

**OFFICE OF THE CONTROLLER OF BUDGET**



**COUNTY GOVERNMENTS  
BUDGET IMPLEMENTATION REVIEW REPORT**

**FIRST QUARTER OF  
FY 2024/25**

**NOVEMBER, 2024**



## FOREWORD

I am pleased to present the Financial Year (FY) 2024/25 first quarter County Governments Budget Implementation Review Report (CGBIRR) covering July 2024 to September 2024. This report provides an in-depth analysis of the budget performance of the forty-seven County Governments. It examines the receipts deposited into the forty-seven County Revenue Funds, exchequer disbursements, expenditures, and the absorption of funds against the approved budget. Additionally, it analyses receipts from facility improvement financing and expenditure by health facilities. The report also identifies key challenges that affected effective budget implementation during this period and offers recommendations to address these issues.

This report is prepared pursuant to Article 228(6) of the Constitution, which requires the Controller of Budget to submit a report on the implementation of the budgets of the National and County Governments to each House of Parliament every four months. It aligns with Section 9 of the Controller of Budget Act, 2016, which outlines the necessary content for budget implementation reports. This CGBIRR serves as an essential resource for disseminating information on budget implementation at the County government level, in accordance with Section 39(8) of the Public Finance Management Act, 2012.

The insights provided in this report are derived from financial and non-financial reports submitted to my office under Sections 166 and 168 of the Public Finance Management Act, data from the Integrated Financial Management Information System, and the approved budgets for FY 2024/25. My office's continuous monitoring further enhances the accuracy and relevance of these findings.

This report aims to inform the Parliament, County Assemblies, the Executive branch of County Governments and the public about budget implementation and improving public funds' management. I encourage all citizens and stakeholders in public finance management to engage with this report and critically assess how County Governments are utilising public resources.

The preparation of this report reflects the commitment and hard work of the staff from both my office and the County Governments, whose dedication I sincerely acknowledge and appreciate.



FCPA Dr Margaret Nyakang'o, CBS

CONTROLLER OF BUDGET



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 CECOMF 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 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, interest bank accounts for petty cash and revenue collection accounts are exempted.

### 3.13. County Government of Kiambu

#### 3.13.1 Overview of FY 2024/25 Budget

The County's approved FY 2024/25 budget is Kshs.23.57 billion, comprising Kshs.8.16 billion (35 per cent) and Kshs.15.41 billion (65 per cent) allocation for development and recurrent programs, respectively. The approved budget estimates represented an increase of 2 per cent compared to the previous financial year when it was Kshs.23.21 billion and comprised of Kshs.6.97 billion towards development expenditure and Kshs.16.25 billion for recurrent expenditure.

To finance the budget, the County expects to receive Kshs.12.35 billion (52 per cent) as the equitable share of revenue raised nationally, Kshs.3.25 billion (14 per cent) as additional allocations, and generate Kshs.8.28 billion (35 per cent) as gross own source revenue. The own-source revenue includes Kshs.2.40 billion (10 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.5.88 billion (25 per cent) as ordinary own-source revenue. There was no reported cash balance brought forward from FY 2023/24. A breakdown of the additional allocations is provided in Table 3.82

#### 3.13.2 Revenue Performance

In the first quarter of FY 2024/25, the County received Kshs.2.02 billion as an equitable share of the revenue raised nationally, Kshs.52.63 million as additional allocations, and Kshs.832.92 million as own-source revenue (OSR). The raised OSR includes Kshs.345.93 million as FIF and Kshs.486.99 million as ordinary OSR. Included in the equitable share of the revenue raised nationally is Kshs.978.20 million for June 2024, which was disbursed in July 2024.

As shown in Table 3.82, the total funds available for budget implementation during the period amounted to Kshs.3.88 billion.



