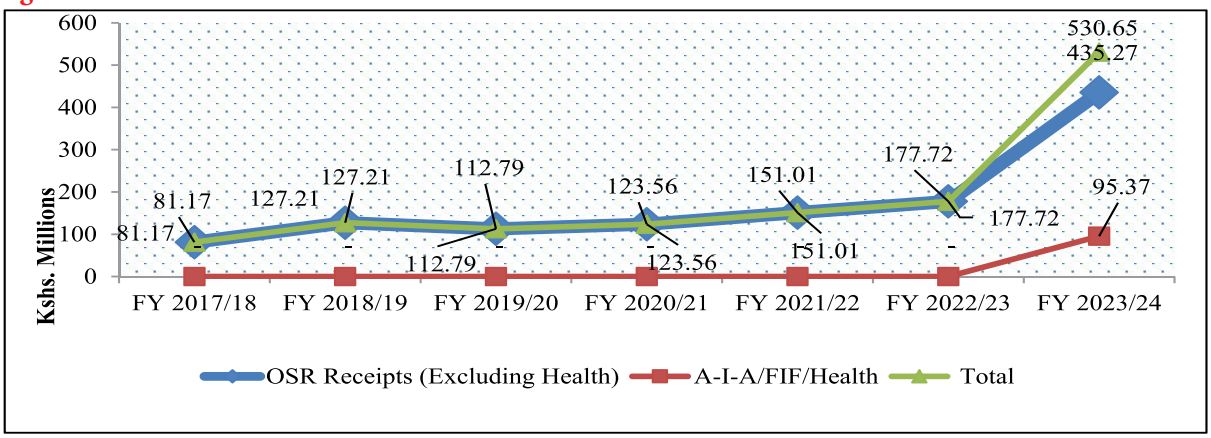
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	Equitable Share of Revenue Raised Nationally	13,143,946,933	12,092,431,173	92.0
Subtotal		**13,143,946,933**	**12,092,431,173**	**92.0**
B	Conditional Grants			
1	DANIDA Grant- Primary Health Care in Devolved Context	19,230,750	-	-
2	IDA (World Bank) Credit (Financing Locally Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant	273,443,957	273,443,957	100
3	IDA (World Bank) Credit (National Agricultural and Rural Inclusive Growth Project (NARIGP)	150,000,000	4,261,826	2.8
4	Sweden- Agricultural Sector Development Support Program (ASDSP) II	3,845,117	4,345,117	113
5	German Development Bank (KfW)- Drought Resilience Program in Northern Kenya (DRPNK)	465,000,000	-	-
6	World Bank- Emergency Locust Response Project(ELRP)	220,986,953	219,802,219	99.5
7	De-Risking and Value Enhancement (DRIVE)	215,141,980	-	-
8	A grant from the National Government	112,956,314	-	-
Subtotal		**1,460,605,070**	**501,853,119**	**34.4**
C	Other Sources of Revenue			
9	Ordinary Own Source Revenue	220,000,000	435,271,212	197.9
10	Facility Improvement Fund (FIF)	-	95,373,844	-
11	Unspent balance from FY 2022/23	2,397,462,423	2,397,462,423	100.0
Sub Total		**2,617,462,424**	**2,928,107,480**	**111.9**
Grand Total		**17,097,070,470**	**15,522,391,772**	**90.1**

Source: *Turkana County Treasury*

It is worth noting that the County Assembly enacted legislation to govern the operation of ordinary A-I-A and FIF.

Figure 165 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 165: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



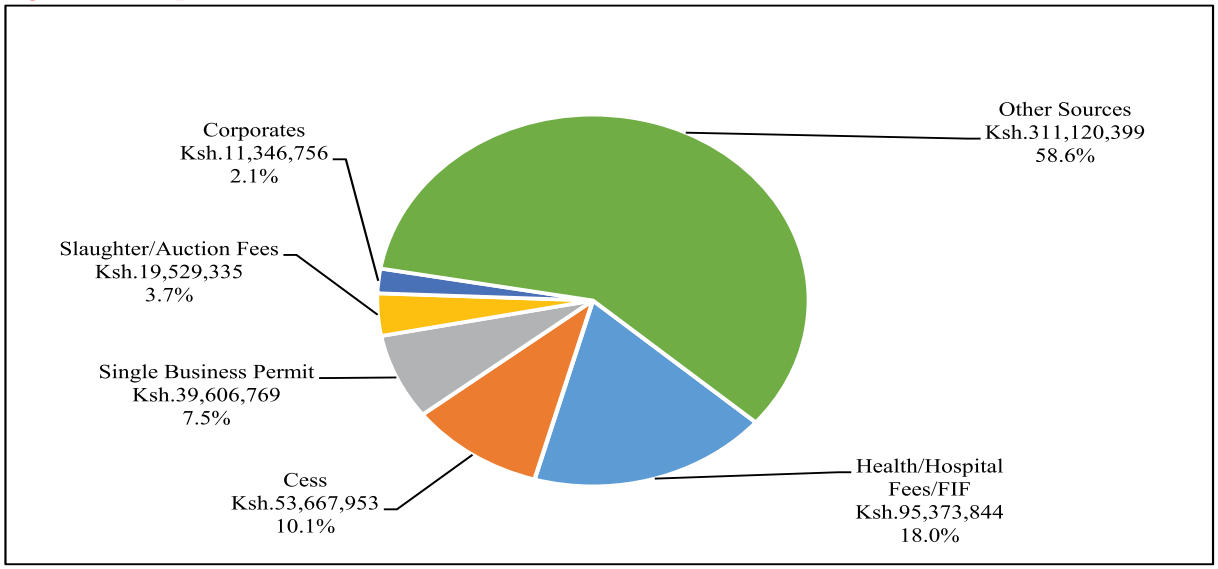
Source: *Turkana County Treasury*

In FY 2023/24, the County generated a total of Kshs.530.65 million from its revenue sources, inclusive of FIF and AIA. This amount represented an increase of 198.6 per cent compared to Kshs.177.72 million realized in a similar period in FY 2022/23 and was 241.2 per cent of the annual target and 4.4 per cent of the equitable revenue share disbursed during the period.

The increase in OSR can be attributed to Tullow Oil Company's payment of land rent arrears for oil exploration activities.

The revenue streams which contributed the highest OSR receipts are shown in Figure 166.

Figure 166: Top Streams of Own Source Revenue in the FY 2023/24



Source*: Turkana County Treasury*

The highest revenue stream, Kshs.95.37 million, was from Health Fees, which contributed 18 per cent of the total OSR receipts during the reporting period.

3.43.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.15.68 billion from the CRF account, comprising Kshs.5.53 billion (35.3 per cent) for development programmes and Kshs.10.15 billion (64.7 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in FY 2023/24 indicates that Kshs.5.73 billion was released towards Employee Compensation and Kshs.4.42 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.91.92 million.

3.43.4 County Expenditure Review

The County spent Kshs.14.56 billion on development and recurrent programmes in the reporting period. The expenditure represented 92.9 per cent of the total funds released by the CoB and comprised Kshs.4.45 billion and Kshs.10.11 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 63.1 per cent, while recurrent expenditure represented 99.4 per cent of the annual recurrent expenditure budget.

3.43.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.96 billion, comprising Kshs.154.30 million for recurrent expenditure and Kshs.1.81 billion for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.1.21 billion. They comprised Kshs.146.74 million for recurrent expenditure and Kshs.1.07 billion for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.749.86 million.

The County Assembly reported outstanding pending bills of Kshs.127.94 million as of 30th June 2024.

3.43.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.4.98 billion on employee compensation, Kshs.4.06 billion on operations and maintenance, and Kshs.4.29 billion on development activities. Similarly, the County Assembly spent Kshs.599.79 million on employee compensation, Kshs.471.05 million on operations and maintenance, and Kshs.161.42 million on development activities, as shown in Table 3.294.

Table 3.294: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**9,098,042,022**	**1,070,834,859**	**9,037,921,851**	**1,070,834,395**	**99.3**	**100.0**
Compensation to Employees	4,853,050,131	612,239,568	4,975,332,528	599,786,804	102.5	98.0
Operations and Maintenance	4,244,991,891	458,595,291	4,062,589,323	471,047,591	95.7	102.7
Development Expenditure	6,885,095,146	168,042,400	4,290,305,727	161,419,216	63.5	96.1
Total	**15,983,137,168**	**1,238,877,259**	**13,328,227,578**	**1,232,253,611**	**84.0**	**99.5**

***Source**: Turkana County Treasury*

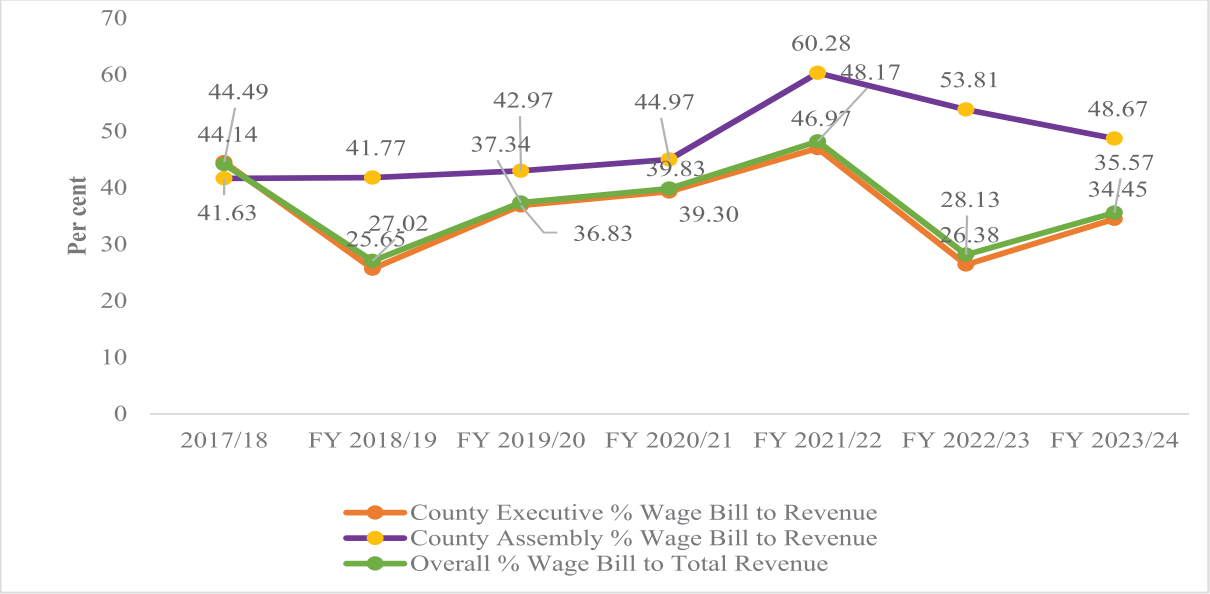
Expenditure on compesation of employees exceed approved budget allocation for the County Executive while the County Assenbky reported expenditure above approved allocation for operations and maintenance. The discrepancy should be investigated and action taken.

3.43.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.5.58 billion, or 35.9 per cent of the available revenue, which amounted to Kshs.15.52 billion. This expenditure represented an increase from Kshs.4.43 billion reported in a similar period in FY 2022/23. The increase is attributed to salary review by the Salaries and Remuneration Commission, recruitment and absorption of more Health workers, annual salary increments, and promotion of County officers. The wage bill included Kshs.2.08 billion paid to health sector employees, translating to 37.3 per cent of the total wage bill.

Figure 167 shows the trend of personnel expenditures as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 167: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



***Source**: Turkana County Treasury*

Further analysis indicates that PE costs amounting to Kshs.5.44 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.132.62 million was processed through manual payrolls. The manual payrolls accounted for 2.4 per cent of the total PE cost.

The County Assembly spent Kshs.12.45 million on committee sitting allowances for the 48 MCAs against the annual budget allocation of Kshs.44.97 million. The average monthly sitting allowance was Kshs.21,619 per MCA. The County Assembly has established 21 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.1.2 billion to county-established funds in FY 2023/24, constituting 7 per cent of the County's overall budget. Further, the County allocated Kshs.147.39 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.295 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.295: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY2023/24 (Kshs.)	Cumulative Disbursement to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
1	Turkana County Emergency Fund	147,388,667	147,388,667	448,994,500	1,192,388,667	Yes
2	Turkana County Biashara Fund	50,000,000	50,000,000	914,176	360,325,320	Yes
3	Turkana County Youth and Women Empowerment Fund	50,000,000	50,000,000	1,875,921	425,000,000	Yes
4	Turkana County Education and Skills Development Fund	534,219,180	534,219,180	482,333,205	3,264,245,499	Yes
5	Turkana County Cooperative Enterprise Development Fund	-	-	1,931	96,251,070	Yes
6	Turkana County Climate Change Fund	393,443,958	393,443,958	34,034,600	513,443,958	Yes
7	Turkana County Water Service Fund	23,157,696	-	68,085,279	94,334,986	Yes

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY2023/24 (Kshs.)	Cumulative Disbursement to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
8	Turkana County Car Loan and Mortgage Fund	-	-	1,416	200,822,217	Yes
9	Turkana County COVID Fund	-	-	3,208	606,674,113	Yes
	Total	**1,198,209,501**	**1,175,051,805**	**1,036,244,236**	**6,753,485,830**	

***Source**: Turkana County Treasury*

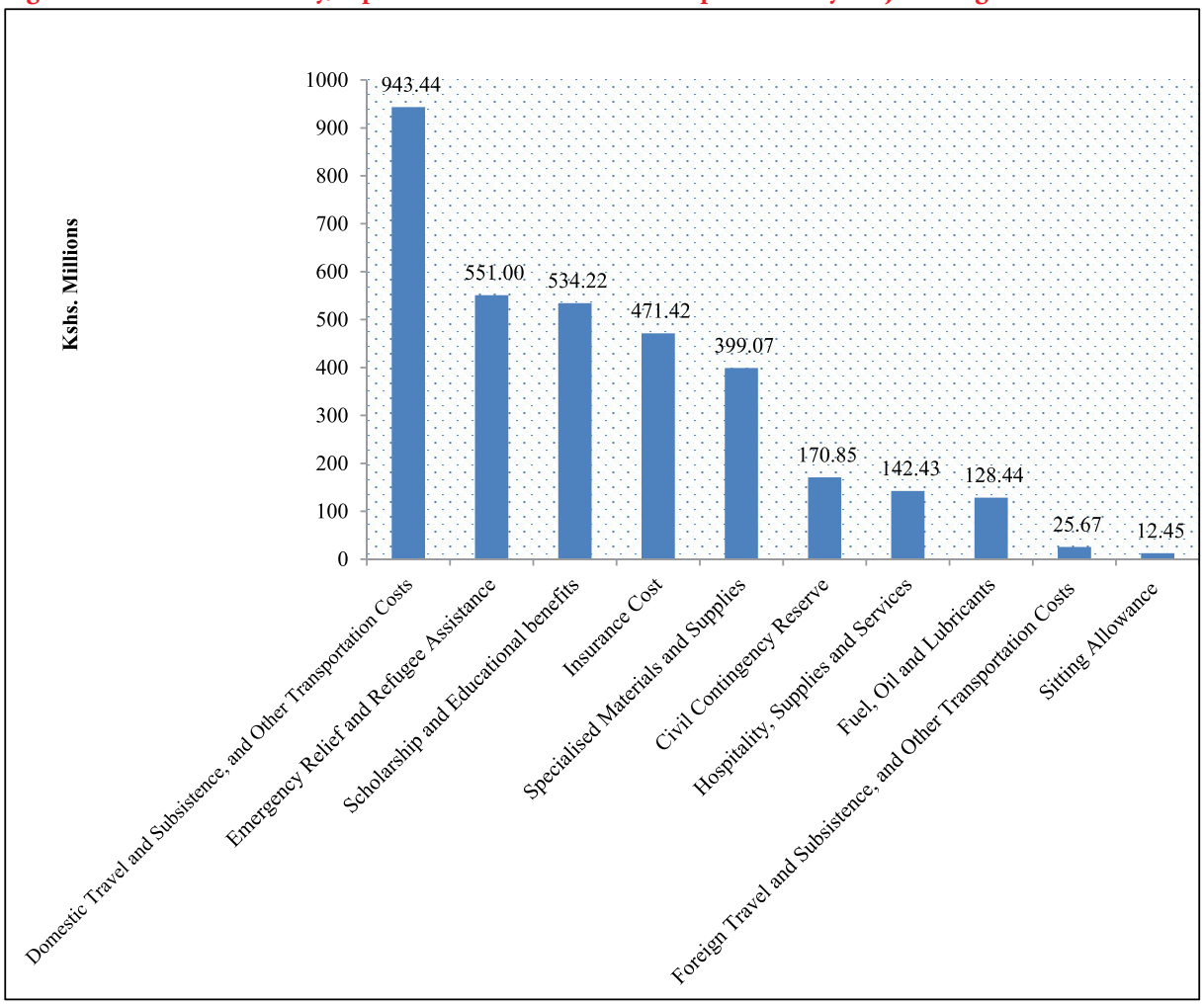
During the reporting period, the CoB received quarterly financial returns from the Fund Administrators of the funds, as indicated in Table 3.295, as required by Section 168 of the PFM Act, 2012.

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 requires that County government bank accounts must be opened and maintained at the Central Bank of Kenya.

3.43.9 Expenditure on Operations and Maintenance

Figure 168 summarises the Operations and Maintenance expenditure by major categories.

Figure 168: Turkana County, Operations and Maintenance Expenditure by Major Categories



***Source**: Turkana County Treasury*

Expenditure on domestic travel amounted to Kshs.943.44 million and comprised Kshs.248.98 million spent by the County Assembly and Kshs.694.46 million by the County Executive. Expenditure on foreign travel amount-

ed to Kshs.25.67 million and comprised Kshs.5 million by the County Assembly and Kshs.20.67 million by the County Executive. The highest Expenditure on foreign travel is summarized in Table 3.296 below; -

Table 3.296: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers who Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	4	24th August, 2023	PANASA Presidents Cup and Gala Awards	Nigeria	2,569,600
County Executive	10	20th August,2023	Case Hearing for 32 Convicted Pastoralists	Uganda	2,924,901
County Assembly	10	17th September,2023 to 23rd September 2023	Cross Border Peace Talks	Uganda	2,322,528
County Assembly	11	25th September,2023 to 29th September 2023	Cross Border Peace Talks	Uganda	2,661,648

***Source**: Turkana County Treasury and Turkana County Assembly*

The operations and maintenance costs include an expenditure of Kshs.30.20 million on Legal fees/Dues, arbitration, and compensation payments.

3.43.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.4.45 billion on development programmes, representing an increase of 34.1 per cent compared to FY 2022/23, when the County spent Kshs.3.32 billion.

Table 3.297 summarises the development projects with the highest expenditure in the reporting period.

Table 3.297: Turkana 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, Transport and Public Works	Routine Maintenance of Roads	County Wide	83,010,000	83,010,000	100.0
2	Water Services, Environment and Mineral Resources	Construction, Drilling and Equipping of Boreholes	County Wide	96,861,793	86,986,996	100.0
3	Health and Sanitation Services	Construction and renovation of Dispensaries	County Wide	152,541,531	84,675,492	90.0
4	Agriculture, Pastoral Economy and Fisheries	Construction of Model Irrigation	County Wide	229,524,133	165,765,639	90.0
5	Trade, Enterprise, Gender and Youth Affairs	Repair and Renovation of Markets	County Wide	55,948,676	34,282,074	90.0
6	Education, Sports and Social Protection	Construction of Modern ECDE Classrooms	County Wide	114,323,731	78,629,896	100.0
7	Lodwar Municipality	Supply, Installation and Maintenance of Street Lights	County Wide	36,485,000	36,485,000	100.0
8	Infrastructure, Transport and Public Works	Construction of Rigid Pavement	Napak Ward	88,734,200	88,734,200	100.0
9	Finance and Economic Planning	Construction of Revenue Centre	Lokiriama	38,195,895	11,193,459	29.0
10	Office of Governor	Construction of Governor's Residence	Nawoitorong	90,000,000	14,514,160	16.0

***Source:** Turkana County Treasury*

3.43.11 Budget Performance by Department

Table 3.298 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.298: Turkana 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	243.84	101	243.75	32.00	234.87	14.43	96.4	45.1	96.3	14.3
Office of the Deputy Governor	30.82	-	30.77	-	29.29	-	95.2	-	95.0	-
Finance and Economic Planning	545.62	1,934.77	545.14	1,875.11	544.09	1,183.05	99.8	-	99.7	61.1
Water Services, Environment and Mineral Resources	59.94	475.07	59.94	402.23	59.18	413.25	98.7	63.1	98.7	87.0
Health & Sanitation Services	667.86	620.79	667.19	136.13	642.37	373.80	96.3	102.7	96.2	60.2
Trade, Gender and Youth Affairs	72.88	453.00	70.69	374.70	71.13	299.09	100.6	274.6	97.6	66.0
Education, Sports and Social Protection	734.70	385.24	733.81	105.00	731.42	177.70	99.7	79.8	99.6	46.1
Public Services, Decentralized Administration & Disaster Management	6,089.25	41.28	6,077.42	37.12	6,087.31	28.61	100.2	169.2	100.0	69.3
Infrastructure, Transport and Public Works	85.59	291.54	85.02	290.40	82.89	274.52	97.5	77.1	96.8	94.2
Agriculture Pastoral Economy and Fisheries	116.85	1,584.19	116.17	1,217.33	112.52	719.58	96.9	94.5	96.3	45.4
Tourism, Culture and Natural Resources	126.94	515.24	126.01	381.67	123.14	486.15	97.7	56.6	97.0	94.4
Lands, Energy, Housing and Urban Areas Management	76.02	166.58	75.62	144.42	75.40	115.66	99.7	127.4	99.2	69.4
Turkana County Assembly	1,070.83	168.04	1,070.83	161.42	1,070.83	161.42	100.0	80.1	100.0	96.1
Turkana County Public Service Board	124.61	10.00	123.90	10.00	123.14	-	99.5	100.0	98.9	-
Office of the County Attorney	64.92	-	64.77	-	62.87	-	97.1	-	96.8	-
Lodwar Municipality Board	39.18	306.38	39.18	304.47	39.18	204.47	100.0	-	100.0	66.7
Kakuma Municipality	19.00	-	19.00	-	19.00	-	100.0	67.2	100.0	-
Total	10,168.88	7,053.14	10,149.21	5,526.02	10,108.76	4,451.72	99.6	80.6	99.4	63.1

***Source**: Turkana County Treasury*

Analysis of expenditure by departments shows that the County Assembly recorded the highest absorption rate of development budget at 96.1 per cent, followed by the Department of Tourism, Culture and Natural Resources at 94.4 per cent. The Departments of Public Services, Decentralized Administration and Disaster Management, Lodwar Municipality Board, Kakuma Municipality and County Assembly had the highest percentage of recurrent expenditure to budget at 100 per cent. In comparison, the Office of the Deputy Governor had the lowest at 95 per cent.

Further analysis shows that expenditures for most departments exceeded exchequer issues. The anomalies can be attributed to the fact that a substantial number of transactions may appear to have been paid at IFMIS,, but in practice, they were awaiting funding at the CBK Internet Banking (IB) level at the time of reporting.

3.43.12 Budget Execution by Programmes and Sub-Programmes

Table 3.299 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.299: Turkana County, Budget Execution by Programmes and Sub-Programmes

Program	Sub Program	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Office of the Governor				
General Administration, Planning and Support Services	General Administration, Planning and Support Services	140,252,426	123,510,448	88.1
Government Coordination	Cabinet Affairs	4,000,000	3,941,000	98.5
	Government Coordination and strategy development	3,000,000	2,620,640	87.4
	Community and stakeholder engagement	9,000,000	8,687,000	96.5
Governor's Security and Protocol	Security protocol and procedures	3,500,000	2,999,000	85.7
	Performance Contracting	6,200,000	5,159,830	83.2
	Efficiency Monitoring	10,500,000	9,849,300	93.8
Intergovernmental Relations	Intergovernmental Relations	7,500,000	3,374,800	45.0
	Inter-County Performance Review Forum	5,100,000	4,180,500	82.0
Donor/ Investor engagement	Economic and Private Sector Advisory Services	3,500,000	2,750,000	78.6
	Political and Intergovernmental Advisory Services	4,500,000	1,999,615	44.4
	Legal Advisory Services	4,000,000	2,336,551	58.4
	Security and cross-border Advisory Services	1,500,000	1,300,000	86.7
	Oil and Gas Advisory Service	1,500,000	1,450,000	96.7
	Gender and Partnership Advisory Services	1,500,000	1,380,663	92.0
	Special Interest groups	1,000,000	1,000,000	100.0
	Climate Change advisory services	1,500,000	1,500,000	100.0
	Education and youth Advisory services	1,500,000	1,500,000	100.0
	Culture, Arts and Heritage advisory services	1,500,000	1,500,000	100.0
	Tracking of Flagships projects	4,500,000	4,464,000	99.2
	Governor's Transformative Agenda	3,500,000	3,500,000	100.0
Governors Press Service	Governors Press support	3,285,233	3,168,653	96.5
	Governor's Visibility and Branding	7,000,000	2,419,718	34.6
	Media Liaison	500,000	500,000	100.0
	Public Address Unit	4,500,000	4,281,256	95.1
Security and Peace Building	Resettlement Infrastructural Programme	101,000,000	40,433,800	40.0
	Cross Border Peace Dividends Programme	3,500,000	3,500,000	100.0
	County Peace Building & Conflict Management Committees	3,000,000	3,000,000	100.0
	Internal Peace Building and Conflict Management Programme	3,000,000	3,000,000	100.0
	Sub - Total	**344,837,659**	**249,306,775**	**72.3**
Office of the Deputy Governor				
General Administration, Planning and Support Services	General Admin Planning & Support	13,700,000	13,148,343	96.0
Public Communications, Media Relations and Information Management	Media Partnerships & Stakeholder Engagement	2,300,000	2,259,860	98.3
	County Publicity & Branding	3,000,000	3,000,000	100.0
	Public Access to Information	2,300,000	1,927,000	83.8
	Communication Research & Development	1,023,345	720,601	70.4
Resource Mobilization	Resource Mobilization	3,500,000	3,375,353	96.4
	Public Private Partnerships	2,000,000	1,979,799	99.0
	Donor & Partner Coordination	3,000,000	2,876,853	95.9
	Sub - Total	**30,823,345**	**29,287,808**	**95.0**

