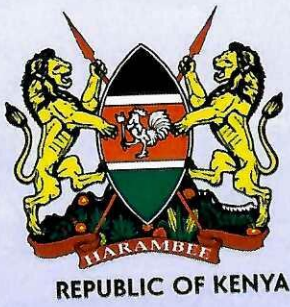


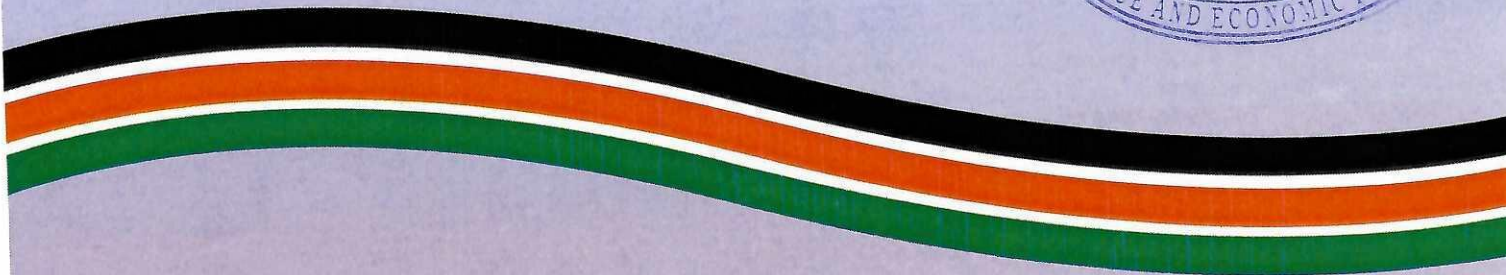
OFFICE OF THE CONTROLLER OF BUDGET



**COUNTY GOVERNMENTS
BUDGET IMPLEMENTATION REVIEW REPORT**

**FOR THE FINANCIAL YEAR
2023/24**

AUGUST, 2024



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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





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	-	-

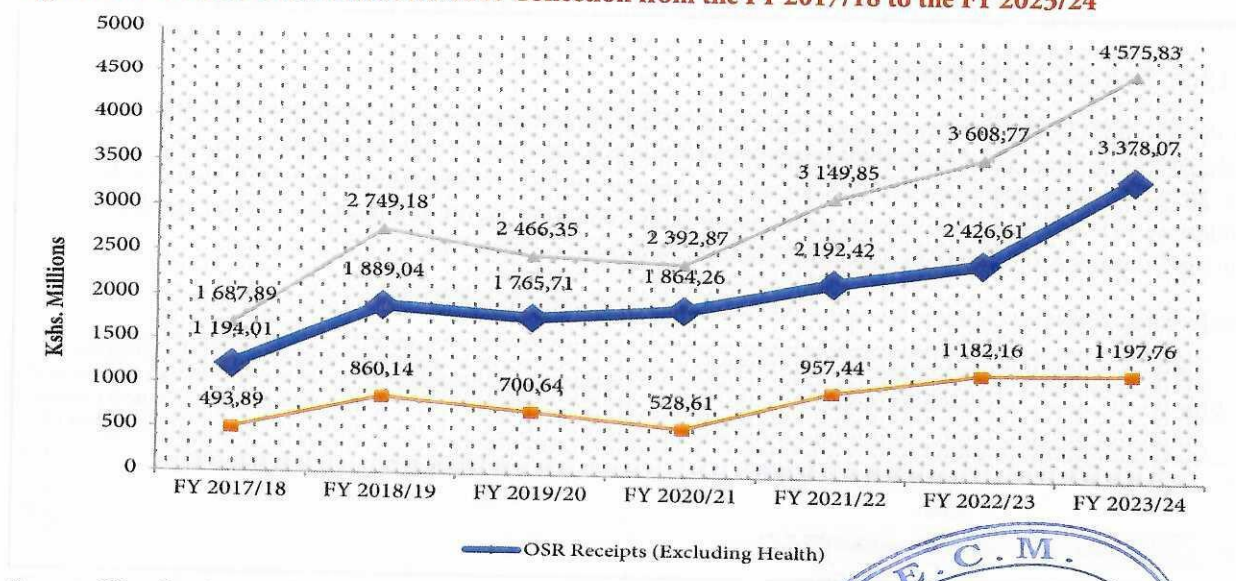


S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
3	Court Fines	5,084,684	-	-
4	Mineral Royalties	10,139,863	-	-
5	IDA (World Bank) National Agricultural & Rural Inclusive Growth Project (NAGRIP)	223,275,969	51,435,542	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) FLoLoCA - County Climate Institutional Support (CCIS) Grant	24,982,967	11,000,000	44
9	IDA (World Bank) FLoLoCA - 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