**Table 3.82: Kiambu County, Revenue Performance in the First Quarter of FY 2024/25**

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	12,345,835,662	2,017,546,153	16.3
<b>Sub Total</b>		<b>12,345,835,662</b>	<b>2,017,546,153</b>	<b>16.3</b>
B	<b>Additional Allocations</b>			
1	Industrial Park & Aggregate Centre Grant	0	52,631,579	0
2	Court Fines	5,697,644	0	0
3	Mineral Royalties	532,558	0	0
4	IDA (World Bank) National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	0	0
5	DANIDA Grant - Primary Health Care Devolved	14,527,500	0	0
6	Road Maintenance Fuel Levy Fund	335,429,530	0	0
7	Community Health Promoters	94,680,000	0	0
8	IDA (World Bank) credit - Kenya Urban Support Project (KUSP)-Urban Development Grant (UDG)	1,658,136,816	0	0
9	IDA (World Bank) FLLoCA - County Climate Resilience Investment Grant	125,000,000	0	0
10	IDA (World Bank) credit - Kenya Devolution Support Project (KDSP) - Level II	37,500,000	0	0
11	IDA (World Bank) credit - Kenya Urban Support Project (KUSP)-Urban Institutional Grant (UIG)	35,000,000	0	0
12	SIDA -Kenya Agricultural Business Development Project (KABDP)	11,819,919	0	0
13	World Bank - Kenya Informal Settlement Improvement Project II (KISIP II)	759,543,092	0	0
14	Aquaculture Business Development Project ABDP	19,395,531	0	0
<b>Sub-Total</b>		<b>3,248,777,742</b>	<b>52,631,579</b>	<b>1.6</b>
C	<b>Other Sources of Revenue</b>			
1	Ordinary Own Source Revenue	5,880,140,717	486,996,476	8.3
2	Facility Improvement Fund (FIF)	2,400,000,000	345,928,332	14.4
3	Other Revenues	0	0	0
4	Appropriation in Aid (AIA)	0	0	0
<b>Sub Total</b>		<b>8,280,140,717</b>	<b>832,924,808</b>	<b>21.9</b>
<b>Grand Total</b>		<b>23,874,754,121</b>	<b>2,903,102,540</b>	<b>16.3</b>

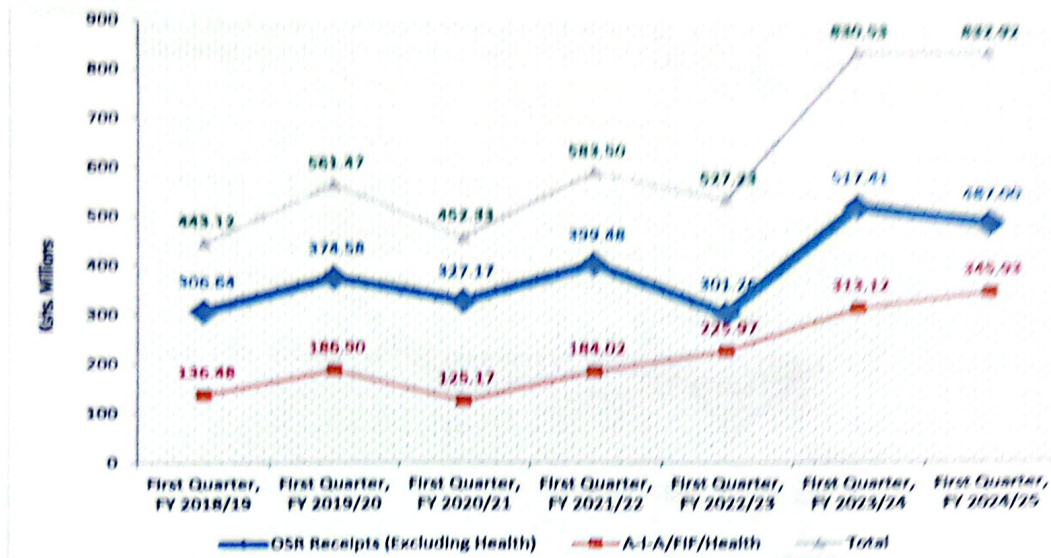
Source: Kiambu County Treasury

The County has governing legislation on the operation of ordinary A-I-A and FIF, known as the Kiambu County Health Services Act of 2019.