Program	Sub Program	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Office of the County Attorney				
General Administration, Planning and Support Services	General Administration, Planning and Support Services	11,760,000	11,650,584	99.1
Legal Services	Litigation	35,888,345	35,888,345	100.0
	Govt Agreements & Contracts	3,450,000	3,429,000	99.4
	Legal Audit & Compliance	4,650,000	4,552,980	97.9
Research and Legislative Drafting	Legislation	3,050,000	2,900,000	95.1
	Policy & Legal Briefs	2,275,000	2,011,530	88.4
Capacity Building	Training of Legal Counsel	2,050,000	1,806,800	88.1
	Legal Training & Awareness	1,800,000	635,439	35.3
	Sub - Total	**64,923,345**	**62,874,678**	**96.8**
Finance and Economic Planning				
General Administration, Planning and Support Services	General Administration Services	2,015,929,532	1,302,917,604	64.6
	General Administration - Economic planning	11,090,000	9,216,273	83.1
	County Headquarters Offices	20,000,000	18,867,180	94.3
Revenue Collection Systems	Awareness and Campaigns on Revenue.	7,850,836	7,696,420	98.0
	Revenue Forecast and Revenue Budget Preparation	6,080,564	5,737,669	94.4
	Revenue Automation	11,100,000	10,770,700	97.0
	Revenue Governance	3,975,600	3,606,720	90.7
	Revenue Infrastructure	43,000,000	20,595,000	47.9
Accounting Services	Specialized Training	4,100,000	3,660,000	89.3
	Operationalization of the County IFMIS Lab	3,200,000	2,493,000	77.9
	Financial Reporting and Assurance	3,800,000	3,027,700	79.7
	Emergency Fund	147,388,667	147,388,667	100.0
	Tax Management and Statutory Deductions	2,000,000	1,262,000	63.1
	Covid-19 Emergency Response Fund	23,461,891	23,461,891	100.0
County Procurement	Project and Contract Management	2,500,000	1,557,750	62.3
	Procurement Systems	3,900,000	2,981,000	76.4
	Supplier Engagement and Awareness	2,500,000	1,727,000	69.1
	Assets Management and Valuation	6,900,000	6,633,864	96.1
Internal Audit	Support to Internal Audit	3,150,000	3,145,600	99.9
	Quality Assurance	2,700,000	1,740,000	64.4
	Support to Audit Committees	3,800,000	3,023,710	79.6
ICT and E-Government	Development and implementation of ICT Policy, Standards and Regulations	2,500,000	2,256,599	90.3
	County ICT Infrastructure Development	15,200,000	15,200,000	100.0
	E-Government Systems, Development and Programming	2,490,000	2,043,086	82.1
County Economic Planning and Development	Development of Plans and Policies	4,000,000	3,747,560	93.7
	Kenya Devolution Support Programme	59,138,777	58,732,374	99.3
	Public Participation in Planning Processes	3,500,000	3,233,469	92.4
	Development Co-ordination	10,500,000	10,294,600	98.0
	Social Intelligence Integration and Reporting	1,000,000	531,267	53.1
	Sustainable Development Goals (SDGs)	1,000,000	816,300	81.6
Monitoring and Evaluation	Monitoring and Evaluation	6,175,000	5,912,779	95.8
	Geo-Technological Services	1,250,000	971,895	77.8
	Public Investment Management System	1,250,000	984,995	78.8

Program	Sub Program	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Budgetary Supply	Budget Formulation, Co-ordination and Management	18,092,000	17,934,600	99.1
	Public Participation in Budgeting	8,300,000	7,555,448	91.0
	County Budget and Economic Forum	7,600,000	7,280,084	95.8
	Accountability in Resource Allocation	7,000,000	6,722,663	96.0
Statistics & Research Development	Research & Development	1,000,000	307,395	30.7
	County Statistical Unit	1,965,533	1,099,615	55.9
	Sub - Total	**2,480,388,400**	**1,727,134,476**	**69.6**
Water Services, Environment and Mineral Resources				
General Administration and Support	General Administration and Support	30,092,616	27,452,532	91.2
Water Supply and Storage	Water Infrastructure	468,814,415	410,522,908	87.6
	Water Resource Management	23,157,696	23,157,696	100.0
	Water Governance Planning and Coordination	2,950,000	2,767,986	93.8
	Emergency Response and Drought Mitigation	10,000,000	8,528,898	85.3
	Sub - Total	**535,014,727**	**472,430,020**	**88.3**
Health and Sanitation Services				
General Administration, Planning and support services	Additional Works/Renovations of Health Facilities	83,013,324	67,273,198	81.0
	General Administration, Planning and Support Services - Medical Services	22,000,000	19,970,072	90.8
	General Administration, Planning and Support Services - Preventive and Promotive Services	393,004,275	243,768,607	62.0
Preventive and Promotive Health Care Services	HIV & AIDS, including community-based HIV interventions	500,000	-	-
	TB & Leprosy	500,000	494,200	98.8
	Malaria	300,000	-	-
	NTDs (neglected tropical diseases)	600,000	596,400	99.4
	Nutrition	600,000	44,100	7.4
	Reproductive health	1,000,000	-	-
	Disease surveillance	400,000	-	-
	EPI/outreaches	200,000	-	-
	Environmental health services	1,000,000	490,400	49.0
	Emergency preparedness & disaster response	800,000	400,000	50.0
	mainstreaming	900,000	-	-
	Community Health Services	81,000,000	68,745,000	84.9
	Rural Health Facilities Support	45,634,941	19,999,900	43.8
Medical Services	Laboratory Services	500,000	500,000	100.0
	Blood Transfusion Services	1,400,000	1,000,000	71.4
	Rehabilitative Services	900,000	450,000	50.0
	Referrals and Emergency Services	400,000	317,350	79.3
	Radiology Services	300,000	300,000	100.0
	Dental Services	300,000	299,000	99.7
	Clinical Services	2,000,000	881,400	44.1
	Nursing Services	2,000,000	491,200	24.6
	Sub county Health Facilities Support	30,000,000	21,604,130	72.0
	UHC Turkana	9,000,000	8,929,240	99.2
Lodwar County and Referral Hospital	LCRH Operations and Support Services	176,500,000	176,500,000	100.0
	LCRH Infrastructure Development	54,500,000	54,500,000	100.0
Medical Supplies	Medical Supplies	243,000,000	230,974,844	95.1
	Health Commodity Management	3,000,000	692,500	23.1

Program	Sub Program	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Policy, Planning, Monitoring and Evaluation	Health Information Management	900,000	604,000	67.1
	Quality Assurance	500,000	324,500	64.9
	Electronic Medical Records	3,800,000	3,299,999	86.8
	Monitoring and Evaluation of Health	800,000	98,800	12.4
Alcoholic Drinks and Substance Abuse Control	Liquor Licensing	7,700,000	3,383,802	43.9
Level 6 Hospital	Turkana Level 6 Hospital	119,700,000	89,233,249	74.5
	Sub - Total	**1,288,652,540**	**1,016,165,890**	**78.9**
Trade, Gender and Youth Affairs				
General Administration and Support Services	General Administration Gender and Youth	17,612,885	12,863,626	73.0
	General Administration Trade & Cooperatives	15,220,500	8,392,920	55.1
Trade Development and Promotion	Market Infrastructure Development	120,000,000	102,662,303	85.6
	Industrial Development and Investments	203,000,000	108,258,680	53.3
	Biashara Fund	50,000,000	50,000,000	100.0
	Biashara Centre	2,879,640	1,165,285	40.5
	Trade Promotion	5,050,000	3,124,999	61.9
	Fair Trade and Consumer Protection Services	5,570,000	5,312,960	95.4
Co-operative Development and Management	Co-operative Marketing, Value Addition, Surveys & Research	2,140,000	750,000	35.0
	Co-operative Education, Training, Exchange and Ushirika Day Celebration	2,840,000	1,373,119	48.3
	Strengthening of Key Dormant Co-operative Societies	1,560,000	1,219,999	78.2
	Formulation of Cooperative Policy and Legal Framework	1,600,000	744,460	46.5
	Cooperative Development Fund	11,000,000	9,733,171	88.5
	Cooperative Ethics Governance and Audit Support	2,920,000	1,950,388	66.8
Promotion of Gender Equality and Empowerment	Gender Empowerment and advocacy	3,484,000	1,403,997	40.3
	Gender Mainstreaming and Coordination	1,550,000	749,779	48.4
	Legal Compliance and Redress	1,450,000	523,202	36.1
	Promotion of Gender Equality and Empowerment	1,406,000	1,106,000	78.7
	One Stop GBV Centre	10,000,000	241,540	2.4
Youth Affairs Development	Youth Coordination and Representation	2,250,000	999,345	44.4
	Youth and Women Fund	50,000,000	50,000,000	100.0
	Youth Capacity Building & Training	2,695,000	1,203,460	44.7
	Youth Talent Development	1,655,000	625,000	37.8
	Youth Empowerment Centres	10,000,000	5,814,391	58.1
	Sub - Total	**525,883,025**	**370,218,623**	**70.4**
Education, Sports and Social Protection				
General Administration and Support Services	Turkana Education and Skill Development Fund	534,219,180	534,219,180	100.0
	General Administration ECDE & Social Protection	9,474,501	8,040,605	84.9
	General Administration Sports and Vocational Training	7,484,499	6,226,044	83.2
Early Childhood Education	School Feeding	105,000,000	104,929,034	99.9
	Infrastructure Development	283,522,678	130,010,325	45.9

Program	Sub Program	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Social Protection Programs/ Affirmative Action	ECDE Governance	6,010,805	4,375,000	72.8
	Turkana County Persons with Disability Development	22,300,000	19,856,030	89.0
	Marginalized and Minority groups support	4,460,000	4,394,400	98.5
	Child Rescue Centres	10,000,000	7,976,610	79.8
	Child Care and Protection	26,726,348	26,136,857	97.8
County Library Services	Library Governance	1,970,070	1,046,100	53.1
	Library Infrastructure	40,000,000	-	-
Vocational Training	Youth Polytechnic Infrastructure	20,000,000	20,000,000	100.0
	Training and Development	2,002,400	1,864,227	93.1
	Co-Curricular Activities	2,600,000	2,263,970	87.1
	Youth Polytechnics- Conditional	12,714,291	12,709,894	100.0
Sports and arts programme	Construction of sports Stadia	14,450,000	10,759,148	74.5
	Sports Infrastructure	17,000,000	14,315,080	84.2
	Sub - Total	**1,119,934,772**	**909,122,504**	**81.2**
Public Services, Decentralized Administration and Disaster Management				
General Administration, Planning and Support Services	General Administration, Planning and Support Services-Public Service	5,348,817,366	5,346,803,169	100.0
	General Administration, Planning and Support Services-Administration	25,475,200	25,265,043	99.2
Human resource management	Payroll administration	1,600,000	526,870	32.9
	County registry	1,200,000	1,200,000	100.0
	Human Resource Management and Development	5,504,000	5,279,000	95.9
	GHRIS Module	4,287,840	3,309,300	77.2
Human resource management	County performance management	5,732,560	5,490,190	95.8
Decentralized Services	Sub County Administration Support Programme	17,706,300	16,819,802	95.0
	Ward Administration Support Programme	69,696,318	69,113,900	99.2
	Village Administration Support Programme	52,225,200	50,647,404	97.0
Governance and public participation	Civic education Programme	7,369,900	5,612,679	76.2
	Public Participation and access to information	10,035,050	8,750,924	87.2
Disaster risk management	Stakeholders Coordination and Support Programme	1,850,000	1,560,988	84.4
	Disaster Risk Management	1,700,000	2,096,000	123.3
	Disaster Preparedness Mitigation & Response	560,342,100	559,303,815	99.8
Inspectorate services	Enforcement & Coordination Services	4,486,100	3,003,100	66.9
	County Inspectorate Training Institute	12,500,000	11,140,191	89.1
	Sub - Total	**6,130,527,934**	**6,115,922,374**	**99.8**
Infrastructure, Transport and Public Works				
General Administration and Support Services	General Administration- Infrastructure and Transport	45,509,318	38,943,748	85.6
	General Administration- Public works	27,530,000	25,302,563	91.9
Develop and maintain roads	Roads Maintenance Levy Fund (RMLF)	105,632,247	101,366,625	96.0
	Designing & Construction of Roads and Bridges	159,212,408	157,282,401	98.8
Transport Services	Roads Safety initiatives	2,300,000	1,917,000	83.3
	Fleet Management	3,650,000	2,538,143	69.5
Public Works	Protection and Gabion works	4,500,000	4,500,000	100.0
	Government Structures/Buildings	18,800,000	15,553,095	82.7
	Material Testing Laboratory	10,000,000	9,997,140	100.0
	Sub - Total	**377,133,973**	**357,400,715**	**94.8**

Program	Sub Program	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Agriculture, Pastoral Economy and Fisheries				
General Administration and Support Services	General Administration and Support Services-Agriculture and Land Reclamation	5,000,000	4,122,609	82.5
	General Administration Livestock Development	5,900,000	4,736,891	80.3
	General Administration Fisheries & Aquaculture	6,124,320	3,420,593	55.9
Agriculture Programme	Agricultural Mechanization	15,700,000	15,296,800	97.4
	Agriculture market Access	24,315,035	20,585,141	84.7
	Agriculture Extension and Development	-	-	-
	Crop Production	3,000,000	3,000,000	100.0
	Nutrition Sensitive Agriculture	5,000,000	659,497	13.2
Irrigation and Land Reclamation	Rehabilitation and Expansion of Existing Irrigation Scheme	58,950,000	41,810,817	70.9
	Soil & Water Conservation	21,000,000	13,258,855	63.1
	Water Saving Irrigation Technologies	56,900,000	17,943,626	31.5
	Climate Proofing of Irrigation Infrastructure	6,500,000	6,500,000	100.0
	Policy Formulation	7,650,000	7,648,301	100.0
	Extension Research and Development	7,300,000	6,836,375	93.6
Agricultural Sector Development Support Programme (ASDSP)	Agricultural Sector Development Support Programme (ASDSP)	30,579,931	16,731,177	54.7
National Agricultural Rural Inclusive Growth Project	NARIGP	150,000,000	4,261,826	2.8
Drought Resilience in Northern Kenya Programme	DRNKP/KfW	612,590,978	126,443,958	20.6
Emergency Locust Response Project	Emergency Locust Response Project	220,986,952	157,890,000	71.4
Livestock breed improvement	Development and improvement of livestock feeds	22,300,000	21,393,700	95.9
	Livestock Production Extension Services	1,600,000	1,300,000	81.3
	Livestock diversification and breed improvement	1,800,000	1,777,000	98.7
	Livestock Risk Mgt	15,200,000	11,439,439	75.3
	Livestock Value Chain	23,800,000	13,552,490	56.9
	Livestock Productivity Infrastructure	16,300,000	7,476,088	45.9
	Rang land Management	4,100,000	3,130,150	76.3
	Research & Development	900,000	736,452	81.8
De-Risking & Value Enhancement	De-Risking & Value Enhancement	215,141,980	215,141,980	100.0
Veterinary Services	Livestock Health Management	56,900,000	39,974,797	70.3
	Livestock Disease Control, PDS and Monitoring	23,450,000	19,868,879	84.7
	Veterinary public health and Extension	8,022,836	1,826,755	22.8
	Veterinary Quality assurance and regulation	1,700,000	1,289,400	75.8
Fish market infrastructure/ fish value addition	Fisheries Value Chain & Market Systems	1,348,686	1,021,592	75.7
	Fisheries Extension Services	22,349,999	10,524,181	47.1
	Fisheries resource management	2,702,225	1,747,972	64.7
	Fisheries Infrastructure Development	20,168,843	11,537,110	57.2
	Aquaculture Production	24,501,418	16,727,997	68.3
	Fisheries Quality Assurance & Regulation	750,000	489,640	65.3
	Blue Economy Integration	508,123	-	-
	Sub - Total	**1,701,041,326**	**832,102,087**	**48.9**

Program	Sub Program	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Tourism, Culture and Natural Resources				
General Administration	General Administration Tourism Culture & Heritage	11,850,000	10,642,226	89.8
	General Administration Environment & Climate Change	5,500,000	3,594,050	65.3
	General Administration, Energy, Mining & Natural Resources	9,000,000	7,469,527	83.0
Tourism Development and Promotion	Tourism Destination Marketing	800,000	797,160	99.6
	Tourism Product Development & Promotion	900,000	248,500	27.6
	Tourism Infrastructure Development	23,100,000	21,354,203	92.4
	Tourism Research & Development	800,000	179,000	22.4
Culture, arts, heritage development, promotion and preservation	Ushanga Initiative	3,000,000	1,155,367	38.5
	Culture Promotion and Preservation	900,000	78,880	8.8
	Turkana Cultural Festivals	49,000,000	45,157,010	92.2
Heritage Promotion	Heritage Development Promotion & Preservation	1,000,000	84,000	8.4
	Turkana Cultural Education & Research Centre	1,000,000	242,274	24.2
	Ataa Nayeche Commemoration	-	997,920	-
Environmental Governance Compliance Conservation Protection and Management	Environmental Governance & Compliance	1,800,000	792,200	44.0
	Environmental Education and Awareness	800,000	-	-
Environmental Rehabilitation and Circular Economy	Rehabilitation of Degraded Sites	3,800,000	2,800,000	73.7
Climate Change Adaptation Resilience and Mitigation	Climate Change Institutional Governance & Administration	1,500,000	409,500	27.3
Financing Locally-Led and Departmental Programmes Climate Actions	Financing Locally-Led and Departmental Programmes Climate Actions	404,443,957	404,443,957	100.0
Energy Development Programme	Renewable Energy Development	48,800,000	45,759,390	93.8
	Street lighting	11,500,000	7,537,800	65.5
	Energy Efficiency & Conservation	6,900,000	6,890,805	99.9
	Technology Research & Development	1,200,000	1,200,000	100.0
Mining Development	Sustainable Exploitation of Mineral Resources	6,000,000	3,997,000	66.6
Oil and Gas	Sustainable Utilization of Oil and Gas	2,591,279	1,653,270	63.8
Forest Conservation and Management	Forestry Development and Governance	23,000,000	21,802,550	94.8
	Prosopis Management and Nature-Based Value Chains Promotion	21,500,000	19,082,560	88.8
Wildlife Management and Conservation	Wildlife Governance and Community Services	1,500,000	913,780	60.9
	Sub - Total	**642,185,236**	**609,282,929**	**94.9**
Lands, Energy, Housing and Urban Areas Management				
General Administration and Support Services	General Administration Lands & Physical Planning	23,492,249	19,999,554	85.1
	General Administration Urban & Municipalities	14,400,000	14,042,515	97.5
Physical Planning Services	County Spatial Plan	65,189,817	58,805,469	90.2
	Policy Formulation	2,600,000	2,248,450	86.5
	Development Control	2,000,000	1,445,085	72.3
	Land Governance	3,772,201	3,091,594	82.0
	Planning Services	1,820,048	1,768,903	97.2

Program	Sub Program	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Lands Survey	Land and Property Valuation Services	13,300,000	12,702,906	95.5
	Spatial Infrastructure	1,900,000	1,643,300	86.5
	Land Registration	48,189,170	16,792,830	34.8
	Land Policy and Management	2,300,000	2,288,747	99.5
Urban Development	Urban Services	5,700,000	5,400,000	94.7
	Urban Governance	36,200,000	31,720,801	87.6
	Research and Development	800,000	789,100	98.6
	Urban Infrastructure	15,805,829	13,365,222	84.6
	Fire Services	1,800,000	1,667,605	92.6
Housing Development	Housing Programme	1,000,000	951,500	95.2
Kenya Urban Support Programme	Urban Institutional Grant	2,339,915	2,339,914	100.0
	Sub - Total	**242,609,229**	**191,063,495**	**78.8**
Turkana County Public Service Board				
General Administration, Planning and Support Services	General Administration	51,459,694	45,914,377	89.2
	Human Resource Management	18,548,107	17,290,040	93.2
	County Public Service Governance	12,405,545	11,149,766	89.9
	County Internship Programme	52,200,000	48,905,207	93.7
	Sub - Total	**134,613,346**	**123,259,390**	**91.6**
Lodwar Municipality Board				
General Admin Planning and Support Services	General Admin Planning and Support Services	13,380,000	13,380,000	100.0
	Municipal Planning	21,100,000	11,099,999	52.6
	Municipal Services	42,550,000	32,550,000	76.5
	Municipal Infrastructure	262,066,876	180,154,780	68.7
	Research, Development and Extension Services	4,558,938	4,558,938	100.0
Kenya Urban Support Programme	Urban Development Grant	1,912,497	1,912,096	100.0
	Sub - Total	**345,568,311**	**243,655,813**	**70.5**
Kakuma Municipality				
General Admin Planning and Support Services	General Admin Planning and Support Services	6,650,000	6,650,000	100.0
	Municipal Planning	3,400,000	3,400,000	100.0
	Municipal Services	8,950,000	8,950,000	100.0
	Sub - Total	**19,000,000**	**19,000,000**	**100.0**
Turkana County Assembly				
Construction of Assembly Building	Construction of New Assembly Building	8,540,000	8,540,000	100.00
	Office of the Speaker	12,650,000	8,038,293	63.54
	Partnership and Donor Engagement	600,000	124,490	20.75
	Sergeant at Arms and Security Services	10,428,237	10,428,237	100.00
Speakers Resident	Construction of Speaker's Residence	61,237,250	59,701,283	97.49
	Purchase of Land for Construction	1,206,767	1,206,767	100.00
Headquarters	General Administration and Planning	1,144,215,005	1,144,214,541	100.00
	Sub Total	**1,238,877,259**	**1,232,253,611**	**99.5**
	Grand Total	**17,222,014,427**	**14,560,481,189**	**84.5**

Source: *Turkana County Treasury*

The sub-programmes with the highest levels of budget implementation based on absorption rates were the Turkana Education and Skill Development Fund in the Department of Education Sports and Social Protection, at 100 per cent, the Youth and Women Fund in the Department of Trade, Gender and Youth Affairs, at 100 per cent, and the Emergency Fund in the Department of Finance and Economic Planning, at 100 per cent of budget allocation.

3.43.13 Accounts Operated Commercial Banks

The County government operated 16 accounts with commercial banks. 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.

3.43.14 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;

1. 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 12th August, 2024.
2. High level of pending bills which amounted to Kshs.749.86 million as of 30th June 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
3. High wage bills accounted for 35.9 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided by law.
4. Use of manual payroll. Personnel emoluments amounting to Kshs.132.62 million were processed through manual payroll, accounting for 2.4 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.
5. Use of 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 funds, Grants, the Emergency Response Program and the Lodwar Referral Hospital.
6. High expenditure on domestic travel at kshs. 943.44 million which should be rationalised.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *The county leadership should address the situation of pending bills to ensure that genuine bills are paid promptly during the financial year. Further, compliance with the payment plan should be enforced.*
3. *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.*
4. *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.*
5. *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.*
6. *The County should minimize expenditure on domestic travel by undertaking activities within the county headquarters*

3.44. County Government of Uasin Gishu

3.44.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 was Kshs.13.29 billion, comprising Kshs. 5.16 billion (38.9 per cent) and Kshs.8.12 billion (61.1 per cent) allocated for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 12.4 per cent compared to the previous financial year when it was Kshs.11.8 billion and comprised of Kshs.4.51 billion for development expenditure and Kshs.7.31 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.8.43 billion (63.4 per cent) as the equitable share of revenue raised nationally, Kshs.1.80 million as additional allocations/conditional grants (13.3 per cent), a cash balance of Kshs.1.48 billion (11.1 per cent) brought forward from FY 2022/23, and generate Kshs. 1.58 million (11.9 per cent) as gross own source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.300.

3.44.2 Revenue Performance

In the FY 2023/24, the County received Kshs.7.75 billion as an equitable share of the revenue raised nationally, Kshs.992.92 million as additional allocations/conditional grants, had a cash balance of Kshs.1.48 million from FY 2022/23 and raised Kshs.1.40 million as own-source revenue (OSR). The raised OSR includes Kshs. 59.39 million as FIF and Kshs. 1.36 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.11.65 billion, as shown in Table 3.300.

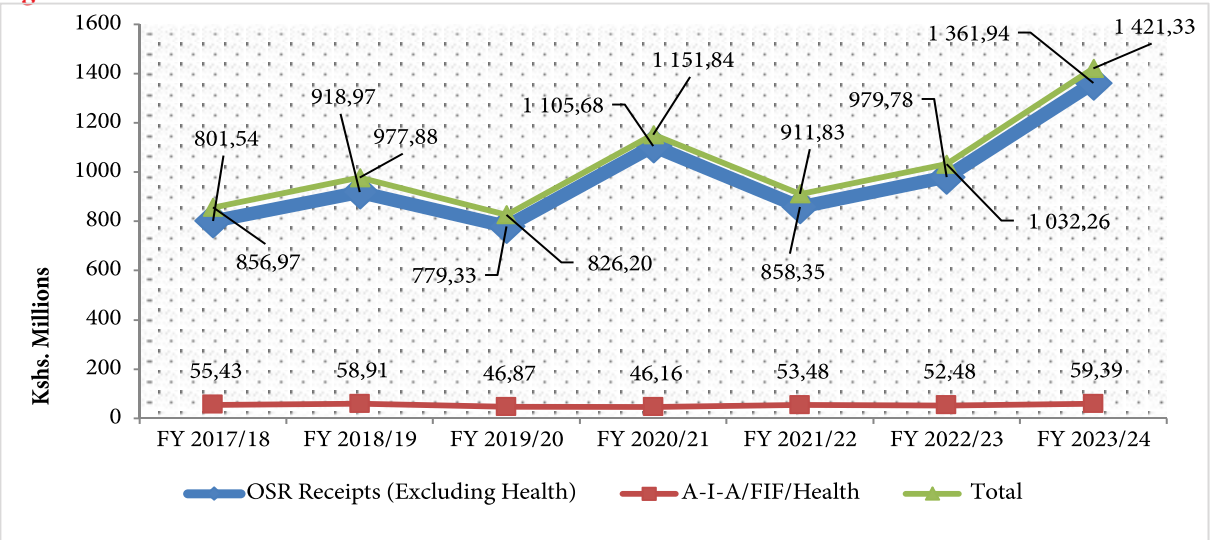
Table 3.300: Uasin Gishu County, Revenue Performance in the FY 2023/24

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**	8,426,072,635	7,751,986,826	92.0
Sub Total		**8,426,072,635**	**7,751,986,826**	**92.0**
B	**Conditional Grants**			
1	DANIDA	24,016,054	11,550,000	48.1
2	Aggregated Industrial Park	250,000,000	62,500,000	25.0
3	Grant from World Bank- IDA (FLLoCA)	173,363,692	-	-
4	Library Services	10,688,405	-	-
5	WB- KUSP	6,952,727	-	-
6	WB- KDSP	24,000,000	-	-
7	Grant from World Bank- IDA (NAVCDP)	295,376,145	-	-
8	Grant from world Bank- IDA (KCSAP)	140,000,000	-	-
9	Grant from World Bank- IDA (FLLoCA)	22,000,000	-	-
10	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	1,022,165	1,022,165	100.0
11	WB-KISIP II	730,000,000	530,000,000	72.6
12	20 Share of Mineral Royalties	5,090,269	-	-
13	Livestock Value Chain Support Project	120,000,000	-	-
14	ASDSP	-	4,560,429	-
15	FLOCCA	-	184,363,692	-
16	NAVDCP	-	198,925,441	-
Sub-Total		**1,802,509,457**	**992,921,727**	**55.1**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	1,578,147,614	1,361,941,353	86.3
2	Balance b/f from FY2022/23	1,479,887,043	1,479,887,043	100.0
3	Facility Improvement Fund (FIF)	-	59,386,598	-
Sub Total		3,058,034,657	2,901,214,994	94.9
Grand Total		**13,286,616,749**	**11,646,123,547**	**87.7**

Source: *Uasin Gishu County Treasury*

Figure 169 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

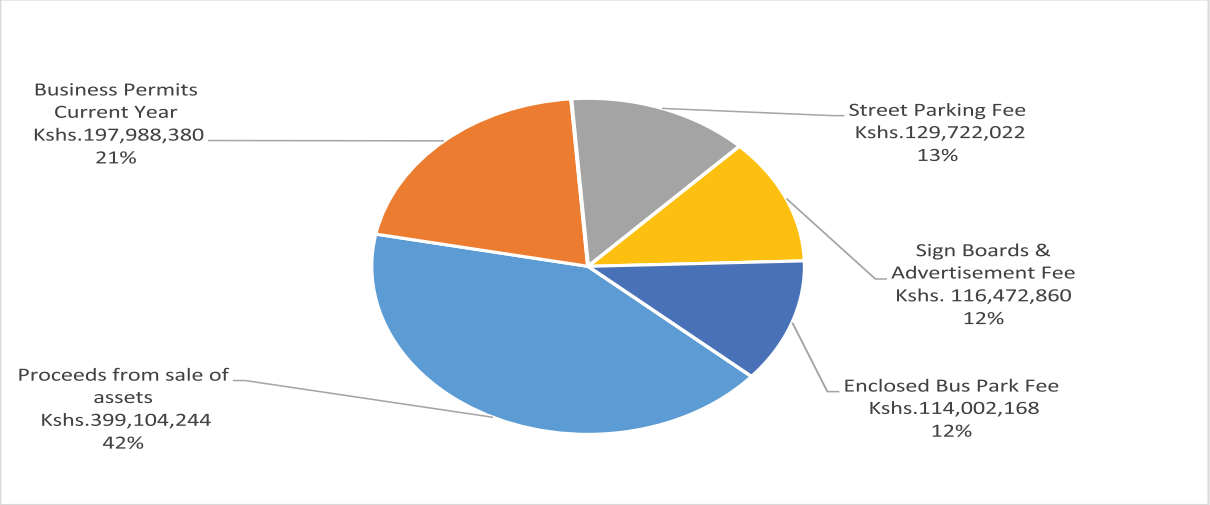
Figure 169: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Uasin Gishu County Treasury*

In the FY 2023/24, the County generated a total of Kshs.1.41 billion from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 27.4 per cent compared to Kshs.1.03 billion realized in a similar period in FY 2022/23. It was 88.9 per cent of the annual target and 18.3 per cent of the equitable revenue share disbursed during the period. The increase from FY 2022/23 was attributed to deploying a robust revenue collection system and compensation for county government land acquired by a developer. The revenue streams which contributed the highest OSR receipts are shown in Figure 170.