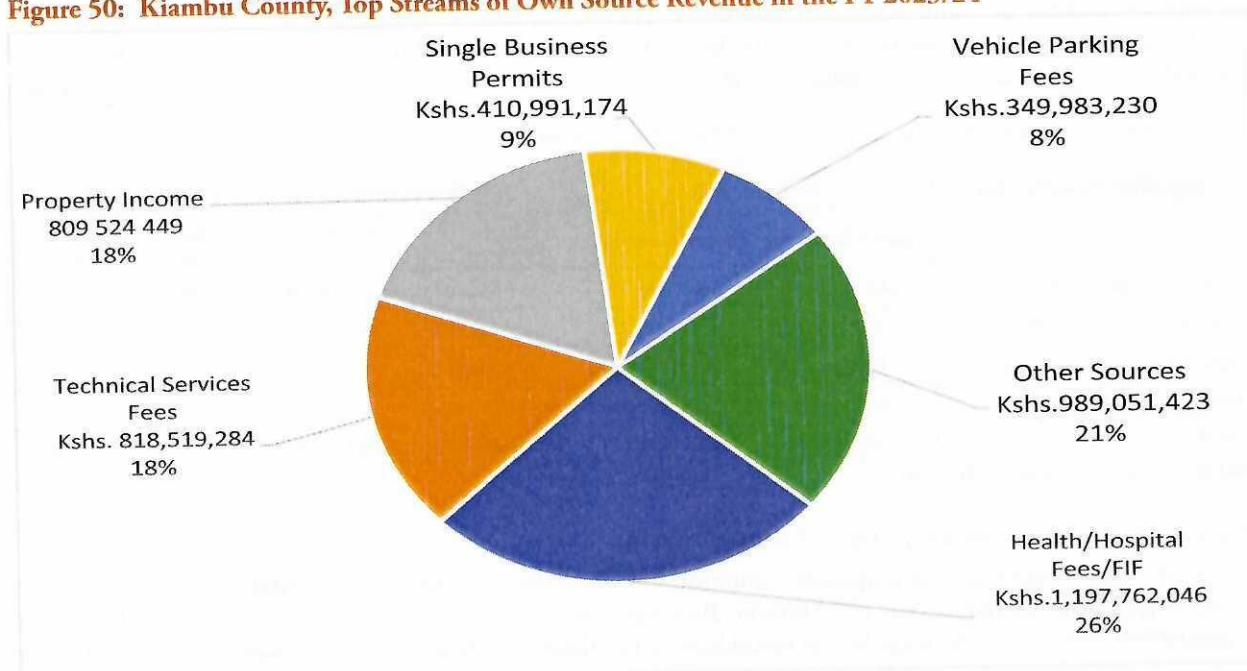


In the FY 2023/24, the County generated a total of Kshs.4.58 billion from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 26.8 per cent compared to Kshs.3.61 billion realized in FY 2022/23 and was 65.4 per cent of the annual target and 40.7 per cent of the equitable 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.

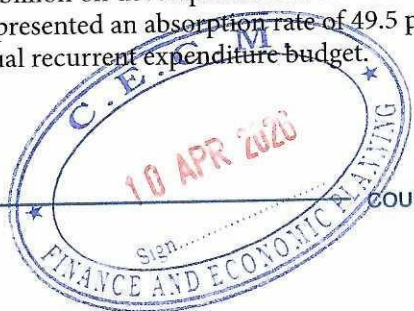
3.13.3 Exchequer Issues

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

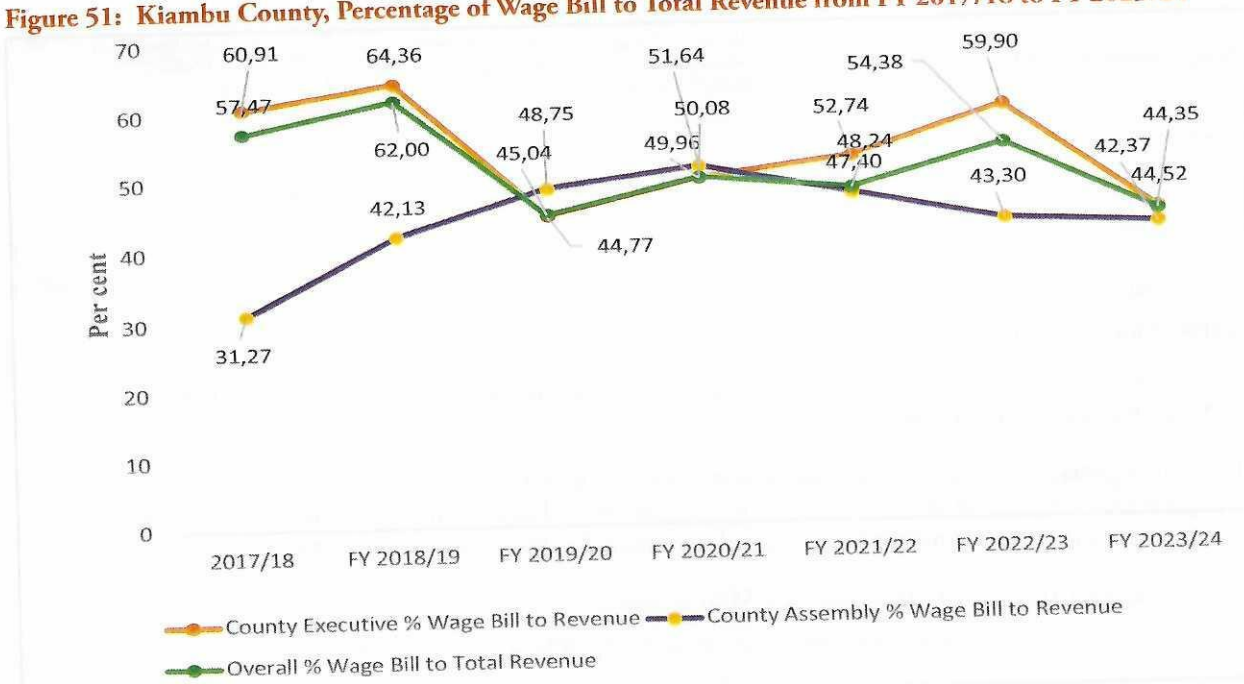
3.13.7 Expenditure on Employees' Compensation