Figure 170: Top Streams of Own Source Revenue in the FY 2023/24



Source: Uasin Gishu County Treasury

The highest revenue stream, Kshs.399.10 million, was from the proceeds of land sales, which contributed 42 per cent of the total OSR receipts during the reporting period.

3.44.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs. 10.63 billion from the CRF account during the reporting period, which comprised Kshs. 2.85 billion (26.8 per cent) for development programmes and Kshs. 7.78 billion (73.2 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs. 4.55 billion was released towards Employee Compensation and Kshs. 3.19 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs. 1.53 billion.

3.44.4 County Expenditure Review

The County spent Kshs.10.26 billion on development and recurrent programmes in the reporting period. The expenditure represented 96.5 per cent of the total funds released by the CoB and comprised Kshs.2.52 billion and Kshs.7.73 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 48.9 per cent, while recurrent expenditure represented 95.2 per cent of the annual recurrent expenditure budget.

3.44.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.276.32 million, comprising Kshs.238.09 million for recurrent expenditure and Kshs.37.91 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.188.14 million. They comprised Kshs.173.14 million for recurrent expenditure and Kshs.15.0 million for development programmes. At the end of the FY 2023/24, the outstanding amount was Kshs 751.82 million.

The County Assembly reported outstanding pending bills of Kshs.52.58 million as of 30th June 2024.

3.44.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.4.23 billion on employee compensation, Kshs.2.72 billion on operations and maintenance, and Kshs.2.36 billion on development activities. Similarly, the County Assembly spent Kshs. 331.37 million on employee compensation, Kshs.465.04 million on operations and maintenance, and Kshs.159.86 million on development activities, as shown in Table 3.301.

Table 3.301: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs. Millions)		Exchequer Issues (Kshs. Millions)		Expenditure (Kshs. Millions)		Absorption (%)		Overall Absorption(%)
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly	
Recurrent Expenditure	**7,327.99**	**796.52**	**4,681.44**	**796.41**	6,937.23	796.41	**94.67**	**100.0**	**95.2**
Compensation to Employees	4,315.99	430.28	4,216.40	331.37	4,216.40	331.37	97.69	77.0	95.8
Operations and Maintenance	3,012.00	366.24	465.04	465.04	2,720.83	465.04	90.33	127.0	94.3
Development Expenditure	4,882.73	276.53	2,849.40	159.86	2,362.54	159.86	48.39	57.8	48.9
Total	**12,210.72**	**1,073.06**	**7,530.85**	**956.28**	**9,299.77**	**956.27**	**76.16**	**89.1**	**77.2**

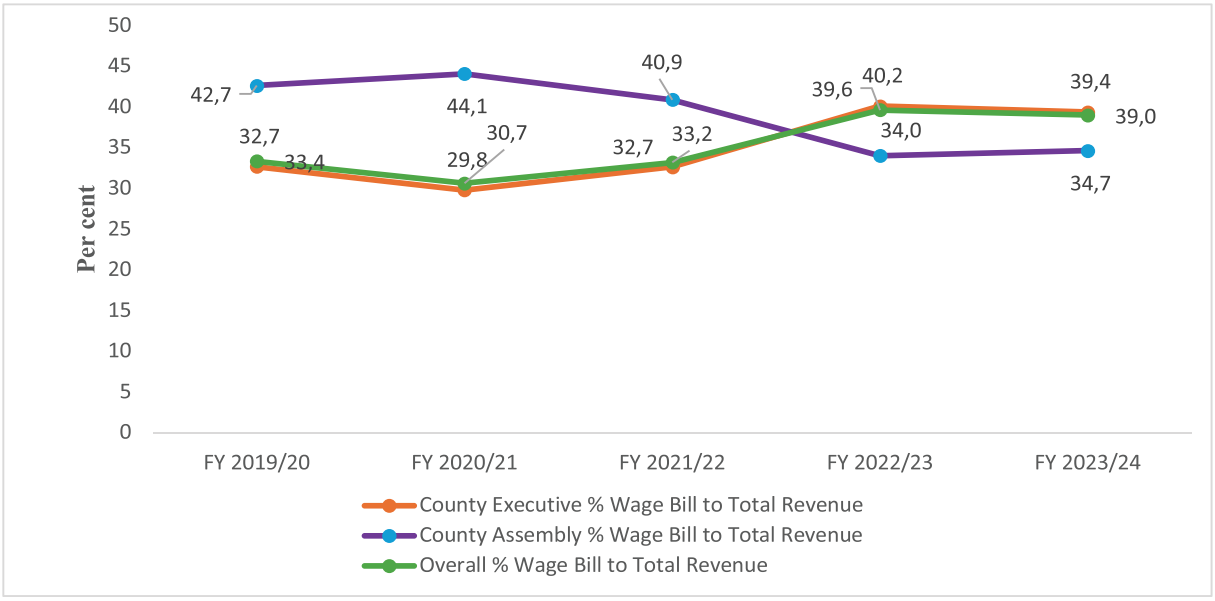
***Source**: Uasin Gishu County Treasury*

3.44.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs. 4.55 billion, or 39 per cent of the available revenue, which amounted to Kshs.11.65 billion. This expenditure represented an increase from Kshs.3.85 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.1.87 billion paid to health sector employees, translating to 41 per cent of the total wage bill.

Figure 171 shows the trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 171: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Uasin Gishu County Treasury

Further analysis indicates that PE costs amounting to Kshs.4.21 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.337.76 million was processed through manual payrolls. The manual payrolls accounted for 6.1 per cent of the total PE cost.

The County Assembly spent Kshs.31.69 million on committee sitting allowances for the 45 MCAs against the annual budget allocation of Kshs.40 million. The average monthly sitting allowance was Kshs.58,692 per MCA. The County Assembly has established 22 Committees.

3.44.8 County Emergency Fund and County-Established Funds

Section 110 of the PFM Act 2012 establishes the Emergency Fund, while Section 116 allows County governments to establish other public funds with approval from the County Executive Committee and the County Assembly. The County allocated Kshs.627.64 million to county-established funds in FY 2023/24, constituting 4.7 per cent of the County's overall budget. Further, the County allocated Kshs.116.41 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.302 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.302: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Submission of the Annual Financial Statements
County Executive Established Funds					
1	Uasin Gishu County Bursary and Skills Development Support Fund Disbursement	183,753,066	175,666,786	175,666,786	Yes
2	Uasin Gishu County Staff Mortgage and Car Loans Scheme Fund	55,000,000	55,000,000	55,000,000	Yes
3	Uasin Gishu County Education Revolving Fund	28,609,525	28,547,245	28,547,245	Yes
4	Uasin Gishu County Enterprise Development Fund	53,963,589	40,000,000	-	No
5	Uasin Gishu County Inua Biashara Fund	92,900,000	92,900,000	92,900,000	Yes
6	Uasin Gishu County Mortgage and Car Scheme Fund	97,000,000	97,000,000	97,000,000	Yes

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Submission of the Annual Financial Statements
7	Uasin Gishu County Emergency Fund	116,409,405	116,409,405	116,409,405	Yes
County Assembly Established Funds					
8	Uasin Gishu County Assembly Mortgage and Car Loans Scheme Fund	-	-	-	Yes
	Total	**627,635,585**	**605,523,436**	**565,523,436**	

Source: *Uasin Gishu County Treasury*

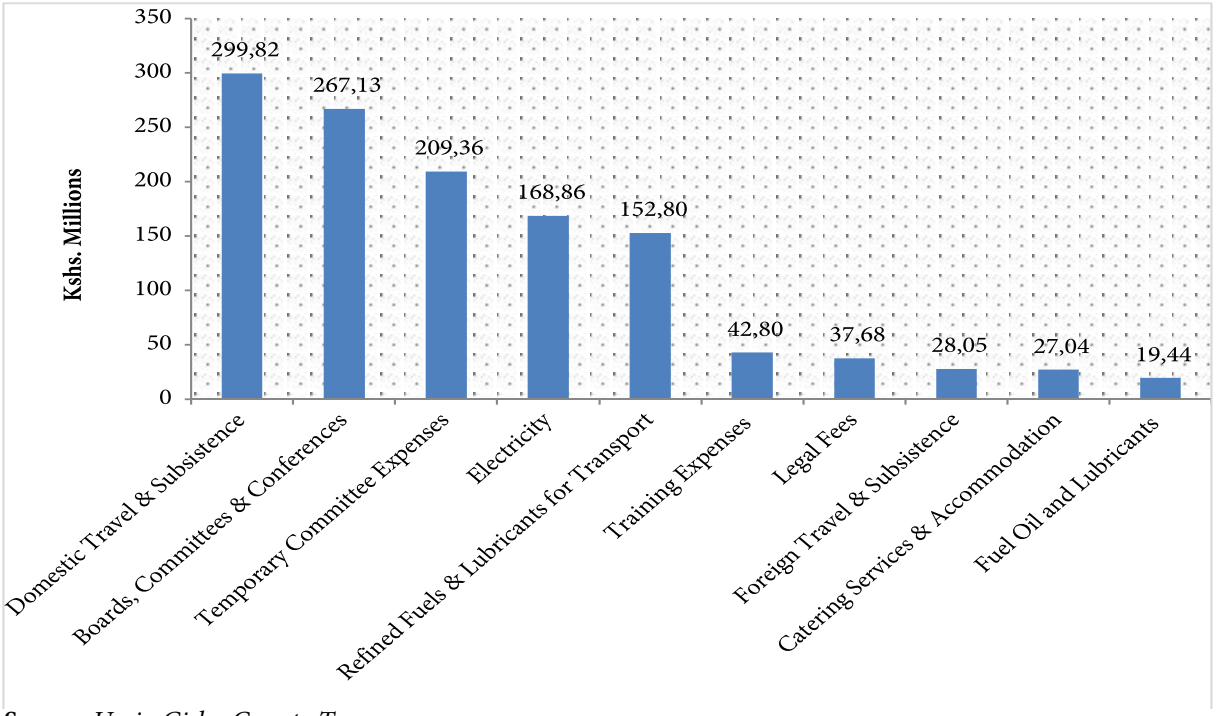
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of one fund, as indicated in Table 3.299, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.44.9 Expenditure on Operations and Maintenance

Figure 172 summarises the Operations and Maintenance expenditure by major categories.

Figure 172: Uasin Gishu County, Operations and Maintenance Expenditure by Major Categories



Source: *Uasin Gishu County Treasury*

Domestic travel expenditures amounted to Kshs.299.82 million, where Kshs.107 million was spent by the County Assembly and Kshs.192.82 million by the County Executive. Expenditure on foreign travel amounted to Kshs.28.05 million and comprised Kshs.26 million by the County Assembly and Kshs.2.05 million by the County Executive. The county assembly did not provide the breakdown of foreign travel. Expenditure on foreign travel is summarized in Table 3.303 below;-

Table 3.303: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	1	09/03/2023	To attend the Clean Energy Conference	Perth, Australia	242,976.00
County Executive	3	12/08/2023	Eastern Africa Trade Fair	Burundi	1,805,685.25

Source: Uasin Gishu County Treasury and Uasin Gishu County Assembly

The operations and maintenance costs include an expenditure of and Kshs.37.68 million on Legal fees/Dues, arbitration, and compensation payments.

3.44.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.2.52 billion on development programmes, a decrease of 27.6 per cent compared to FY 2022/23, when the County spent Kshs.3.22 billion.

The table 3.304 summarises development projects with the highest expenditure in the reporting period.

Table 3.304: Uasin Gishu County, List of Development Projects with the Highest Expenditure

Project name	Project Location	Budget Allocation F/Y 23/24 (Kshs.)	Total Amount Paid to Date (Kshs.)	Implementation %
World Bank KISIP II	Across the County	536,000,000.00	268,975,397.25	50%
County Aggregation and Industrial Park (CAIPS)	Moiben	510,000,000.00	309,886,242.00	61%
Other Capital Grants and Trans-SP Climate Change Services-Climate Change Mitigation	Countywide	233,363,692.00	15,537,705.00	7%
Proposed construction of UGDH	Moiben	170,000,000.00	26,350,805.00	16%
Other Current Transfers - Othe-Exchequer (GOK)-Ward Development Services-Administration- Agriculture, Livestock and Fisheries	Countywide	122,079,662.00	22,212,044.00	18%
Proposed Upgrading of 64 Stadium in Municipal of Eldoret.	Kiplombe (Eldoret West)	109,503,987.00	69,835,327.00	74%
Construction of Level IV hospital Kesses Phase II	Kesses	100,000,000.00	78,089,602.95	78%
Land Banking	Across the County	97,000,000.00	97,000,000.00	100%
Procurement and distribution of tools and equipment	Across wards	71,665,700.00	29,697,499.00	41%
Ziwa level V Hospital Phase II	Ziwa	62,102,519.00	49,232,009.60	79%

Source: Uasin Gishu County Treasury

3.44.11 Budget Performance by Department

Table 3.305 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.305: Uasin Gishu County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation Million (Kshs.)		Exchequer Issues Million (Kshs.)		Expenditure Million (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Governor's Office	123.33	-	116.99	-	116.99	-	100.0	-	94.9	-
Finance	813.32	-	881.45	-	781.45	-	88.7	-	96.1	-
Public Service Management	1,071.20	-	1,058.19	-	1,058.19	-	100.0	-	98.8	-
ICT and E-Government	71.72	54.67	46.85	59.17	46.85	49.06	100.0	82.9	65.3	89.7

Department	Budget Allocation Million (Kshs.)		Exchequer Issues Million (Kshs.)		Expenditure Million (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Roads, Transport and Infrastructure	656.09	810.77	575.88	524.05	575.88	434.50	100.0	82.9	87.8	53.6
Health Services	2,175.29	532.32	2,163.26	389.78	2,063.26	323.18	95.4	82.9	94.8	60.7
Agriculture, Livestock and Fisheries	330.36	189.79	314.04	86.62	314.04	71.82	100.0	82.9	95.1	37.8
Trade, Cooperatives, Tourism, Wildlife	68.14	608.18	67.42	399.49	67.42	331.23	100.0	82.9	98.9	54.5
Education, Social, Cultural, Youths and Sports	705.83	122.59	696.54	58.98	701.74	48.91	100.7	82.9	99.4	39.9
County Public Service Board	73.79	-	70.79	-	70.79	-	100.0	-	95.9	-
Economic Planning	157.42	-	147.35	-	147.35	-	100.0	-	93.6	-
Administration and Devolution	147.60	267.19	140.65	84.47	140.65	70.04	100.0	82.9	95.3	26.2
Youth Sports and Development	126.33	120.48	133.93	84.64	123.93	70.18	92.5	82.9	98.1	58.3
Co-operatives and Enterprise Development	61.06	44.48	43.88	53.65	43.88	44.48	100.0	82.9	71.9	100.0
Livestock Development and Fisheries	55.03	100.30	47.54	40.35	47.54	33.46	100.0	82.9	86.4	33.4
Eldoret Municipality	117.26	113.51	98.86	89.05	98.86	73.84	100.0	82.9	84.3	65.0
Promotive and Preventive Health	58.57	40.59	53.51	-	53.51	-	100.0	-	91.4	-
Energy Environment Climate Change and Natural Resources	30.18	337.80	24.51	124.22	24.51	102.99	100.0	82.9	81.2	30.5
Partnership Liason and Linkages	68.55	-	64.86	-	64.86	-	100.0	-	94.6	-
Gender Social Protection and Culture	81.38	51.31	69.99	46.52	78.59	38.57	112.3	82.9	96.6	75.2
Housing and Urban Development	55.25	667.05	49.51	400.94	49.51	332.44	100.0	82.9	89.6	49.8
Lands and Physical Planning	74.47	321.21	71.19	166.05	71.19	137.68	100.0	82.9	95.6	42.9
Water, Irrigation and Sanitation	174.08	500.49	166.79	241.41	166.79	200.16	100.0	82.9	95.8	40.0
County Attorney	31.73	-	29.45	-	29.45	-	100.0	-	92.8	-
County Assembly	796.52	279.38	896.39	796.41	796.39	159.86	88.8	20.1	100.0	57.2
TOTALS	**8,124.51**	**5,162.11**	**8,029.81**	**3,645.81**	**7,733.61**	**2,522.40**	**96.3**	**69.2**	**95.2**	**48.9**

***Source**: Uasin Gishu County Treasury*

Analysis of expenditure by departments shows that the Department of Co-operatives and Enterprise Development recorded the highest absorption rate of development budget at 100 per cent, followed by the Department of ICT and E-Government at 89.7 per cent. The Department of Trade, Cooperatives, Tourism and Wildlife had the highest percentage of recurrent expenditure to budget at Budget Execution by Programmes and Sub-Programmes

Table 3.306 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.306: Uasin Gishu County, Budget Execution by Programmes and Sub-Programmes

			Revised Estimates			Expenditure			Absorption Rate (%)	
Program	Sub Program	Description	Recurrent	Development	Gross	Recurrent	Development	Total	Recurrent Expenditure	Development Expenditure
4311-Uasin Gishu - Governor's Office										
110004311			123,334,200.00	-	123,334,200.00	116,985,603.90	-	116,985,603.90	95	-
	110014310	SP1.1 Administrative support services	123,334,200.00	-	123,334,200.00	116,985,603.90	-	116,985,603.90	95	-
		Grand Total	123,334,200.00	-	123,334,200.00	116,985,603.90	-	116,985,603.90	95	-
4312-Uasin Gishu - Finance										
701004312			811,324,175.00	-	811,324,175.00	780,008,240.40	-	780,008,240.40	96	-
	701054310	internal audit services	9,849,431.00	-	9,849,431.00	9,054,727.50	-	9,054,727.50	92	-
	701034310	Accounts services	22,940,269.00	-	22,940,269.00	22,183,220.00	-	22,183,220.00	97	-
	701014310	Finance services	773,884,475.00	-	773,884,475.00	744,504,392.90	-	744,504,392.90	96	-
	701044310	Procurement and supply services	4,650,000.00	-	4,650,000.00	4,265,900.00	-	4,265,900.00	92	-
709004312			2,000,000.00	-	2,000,000.00	1,438,088.00	-	1,438,088.00	72	-
	709014310	Kenya Devoluion Support	2,000,000.00	-	2,000,000.00	1,438,088.00	-	1,438,088.00	72	-
		Grand Total	813,324,175.00	-	813,324,175.00	781,446,328.40	-	781,446,328.40	96	-
4314-Uasin Gishu - ICT and E-Government										
201004314			-	54,669,444.00	54,669,444.00	-	49,062,911.80	49,062,911.80	-	-
	201034310	Staff Online Management System (Online Help Desk System)	-	54,669,444.00	54,669,444.00	-	49,062,911.80	49,062,911.80	-	90
216004314			71,724,500.00	-	71,724,500.00	46,845,647.20	-	46,845,647.20	-	-
	216014310	SP ICT Services	71,724,500.00	-	71,724,500.00	46,845,647.20	-	46,845,647.20	65	-
		Grand Total	**71,724,500.00**	**54,669,444.00**	**126,393,944.00**	**46,845,647.20**	**49,062,911.80**	**95,908,559.00**	**65**	**90**
4315-Uasin Gishu - Roads, Transport and Infrastructure										
204004315			655,437,439.00	122,956,373.00	778,393,812.00	575,783,193.30	74,405,519.95	650,188,713.25	88	61
	204064310	Bridges and Foot Bridge	-	-	-	-	2,794,674.90	2,794,674.90	-	-
	204014310	Capital roads investments	655,437,439.00	122,956,373.00	778,393,812.00	575,783,193.30	71,610,845.05	647,394,038.35	88	58
208004315			-	11,528,975.00	11,528,975.00	-	4,972,860.00	4,972,860.00	-	43
	208014310	SP1 Safety and Emergency	-	11,528,975.00	11,528,975.00	-	4,972,860.00	4,972,860.00	-	43
209004315			-	6,000,000.00	6,000,000.00	-	-	-	-	-
	209014310	Street Lighting	-	6,000,000.00	6,000,000.00	-	-	-	-	-
214004315			650,000.00	-	650,000.00	100,000.00	-	100,000.00	15	-
	214014310	SP Energy Services	650,000.00	-	650,000.00	100,000.00	-	100,000.00	15	-
707004315			-	670,281,855.00	670,281,855.00	-	355,126,462.35	355,126,462.35	-	53
	707014310	Ward Development Services	-	670,281,855.00	670,281,855.00	-	355,126,462.35	355,126,462.35	-	53
		Grand Total	656,087,439.00	810,767,203.00	1,466,854,642.00	575,883,193.30	434,504,842.30	1,010,388,035.60	88	54

			Revised Estimates			Expenditure			Absorption Rate (%)	
Program	Sub Program	Description	Recurrent	Development	Gross	Recurrent	Development	Total	Recurrent Expenditure	Development Expenditure
4318-Uasin Gishu - Health Services										
406004318			-	10,000,000.00	10,000,000.00	-	-	-	-	-
	406024310	Reproductive maternal, neonatal, child and adolescent health (RMN	-	10,000,000.00	10,000,000.00	-	-	-	-	-
407004318			-	468,722,065.00	468,722,065.00	-	317,480,091.75	317,480,091.75	-	68
	407014310	Specialized Health Care Services	-	160,000,000.00	160,000,000.00	-	49,232,009.60	49,232,009.60	-	31
	407024310	Health Services	-	308,722,065.00	308,722,065.00	-	268,248,082.15	268,248,082.15	-	87
504004318			2,175,291,089.00	-	2,175,291,089.00	2,063,256,655.15	-	2,063,256,655.15	95	-
	504014310	Administration And Support Services	2,175,291,089.00	-	2,175,291,089.00	2,063,256,655.15	-	2,063,256,655.15	95	-
707004318			-	53,600,000.00	53,600,000.00	-	5,699,500.00	5,699,500.00	-	11
	707014310	Ward Development Services	-	53,600,000.00	53,600,000.00	-	5,699,500.00	5,699,500.00	-	11
		Grand Total	2,175,291,089.00	532,322,065.00	2,707,613,154.00	2,063,256,655.15	323,179,591.75	2,386,436,246.90	95	61
4319-Uasin Gishu - Agriculture, Livestock and Fisheries										
118004319			330,364,945.00	175,988,763.00	506,353,708.00	314,044,239.60	68,367,320.15	382,411,559.75	95	39
	118104310	Crop Specialization and Diversification	-	10,721,314.00	10,721,314.00	-	5,399,900.00	5,399,900.00	-	50
	118044310	Crop Pest and Disease Control Services	-	5,000,000.00	5,000,000.00	-	3,000,000.00	3,000,000.00	-	60
	118064310	Climate-smart Agriculture	-	10,212,611.00	10,212,611.00	-	10,028,385.50	10,028,385.50	-	98
	118024310	Capacity Building for Farmers	-	122,079,662.00	122,079,662.00	-	22,212,044.15	22,212,044.15	-	18
	118114310	Agricultural Mechanization Services	-	4,375,100.00	4,375,100.00	-	4,225,300.00	4,225,300.00	-	97
	118034310	SP Post-harvest Management Services	330,364,945.00	23,600,076.00	353,965,021.00	314,044,239.60	23,501,690.50	337,545,930.10	95	100
707004319			-	13,800,000.00	13,800,000.00	-	3,454,764.00	3,454,764.00	-	25
	707014310	Ward Development Services	-	13,800,000.00	13,800,000.00	-	3,454,764.00	3,454,764.00	-	25
		Grand Total	330,364,945.00	189,788,763.00	520,153,708.00	314,044,239.60	71,822,084.15	385,866,323.75	95	38
4320-Uasin Gishu - Trade, Cooperatives, Tourism, Wildlife										
110004320			63,137,410.00	-	63,137,410.00	62,425,452.30	-	62,425,452.30	99	-
	110014310	SP1.1 Administrative support services	63,137,410.00	-	63,137,410.00	62,425,452.30	-	62,425,452.30	99	-
301004320			-	515,448,253.00	515,448,253.00	-	255,845,217.40	255,845,217.40	-	50

			Revised Estimates			Expenditure			Absorption Rate (%)	
Program	Sub Program	Description	Recurrent	Development	Gross	Recurrent	Development	Total	Recurrent Expenditure	Development Expenditure
	301014310	Ultra-modern Wholesale market with cold storage go-down	-	5,448,253.00	5,448,253.00	-	5,352,468.40	5,352,468.40	-	98
	301044310	Development of wayside Trading Centres	-	510,000,000.00	510,000,000.00	-	250,492,749.00	250,492,749.00	-	49
308004320			5,000,000.00	-	5,000,000.00	4,994,700.00	-	4,994,700.00	100	-
	308014310	Tourism Development Services	5,000,000.00	-	5,000,000.00	4,994,700.00	-	4,994,700.00	100	-
311004320			-	6,280,032.00	6,280,032.00	-	2,815,852.00	2,815,852.00	-	45
	311014310	Tourism Promotion and Marketing	-	6,280,032.00	6,280,032.00	-	2,815,852.00	2,815,852.00	-	45
707004320			-	86,450,000.00	86,450,000.00	-	72,570,225.00	72,570,225.00	-	84
	707014310	Ward Development Services	-	86,450,000.00	86,450,000.00	-	72,570,225.00	72,570,225.00	-	84
		Grand Total	68,137,410.00	331,646,158.00	676,315,695.00	67,420,152.30	331,231,294.40	398,651,446.70	99	100
4321-Uasin Gishu - Education, Social, Cultural, Youths and Sports										
202004321			705,830,581.00	-	705,830,581.00	701,742,656.10	-	701,742,656.10	99	-
	202044310	Administrative and Support Services	705,830,581.00	-	705,830,581.00	701,742,656.10	-	701,742,656.10	99	-
505004321			-	1,000,000.00	1,000,000.00	-	-	-	-	-
	505014310	ECDE Infrastructure	-	1,000,000.00	1,000,000.00	-	-	-	-	-
507004321			-	6,964,366.00	6,964,366.00	-	11,624,196.65	11,624,196.65	-	167
	507014310	Cultural Preservation and Development Services	-	6,964,366.00	6,964,366.00	-	11,624,196.65	11,624,196.65	-	167
510004321			-	27,030,281.00	27,030,281.00	-	37,282,094.35	37,282,094.35	-	138
	510014310	SP Vocational Training Services	-	27,030,281.00	27,030,281.00	-	37,282,094.35	37,282,094.35	-	138
707004321			-	87,600,000.00	87,600,000.00	-	-	-	-	-
	707014310	Ward Development Services	-	87,600,000.00	87,600,000.00	-	-	-	-	-
		Grand Total	705,830,581.00	122,594,647.00	828,425,228.00	701,742,656.10	48,906,291.00	750,648,947.10	99	40
4322-Uasin Gishu - County Public Service Board										
110004322			73,789,376.00	-	73,789,376.00	70,787,671.45	-	70,787,671.45	96	-
	110014310	SP1.1 Administrative support services	73,789,376.00	-	73,789,376.00	70,787,671.45	-	70,787,671.45	96	-
		Grand Total	73,789,376.00	-	73,789,376.00	70,787,671.45	-	70,787,671.45	96	-
4323-Uasin Gishu - County Assembly										
	0	Default - Non Programmatic	-	-	-	211,522,212.00	-	211,522,212.00	-	-
702004323			796,524,510.00	276,532,127.00	1,073,056,637.00	479,482,440.90	226,447,670.95	705,930,111.85	60	82

			Revised Estimates			Expenditure			Absorption Rate (%)	
Program	Sub Program	Description	Recurrent	Development	Gross	Recurrent	Development	Total	Recurrent Expenditure	Development Expenditure
	702024310	Central planning and M&E services	796,524,510.00	276,532,127.00	1,073,056,637.00	479,482,440.90	226,447,670.95	705,930,111.85	60	82
		Grand Total	796,524,510.00	276,532,127.00	1,073,056,637.00	691,004,652.90	226,447,670.95	917,452,323.85	87	82
4324-Uasin Gishu -Economic Planning										
702004324			147,416,517.00	-	147,416,517.00	138,030,343.20	-	138,030,343.20	94	-
	702014310	Budget and Economic Affairs services	114,456,187.00	-	114,456,187.00	105,089,473.20	-	105,089,473.20	92	-
	702024310	Central planning and M&E services	32,960,330.00	-	32,960,330.00	32,940,870.00	-	32,940,870.00	100	-
709004324			10,000,000.00	-	10,000,000.00	9,314,725.00	-	9,314,725.00	93	-
	709014310	Kenya Devoluion Support	10,000,000.00	-	10,000,000.00	9,314,725.00	-	9,314,725.00	93	-
		Grand Total	157,416,517.00	-	157,416,517.00	147,345,068.20	-	147,345,068.20	94	-
4325-Administration and Devolution										
105004325			-	74,085,740.00	74,085,740.00	-	70,036,765.00	70,036,765.00	-	95
	105014310	Office Accommodation	-	74,085,740.00	74,085,740.00	-	70,036,765.00	70,036,765.00	-	95
110004325			147,602,734.00	-	147,602,734.00	140,652,334.30	-	140,652,334.30	95	-
	110014310	SP1.1 Administrative support services	147,602,734.00	-	147,602,734.00	140,652,334.30	-	140,652,334.30	95	-
703004325			-	193,104,244.00	193,104,244.00	-	-	-	-	-
	703024310	Employee support services	-	193,104,244.00	193,104,244.00	-	-	-	-	-
		Grand Total	147,602,734.00	267,189,984.00	414,792,718.00	140,652,334.30	70,036,765.00	210,689,099.30	95	26
4326-Youth and Sports Development										
503004326			-	29,000,000.00	29,000,000.00	-	29,000,000.00	29,000,000.00	-	100
	503014310	Sports facilities	-	29,000,000.00	29,000,000.00	-	29,000,000.00	29,000,000.00	-	100
513004326			102,374,155.00	7,127,339.00	109,501,494.00	100,068,306.85	4,199,170.00	104,267,476.85	98	59
	513014310	SP Youth Empowerment	-	7,127,339.00	7,127,339.00	-	4,199,170.00	4,199,170.00	-	59
	513024310	SP Youth Development	102,374,155.00	-	102,374,155.00	100,068,306.85	-	100,068,306.85	98	-
514004326			23,951,673.00	-	23,951,673.00	23,864,820.00	-	23,864,820.00	100	-
	514024310	SPSports Activities	23,951,673.00	-	23,951,673.00	23,864,820.00	-	23,864,820.00	100	-
707004326			-	84,350,000.00	84,350,000.00	-	36,982,629.00	36,982,629.00	-	44
	707014310	Ward Development Services	-	84,350,000.00	84,350,000.00	-	36,982,629.00	36,982,629.00	-	44
		Grand Total	126,325,828.00	120,477,339.00	246,803,167.00	123,933,126.85	70,181,799.00	194,114,925.85	98	58
4327-Uasin Gishu-Co-operatives and Enterprise Development										
305004327			46,577,998.00	-	46,577,998.00	34,141,870.55	-	34,141,870.55	73	-
	305014310	Standard weighbridge	46,577,998.00	-	46,577,998.00	34,141,870.55	-	34,141,870.55	73	-
312004327			14,484,149.00	34,479,440.00	48,963,589.00	9,739,850.00	34,479,440.00	44,219,290.00	67	100
	312034310	SP Cooperative Credit	14,484,149.00	34,479,440.00	48,963,589.00	9,739,850.00	34,479,440.00	44,219,290.00	67	100

			Revised Estimates			Expenditure			Absorption Rate (%)	
Program	Sub Program	Description	Recurrent	Development	Gross	Recurrent	Development	Total	Recurrent Expenditure	Development Expenditure
707004327			-	10,000,000.00	10,000,000.00	-	10,000,000.00	10,000,000.00	-	100
	707014310	Ward Development Services	-	10,000,000.00	10,000,000.00	-	10,000,000.00	10,000,000.00	-	100
		Grand Total	61,062,147.00	44,479,440.00	105,541,587.00	43,881,720.55	44,479,440.00	88,361,160.55	72	100
4329-Uasin Gishu - Livestock Development and Fisheries										
104004329			-	4,000,000.00	4,000,000.00	-	300,000.00	300,000.00	-	8
	104074310	Value Addition and Marketing	-	4,000,000.00	4,000,000.00	-	300,000.00	300,000.00	-	8
110004329			55,030,313.00	-	55,030,313.00	47,541,604.30	-	47,541,604.30	86	-
	110014310	SP1.1 Administrative support services	55,030,313.00	-	55,030,313.00	47,541,604.30	-	47,541,604.30	86	0
119004329			-	29,207,133.00	29,207,133.00	-	9,151,970.00	9,151,970.00	-	31
	119044310	Livestock Development Services	-	12,580,000.00	12,580,000.00	-	-	-	-	-
	119064310	Livestock Disease Control	-	13,000,000.00	13,000,000.00	-	8,499,770.00	8,499,770.00	-	65
	119034310	Value Addition and Marketing Services	-	1,150,000.00	1,150,000.00	-	-	-	-	-
	119054310	Livestock Diversification	-	2,477,133.00	2,477,133.00	-	652,200.00	652,200.00	-	26
120004329			-	862,867.00	862,867.00	-	-	-	-	-
	120014310	Fisheries Production Services	-	862,867.00	862,867.00	-	-	-	-	0
707004329			-	66,226,425.00	66,226,425.00	-	24,003,723.00	24,003,723.00	-	36
	707014310	Ward Development Services	-	66,226,425.00	66,226,425.00	-	24,003,723.00	24,003,723.00	-	36
		Grand Total	55,030,313.00	100,296,425.00	155,326,738.00	47,541,604.30	33,455,693.00	80,997,297.30	86	33
4331-Uasin Gishu - Eldoret Municipality										
110004331			117,261,567.00	-	117,261,567.00	98,855,538.60	-	98,855,538.60	84	-
	110014310	SP1.1 Administrative support services	117,261,567.00	-	117,261,567.00	98,855,538.60	-	98,855,538.60	84	-
123004331			-	6,952,727.00	6,952,727.00	-	4,073,600.00	4,073,600.00	-	59
	123014310	SP Urban Development and Management Services	-	6,952,727.00	6,952,727.00	-	4,073,600.00	4,073,600.00	-	59
204004331			-	106,556,260.00	106,556,260.00	-	69,761,727.00	69,761,727.00	-	65
	204014310	Capital roads investments	-	106,556,260.00	106,556,260.00	-	69,761,727.00	69,761,727.00	-	65
		Grand Total	117,261,567.00	113,508,987.00	230,770,554.00	98,855,538.60	73,835,327.00	172,690,865.60	84	65
4332-Uasin Gishu - Promotive and Preventive Health										
407004332			-	40,592,204.00	40,592,204.00	-	-	-	-	-
	407024310	Health Services	-	40,592,204.00	40,592,204.00	-	-	-	-	-

			Revised Estimates			Expenditure			Absorption Rate (%)	
Program	Sub Program	Description	Recurrent	Development	Gross	Recurrent	Development	Total	Recurrent Expenditure	Development Expenditure
504004332			58,570,000.00	-	58,570,000.00	53,512,345.45	-	53,512,345.45	91	-
	504014310	Administration And Support Services	58,570,000.00	-	58,570,000.00	53,512,345.45	-	53,512,345.45	91	-
		Grand Total	58,570,000.00	40,592,204.00	99,162,204.00	53,512,345.45	0	53,512,345.45	91	-
4333-Uasin Gishu - Energy Environment Climate Change and Natural Resources										
214004333			-	65,440,008.00	65,440,008.00	-	46,236,983.00	46,236,983.00	-	71
	214014310	SP Energy Services	-	65,440,008.00	65,440,008.00	-	46,236,983.00	46,236,983.00	-	71
215004333			17,598,659.00	263,364,692.00	280,963,351.00	14,775,306.20	43,393,450.00	58,168,756.20	84	16
	215014310	SP Environmental Conservation Services	0	1,000.00	1,000.00	-	11,332,290.00	11,332,290.00	-	1133229
	215054310	SP Afforestation, Re-Afforestation and Agroforestry	-	30,000,000.00	30,000,000.00	-	29,884,980.00	29,884,980.00	-	100
	215044310	SP Climate Change Services	17,598,659.00	233,363,692.00	250,962,351.00	14,775,306.20	2,176,180.00	16,951,486.20	84	1
504004333			12,581,341.00	-	12,581,341.00	9,739,305.00	-	9,739,305.00	77	-
	504014310	Administration And Support Services	12,581,341.00	-	12,581,341.00	9,739,305.00	-	9,739,305.00	77	-
707004333			-	9,000,000.00	9,000,000.00	-	13,361,525.00	13,361,525.00	-	148
	707014310	Ward Development Services	-	9,000,000.00	9,000,000.00	-	13,361,525.00	13,361,525.00	-	148
		Grand Total	30,180,000.00	337,804,700.00	367,984,700.00	24,514,611.20	102,991,958.00	127,506,569.20	81	30
4334-Uasin Gishu - Partnership Liason and Linkages										
114004334			68,550,000.00	-	68,550,000.00	64,857,192.00	-	64,857,192.00	95	-
	114014310	SP Partnership, liaisons and Linkages	68,550,000.00	-	68,550,000.00	64,857,192.00	-	64,857,192.00	95	-
		Grand Total	68,550,000.00	-	68,550,000.00	64,857,192.00	-	64,857,192.00	95	-
4335-Uasin Gishu - Gender Social Protection and Culture										
110004335			35,270,000.00	-	35,270,000.00	33,846,019.65	-	33,846,019.65	96	-
	110014310	SP1.1 Administrative support services	35,270,000.00	-	35,270,000.00	33,846,019.65	-	33,846,019.65	96	-
506004335			-	23,480,000.00	23,480,000.00	-	23,479,995.00	23,479,995.00	-	100
	506014310	Social Welfare and Community Development	-	23,480,000.00	23,480,000.00	-	23,479,995.00	23,479,995.00	-	100
511004335			36,800,000.00	3,110,252.00	39,910,252.00	36,133,500.00	1,134,500.00	37,268,000.00	98	36
	511014310	SP Culture and Heritage Services	36,800,000.00	3,110,252.00	39,910,252.00	36,133,500.00	1,134,500.00	37,268,000.00	98	36
512004335			9,307,200.00	20,000.00	9,327,200.00	8,614,590.00	-	8,614,590.00	93	-
	512044310	SP Gender Mainstreaming	4,800,000.00	-	4,800,000.00	4,849,560.00	-	4,849,560.00	101	-

			Revised Estimates			Expenditure			Absorption Rate (%)	
Program	Sub Program	Description	Recurrent	Development	Gross	Recurrent	Development	Total	Recurrent Expenditure	Development Expenditure
	512024310	SP Social Protection & Safety Nets	4,507,200.00	20,000.00	4,527,200.00	3,765,030.00	-	3,765,030.00	84	-
707004335			-	24,700,000.00	24,700,000.00	-	13,954,906.00	13,954,906.00	-	56
	707014310	Ward Development Services	-	24,700,000.00	24,700,000.00	-	13,954,906.00	13,954,906.00	-	56
		Grand Total	81,377,200.00	51,310,252.00	132,687,452.00	78,594,109.65	38,569,401.00	117,163,510.65	97	75
4336-Uasin Gishu - Housing and Urban Development										
122004336			2,982,308.00	44,594,520.00	47,576,828.00	1,806,040.00	33,094,520.00	34,900,560.00	61	74
	122014310	SP Housing Development Services	2,982,308.00	44,594,520.00	47,576,828.00	1,806,040.00	33,094,520.00	34,900,560.00	61	74
123004336			8,938,502.00	619,951,104.00	628,889,606.00	6,727,770.00	299,340,797.25	306,068,567.25	75	48
	123014310	SP Urban Development and Management Services	8,938,502.00	619,951,104.00	628,889,606.00	6,727,770.00	299,340,797.25	306,068,567.25	75	48
306004336			38,329,247.00	-	38,329,247.00	35,978,827.55	-	35,978,827.55	94	-
	306014310	Administration And Support Services	38,329,247.00	-	38,329,247.00	35,978,827.55	-	35,978,827.55	94	-
707004336			5,000,000.00	2,500,000.00	7,500,000.00	5,000,000.00	-	5,000,000.00	100	-
	707014310	Ward Development Services	5,000,000.00	2,500,000.00	7,500,000.00	5,000,000.00	-	5,000,000.00	100	-
		Grand Total	55,250,057.00	667,045,624.00	722,295,681.00	49,512,637.55	332,435,317.25	381,947,954.80	90	50
4337-Uasin Gishu - Lands and Physical Planning										
121004337			-	10,870,506.00	10,870,506.00	-	5,933,354.00	5,933,354.00	-	55
	121014310	Physical Planning Services	-	10,870,506.00	10,870,506.00	-	5,933,354.00	5,933,354.00	-	55
124004337			74,473,755.00	244,187,174.00	318,660,929.00	71,191,938.75	123,748,065.00	194,940,003.75	96	51
	124024310	Survey Services	0	15,187,174.00	15,187,174.00	0	3,998,065.00	3,998,065.00	-	26
	124014310	SP Land Management and Administration Services	74,473,755.00	229,000,000.00	303,473,755.00	71,191,938.75	119,750,000.00	190,941,938.75	96	52
707004337			-	66,150,000.00	66,150,000.00	-	8,000,000.00	8,000,000.00	-	12
	707014310	Ward Development Services	-	66,150,000.00	66,150,000.00	-	8,000,000.00	8,000,000.00	-	12
		Grand Total	74,473,755.00	321,207,680.00	395,681,435.00	71,191,938.75	137,681,419.00	208,873,357.75	96	43
4338-Uasin Gishu - Water, Irrigation and Sanitation										
707004338			-	341,325,964.00	341,325,964.00	-	154,025,272.50	154,025,272.50	-	45
	707014310	Ward Development Services	-	341,325,964.00	341,325,964.00	-	154,025,272.50	154,025,272.50	-	45
901004338			174,077,746.00	-	174,077,746.00	166,794,031.00	-	166,794,031.00	96	-
	901014310	Drilling of boreholes	174,077,746.00	-	174,077,746.00	166,794,031.00	-	166,794,031.00	96	-

			Revised Estimates			Expenditure			Absorption Rate (%)	
Program	Sub Program	Description	Recurrent	Development	Gross	Recurrent	Development	Total	Recurrent Expenditure	Development Expenditure
1001004338			-	159,167,553.00	159,167,553.00	-	46,136,867.50	46,136,867.50	-	29
	1001014310	Water Supply Development	-	159,167,553.00	159,167,553.00	-	46,136,867.50	46,136,867.50	-	29
		Grand Total	448,756,662.00	500,493,517.00	674,571,263.00	166,794,031.00	200,162,140.00	366,956,171.00	37	40
County Assembly										
	General administration, planning and support services	General administration, planning and support services	796,517,310	279,382,018	941,994,160	-	796,385,317	159,864,802	20.1	-
4339-Uasin Gishu - County Attorney										
115004339			31,725,857.00	-	31,725,857.00	29,445,737.00	-	29,445,737.00	93	-
	115014310	SP Legal Services	31,725,857.00	-	31,725,857.00	29,445,737.00	-	29,445,737.00	93	-
		Grand Total	31,725,857.00	-	31,725,857.00	29,445,737.00	-	29,445,737.00	93	-
		Grand Total	**8,124,508,172.00**	**5,162,108,577.00**	**13,286,616,749.00**	**7,733,614,786.00**	**2,522,401,076.00**	**10,256,015,862.00**	**95**	**49**

***Source**: Uasin Gishu County Treasury*

Analysis of expenditure- by Department shows that the Department of Promotive and Preventive Health recorded the highest absorption rate of development budget at 100 per cent, followed by the Department of Sports, Youth Development at 98 per cent. The County Assembly and the Department of Education and Vocational Training had the highest percentage of recurrent expenditure to budget at 100 per cent. In contrast, the Department of Energy, Environment, Climate Change and Natural Resources had the lowest at 61.1 per cent.

Expenditure on enviromental conservation services sub-programme was above approved budget and should be investigated and appropriate action taken by the County Treasury.

Overall, the County's expenditure exceeded the exchequer issues. This is attributed to the country's spending part of the Kshs.603.91 million unspent cash balance in the Special Purposes Account from the previous financial year 202/23, which was not swiped into the County's CRF account.

3.44.12 Accounts Operated Commercial Banks

The County government operated 20 accounts with commercial banks. 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.

3.44.13 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;

1. 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 August 5th.
2. High wage bills accounted for 39 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided by law.
3. Use of manual payroll. Personnel emoluments amounting to Kshs.335.67 million were processed through manual payroll, accounting for 6.1 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.
4. 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.

5. Low expenditure on development programmes which was 29.6 per cent of total expenditure.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *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.*
3. *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.*
4. *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.*
5. *The County should ensure expenditure on development programmes is within the provision of the law.*

3.45. County Government of Vihiga

3.45.1 Overview of FY 2023/24 Budget

The County's approved second supplementary budget for FY 2023/24 was Kshs.6.68 billion, comprising Kshs.2.20 billion (32per cent) and Kshs.4.48 billion (67.1 per cent) allocation for development and recurrent programmes, respectively. The approved second supplementary budget estimates represented an increase/ decrease of 1.6 per cent compared to the previous financial year when it was Kshs.6.57 billion and comprised of Kshs.2.10 billion towards development expenditure and Kshs.4.47 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.5.27 billion (78.8 per cent) as the equitable share of revenue raised nationally, Kshs.761.82 million as additional allocations/conditional grants, a cash balance of Kshs.350.44 million (5.2 per cent) brought forward from FY 2022/23, and generate Kshs.300.55 million (3.7 per cent) as gross own source revenue. The own source revenue includes Kshs.52.47 million (0.8 per cent) as Appropriations-in-Aid (A-I-A)/ Facility Improvement Fund (revenue from health facilities) and Kshs.248.08 million (3.7 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.307.

3.45.2 Revenue Performance

In the FY 2023/24, the County received Kshs.4.85 billion as an equitable share of the revenue raised nationally, Kshs.387.8 million as additional allocations/conditional grants, a cash balance of Kshs.350.44 million from FY 2022/23 and raised Kshs.338.06 million as own-source revenue (OSR). The raised OSR includes Kshs.171.75 million as A-I-A/FIF and Kshs.166.31 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.5.57 billion, as shown in Table 3.307.

Table 3.307: Vihiga County, Revenue Performance in the FY 2023/24

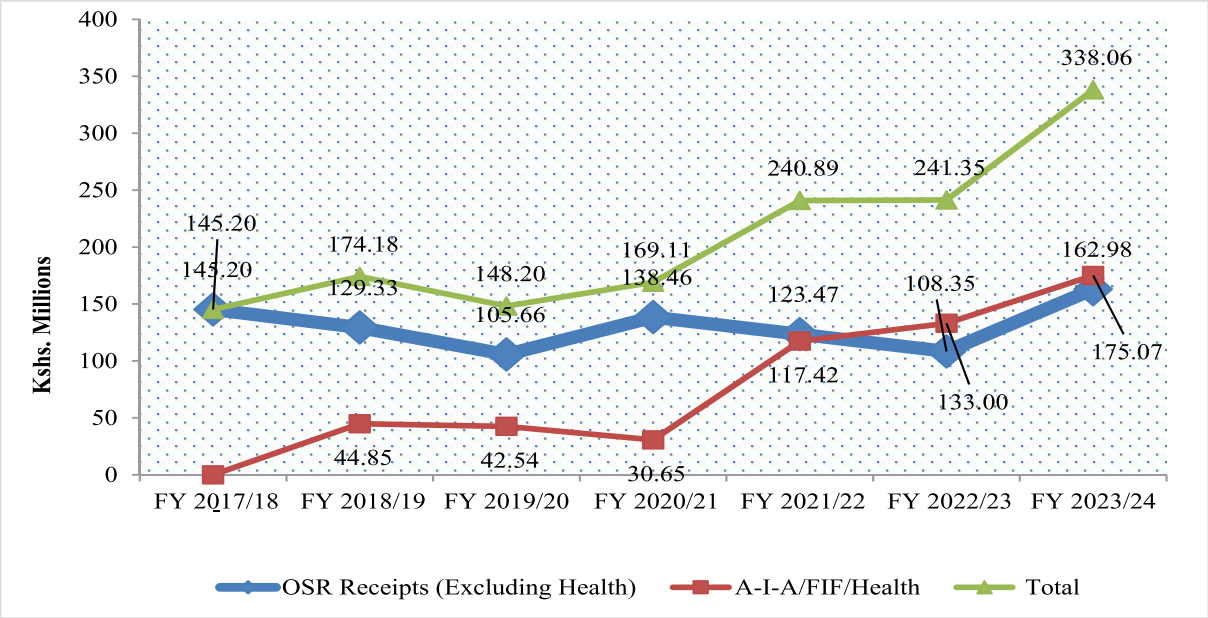
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	5,267,026,885	4,845,664,732	92
Subtotal		**5,267,026,885**	**4,845,664,732**	**92**

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
B	**Additional Allocations/Conditional Grants**			
1	Leasing of Medical Equipment	124,723,404	-	-
2	DANIDA	22,812,439	8,489,250	37.2
3	Transforming Health Systems for Universal Care Project(THS)	521	-	-
4	NARIGP	93,531,672	1,891,959	2
5	Provision for Fertilizer Subsidy Programme	97,662,444	-	-
6	NAVCDP	200,000,000	195,112,952	97.6
7	ASDSP II	6,839,704	990,847	14.5
8	Livestock Value Chain Support Project	14,323,680	-	-
9	KDSP	8,442,092	-	-
10	KUSP-UDG	1,194,955	-	-
11	Nutritional International	18,529,528	7,500,000	40.5
12	FLLoCA	173,765,059	173,765,060	100
Subtotal		**761,825,498**	**387,750,068**	**50.9**
C	**Own Source Revenue**			
13	Ordinary Own Source Revenue	248,083,481	166,311,404	67
14	Appropriation in Aid (A-I-A)/FIF	52,465,973	171,745,774	327.3
Subtotal		**300,549,454**	**338,057,178**	
D	**Other Sources of Revenue**			
15	Unspent balance from FY 2022/23	350,442,968	-	-
Sub Total		**350,442,968**	-	-
Grand Total		**6,679,844,805**	**5,571,471,978**	**83.4**

Source: *Vihiga County Treasury*

Figure 173 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 173: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24

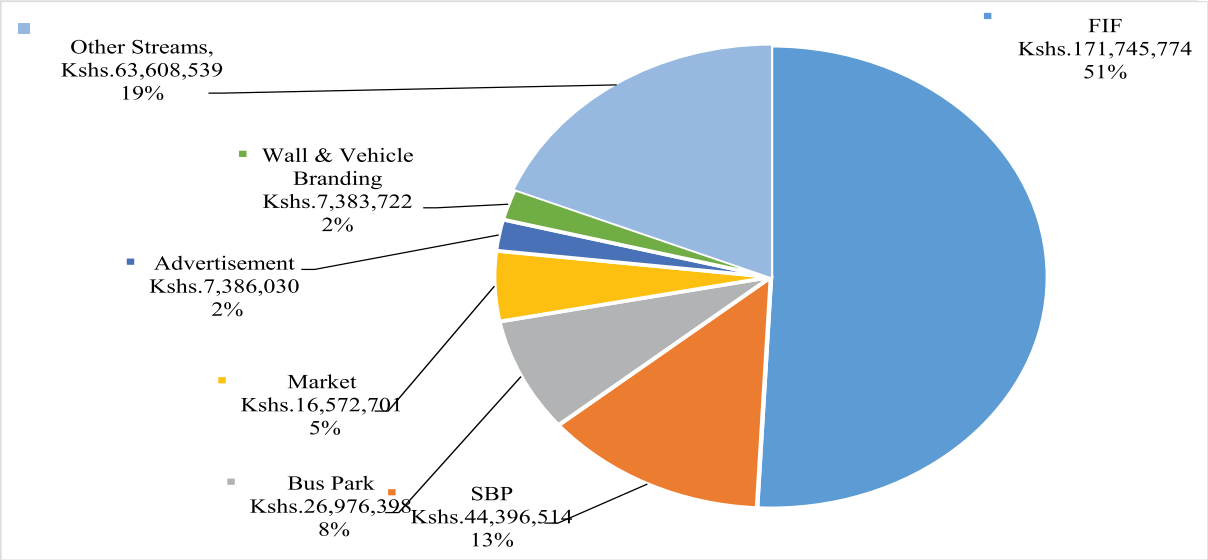


Source: *Vihiga County Treasury*

In FY 2023/24, the County generated Kshs.338.06 million from its own sources of revenue, including FIF and AIA. This amount represented an increase of 40 per cent compared to Kshs.241.35 million realized in FY 2022/23. It was 136.3 per cent of the annual target and 6.4 per cent of the equitable revenue share disbursed

during the period. The increase in OSR can be attributed to full automation of revenue collection and the broadening of revenue streams. The revenue streams which contributed the highest OSR receipts are shown in Figure 174.

Figure 174: Top Streams of Own Source Revenue in the FY 2023/24



Source: Vihiga County Treasury

The highest revenue stream, Kshs.171.75 million, was from FIF, which contributed 51 per cent of the total OSR receipts during the reporting period.

3.45.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.64 billion from the CRF account during the reporting period, which comprised Kshs.1.11 billion (19.7 per cent) for development programmes and Kshs.4.53 billion (80.3 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.2.81 billion was released towards employees' compensation and Kshs.1.72 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.27.72 million.

3.45.4 County Expenditure Review

The County spent Kshs.5.27 billion on development and recurrent programmes in the reporting period. The expenditure represented 93.4 per cent of the total funds released by the CoB and comprised of Kshs.1.12 billion and Kshs.4.15 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 50.9 per cent, while recurrent expenditure represented 92.7 per cent of the annual recurrent expenditure budget.