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

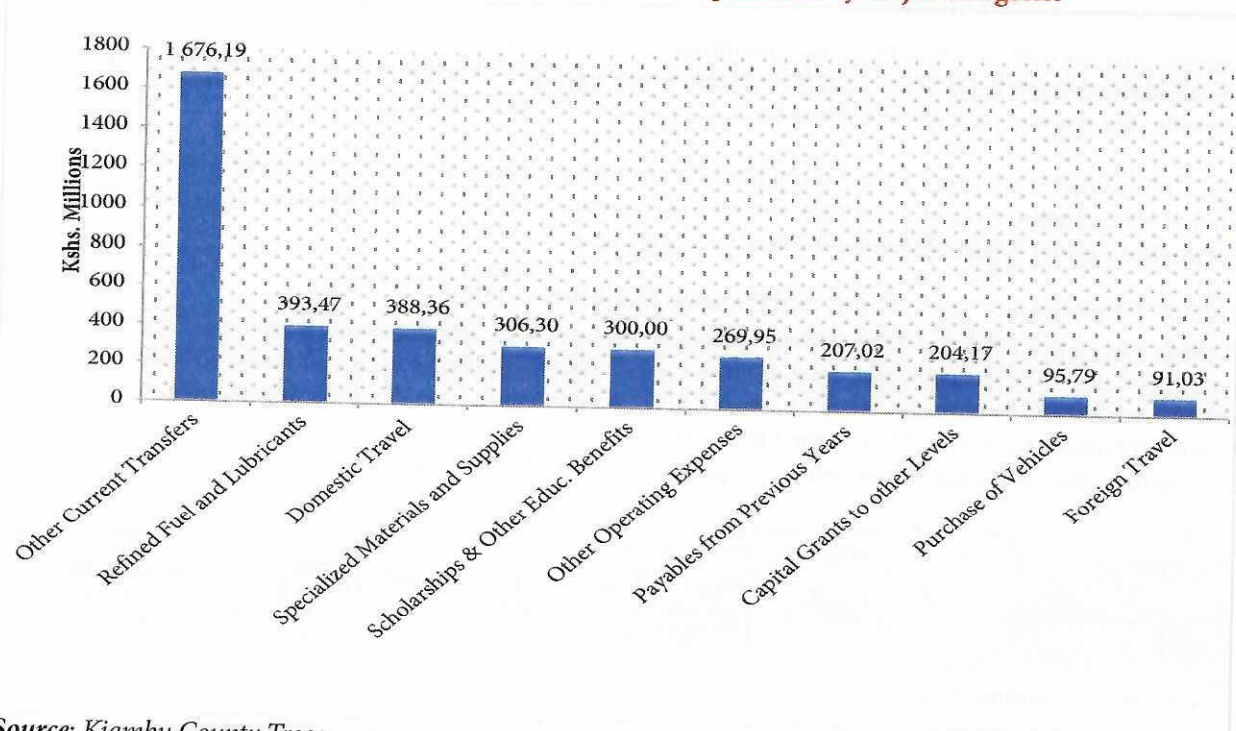
During the reporting period, the CoB received quarterly financial returns from the Fund Administrators of all funds, as indicated in Table 3.86.

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
Sub-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.

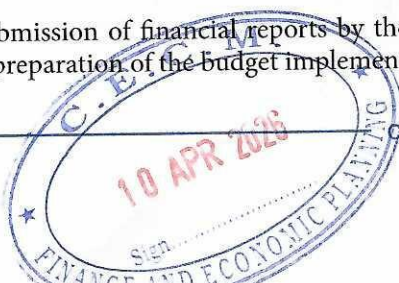
3.13.13 Accounts Operated Commercial Banks

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 adherence 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.