3.45.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.47 billion, comprising Kshs.678.51 million for recurrent expenditure and Kshs.789.20 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.515.56 million, which consisted of Kshs.206.23 million for recurrent expenditure and Kshs.309.33 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.952.15 million. The reported pending bills do not include those incurred in FY 2023/24.

The County Assembly reported outstanding pending bills of Kshs.56.51 million as of 30th June 2024.

3.45.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.2.42 billion on employee compensation, Kshs.1.08 billion on operations and maintenance, and Kshs.1.10 billion on development activities. Similarly, the County Assembly spent Kshs.193.3 million on employee compensation, Kshs.456.53 million on operations and maintenance, and Kshs.14.21 million on development activities, as shown in Table 3.308.

Table 3.308: Table 3.305: Summary of Budget and Expenditure by Economic Classification

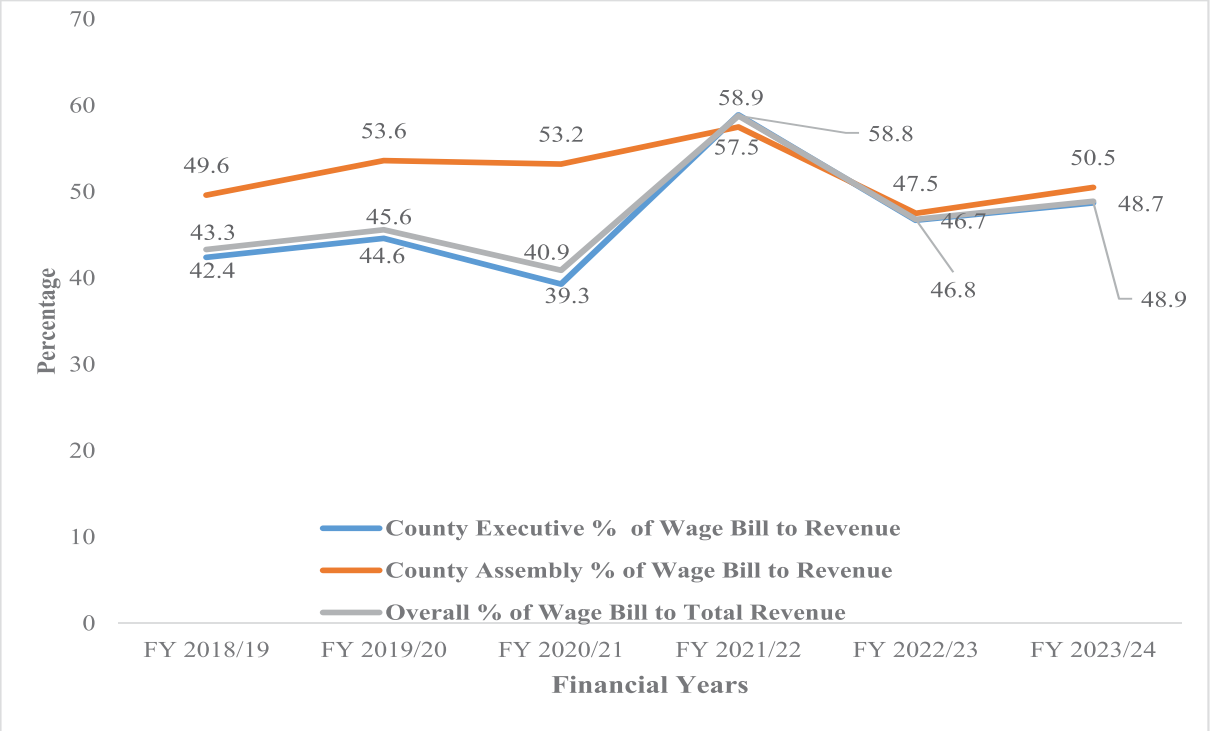
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**3,784,854,872**	**698,771,318**	**3,505,396,747**	**649,825,886**	**92.6**	**93.0**
Compensation to Employees	2,429,006,790	517,968,548	2,420,821,911	193,299,808	99.7	37.3
Operations and Maintenance	1,355,848,082	180,802,770	1,084,574,836	456,526,078	80.0	252.5
Development Expenditure	2,188,138,615	15,300,000	**1,103,436,049**	**14,206,878**	50.4	92.9
Total	**5,972,993,487**	**714,071,318**	**4,608,832,796**	**664,032,764**	**77.2**	**93.0**

***Source**: Vihiga County Treasury*

3.45.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.2.61 billion, or 46.9 per cent of the available revenue, which amounted to Kshs.5.57 billion. This expenditure represented an increase of Kshs.0.09 billion on the amount reported in a similar period in FY 2022/23. The wage bill included Kshs.581.30 million paid to health sector employees, translating to 22.24 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 175.

Figure 175: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



***Source:** Vihiga County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.56 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.56.31 million was processed through manual payrolls. The manual payrolls accounted for 2.2 per cent of the total PE cost.

The County Assembly spent Kshs.31.05 million on committee sitting allowances for the 37 MCAs against the annual budget allocation of Kshs.30.68 million. The average monthly sitting allowance was Kshs.93,235.24 per MCA. The County Assembly has established 18 Committees.

3.45.8 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. 402.03 million to county-established funds in FY 2023/24, constituting 5.14 per cent of the County's overall budget. Further, the County allocated Kshs.9.56 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.309 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.309: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Cumulative disbursements to the fund (Kshs)	Submission of Financial Statements (Yes/No.)
County Executive Established Funds						
1	Emergency Fund	9,560,000	-	-	-	Yes
2	Bursary Fund	212,000,000	150,000,000	40,842,552	1,016,743,412	No
3	Youth Startup Fund	1,000,000	-	-	-	Yes
4	Sports Fund	5,000,000	-	4,132,886	65,000,000	Yes
5	Trade and Enterprise Fund	10,000,000	-	1,403,010	59,977,000	No
6	Cooperative Enterprise Fund	10,000,000	-	-	-	Yes
7	Climate Change/FLLoCA Fund	102,000,000	202,765,110	66,243,088	119,000,000	Yes
8	Car-loan and Mortgage Fund	-	-	1,344,266	70,000,000	Yes
9	FIF Fund	52,465,973		80,613,171	-	Yes
County Assembly Established Funds						
10	Car-loan and Mortgage	-	-	1,500,000	200,000,000	Yes
	Total	**402,025,973**	**352,765,110**	**196,078,973**	**1,530,720,412**	

Source: *Vihiga County Treasury*

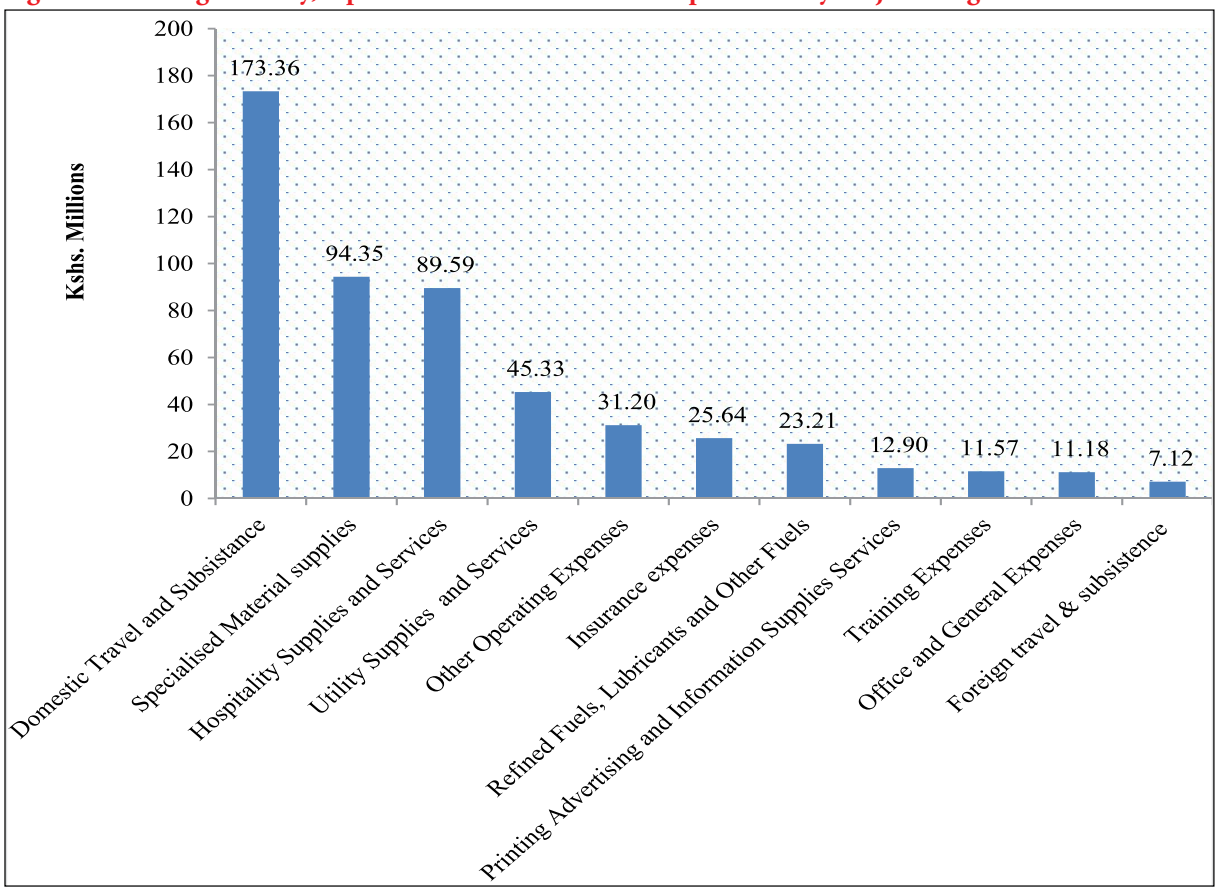
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of the Bursary Fund and Trade and Enterprise Fund, as indicated in Table 3.306, contrary to the requirement of Section 168 of the PFM Act, 2012.

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.

3.45.9 Expenditure on Operations and Maintenance

Figure 176 summarises the Operations and Maintenance expenditure by major categories.

Figure 176: Vihiga County, Operations and Maintenance Expenditure by Major Categories



Source: *Vihiga County Treasury*

Expenditure on domestic travel amounted to Kshs.291.85 million and comprised Kshs.118.49 million spent by the County Assembly and Kshs.173.36 million by the County Executive. Expenditure on foreign travel amounted to Kshs.7.12 million and comprised Kshs.3.6 million by the County Assembly and Kshs.3.52 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.310 below;-

Table 3.310: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	2	22.08.2023	Attend the 10th East Africa International Arbitration Conference	Zanzibar	204,000
County Executive	2	13.09.2023	Attend registration accreditation of county delegation for participation in Africa climate summit	New York	2,055,000
County Executive	2	09.10.2023	Attend the International Union for Conversation of Nature (IUCN) forum on global goals for Nature	Geneva, Switzerland	1,265,380
County Assembly	24	16th December 2023	Training	Kampala Uganda	3,600,000

Source: *Vihiga County Treasury and Vihiga County Assembly*

The operations and maintenance costs include an expenditure of Kshs.5.01 million on legal fees.

3.45.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.12 billion on development programmes, a decrease of 23.7 per cent compared to FY 2022/23, when the County spent Kshs.1.46 billion.

The table 3.311 summarises development projects with the highest expenditure in the reporting period.

Table 3.311: Vihiga County, List of Development Projects with the Highest Expenditure

Sector	Project Name	Project Location	Contract sum (Kshs.)	Amount paid to date (Kshs)	Implementation status (%)
Agriculture, livestock and Fisheries	Lunyerere And Serem Lagoons	Chavakali	7,899,803	6,100,000	77
	Sabatia Banana Processing (NARIGP)	North Maragoli	6,542,056	6,500,000	99
	Sabatia Hay Shed (NARIGP)	Wodanga	8,727,147	8,700,000	100
	Hamisi Banana Aggregation and Marketing Centre	Banja	9,908,640	9,900,000	100
	Construction Of ECDE Classroom At Asiongo	Wemilabi	1,849,948	1,497,090	81
Education	Construction Of ECDE Classroom At Ebulako	Emabungo	1,497,090	1,497,090	100
	Ebusakami ECDE Classroom	Luanda South	1,497,090	1,497,090	100
Youth, Gender, Culture, Sports and Social Services	Bunyore Cultural Centre(Ebusiekwe)	West Bunyore	2,500,000	2,300,000	92
Administration	Speakers Residence	Keveye	19,786,352	13,642,534	69

Source: Vihiga County Treasury

3.45.11 Budget Performance by Department

Table 3.312 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.312: Vihiga 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	241.44	-	241.30	-	209.75	3.02	86.9	-	86.9	-
Finance and Economic Planning.	383.65	109.94	368.56	109.88	368.56	142.40	100.0	129.6	96.1	129.5
Agriculture, Livestock & Fisheries	171.54	481.67	173.07	61.06	138.55	92.76	80.1	151.9	80.8	19.3
Health Services	1,389.34	298.23	1,334.66	114.09	1,334.66	125.19	100.0	109.7	96.1	42.0
Education & Technical Vocational Training	514.37	155.73	608.47	43.07	501.59	42.10	82.4	97.8	97.5	27.0
Gender, Culture, Youth, Sports and Social Services	108.10	36.17	106.55	7.32	92.60	4.67	86.9	63.7	85.7	12.9
Commerce, Tourism and Cooperatives.	100.76	79.34	114.87	59.74	83.04	66.22	72.3	110.8	82.4	83.5
County Public Service Board	71.41	-	71.15	-	56.21	-	79.0	-	78.7	-
Environment, Water, Natural Resources and Climate Change	146.67	456.72	149.77	296.75	132.61	215.21	88.5	72.5	90.4	47.1
Transport & Infrastructure	98.49	432.01	100.01	319.13	88.19	321.25	88.2	100.7	89.5	74.4
Physical Planning, Lands, Housing & Urban Development	109.17	110.19	118.41	90.30	95.24	85.23	80.4	94.4	87.2	77.3
County Assembly	698.77	15.30	674.25	3.16	649.83	14.21	96.4	450.1	93.0	92.9
Public Service & Administration	435.42	20.92	452.50	7.40	394.26	5.39	87.1	72.8	90.5	25.7
County Attorney	14.50	-	15.45	-	10.14	-	65.6	-	69.9	-
Total	**4,483.63**	**2,196.22**	**4,529.04**	**1,111.91**	**4,155.22**	**1,117.64**	**91.7**	**100.5**	**92.7**	**50.9**

***Source**: Vihiga County Treasury*

An analysis of expenditure by departments shows that the Department of Finance and Economic Planning recorded the highest absorption rate of the development budget at 129.5 per cent, followed by the County Assembly at 92.9 per cent. The Department of Education had the highest percentage of recurrent expenditure

to budget at 97.5 per cent, while the Department of County Attorney had the lowest at 69.9 per cent.

Several departments reported expenditures exceeding approved exchequer issues, which the County Treasury should investigate, and corrective action should be taken by the respective accounting officers.

3.45.12 Budget Execution by Programmes and Sub-Programmes

Table 3.313 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.313: Vihiga County, Budget Execution by Programmes and Sub-Programmes

Program	Sub Program	Budget Estimates		Actual Expenditure		Budget Utilisation Difference %	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent	Development
Administration, Planning and Support Service		992,046,772.00	608,225,810.00	870,572,242.45	328,195,122.65	87.76	53.96
	Administrative Service	983,172,372.00	608,225,810.00	865,270,481.00	328,195,122.65	88.01	53.96
	Research and Development	8,874,400.00	-	5,301,761.45	-	59.74	-
Livestock Development and Management		4,897,600.00	46,461,164.00	394,730.00	7,138,516.40	8.06	15.36
	Veterinary Services and Extension	4,397,600.00	3,500,000.00	394,730.00	-	8.98	-
	Value Chain Development	-	20,742,084.00	-	3,258,516.40	-	15.71
	Livestock Extension	500,000.00	22,219,080.00	-	3,880,000.00	-	17.46
Fisheries Development and Management		3,541,000.00	9,957,062.00	3,040,000.00	-	85.85	-
	Promotion of Fish Farming	3,541,000.00	9,957,062.00	3,040,000.00	-	85.85	-
Crop Development and Management		2,609,500.00	102,162,444.00	1,607,185.00	-	61.59	-
	Crop Extension	434,000.00	-	-	-	-	-
	Farm Input Subsidy	-	97,662,444.00	-	-	-	-
	Food Security Initiatives	2,175,500.00	4,500,000.00	1,607,185.00	-	73.88	-
Cooperatives Development		14,473,302.00	-	10,418,530.00	-	71.98	-
	Cooperative Development Services	14,473,302.00	-	10,418,530.00	-	71.98	-
Agribusiness		-	200,000,000.00	-	-	-	-
	Value Addition	-	200,000,000.00	-	-	-	-
Land Survey and Mapping Services		2,097,000.00	16,645,609.00	2,377,000.00	15,318,662.50	113.35	92.03
	Land Survey and Mapping	2,097,000.00	16,645,609.00	2,377,000.00	15,318,662.50	113.35	92.03
1 Urban and Physical Planning and Housing Services		24,930,412.00	16,137,693.00	21,062,344.00	15,368,939.00	84.48	95.24
	Urban and Physical Planning	719,000.00	9,549,346.00	565,600.00	9,549,346.00	78.66	100.00
	Housing Development	1,324,001.00	-	-	-	-	-
	Vihiga Municipality {KUSP}	22,887,411.00	6,588,347.00	20,496,744.00	5,819,593.00	89.55	88.33
Administration, Planning and Support Service		90,326,121.00	268,235,620.00	85,153,206.85	157,625,299.00	94.27	58.76
	Administrative Service	90,326,121.00	268,235,620.00	85,153,206.85	157,625,299.00	94.27	58.76

Program	Sub Program	Budget Estimates		Actual Expenditure		Budget Utilisation Difference %	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent	Development
Transport Management		8,159,243.00	38,535,327.00	3,035,953.00	38,385,980.00	37.21	99.61
	Transport System Management	200,000.00	38,535,327.00	183,000.00	38,385,980.00	91.50	99.61
	Mechanical Services	7,959,243.00	-	2,852,953.00	-	35.84	-
Infrastructure Development		-	125,235,561.00	-	125,235,482.10	-	100.00
	Roads Maintenance	-	125,235,561.00	-	125,235,482.10	-	100.00
Administration, Planning and Support Service		52,724,154.00	54,126,316.00	40,476,825.00	47,558,318.35	76.77	87.87
	Administrative Service	52,724,154.00	54,126,316.00	40,476,825.00	47,558,318.35	76.77	87.87
Public Finance Management		6,193,012.00	-	4,399,550.00	-	71.04	-
	ICT Printing press	6,193,012.00	-	4,399,550.00	-	71.04	-
Trade Development and Investment		29,973,494.00	25,212,781.00	29,463,649.10	18,658,734.00	98.30	74.01
	Market Development and Management	29,973,494.00	25,212,781.00	29,463,649.10	18,658,734.00	98.30	74.01
Tourism Development		3,591,180.00	-	2,684,906.40	-	74.76	-
	Tourism Promotion and Branding	3,591,180.00	-	2,684,906.40	-	74.76	-
Administration, Planning and Support Service		1,168,208,062.00	194,343,502.00	1,146,412,890.85	26,308,565.60	98.13	13.54
	Administrative Service	47,808,442.00	194,343,502.00	35,272,764.00	26,308,565.60	73.78	13.54
	Human Resource Management and Development	1,120,399,620.00	-	1,111,140,126.85	-	99.17	-
Promotive and Preventive Healthcare Services		75,250,935.00	-	69,607,243.10	-	92.50	-
	Public Health Services	1,140,000.00	-	500,000.00	-	43.86	-
	Community Health Strategy	55,115,403.00	-	53,255,873.10	-	96.63	-
	Reproductive Healthcare	18,529,532.00	-	15,401,870.00	-	83.12	-
	Disease Surveillance and Emergency	466,000.00	-	449,500.00	-	96.46	-
Curative And Rehabilitative Health Services		140,838,127.00	103,886,040.00	115,164,339.75	98,886,039.85	81.77	95.19
	Medical services	46,034,127.00	-	35,306,839.75	-	76.70	-
	County referral services	-	103,886,040.00	-	98,886,039.85	-	95.19
	Drugs and Other Medical Supplies	94,804,000.00	-	79,857,500.00	-	84.23	-
Child and Maternal Health Care		5,038,581.00	-	3,473,700.00	-	68.94	-
	Nutrition Services	5,038,581.00	-	3,473,700.00	-	68.94	-

Program	Sub Program	Budget Estimates		Actual Expenditure		Budget Utilisation Difference %	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent	Development
Administration, Planning and Support Service		84,711,450.00	148,752,595.00	78,137,510.55	42,103,598.95	92.24	28.30
	Administrative Service	84,711,450.00	148,752,595.00	78,137,510.55	42,103,598.95	92.24	28.30
Vocational Education and Training		242,360,400.00	-	240,209,303.60	-	99.11	-
	Youth Polytechnic Development	242,360,400.00	-	240,209,303.60	-	99.11	-
Early Childhood Development		185,294,400.00	12,500,000.00	183,243,090.00	-	98.89	-
	ECD Development	185,294,400.00	12,500,000.00	183,243,090.00	-	98.89	-
Administration, Planning and Support Service		1,025,211,305.00	130,858,777.00	957,025,264.35	150,799,897.30	93.35	115.24
	Administrative Service	984,343,265.00	124,258,777.00	927,295,749.35	150,799,897.30	94.20	121.36
	County Administration	22,047,300.00	6,600,000.00	15,309,051.00	-	69.44	-
	County Radio Information Services	18,820,740.00	-	14,420,464.00	-	76.62	-
Public Finance Management		36,780,600.00	-	36,217,430.00	-	98.47	-
	Public Finance Management	3,400,000.00	-	3,370,650.00	-	99.14	-
	Accounting Services	-		-		-	-
	Budget Formulation Coordination	7,845,600.00	-	7,311,780.00	-	93.20	-
	Resource Mobilization	22,928,000.00	-	22,928,000.00	-	100.00	-
	Budget Expenditure Management	2,607,000.00	-	2,607,000.00	-	100.00	-
Audit Services		5,934,000.00	-	5,870,000.00	-	98.92	-
	Audit Services	5,934,000.00	-	5,870,000.00	-	98.92	-
County Planning Services		-	-	-	-	-	-
	Coordination of Policy Formulation and Plans	-	-	-	-	-	-
Management and Administration of County Services		23,669,019.00	-	19,966,532.00	-	84.36	-
	County Executive	16,577,119.00	-	15,536,071.00	-	93.72	-
	County Secretary	7,091,900.00	-	4,430,461.00	-	62.47	-
Administration, Planning and Support Service		54,836,934.00	6,746,200.00	43,368,673.80	1,946,200.00	79.09	28.85
	Administrative Service	54,836,934.00	6,746,200.00	43,368,673.80	1,946,200.00	79.09	28.85
903004860		40,598,001.00	24,424,280.00	38,635,162.00	2,720,538.20	95.17	11.14
	Promotion of Sports	18,739,000.00	12,372,280.00	18,328,950.00	-	97.81	-
	Promotion of Culture and Heritage	8,359,001.00	8,052,000.00	7,053,012.00	2,720,538.20	84.38	33.79
	Recreation and Arts	13,500,000.00	4,000,000.00	13,253,200.00	-	98.17	-
904004860		12,664,945.00	5,000,000.00	10,591,500.00	-	83.63	-
	Social Protection	2,112,945.00	5,000,000.00	504,800.00	-	23.89	-
	Gender, Children, Youth and People with Disability	10,552,000.00	-	10,086,700.00	-	95.59	-

Program	Sub Program	Budget Estimates		Actual Expenditure		Budget Utilisation Difference %	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent	Development
Administration, Planning and Support Service		124,836,629.00	-	116,223,536.20	-	93.10	-
	Administrative Service	124,836,629.00	-	116,223,536.20	-	93.10	-
1003004860		9,295,005.00	28,271,834.00	5,720,637.00	13,319,019.20	61.55	47.11
	Water Supply Management	6,180,005.00	27,271,834.00	4,048,237.00	13,319,019.20	65.51	48.84
	Waste Water Management	3,115,000.00	1,000,000.00	1,672,400.00	-	53.69	-
1004004860		7,845,007.00	15,000,000.00	7,286,700.00	14,916,343.00	92.88	99.44
	Environmental Protection and Conservation	7,845,007.00	15,000,000.00	7,286,700.00	14,916,343.00	92.88	99.44
1005004860		4,690,000.00	15,500,000.00	3,383,000.00	13,157,669.00	72.13	84.89
	Farm Forest Management	3,190,000.00	7,500,000.00	2,783,000.00	7,329,999.00	87.24	97.73
	Natural Resources management	1,500,000.00	8,000,000.00	600,000.00	5,827,670.00	40.00	72.85
Total		**4,483,626,190.00**	**2,196,218,615.00**	**4,155,222,635.00**	**1,117,642,925.10**	**92.68**	**50.89**

***Source**: Vihiga County Treasury*

Based on absorption rates, the sub-programmes with the highest implementation levels were Land Survey and Mapping in the Department of Lands at 113.35 per cent, Resource mobilization in the Department of Finance at 100 per cent, Budget expenditure management in the Department of Finance at 100 per cent, and Human Resource Management Development at 99.17 percent of budget allocation.

3.45.13 Accounts Operated Commercial Banks

The County government operated a total of 5 accounts with commercial banks. 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.

3.45.14 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;

1. Failure by Fund Administrators to submit quarterly financial and non-financial reports to the COB within the timelines provided in law, which is against the requirement of Section 168 of the PFM Act, 2012. The reports for the Bursary Fund and Trade and Enterprise Fund were not submitted to the Controller of Budget.

2. High level of pending bills, which amounted to Kshs.952.15 million as of 30th June 2024 (the additions during the year excluded).

3. High wage bills accounted for 46.9 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided in law.

4. Use of manual payroll. Personnel emoluments amounting to Kshs.56.3 million were processed through the manual payroll, accounting for 2.2 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.

5. 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 Trade and Enterprise, Education, Sports and FIF funds.

6. Low expenditure on development activities, which accounted for 21.2 per cent of total expenditure in FY 2023/24.

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

1. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
2. *The 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.*
3. *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.*
4. *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.*
5. *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.*
6. *The County government should prioritise expenditure on development activities to meet the legal requirement of 30 per cent of total expenditure, as provided in the PFM (County Governments) regulations, 2015.*

3.46. County Government of Wajir

3.46.1 Overview of FY 2023/24 Budget

The County's approved budget for the FY 2023/24 was Kshs.12.14 billion, comprising Kshs.3.88 billion 32 per cent) and Kshs.8.26 billion (68 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 8.1 per cent compared to the previous financial year when the approved budget was Kshs.11.23 billion and comprised Kshs.3.11 billion towards development expenditure and Kshs.8.13 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.9.85 billion (81.1 per cent) as the equitable share of revenue raised nationally, Kshs.1.14 billion (9.4 per cent) as additional allocations/conditional grants, a cash balance of Kshs.1.0 billion (8.2 per cent) from FY 2022/23 and generate Kshs.150 million (1.3 per cent) as gross own source revenue. The own-source revenue includes Kshs.80 million (0.7 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.70 million (0.6 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.314.

3.46.2 Revenue Performance

In the FY 2023/24, the County received Kshs.8.95 billion as an equitable share of the revenue raised nationally, Kshs.1.02 billion as additional allocations/conditional grants, and a cash balance of Kshs.1.0 billion from FY 2022/23, and raised Kshs.164.95 million as own-source revenue (OSR). The raised OSR includes Kshs.74.5 million as FIF and Kshs.90.46 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.11.14 billion, as shown in Table 3.314.

Table 3.314: Wajir County, Revenue Performance in the FY 2023/24

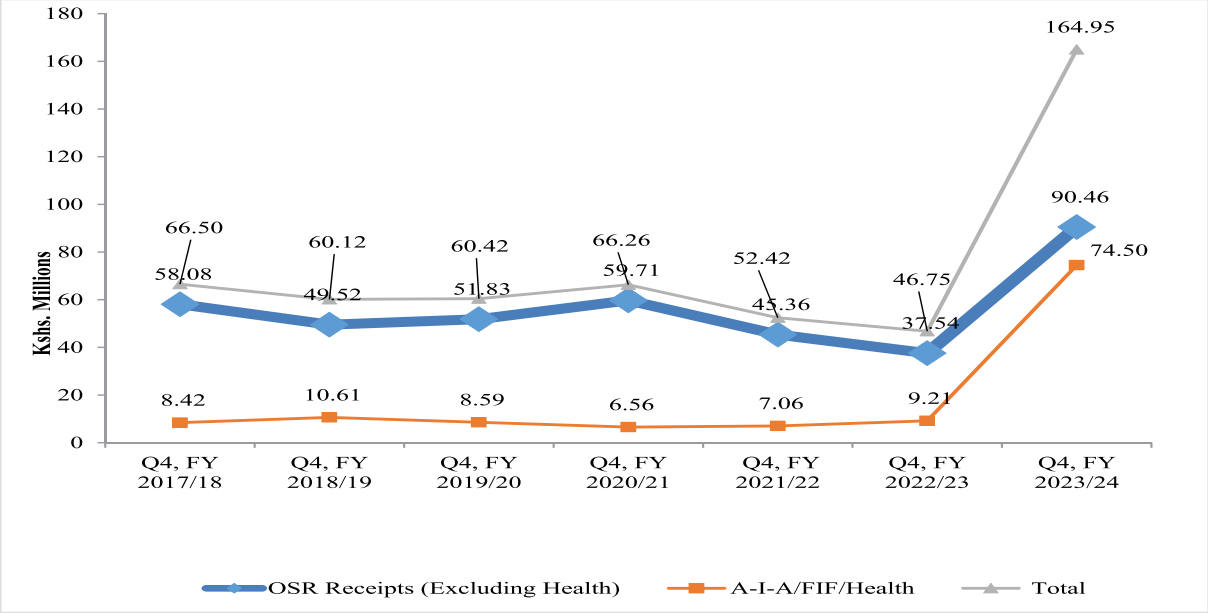
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	**9,853,656,422.00**	8,949,633,328.00	90.8
B	**Conditional Grants**			
1	DANIDA to Finance Universal Healthcare	26,952,863.00	40,445,359.00	150.1
2	Emergency Locust Response Project (ELRP)	178,454,153.00	177,269,419.00	99.3
3	Agricultural Sector Development Support Program (ASDSP)	3,901,152.00	3,901,152.00	100.0
4	Fertilizer Subsidy	2,235,432.00	-	-
5	Wajir Water and Sanitation Project	600,000,000.00	408,223,727.00	68.0
6	Kenya Informal Settlement Improvement Project (KISIP II)	180,000,000.00	180,000,000.00	100.0
7	Financing Locally Led Climate Action (FLLoCA)	12,235,782.00	12,235,782.00	100.0
8	Financing Locally Led Climate Action (FLLoCA)	125,000,000.00	125,000,000.00	100.0
9	Conditional Grant for Transfer of Library Function	9,421,475.00	-	-
10	Kenya Climate Smart Agriculture	-	75,000,000.00	-
Sub-Total		**1,138,200,857.00**	**1,022,075,439.00**	89.8
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	70,000,000.00	90,455,852.20	129
2	Balance b/f from FY2022/23	1,001,160,705.00	1,001,160,705.00	100
3	Facility Improvement Fund (FIF)	80,000,000.00	74,497,818.85	93
Sub Total		**1,151,160,705.00**	1,166,114,376.05	101
Grand Total		**12,143,017,984.00**	**11,137,823,143.05**	**91.7**

Source: *Wajir County Treasury*

The County's governing legislation on operating ordinary FIF is work in progress.

Figure 177 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 177: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



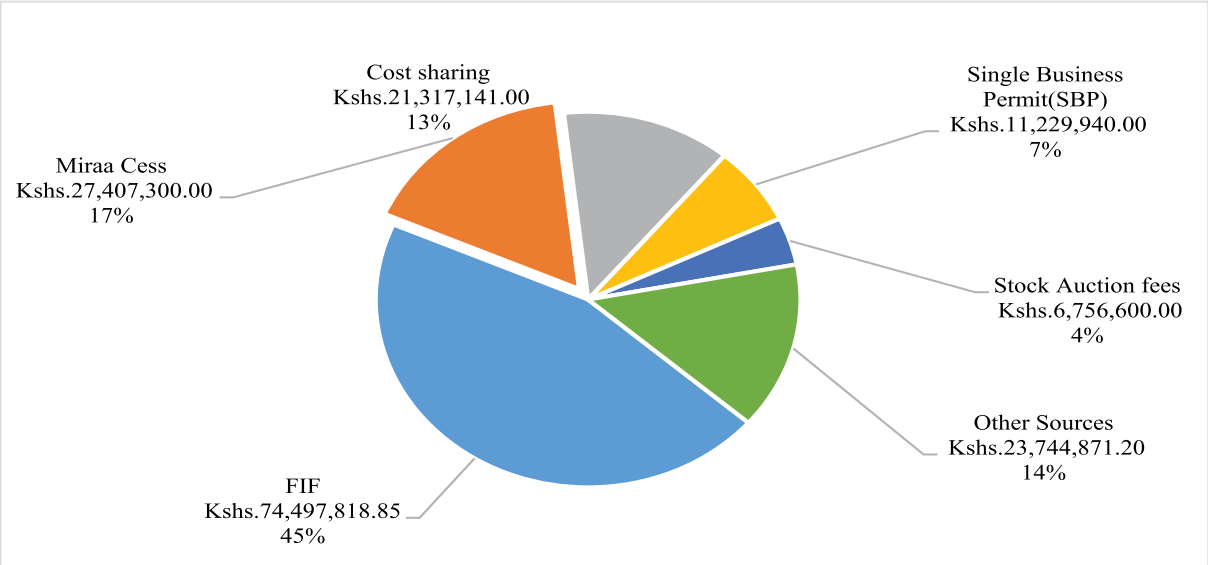
Source: *Wajir County Treasury*

In FY 2023/24, the County generated a total of Kshs.164.95 million from its revenue sources, inclusive of FIF. This amount represented an increase of 252.9 per cent compared to Kshs.46.75 million realized in a similar period in FY 2022/23 and was 110 per cent of the annual target and 1.8 per cent of the equitable revenue share disbursed during the period.

The increase in OSR can be attributed to the enhanced revenue collection measures and other reforms carried out in the last two years.

The revenue streams which contributed the highest OSR receipts are shown in Figure 178.

Figure 178: Top Streams of Own Source Revenue in the FY 2023/24



Source: Wajir County Treasury

The highest revenue stream, Kshs.74.5 million, was from FIF, contributing 45.2 per cent of the total OSR receipts during the reporting period.

3.46.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.10.96 billion from the CRF account during the reporting period, comprising Kshs.3.2 billion (29.2 per cent) for development programmes and Kshs.7.76 billion (70.8 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in FY 2023/24 indicates that Kshs.4.73 billion was released towards Employee Compensation and Kshs.3.03 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund account at the end of FY 2023/24 was Kshs.808.58 million.

3.46.4 County Expenditure Review

The County spent Kshs.11.02 billion on development and recurrent programmes in the reporting period. The expenditure represented 100.5 per cent of the total funds released by the CoB and comprised Kshs.3.24 billion and Kshs.7.78 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 83.4 per cent, while recurrent expenditure represented 94.2 per cent of the annual recurrent expenditure budget.

3.46.5 Settlement of Pending Bills

In the FY 2023/24, the County reported a stock of pending bills amounting to Kshs.2.33 billion, comprising of Kshs.1.32 billion for recurrent expenditure and Kshs.1.0 billion for development activities. In the FY 2023/24, the County reported settling pending bills amounting to Kshs.244.73 million. They consisted of Kshs.118.12 million for recurrent expenditure and Kshs.126.61 million for development programmes. Therefore, as at the end of the FY 2023/24, the outstanding amount was Kshs.2.09 billion.

The County Assembly reported a nil outstanding pending bill as of 30 June 2024.

3.46.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.4.21 billion on employee compensation, Kshs.2.57 billion on operations and maintenance, and Kshs.3.24 billion on development activities. Similarly, the County Assembly spent Kshs.521.34 million on employee compensation and Kshs.477.91 million on operations and maintenance, as shown in Table 3.315.

Table 3.315: 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	**7,267,566,792**	**999,537,966**	**6,783,389,003**	**999,253,491.43**	**93.34**	**100.64**
Compensation to Employees	4,297,531,365	521,486,852	4,208,410,991	521,344,871	97.93	99.97
Operations and Maintenance	2,970,035,427	478,051,114	2,574,978,012	477,908,620.43	86.70	99.97
Development Expenditure	**3,882,528,866**	-	**3,239,068,838**	-	**83.43**	-
Total	**11,150,095,658**	**999,537,966**	**10,022,457,841**	**999,253,491.43**	**89.89**	**99.97**

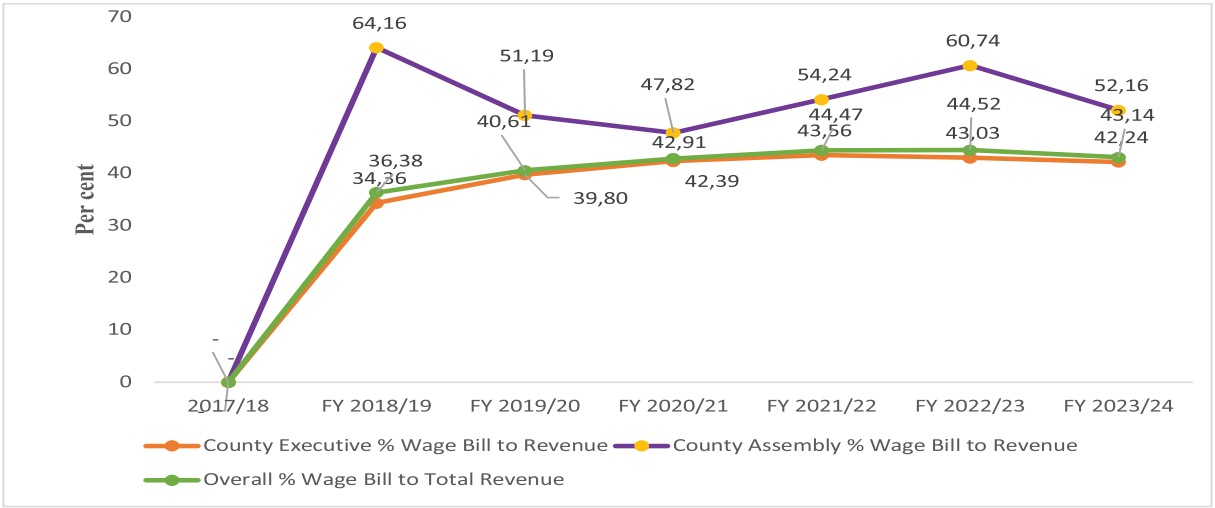
***Source**: Wajir County Treasury*

3.46.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.73 billion, or 42.5 per cent of the available revenue, which amounted to Kshs.11.14 billion. This expenditure represented an increase from Kshs.4.48 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.1.78 billion paid to health sector employees, translating to 37.7 per cent of the total wage bill. The increase in wage bill is partly attributed to the introduction of a housing levy at 1.5 per cent of an employee's gross salary with a matching contribution being made by the employer.

Figure 179 shows the trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 179: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Wajir County Treasury

Further analysis indicates that PE costs amounting to Kshs.4.11 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.622.62 million was processed through manual payrolls. The manual payrolls accounted for 13.2 per cent of the total PE cost.

The County Assembly spent Kshs.47.6 million on committee sitting allowances for the 38 MCAs and the Speaker against the annual budget allocation of Kshs.47.6 million. The average monthly sitting allowance was Kshs.114,978 per MCA. The County Assembly has established 21 Committees.

3.46.8 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.451.34 million to county-established funds in FY 2023/24, constituting 3.7 per cent of the County's overall budget. Further, the County allocated Kshs.150 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3.316 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.316: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Cumulative disbursements to the Fund as of 30 June 2024 (Kshs)	Submission of Financial Statements as of 30 June 2024 (Yes/No.)
	County Executive Established Funds					
1.	Wajir County Disaster Management Fund (Emergency Fund)	150,000,000	150,000,000	150,000,000	150,000,000	No.
2.	Wajir County Disability Fund	40,344,000	40,344,000	40,344,000	40,344,000	No
3.	Wajir County Revolving Fund	186,000,000	-	-	-	No
4.	Wajir County Climate Fund	75,000,000	75,000,000	75,000,000	75,000,000	**No**
	Total	**451,344,000**	**265,344,000**	**265,344,000**	**265,344,000**	

Source: *Wajir County Treasury*

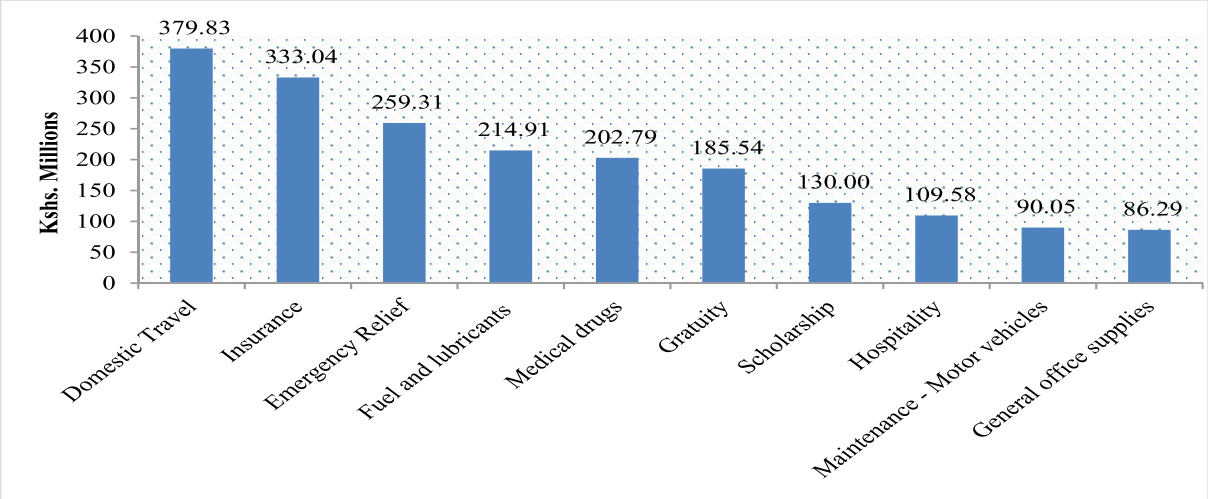
During the reporting period, the CoB did not receive quarterly financial returns from Fund Administrators of the County Disaster Management Fund, County County Disability Fund, County Revolving Fund and Wajir Climate Fund, as indicated in Table 3.313, as per the requirement of Section 168 of the PFM Act, 2012.

Further, the OCoB notes that 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.

3.46.9 Expenditure on Operations and Maintenance

Figure 180 summarises the Operations and Maintenance expenditure by major categories.

Figure 180: Wajir County, Operations and Maintenance Expenditure by Major Categories



Source: *Wajir County Treasury*

Expenditure on domestic travel amounted to Kshs.379.83 million and comprised Kshs.194.15 million spent by the County Assembly and Kshs.185.68 million by the County Executive. Expenditure on foreign travel amounted to Kshs.37.36 million and comprised Kshs.33.36 million by the County Assembly and Kshs.4.0 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.317 below;-

Table 3.317: Summary of Highest Expenditure on Foreign Travel as of 30 June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	8	10-16th Sept 2023	Training Wajir Assembly Board on governance and finance in DUBAI, UAE	Dubai	6,615,640.00
County Assembly	10	23-29th Jan 2024	Training Wajir Assembly Hon MCAs on adaptable leadership, resilience & decision-making	Turkey	8,308,260.00
County Assembly	10	29 April-6 May 2024	Training Wajir Assembly Hon MCAs on effective state & county Legislative Assemblies	Turkey	7,384,120.00
County Assembly	10	11-17th June 2024	Training Wajir Assembly Hon MCAs on building institutional capabilities	Dubai	7,168,430.00
County Assembly	1	7-16th July 2024	Training Wajir Assembly Hon MCA on diversity, Equity and inclusion	Singapore	838,780.00
County Assembly	4	30 June-9th July 2024	Training Wajir Assembly CASB on Public Service Leadership Mastery	Turkey	3,606,860.00
County Executive	2	27th to 01 June 2024	Attending World Health Organization Summit	Geneva	3,385,648.00

Source: Wajir County Treasury and Wajir County Assembly

The operations and maintenance costs include an expenditure of Kshs.56.1 million on legal fees/dues, arbitration, and compensation.

3.46.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.3.24 billion on development programmes, an increase of 38.5 per cent compared to FY 2022/23, when the County spent Kshs.2.34 billion. The table 3.318 summarises the development projects with the highest expenditure in the reporting period.

Table 3.318: Wajir County, List of Development Projects with the Highest Expenditure

S/no	Sector	Project name	Project location	Contract sum (Kshs.)	Budget allocation FY 2023/24 (Kshs.)	Amount paid to date (Kshs)	Implementation status (%)
1	Health	Construction of Accident & Emergency Centre at WCRH	Wajir	223,280,825.00	223,280,825.00	187,186,347.00	84
2	Works	Construction of County Aggregation and Industrial Park(CAIP) for Wajir County	Wajir town	250,000,000.00	250,000,000.00	151,327,524.00	61
3	Public works	Non-residential buildings (extra works & furnishing for County Assembly)	Wajir town	77,655,780.00	77,655,780.00	77,655,780.00	100
4	Agriculture	Construction of 60,000m3 water pan at Arbajahan in Wajir-west sub-county	Arbajahan	59,933,605.39	59,933,605.39	59,933,605.39	100
5	Agriculture	Construction of 60,000m3 water pan at Dasheg in Tarbaj sub-county	Dasheq	59,888,443.15	59,888,443.15	59,888,443.15	100
6	Agriculture	Construction of 60,000m3 water pan at Alio Ismail in Wajir-south sub-county	Alio ismail	59,600,027.27	59,600,027.27	59,600,027.27	100
7	Works	Supply, installation and commissioning of plastic waste management plant in Wajir town - municipality department.	Wajir town	59,461,000.00	59,461,000.00	59,461,000.00	100
8	Agriculture	Construction of 60,000m3 water pan at Gubad onle in Wajir-west sub-county	Gubad onle	58,905,941.32	58,905,941.32	58,905,941.32	100

S/no	Sector	Project name	Project location	Contract sum (Kshs.)	Budget allocation FY 2023/24 (Kshs.)	Amount paid to date (Kshs)	Implementation status (%)
9	Water	Purchase of crawler excavator and wheel loader	Wajir	44,150,000.00	44,150,000.00	44,150,000.00	100
10	Roads	Construction of perimeter walling at Wajir waste disposal site	Wajir town	33,701,530.00	33,701,530.00	33,701,530.00	100

Source: Wajir County Treasury

3.46.11 Budget performance by department

Table 3.319 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.319: Wajir County, budget allocation and absorption rate by department

Department	Budget allocation (kshs.)		Exchequer issues (kshs.)		Expenditure (kshs.)		Expenditure to exchequer issues ()		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	999.60	-	999.54	-	999.25	-	100	-	100	-
County Executive	598.00	-	576.77	-	538.19	-	93	-	90	-
Finance and Economic Planning	687.00	-	651.74	-	639.01	-	98	-	93	-
Roads, Transport, Public Works and Housing	258.00	609.86	234.21	558.02	223.47	579.01	95	104	87	95
Water Resources Development	146.00	423.99	139.31	365.65	136.55	342.89	98	94	94	81
Energy, Environment and Climate Change	94.00	228.30	98.93	216.99	75.83	75.00	77	35	81	33
Health services	2778.00	495.38	2636.39	495.38	2688.97	489.92	102	99	97	99
Education, Social Welfare and Family Affairs	853.00	139.49	844.09	129.58	836.56	113.30	99	87	98	81
Agriculture, Livestock and Veterinary Services	240.00	626.74	215.01	574.29	227.61	609.99	106	106	95	97
ICT, Trade, Investment and Industrialization	165.00	261.00	153.92	165.23	148.83	160.23	97	97	90	61
Lands and spatial planning	64.00	244.50	58.27	206.29	57.97	211.77	99	103	91	87
Public service, labour and decentralised unit	924.00	4.50	779.10	-	807.71	4.50	104	-	87	100
CPSB	78.00	-	60.43	-	73.18	-	121	-	94	-
Wajwasco	156.00	681.20	154.78	331.64	118.09	486.41	76	147	76	71
Wajir municipality	220.00	167.55	157.92	159.85	211.43	166.04	134	104	96	99
Total	**8,260.60**	**3,882.51**	**7,760.40**	**3,202.93**	**7,782.64**	**3,239.07**	**100**	**101**	**94**	**83**

***Source**: Wajir County Treasury*

Analysis of department expenditures shows that the Department of Public Service Labour and Decentralisation recorded the highest absorption rate of the development budget, at 100 per cent, followed by the Health Services department at 99 per cent and Wajir Municipality at 99 per cent. The Department of Energy, Environment and Climate Change recorded the lowest expenditure on development activities, at 33 per cent.

The County Assembly had the highest percentage of recurrent expenditures to budget, 100 per cent, while the Department of Wajir Water and Sewerage Company had the lowest, 76 per cent.

3.46.12 Budget Execution by Programmes and Sub-Programmes

Table 3.320 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.320: Wajir County, Budget Execution by Programmes and Sub-Programmes

Program	Sub Program	Budget Estimates		Actual Expenditure		Absorption (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
County Executive		**597,805,662.00**	-	**496,019,588.40**	-	**83**	-
	Coordination and Supervisory Services	597,805,662.00	-	496,019,588.40	-	**83**	-
	Grand Total	**597,805,662.00**	-	**496,019,588.40**	-	**83**	-
Finance and Economic Planning		**356,240,623.00**	-	**324,965,522.60**	-	**91**	-
	County Accounting Services	-	-	250,755,211.00	-	99	-
	Treasury Services	-	-	-	-	-	-
	Revenue Collection Services	36,031,600.00	-	13,249,622.40	-	**37**	-
	County Budget Management Services	13,076,600.00	-	12,428,672.00	-	**95**	-
	Internal Audit Services	6,950,000.00	-	5,582,200.00	-	**80**	-
	Supply Chain Management Services	46,632,800.00	-	42,949,817.20	-	**92**	-
		25,886,978.00	-	**21,734,934.00**	-	**84**	-
	Integrated Development Planning	15,933,688.00	-	13,387,722.00	-	**84**	-
	County Statistical Information Services	7,163,290.00	-	5,843,260.00	-	**82**	-
	Monitoring & Evaluation Services	2,790,000.00	-	2,503,952.00	-	90	-
		304,926,575.00	-	**265,448,056.90**	-	**87**	-
	General administration and support services	304,926,575.00	-	265,448,056.90	-	87	-
	Grand Total	**687,054,176.00**	-	**612,148,513.50**	-	**89**	-
Roads and Transport		**3,670,000.00**	-	**2,936,770.00**	-	**80**	-
	Housing Development Capacity building	3,670,000.00	-	2,936,770.00	-	80	-
		15,441,996.00	**376,110,872.00**	**13,032,990.00**	**318,488,538.00**	**84**	**85**
	Maintenance & Rehabilitation of County Roads and Bridges	15,441,996.00	376,110,872.00	13,032,990.00	318,488,538.00	84	85
		112,910,000.00	**233,748,517.00**	**69,673,097.35**	**190,240,115.75**	**62**	**81**
	County Transport Services	110,880,000.00	-	67,912,697.35	-	61	-
	Public Works Infrastructure Services	2,030,000.00	233,748,517.00	1,760,400.00	190,240,115.75	87	81
		125,966,380.00	-	**116,778,069.15**	-	**93**	-
	General administration and support services	125,966,380.00	-	116,778,069.15	-	93	-
	Grand Total	**257,988,376.00**	**609,859,389.00**	**202,420,926.50**	**508,728,653.75**	**78**	**83**
Water Services		**146,747,537.00**	**423,996,000.00**	**123,962,352.70**	**225,095,822.00**	**84**	**53**
	Water Supplies Overhaul and Maintenance Services	137,891,737.00	124,646,000.00	118,801,952.70	64,616,320.00	86	**52**
	Infrastructure Development Services	8,855,800.00	299,350,000.00	5,160,400.00	160,479,502.00	**58**	**54**
	Grand Total	**146,747,537.00**	**423,996,000.00**	**123,962,352.70**	**225,095,822.00**	**84**	**53**
Energy, Environment and Climate Change		**4,537,600.00**	**23,308,800.00**	**4,100,140.80**	-	**90**	-
	Development of Alternative Sources of Energy	4,537,600.00	23,308,800.00	4,100,140.80	-	90	-
		17,596,582.00	**205,000,000.00**	**6,810,354.00**	**70,087,700.00**	**39**	**34**
	Environment Conservation Services	15,913,382.00	205,000,000.00	5,567,054.00	70,087,700.00	**35**	**34**
	Natural Resource Management Services	1,683,200.00	-	1,243,300.00	-	**74**	-
		72,139,420.00	-	**46,187,647.65**	-	**64**	-
	Compensation to Employees	72,139,420.00	-	46,187,647.65	-	**64**	-
	Grand Total	**94,273,602.00**	**228,308,800.00**	**57,098,142.45**	**70,087,700.00**	**61**	**31**

Program	Sub Program	Budget Estimates		Actual Expenditure		Absorption (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
Health Services		**840,441,765.00**	**381,661,625.00**	**731,405,182.35**	**371,603,665.10**	**87**	**97**
	Curative & Rehabilitative Services	840,441,765.00	381,661,625.00	731,405,182.35	363,191,031.20	**87**	**95**
		47,338,920.00	-	**43,587,814.00**	-	**92**	-
	Sanitation services	28,625,000.00	-	25,937,320.00	-	**91**	-
	Health promotion	4,000,000.00	-	3,998,974.00	-	**100**	-
	Outreach services	7,895,320.00	-	7,849,720.00	-	**99**	-
	Child Health and Immunization services	6,818,600.00	-	5,801,800.00	-	**85**	-
		1,824,975,217.00	**34,000,000.00**	**1,801,382,979.60**	**30,980,399.00**	**99**	**91**
	General Administration and Support Services	1,824,975,217.00	34,000,000.00	1,801,382,979.60	30,980,399.00	99	91
		2,029,600.00	-	**1,891,600.00**	-	**93**	-
	Maternal Health Services	2,029,600.00	-	-	-	93	-
		53,979,650.00	**79,720,143.00**	**53,445,356.00**	**50,140,929.20**	**99**	**63**
	SP1 RMNCH	53,979,650.00	79,720,143.00	53,445,356.00	50,140,929.20	99	63
		7,000,000.00	-	**6,349,616.00**	-	**91**	-
	TB & HIV - AIDS	7,000,000.00	-	6,349,616.00	-	91	-
		2,600,000.00	-	**2,550,000.00**	-	**98**	-
	SP1 TB HIV-AIDS	2,600,000.00	-	2,550,000.00	-	98	-
	Grand Total	**2,778,365,152.00**	**495,381,768.00**	**2,640,612,547.95**	**452,724,993.30**	**95**	**91**
Education Social Welfare and Family Welfare		**11,675,000.00**	**9,200,000.00**	**10,381,599.00**	**9,047,500.00**	**89**	**98**
	Sports Promotion and Development	11,675,000.00	9,200,000.00	10,381,599.00	9,047,500.00	89	98
		186,020,200.00	**110,650,000.00**	**172,426,078.00**	**58,984,098.15**	**93**	**53**
	ECD Support Services	186,020,200.00	110,650,000.00	172,426,078.00	58,984,098.15	93	53
		135,893,956.00	**15,750,000.00**	**131,693,240.90**	**4,000,000.00**	**97**	**25**
	Gender Promotion Services	77,180,656.00	15,750,000.00	75,803,790.90	4,000,000.00	98	25
	Cultural promotion and preservation	58,713,300.00	-	55,889,450.00	-	95	-
		13,428,000.00	**3,884,900.00**	**10,321,928.95**	**3,884,900.00**	**77**	**100**
	Infrastructural development	13,428,000.00	3,884,900.00	10,321,928.95	3,884,900.00	77	100
		505,991,592.00	-	**504,423,204.55**	-	**100**	-
	Human Resources Management	505,991,592.00	-	504,423,204.55	-	100	-
	Grand Total	**853,008,748.00**	**139,484,900.00**	**829,246,051.40**	**75,916,498.15**	**97**	**54**
Agriculture, livestock and veterinary		**184,449,841.00**	-	**177,493,727.75**	-	**96**	-
	General administration and support services	184,449,841.00	-	177,493,727.75	-	**96**	-
		15,290,200.00	**13,000,000.00**	**11,452,939.00**	**2,997,420.00**	**75**	**23**
	Livestock Production & Management	15,290,200.00	13,000,000.00	11,452,939.00	2,997,420.00	75	23
		12,471,320.00	**46,720,800.00**	**9,838,405.00**	**44,837,315.20**	**79**	**96**
	Veterinary support services	12,471,320.00	46,720,800.00	9,838,405.00	44,837,315.20	79	96
		20,653,900.00	**546,672,737.00**	**15,855,902.60**	**486,034,497.00**	**77**	**89**
	Land and Crop Productivity Services	20,653,900.00	546,672,737.00	15,855,902.60	486,034,497.00	77	89
		2,924,040.00	-	**1,521,440.00**	-	**52**	-
	Fisheries Management and Development	2,924,040.00	-	1,521,440.00	-	52	-
		4,552,800.00	**20,350,000.00**	**1,748,820.00**	**7,033,900.00**	**38**	**35**
		4,552,800.00	20,350,000.00	1,748,820.00	7,033,900.00	38	35
	Grand Total	**240,342,101.00**	**626,743,537.00**	**217,911,234.35**	**540,903,132.20**	**91**	**86**

Program	Sub Program	Budget Estimates		Actual Expenditure		Absorption (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
ICT, Trade and Investment		**5,372,860.00**	**6,000,000.00**	**5,256,940.00**	**1,993,000.00**	**98**	**33**
	ICT Infrastructure Improvement & Enhancement Services	5,372,860.00	6,000,000.00	5,256,940.00	1,993,000.00	98	33
		137,954,887.00	**-**	**108,578,266.00**	**-**	**79**	**-**
	General administration, Planning and Support Services	137,954,887.00	-	108,578,266.00	-	79	-
		12,160,000.00	**5,000,000.00**	**-3,929,320.00**	**4,926,914.40**	**-32**	**99**
	Business Support & Investment Services	12,160,000.00	5,000,000.00	-3,929,320.00	4,926,914.40	-32	99
		3,000,000.00	**250,000,000.00**	**1,764,000.00**	**151,327,524.00**	**59**	**61**
	Infrastructure Improvement	3,000,000.00	250,000,000.00	1,764,000.00	151,327,524.00	59	61
		4,000,000.00	**-**	**2,591,988.00**	**-**	**65**	**-**
	Capacity Building Services	4,000,000.00	-	2,591,988.00	-	65	-
	Grand Total	**162,487,747.00**	**261,000,000.00**	**114,261,874.00**	**158,247,438.40**	**70**	**61**
lands and Spatial Planning		**56,458,725.00**	**244,500,000.00**	**32,685,208.05**	**137,275,410.00**	**58**	**56**
	Urban Physical Planning Services	56,458,725.00	244,500,000.00	32,685,208.05	137,275,410.00	58	56
		7,965,000.00	**-**	**7,329,226.00**	**-**	**92**	**-**
	Urban Development Services	7,965,000.00	-	7,329,226.00	-	92	-
	Grand Total	**64,423,725.00**	**244,500,000.00**	**40,014,434.05**	**137,275,410.00**	**62**	**56**
Public Service Special Programme and County Administration		**5,140,000.00**	**-**	**4,651,640.00**	**-**	**90**	**-**
	General administration and support services	5,140,000.00	-	4,651,640.00	-	90	-
		3,860,000.00	**-**	**2,624,500.00**	**-**	**68**	**-**
	Civic Education Services	3,860,000.00	-	2,624,500.00	-	68	-
		7,084,000.00	**-**	**5,624,481.00**	**-**	**79**	**-**
	Inter-governmental relations	7,084,000.00	-	5,624,481.00	-	79	-
		769,115,415.00	**4,500,000.00**	**597,632,795.75**	**4,499,850.00**	**78**	**100**
	Human Resources Management and Capacity Building	741,471,415.00	-	570,258,167.75	-	77	-
	Decentralized Units Services	27,644,000.00	4,500,000.00	27,374,628.00	4,499,850.00	99	100
		4,369,600.00	**-**	**3,482,180.00**	**-**	**80**	**-**
	Town Sanitation Services	4,369,600.00	-	3,482,180.00	-	80	-
		121,717,830.00	**-**	**118,171,594.00**	**-**	**97**	**-**
	Inter-governmental relations and EMU	-	-	-	-	-	-
	Conflict Resolution And Security	9,944,830.00	-	7,858,864.00	-	79	-
	Disaster Management and Coordination of Humanitarian Services	111,773,000.00	-	110,312,730.00	-	99	-
		9,336,000.00	**-**	**4,014,380.00**	**-**	**43**	**-**
	Service Delivery	9,336,000.00	-	4,014,380.00	-	43	-
		3,256,400.00	**-**	**2,384,400.00**	**-**	**73**	**-**
	Governance and Ethics	3,256,400.00	-	2,384,400.00	-	73	-
	Grand Total	**923,879,245.00**	**4,500,000.00**	**738,585,970.75**	**4,499,850.00**	**80**	**100**
County Public Service Board		**78,784,872.00**	**-**	**38,794,579.50**	**-**	**49**	**-**
	County Public Service Board Services	78,784,872.00	-	38,794,579.50	-	49	-
	Grand Total	**78,784,872.00**	**-**	**38,794,579.50**	**-**	**49**	**-**
WAJWASCO		**155,579,130.00**	**681,200,000.00**	**115,787,239.45**	**323,183,094.00**	**74**	**47**
	WAJWASCO	155,579,130.00	681,200,000.00	115,787,239.45	323,183,094.00	74	47
	Grand Total	**155,579,130.00**	**681,200,000.00**	**115,787,239.45**	**323,183,094.00**	**74**	**47**

Program	Sub Program	Budget Estimates		Actual Expenditure		Absorption (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
Municipality		**220,211,079.00**	**167,554,472.00**	**106,902,922.40**	**159,136,534.00**	**49**	**95**
	Urban Development Services	220,211,079.00	167,554,472.00	106,902,922.40	159,136,534.00	49	95
	Grand Total	**220,211,079.00**	**167,554,472.00**	**106,902,922.40**	**159,136,534.00**	**49**	**95**
County Assembly	**County Assembly Services**	**992,922,326.00**	-	**999,253,491.43**	-	**99.97**	-
	Total	**8,253,873,478**	**3,882,528,866**	**7,333,019,869**	**2,655,799,126**	**89**	**68**

***Source**: Wajir County Treasury*

The sub-programmes with the highest implementation levels based on absorption rates were Decentralized services in Public Service, Special programs, and County Administration, at 100 per cent, Human Resources Development and Infrastructure development in Education, Social Welfare, and Family Welfare, at 100 per cent, and Health Promotion in the Health department, at 100 per cent.

3.46.13 Accounts Operated Commercial Banks

The County government operated a total of 15 accounts with commercial banks. 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.

3.46.14 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;

1. There was a high level of pending bills, which amounted to Kshs.2.09 billion as of 30 June 2024.
2. High wage bills accounted for 42.5 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided by law.
3. Use of manual payroll. Personnel Emoluments amounting to Kshs.622.62 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 there is a lack of proper controls.
4. Delay in submission of expenditure report to the Controller of Budget. The County Executive forwarded the returns on 08 August 2024.
5. High expenditure on domestic travel at Kshs.379.83 million

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

1. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly as a first charge.*
2. *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.*
3. *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.*
4. *The County Executive should forward accurate expenditure returns in time to facilitate timely reporting to Parliament and County Assemblies by the Controller of Budget.*
5. *The county should minimize expenditure on travellling by holding activities wthin the county headquarters.*

3.47. County Government of West Pokot

3.47.1 Overview of FY 2023/24 Budget

The County's approved supplementary I budget for FY 2023/24 was Kshs.7.71 billion, comprising Kshs.2.29 billion (29.7 per cent) and Kshs.5.42 billion (70.3 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 0.01 per cent compared to the previous financial year when it was Kshs.7.66 billion, comprised of Kshs.2.46 billion for development expenditure and Kshs.5.20 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.6.57 billion (85.2 per cent) as the equitable share of revenue raised nationally, Kshs.644.73 million as additional allocations/conditional grants, a cash balance of Kshs.266.38 million (8.4 per cent) brought forward from FY 2022/23, and generate Kshs.230.00 million (3 per cent) as gross own source revenue. The own-source revenue included Kshs.132.80 million (1.7 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.97.20 million (1.3 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.321.

3.47.2 Revenue Performance

In the FY 2023/24, the County received Kshs.6.05 billion as an equitable share of the revenue raised nationally, Kshs.313.39 million as additional allocations/conditional grants, a cash balance of Kshs.267.92 million from FY 2022/23 and raised Kshs.185.29 million as own-source revenue (OSR). The raised OSR included Kshs.119.85 million as FIF and Kshs.65.45 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.6.81 billion, as shown in Table 3.321.

Table 3.321: West Pokot County, Revenue Performance in the FY 2023/24

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**	6,573,866,403.00	6,047,957,089	92
Sub Total		**6,573,866,403**	**6,047,957,089**	**92**
B	**Conditional Grants**			
1	DANIDA	7,110,000.00	-	-
2	DANIDA (Roll Over FY 2021/2022, FY 2022/2023)	14,012,092.00	14,012,092.00	100.0
3	UHC (Roll Over Fy2022/2023)	2,014,000.00	2,014,000.00	100.0
4	User fee Forgone (Roll Over FY 2022/2023)	12,128,484.00	9,134,000.00	75.3
5	Emergency Locust Response	131,007,244.00	129,822,510.20	99.1
6	ASDSP Ii	2,730,960.00	2,730,960.00	100.0
7	ASDSP Ii(Rollover FY 2022/2023)	9,740,272.00		0.0
8	De-Risking and Value Enhancement (Drive)	63,341,980.00		0.0
9	Livestock Value Chain Support Project	14,323,680.00	500,000.00	3.5
10	FLLoCA (CCRI &CCIS GRANT)	159,000,000.00	155,180,744.00	97.6
11	KUSP Ii -Urban Rec & Dev Grant	95,000,000.00	-	-
12	KUSP - Rollover	18,559,250.00	-	-
13	KDSP Roll Over FY 2022/2023	25,377,012.00	-	-
14	VTC Grant Rollover	379,478.00	-	-
16	KCSAP	90,000,000.00	-	-
17	Allocation For Mineral Royalties	1,650.00	-	-
Sub-Total		**644,726,102**	**313,394,306**	**48.6**

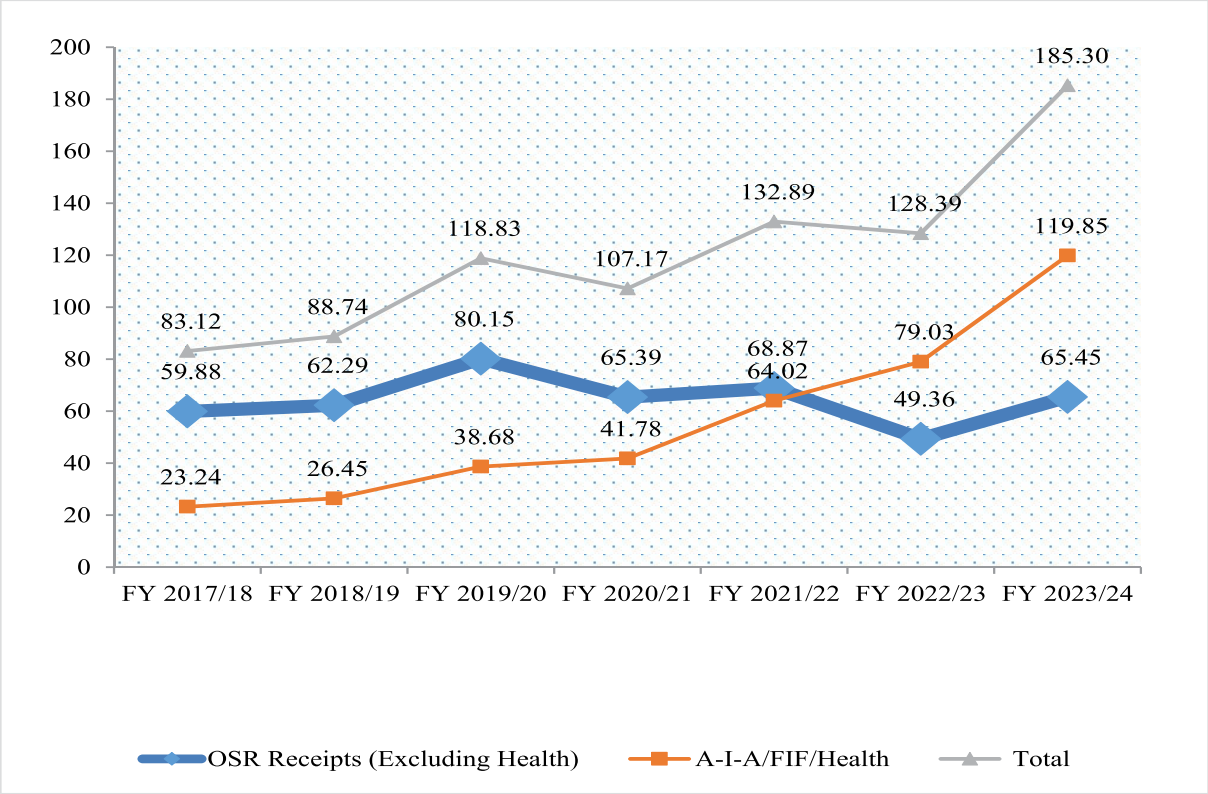
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	97,200,000	65,447,701	67.3
2	Balance b/f from FY2022/23	266,381,778.00	267,915,575.35	100.6
3	Facility Improvement Fund (FIF)	132,800,000	119,847,000	90.2
Sub Total		**496,381,778**	**453,210,276**	**91.3**
Grand Total		**7,714,974,283**	**6,814,561,671**	**88.3**

Source: *West Pokot County Treasury*

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

Figure 181 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24.

Figure 181: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24

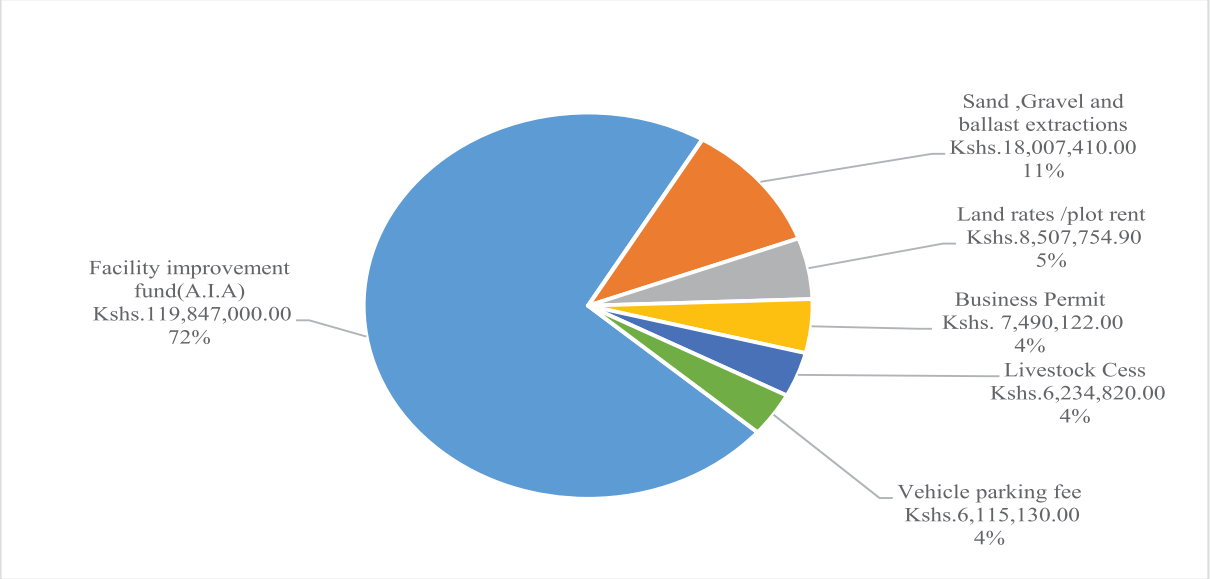


Source: *West Pokot County Treasury*

In FY 2023/24, the County generated Kshs.185.30 million from its revenue sources, including FIF and AIA. This amount represented an increase of 30.8 per cent compared to Kshs.128.39 million realized in FY 2022/23. It was 80.60 per cent of the annual target and 3.1 per cent of the equitable revenue share disbursed during the period.

The revenue streams which contributed the highest OSR receipts are shown in Figure 182.

Figure 182: Top Streams of Own Source Revenue in the FY 2023/24.



Source: *West Pokot County Treasury*

The highest revenue stream, Kshs.119.85 million, was from the Facility improvement fund (AIA), which contributed 72 per cent of the total OSR receipts during the reporting period.

3.47.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.6.80 billion from the CRF account, comprised of Kshs.1.62 billion (23.70 per cent) for development programmes and Kshs.5.19 billion (76.3 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in FY 2023/24 indicates that Kshs.2.95 billion was released towards Employee Compensation and Kshs.2.25 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.20.17 million.

3.47.4 County Expenditure Review

The County spent Kshs.6.73 billion on development and recurrent programmes in the reporting period. The expenditure represented 99.1 per cent of the total funds released by the CoB and comprised Kshs.1.54 billion and Kshs.5.19 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 67.3 per cent, while recurrent expenditure represented 77.1 per cent of the annual recurrent expenditure budget.

3.47.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.555.18 million, comprising Kshs.370.79 million for recurrent expenditure and Kshs.184.39 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.51.73 million which comprised Kshs.35.38 million for recurrent expenditure and Kshs.16.35 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.503.45 million.

The County Assembly reported outstanding pending bills of Kshs.14.64 million as of 30th June 2024.

3.47.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.2.60 billion on employee compensation, Kshs.1.88 billion on operations and maintenance, and Kshs.1.44 billion on development activities. Similarly, the County Assembly spent Kshs.350.88 million on employee compensation,

Kshs.364.65 million on operations and maintenance, and Kshs.100.72 million on development activities, as shown in Table 3.322.

Table 3.322: 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	**4,702,770,721**	**720,652,385**	**4,472,775,082**	**715,527,582**	**95.1**	**99.3**
Compensation to Employees	2,672,457,355	350,880,737	2,595,973,006.35	350,880,737	97.1	100.0
Operations and Maintenance	2,030,313,366	369,771,648	1,876,802,076	364,646,845	92.4	98.6
Development Expenditure	**2,176,139,084**	**115,912,093**	**1,442,895,154.35**	**100,721,006**	**66.3**	**86.9**
Total	**6,878,909,805**	**836,564,478**	**5,915,670,236**	**816,248,588**	**86.0**	**97.6**

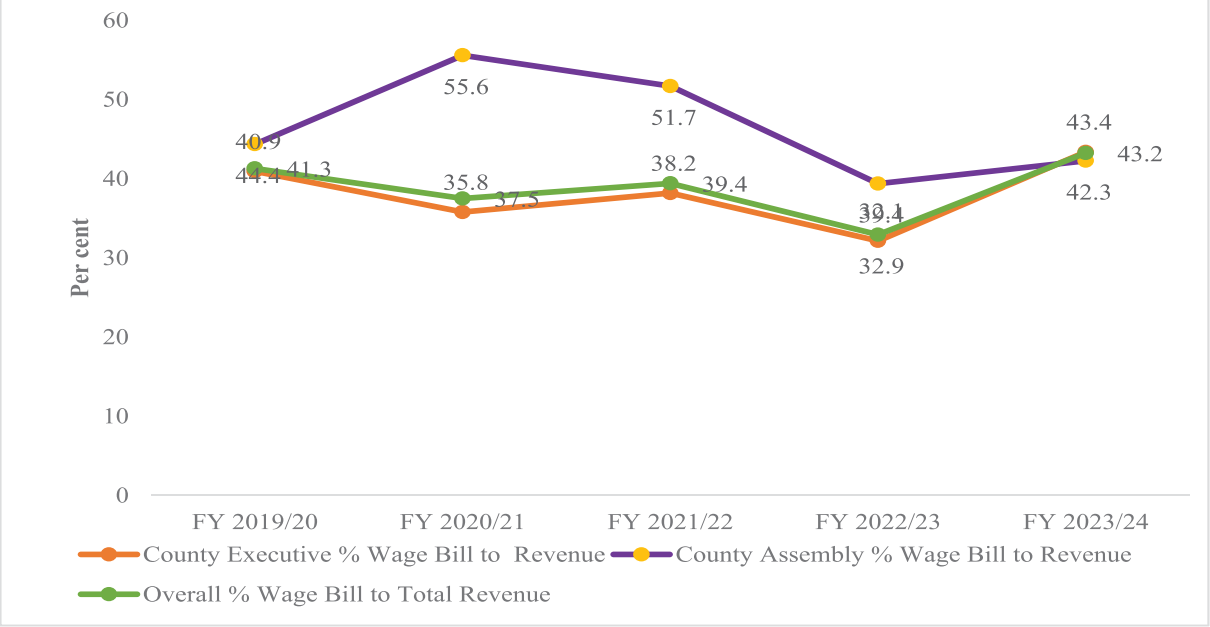
***Source**: West Pokot County Treasury*

3.47.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.2.95 billion, or 43.2 per cent of the available revenue, which amounted to Kshs.6.84 billion. This expenditure represented an increase from Kshs.2.67 billion reported in FY 2022/23. The wage bill included Kshs.1.34 billion paid to health sector employees, translating to 43.2 per cent of the total wage bill. This is attributed to the significant number of casual employees who were absorbed on contact terms, leading to an increase in IPPD.

Figure 183 shows the trend of personnel expenditures as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 183: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: West Pokot County Treasury

Further analysis indicates that PE costs amounting to Kshs.2.81 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.138.75 million was processed through manual payrolls. The manual payrolls accounted for 4.7 per cent of the total PE cost.

The County Assembly spent Kshs.29 million on committee sitting allowances for the 33 MCAs against the annual budget allocation of Kshs.29.184 million. The average monthly sitting allowance was Kshs.73,232 per MCA. The County Assembly has established 27 Committees.

3.47.8 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.776.36 million to county-established funds in FY 2023/24, constituting 10 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 3.323 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.323: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
	Car loan and Mortgage	-	-	-	42,500,000	No
	Bursary Fund	610,000,000	610,000,000	-	-	No
	Cooperative development fund	-	-	-	65,000,000	No
	Kenya Urban Support Programme	18,559,900	-	-	-	No
	Facility Improvement Fund	132,800,000	126,500,360	-	126,500,360	No
	County Assembly Established Funds					
	West Pokot Staff Car Loan & Mortgage	15,000,000	15,000,000	15,000,000	191,750,000	Yes
	Total	**776,359,900.00**	**751,500,360**	**764,937,570**	**425,750,360**	

***Source**: West Pokot County Treasury*

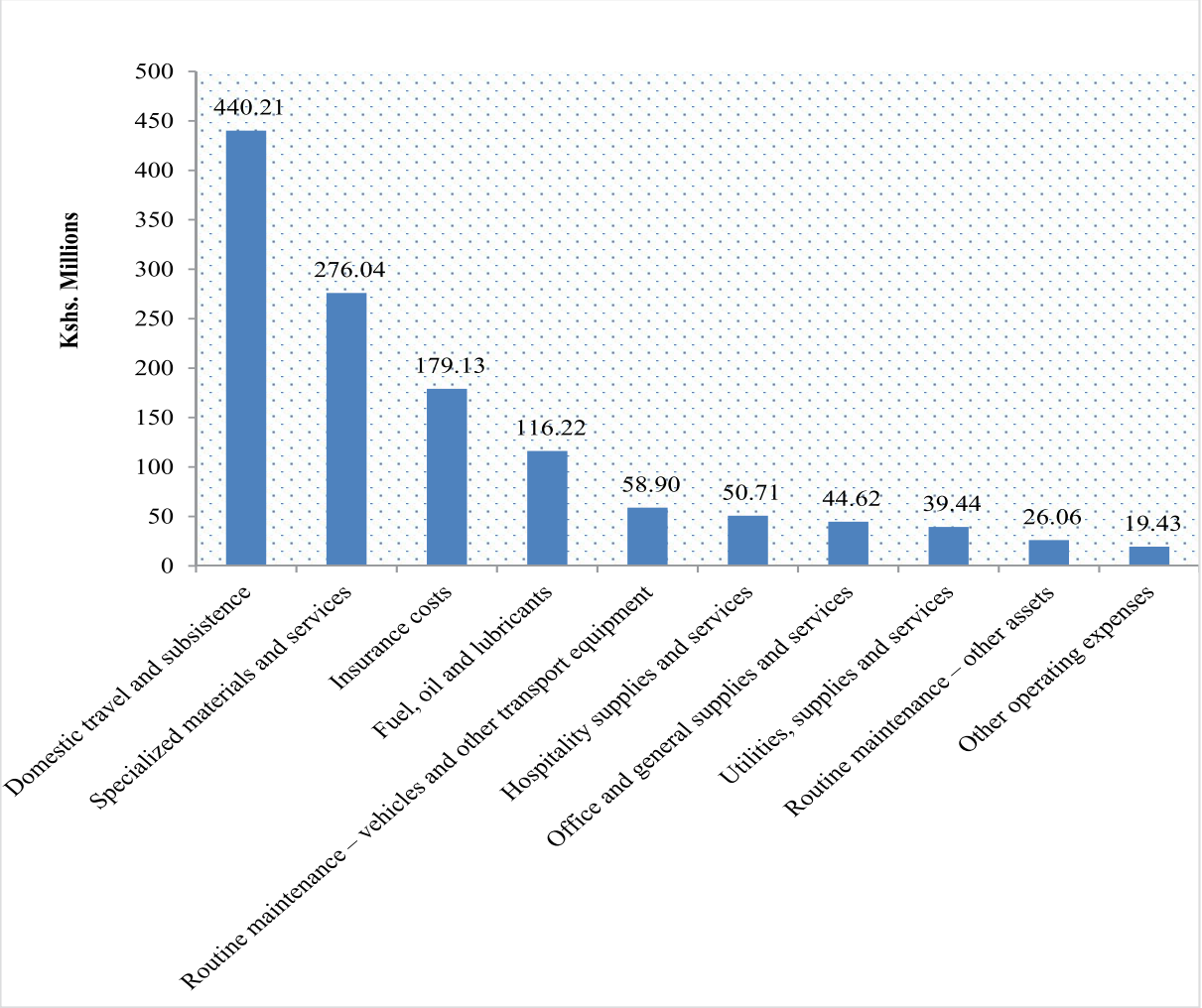
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators except for West Pokot Staff car loan & Mortgage funds, as indicated in Table 3.320, contrary to the requirement of Section 168 of the PFM Act, 2012. (County Governments) Regulations, 2015.

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.

3.47.9 Expenditure on Operations and Maintenance

Figure 184 summarises the Operations and Maintenance expenditure by major categories.

Figure 184: West Pokot County, Operations and Maintenance Expenditure by Major Categories



Source: *West Pokot County Treasury*

Expenditure on domestic travel amounted to Kshs.585.20 million and comprised Kshs.141.87 million spent by the County Assembly and Kshs.443.33 million by the County Executive. Expenditure on foreign travel amounted to Kshs.16.56 million and comprised Kshs.9.05 million by the County Assembly and Kshs.7.50 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.324 below;-

Table 3.324: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	3	26Th-30Th November	Public finance for inclusive and sustainable development	Istanbul Turkey	4,720,840
County Executive	3	16th-19th July	Signing of memorandum of understanding and securing of funding between West Pokot County and Optiplus Services Limited	London, United Kingdom	2,783,668
County Assembly	2	29th Jun to 3rd July 2024	Leadership Governance in the Public Sector	Arusha	495,504
County Assembly	3	23th November to 1st December,2023	Annual conference on effective health management and advanced health care Tech	UAE	1.810,176

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	4	23th November to 1st December,2023	Annual conference on effective health management and advanced health care Tech	UAE	2,413,568
County Executive	1	7th to 14th January, 2024	Speaker training	Addis Ababa, Ethiopia	524,986
County Assembly	7	23rd Nov to 1st Dec 2023	Training on Capacity Building	UAE	1,365,000
County Assembly	7	23rd Nov to 1st Dec 2023	Training on Capacity Building	UAE	1,414,000

Source: West Pokot County Treasury and County Assembly

A total of Kshs.8.9 million was incurred in legal/litigation fees.

3.47.10 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.53 billion on development programmes, a decrease of 43.14 per cent compared to FY 2022/23, when the County spent Kshs.2.19 billion.

The table 3.325 summarises development projects with the highest expenditure in the reporting period.

Table 3.325: West Pokot 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 Executive	Equipping and furnishing of the Governor's residence	Kapenguria	14,827,400.00	14,827,400.00	100
2	County Executive	Proposed completion of the Governor's residence	Kapenguria	12,000,000.00	12,000,000.00	100
3	Health	Construction of incinerator Kacheliba sub-county hospital	Kacheliba	4,999,967.00	4,999,967.00	100
4	Health	Renovation of Cuban doctor's house-septic tank, pit latrine and guard house	Kapenguria	4,999,228.00	4,999,228.00	100
5	Tourism	Proposed completion of tourism hotel and hospitality development centre	Kopoch	17,722,599.50	17,722,599.50	50
6	Executive	Proposed construction of the Governor's office complex at Kapenguria	Kapenguria	19,998,632.00	19,998,632.00	70
7	Lands	Proposed construction of parking pavement for fire station and renovation works	Kapenguria	8,891,047.90	8,891,047.90	100
8	Lands	Payment for the proposed renovation of Ardhi house	Kapenguria	4,818,756.00	4,818,756.00	100
9	Executive	Proposed landscaping of Governor's residence	Kapenguria	8,591,502.90	8,591,502.90	100
10	Agriculture	Supply and delivery of assorted seeds	Countywide	59,996,640.00	59,996,640.00	100

Source: *West Pokot County Treasury*

3.47.11 Budget Performance by Department

Table 3.326 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.326: West Pokot 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	491.73	113.37	455	109.49	455	109.49	100.0	100.0	92.6	96.6

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	311.49	35.38	306	20.01	306	20.01	100.0	100.0	98.2	56.6
Roads, Public Works, Transport and Infrastructure	120.30	331.29	110	239.11	110	239.11	100.0	100.0	91.5	72.2
Health, Sanitation and Emergencies	1,844.00	182.18	1,801	91.96	1,801	91.96	100.0	100.0	97.6	50.5
Education and Technical training	702.48	479.59	695	331.84	695	331.84	100.0	100.0	98.9	69.2
Agriculture and Irrigation	107.63	306.91	103	263.80	103	263.80	100.0	100.0	95.8	86.0
Pastoral Economy	98.33	189.10	94	69.54	94	69.54	100.0	100.0	95.6	36.8
Trade, Industrialization, Investment & Cooperatives	87.20	46.12	85	19.10	85	19.09	100.0	99.9	97.6	41.4
Land, Housing, Physical Planning and Urban Dev	173.78	77.74	115	16.37	115	16.37	100.0	100.0	66.2	21.1
Water, Environment and Natural Resources	90.56	346.05	87	308.82	87	242.18	100.0	78.4	96.0	70.0
Tourism, Youth, Sports,Gender and Social Services	107.57	63.40	101	34.52	101	34.52	100.0	100.0	94.2	54.4
County Public Service, ICT & Decentralized Units	475.55	5.00	438	5.00	438	4.99	100.0	99.8	92.0	99.8
Inter govnt Special programmes and Directorates	92.15	-	83	-	83	-	100.0	-	90.4	-
County Assembly	720.15	115.91	720	110.27	716	100.72	99.4	91.3	99.4	86.9
Total	**5,423**	**2,292**	**5,193**	**1,620**	**5,188**	**1,544**	**99.9**	**95.3**	**95.7**	**67.3**

***Source**: West Pokot County Treasury*

Analysis of department expenditure shows that the Department of County Public Service, ICT & Decentralized Units recorded the highest absorption rate of development budget at 99.8 per cent, followed by the Department of Office of the Governor at 96.6 per cent. The Department of County Assembly had the highest percentage of recurrent expenditure to budget at 99.4 per cent. In contrast, the Department of Land, Housing, Physical Planning and Urban Dev had the lowest at 66.2 per cent.

3.47.12 Budget Execution by Programmes and Sub-Programmes

Table 3.327 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.327: West Pokot County, Budget Execution by Programmes and Sub-Programmes.

Programme	Final Budget		Actual Expenditure		Absorption Rate (%)	
	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure %	Development Expenditure %
Programme 1-COUNTY EXECUTIVE						
SP 1 - (General Administration, Planning and Support Services)	416.73	113.37	384.88	109.49	92	96
SP 2 -(County Public service Board	15.84	-	14.85	-	94	-
SP 3 -(County Executive Affairs)	37.31	-	34.70	-	93	-
SP 4-(Liaison and Intergovernmental service)	21.85	-	20.80	-	95	-
TOTAL	**491.73**	**113.37**	**455.23**	**109.49**	**93**	**96**
Programme 2 - FINANCE &ECONOMIC PLANNING						
SP 1(General Administration, Planning and Support Services	226.18	35.38	223.57	20.01	99	56

Programme	Final Budget		Actual Expenditure		Absorption Rate (%)	
	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure %	Development Expenditure %
SP 2-(Treasury Accounting Services)	10.66	-	10.63	-	100	-
SP 3-(Supply Chain Management services)	4.71	-	3.46	-	73	-
SP 4-(Resource Mobilization)	14.15	-	14.15	-	100	-
SP 5-(Internal Audit services)	6.54	-	5.69	-	87	-
SP 6-(Budget Formulation services)	14.99	-	14.07	-	94	-
SP 7-(Economic Planning)	14.76	-	14.71	-	100	-
SP 8-(Monitoring and Evaluation)	19.50	-	19.50	-	100	-
TOTAL	**311.49**	**35.38**	**305.78**	**20.01**	**98**	**57**
Programme 3 - ROADS, PUBLIC WORKS, TRANSPORT AND INFRASTRUCTURE						
SP 1(General Administration, Planning and Support Services	93.57	-	92.50	-	99	-
SP 2(Road Transport)	21.14	145.86	17.52	134.22	83	92
SP 3(Public Works)	5.59	-	-	-	-	-
SP 5-(Ward Specific Projects)	-	185.44	-	104.92	-	56
TOTAL	**120.30**	**331.29**	**110.02**	**239.11**	**91**	**72**
Programme 4 - HEALTH AND SANITATION						
SP 1(General Administration, Planning and Support Services	1,460.17	8.16	1,434.68	-	100	-
SP 2-(Preventive Health Services)	129.02	-	141.20	-	100	-
SP 3-(Curative Health Services)	85.34	89.53	58.32	57.38	50	64
SP 4-(Kacheliba Sub-county hospital)	13.94	-	13.75	-	100	-
SP 5-(Sigor Sub-county hospital)	13.86	-	13.44	-	100	-
SP 6-(Chepareria Sub-county hospital)	13.86	-	13.80	-	100	-
SP 7(Facility Improvement Fund)	127.80	5.00	125.39	6.11	95	120
SP 8(Ward Specific)	-	79.49	-	28.47	-	35
TOTAL	**1,844.00**	**182.18**	**1,800.58**	**91.96**	**98**	**50**
Programme 5 - EDUCATION AND TECHNICAL TRAINING						
SP 1(General Administration, Planning and Support Services	354.10	344.06	346.36	323.46	98	94
SP 2 -(ECD Services)	22.07	11.82	22.07	-	100	-
SP 3-(Youth Vocational training)	16.31	8.38	16.30	8.38	100	100
SP 4-(Bursary Fund)	310.00	-	310.00	-	100	-
SP 5 - (Ward specific)	-	115.33	-		-	-
TOTAL	**702.48**	**479.60**	**694.73**	**331.84**	**99%**	**69**
Programme 6 - AGRICULTURE AND IRRIGATION						
SP 1 - (General Administration, Planning and Support Services)	96.55	-	96.55	-	100	-
SP 2-(Crop Development and Management)	5.07	241.01	547.36	228.81	11	94
SP 3-(Cash Crop Production(Special Programs)	6.00	26.50	6.00	-	100	-
SP 4 -(Ward specific)	-	39.400	-	34.98	-	88
TOTAL	**107.61**	**306.91**	**103.10**	**263.80**	**96**	**85**
Programme 7 - PASTORAL ECONOMY						
SP 1 - (General Administration, Planning and Support Services)	64.78	-	64.78	-	100	-

Programme	Final Budget		Actual Expenditure		Absorption Rate (%)	
	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure %	Development Expenditure %
SP 2 - (Livestock production and Range Management)	14.48	127.34	14.48	42.45	100	33
SP 3-(Livestock Disease management)	6.67	480.00	6.67	-	100	-
SP 4-(Fisheries Development)	10.50	5.80	8.47	-	77	-
SP 5-(Nasukuta Livestock Improvement Center)	1.90	8.20	0.00	-	-	-
SP 6 -(Ward specific)	0.00	47.29	-	27.09	-	57
SP 7 -(Dairy Development(Special Programmes)	0.00	-	-	-	-	-
TOTAL	**98.33**	**189.10**	**93.98**	**69.54**	**96**	**36**
Programme 8 - TRADE, Industrialization, INVESTMENT & COOPERATIVES DEVELOPMENT						
SP 1 - (General Administration, Planning and Support Services)	82.83	33.90	74.36	19.09	90	56
SP 2-(Cooperative Development)	1.89	999.99	-	-	-	-
SP 3 - (Trade, License and Market Development)	2.49	-	2.48	-	100	-
SP 4-(Ward specific)	-	11.22	2.01	-	-	-
TOTAL	**87.20**	**46.12**	**85.12**	**19.09**	**98**	**41**
Programme 9 - LANDS, HOUSING, PHYSICAL PLANNING AND URBAN DEVELOPMENT						
SP 1 - (General Administration, Planning and Support Services)	85.40	-	82.77	-	97	-
SP 2 -(Land Policy and Physical Planning)	2.53	-	1.53	-	60	-
SP 3-(Housing Development)	1.47	-	-	-	-	-
SP 4-(Urban Development)	8.29	-	1.45	-	17	-
SP 5-(Kapenguria Municipality)	73.53	7.44	29.22	15.57	40	20
SP 6-(Ward specific)	0.00	3.30	-	799.77	-	24.
SP 6-(Chepareria Municipality)	2.56		-	-	-	-
TOTAL	**173.78**	**77.74**	**114.96**	**16.37**	**66**	**21**
Programme 10 - WATER, ENVIRONMENT AND NATURAL RESOURCES						
SP 1 - (General Administration ,planning and Support Services)	68.64	4.20	68.64	-	100	-
SP 2 -(Water Supply Services)	13.13	47.75	9.53	43.42	73	90
SP 3 -(Environment & Natural Resource Development)	8.78	174.75	8.78	93.79	100	53
SP 4 -(Ward Specific)	-	119.35	-	104.97	-	87
TOTAL	**90.56**	**346.05**	**86.95**	**242.18**	**96%**	**69**
PROGRAMME 11-TOURISM, YOUTH SPORTS AND CULTURE						
SP 1 - (General Administration, Planning and Support Services)	57.33	32.00	52.81	17.72	92	55
SP 2-(Tourism Development)	4.39	-	3.11	-	71	-
SP 3-(Gender,Youths and Sports Development)	42.81		42.59	-	99	-
SP 4(Culture and Social Development)	3.04	-	2.81	-	92	-
SP 5-(Ward Specific)	-	31.34	-	16.80	-	53
TOTAL	**107.57**	**63.40**	**101.31**	**34.52**	**94**	**54**
Programme 12 - COUNTY PUBLIC SERVICE, ICT AND DECENTRALISED UNITS						
SP 1 - (General Administration, Planning and Support Services)	385.99	5.00	366.85	4.99	95	99

Programme	Final Budget		Actual Expenditure		Absorption Rate (%)	
	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure %	Development Expenditure %
SP 2-(Human Resource)	13.29	-	12.45	-	94	-
SP 3-(Legal Services)	11.82	-	8.16	-	69	-
SP 4 - (Records Management)	16.60	-	13.68	-	82	-
SP 5- (Communication Services)	4.20	-	4.10	-	98	-
SP 6 - (ICT Infrastructure Connectivity)	28.18	-	18.41	-	65	-
SP 7 - (Field Administration)	15.48	-	14.04	-	91	-
TOTAL	**475.55**	**5.00**	**437.70**	**5.00**	**92**	**-**
Programme 13 -SPECIAL PROGRAMMES AND DIRECTORATES						
SP 1 - (General Administration, Planning and Support Services)	19.59	-	18.85	-	96	-
SP 2 -(Dairy Development)	-	-	-	-	-	-
SP 3-(Cash crop production)	-	-	-	-	-	-
SP 4-(Investment and Cooperative development)	-	-	-	-	-	-
SP 5 - (Emergency and disaster response)	42.88	-	36.76	-	86	-
SP 6 -(Peace building and reconciliation)	19.10	-	18.03	-	94	-
SP 7- (Resource mobilization and Coordination)	2.73	-	2.73	-	100	-
SP 8(Gender and special needs)	7.84	-	6.95	-	89	-
TOTAL	**92.15**	**-**	**83.31**	**-**	**90**	**-**
Programme 14 -COUNTY ASSEMBLY						
SP 1 - (General Administration, Planning and Support Services)	405.19	115.91	402.18	100.72	99	-
SP 2 -(Legislation and Representation)	264.46	-	262.86	-	99	-
SP 3-(Staff Affairs and development)	50.50	-	50.49	-	100	-
TOTAL	**720.15**	**115.91**	**715.53**	**100.72**	**9**	**86**

***Source**: West Pokot County Treasury*

Based on absorption rates, the sub-programmes with the highest implementation levels were General Administration, planning, and Support Services in the Department of County Public Service, ICT, and Decentralized Units at 99 per cent, General Administration and Planning in the Department of County Executive at 96 per cent, and Crop Development and Management in the Department of Agriculture and Irrigation at 94 per cent of budget allocation.

3.47.13 Accounts Operated Commercial Banks

The County government operated a total of 4 accounts with commercial banks. 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.

3.47.14 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;

1. 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 5th August 2024.

2. Own-source revenue under performed at Kshs.185.2 million against an annual target of Kshs.230 million, representing 80.6 per cent of the annual target.

3. High level of pending bills, which amounted to Kshs.518.08 million as of 30th June 2024. Further, there was non-adherence to the pending bills payment plan by the County Treasury.

4. Use of manual payroll. Personnel emoluments amounting to Kshs.138.75 million were processed through the manual payroll, accounting for 4.7 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.

5. The wage bill is above the recommended 35 per cent, contrary to the PFM Act. It is currently at 43.2 per cent of the available revenue of Kshs.6.84 Billion.

6. Law expenditure on the development programmes which accounted for 22.9 per cent of total expenditure.

7. High expenditure on domestic travel at Kshs.585.20 million.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

2. *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.*

3. *The 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.*

4. *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.*

5. *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.*

6. *The County should prioritise expenditure on development to ensure it is inline to provision of the law.*

7. *The County should minimize travel by holding activities within the county headquarters.*

4. KEY CHALLENGES AND RECOMMENDATIONS

4.1. Introduction

This section highlights the issues which adversely affected budget implementation and reporting in FY 2023/24 and includes appropriate recommendations to address the challenges. The cross-cutting challenges included:

4.2. Failure by the National Treasury to disburse the June 2024 equitable share of revenue to County Governments

The County Allocation of Revenue Act 2023 and the Disbursement Schedule show the allocation of the equitable share of revenue raised nationally to each county government and when the amounts are disbursed. As of the end of FY 2023/24, county governments were yet to receive the June 2024 disbursement of Kshs.30.83 billion from the National Treasury. Further, the National Government failed to transfer the conditional grants provided in the County Government Additional Allocations Act 2024, which included the conditional grant for the transfer of library services of Kshs.162.85 million, allocation for court fines of Kshs.108.66 million, and allocation for mineral royalties of Kshs.2.93 billion.

The failure to disburse the entire equitable share of revenue to county governments affected budget implementation and resulted in unsettled expenditure commitments. This further led to low budget absorption and pending bills.

The Controller of Budget urges the National Government to develop and implement revenue-raising measures to ensure timely disbursements to county governments as per the approved disbursement schedule.

4.3. Under-Performance of Own-Source Revenue Collection

Article 209 (3) of the Constitution allows County Governments to impose property rates, entertainment taxes and any other tax that a county is authorised to charge by an Act of Parliament.

During the reporting period, County governments generated a total of Kshs.58.95 billion from their own-source revenue (OSR), which was 72.8 per cent of the annual target of Kshs.80.94 billion. County governments which recorded low performance of own source revenue were Nyandarua at 42.1 per cent, Machakos at 46.5 per cent, Mandera at 50.8 per cent, Nyamira at 53.8 per cent, Bungoma at 55.8 per cent, Kajiado at 56.1 per cent, and Busia at 56.9 per cent of the annual targets.

The underperformance of own-source revenue collection implies that county governments did not implement all planned activities due to budget deficits.

The Controller of Budget advises county governments to develop revenue enhancement strategies and set realistic and achievable targets for the next financial year to avoid accumulating pending bills.

4.4. Low Expenditure on Development Budget

Section 107(2) (b) of the Public Finance Management (PFM) Act, 2012 provides that over the medium term, a minimum of thirty per cent of the County Government's budget shall be spent on development expenditure.

The County governments spent Kshs.109.23 billion on development activities, representing an absorption rate of 57.5 per cent of the annual development budget of Kshs.189.93 billion. The expenditure on development activities was 24.4 per cent of total spending in FY 2023/24.

An analysis of expenditures on development activities shows that 38 county governments did not meet the 30 percent threshold provided in law. These included Nairobi City at 10.3 percent, Kisii at 13.7 percent, Mombasa at 16.2 percent, Kisumu at 17.5 percent, Taita-Taveta at 18.6 percent, and Kiambu at 19.4 percent.

The Controller of Budget recommends that county governments develop and implement strategies to enhance development budget expenditures, achieve the 30 per cent threshold provided in law, and improve their citizens' living standards.

4.5. High Pending Bills

Regulation 41 (2) of the Public Finance Management (County Governments) 2015 states that *"debt service payments shall be a first charge on the County Revenue Fund and the Accounting Officer shall ensure this is done to the extent possible so that the County government does not default on debt obligations"*. Further, Regulation 55(2) b of the Public Finance Management (County Governments) 2015 requires that the finalised and signed contracts are budgeted before an accounting officer of the County government entity considers new projects.

As of 30th June 2024, county governments reported outstanding pending bills of Kshs.181.98 billion. Nairobi City County reported the highest pending bills at Kshs.118.44 billion. Other county governments with high pending bills were Kiambu at Kshs.6.49 billion, Mombasa at Kshs.4.44 billion, Machakos at Kshs.4.20 billion, Bungoma at Kshs.3.52 billion, and Kisumu at Kshs.3.15 billion.

The Controller of Budget advises county governments to settle the eligible pending bills as a first charge on the budget in line with the law and prepare credible budgets with realistic revenue targets. Further, the National Treasury should promptly ensure equitable revenue share is transferred to county governments per the Approved Disbursement Schedule.

4.6. High Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015, limits the county government's expenditure on wages and benefits to 35 per cent of the county's total revenue.

Overall, County Governments spent Kshs.208.84 billion on personnel emoluments, which accounted for 47 per cent of the total expenditure of Kshs.446.76 billion and 42.6 per cent of the realised revenue of Kshs.492.47 billion in FY 2023/24. This expenditure increased from Kshs.195.09 billion incurred in FY 2022/23. The Controller of Budget notes that personnel expenditure by only three counties was within the 35 per cent ceiling, namely, - Kilifi, Tana River and Narok. Further analysis of the personnel emoluments shows that Kshs.15.89 billion was processed manually and paid outside the government payroll system.

The CoB recommends that County Governments ensure that expenditure on personnel emoluments is contained at sustainable levels and in compliance with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015. Further, county governments should fast-track the acquisition of Unified Personnel Numbers for their staff and ensure payroll is processed through the prescribed government system.

4.7. Delay in Submission of Financial and Non-Financial Reports to the Controller of Budget

County Governments must prepare and submit financial and non-financial reports one month after the end of each quarter in accordance with Sections 166(4) and 168 (3) of the PFM Act, 2012. Further, Section 16 of the Controller of Budget Act 2016 requires Accounting Officers to cooperate with the Controller of Budget to enable the Controller of Budget to carry out their functions per the Constitution and any other law.

Accounting Officers are required to respond promptly to any inquiry made by the Controller of Budget and furnish the Controller of Budget with periodic reports as to the status of management of the budget and public funds in respect of the question raised within such period as may be prescribed by the Controller of Budget, and provide any other information that the Controller requires. In line with the above requirement, the Controller of Budget issued a letter to County Treasuries requesting the submission of financial and financial reports for the period under review by 15th July 2024.

Despite the above legal provisions, county governments did not submit the financial and financial reports within the recommended timeline, which led to a delay in finalising this County Budget Implementation Review Report. Twenty county governments submitted their reports after 1st August 2024: Baringo, Garissa, Kakamega, Isiolo, Meru, Nandi, Turkana, Embu, Mombasa, Uasin Gishu, Nakuru, Homa Bay, Kericho, Kilifi, Tana River, Makueni, Nyeri, Kisumu, Trans Nzoia, and West Pokot.

Consequently, county governments must implement mechanisms to ensure adherence to the legal provisions on submitting quarterly financial and non-financial reports as provided in law.

4.8. Use of Commercial Bank Accounts

Regulations 82(1)(b) of the PFM (County Governments) Regulations, 2015 requires County government bank accounts to be opened and maintained at the Central Bank of Kenya. The only exemption is for imprest bank accounts for petty cash and revenue collection accounts.

As shown in Chapter Three of this report, the OCoB noted that the County governments used commercial bank accounts to operate the established public funds and other operational accounts contrary to Regulations 82(1)(b) of the PFM (County Governments) Regulations, 2015.

The Controller of Budget advises the County Executive Committee Members responsible for Finance to follow up and ensure compliance with the law by maintaining bank accounts at the Central Bank of Kenya for accountable spending.

4.9. Excessive Expenditure on Travelling

During the financial year, the Controller of Budget noted excessive expenditures by county governments on travel, which may be wasteful, amounted to Kshs.17.60 billion, comprising Kshs.15.28 billion on domestic travel and Kshs.2.32 billion on foreign travel.

The county governments that reported the highest expenditure on domestic travel were Turkana, at Kshs.943.44 million; Nairobi City, at Kshs.861.57 million; Machakos, at Kshs.652.76 million; West Pokot, at Kshs.585.2 million, and Nakuru, at Kshs.544.13 million. Further, an analysis of foreign travel shows that county governments with the highest expenditure were Nairobi City at Kshs.328.33 million, Machakos at Kshs.148.68 million, Kitui at Kshs.128.4 million, Kericho at Kshs.105.8 million and Nakuru at Kshs.102.89 million.

County governments are advised to minimize travel expenditures by holding activities within the headquarters and allocate the funds to key development programmes.

5. CONCLUSION

This County Budget Implementation review report is prepared in fulfilment of Article 228(6) of the Constitution of Kenya 2010 and Section 9 of the Controller of Budget Act 2016, which requires the CoB to submit each report on the implementation of the budgets of the National and County governments every four months.

The report provides information on the county government's budget implementation. It provides an overview of the budget implementation status during FY 2023/24, analyses the revenue outturn and expenditure against annual targets, and identifies the County governments' critical challenges during the review period.

In the reporting period, own source revenue collection by County governments amounted to Kshs.58.95 billion and translated to 72.8 per cent of the annual target of Kshs.80.94 billion. This improved performance compared favourably with the Kshs.37.81 billion generated in the previous financial year. While the progress is noted, it remains below the expected target for the reporting period. The equitable share of revenue raised nationally and transferred to the forty-seven county governments was Kshs.354.59 billion, representing 92 per cent of the approved equitable share in the County Allocation of Revenue Act of 2023 of Kshs.385.42 billion. The National Government transferred Kshs.35.97 billion as additional allocations/conditional grants to county governments, while the cash balance from FY 2022/23 was Kshs.42.96 billion. Overall, the County governments had a total of Kshs.492.47 billion available for spending in FY 2023/24 against an aggregated budget of Kshs.562.75 billion.

The combined County government expenditure amounted to Kshs.446.76 billion, representing an absorption rate of 79.4 per cent of the aggregated annual budgets of Kshs.562.75 billion. Recurrent expenditure was Kshs.337.53 billion, representing 90.5 per cent of the annual recurrent budget of Kshs.372.82 billion. Development expenditure amounted to Kshs.109.23 billion, representing an absorption rate of 57.5 per cent of the annual development budget of Kshs.189.93 billion.

The key challenges that adversely affected budget implementation in FY 2023/24 were the National Treasury's non-disbursement of the June 2024 equitable share of revenue, the underperformance of own-source revenue collection, low expenditure on development programmes, a high level of pending bills, high expenditure on personnel emoluments, a delay in submission of financial and non-financial reports to the CoB, the use of commercial bank accounts, and excessive expenditure on travel costs.

The report provides appropriate recommendations to address the identified challenges. The CoB recommends that each of the forty-seven county governments implement the recommendations per Section 130(d) and 149(3a) of the Public Finance Management Act of 2012 to enhance effective budget execution and achieve the desired budget goals.

Bima House, 12th Floor, Harambee Avenue
P.O. Box 35616-00100 Nairobi, Kenya
Tel: +254 (0) 20 318939, 2211056
Fax: +254 (0) 20 2211920
Email: cob@cob.go.ke Website: www.cob.go.ke

Report corruption

corruption-reporting@cob.go.ke
Toll free number 0800720141