Figure 49 shows the trend in own-source revenue collection from the First Quarter of FY 2018/19 to the First Quarter of FY 2024/25.



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

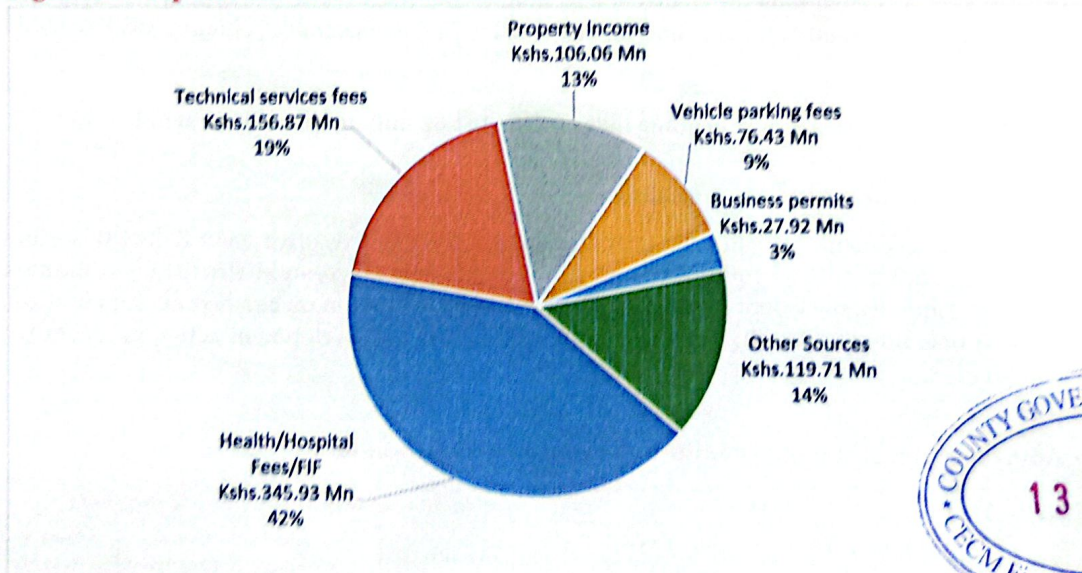


Source: Kiambu County Treasury

In the first quarter of FY 2024/25, the County generated a total of Kshs.832.92 million from its own sources of revenue, including FIF and AIA. This amount represented an increase of 0.3 per cent compared to Kshs.830.53 million realised in a similar period in FY 2023/24. This was 8 per cent of the annual target and 41.3 per cent of the equitable revenue share disbursed. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.25.3 million.

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

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



Source: Kiambu County Treasury



The highest revenue stream, Kshs.345.93 million, was from FIF, contributing 42 per cent of the total OSR receipts during the reporting period.

### 3.13.3 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.345.93 million as PIF, which was 14.4 per cent of the annual target of Kshs.2.4 billion. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed the Health Services Act of 2019 and guidelines for operationalising the PIF Act.

### 3.13.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.2.17 billion from the CRF account comprised Kshs.232.40 million (11 per cent) for development programmes and Kshs.1.94 billion (89 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first three months of FY 2024/25 indicates that Kshs.1.56 billion was released towards Employee Compensation and Kshs.380.61 million for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account on 30<sup>th</sup> September 2024 was Kshs.828.98 million.

### 3.13.5 Borrowing by the County

No borrowing was reported during the period under review.

### 3.13.6 County Expenditure Review

The County spent Kshs.2.25 billion on development and recurrent programmes in the reporting period. The expenditure represented 103.6 per cent of the total funds released by the CoB and comprised of Kshs.401.05 million and Kshs.1.84 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 4.9 per cent, while recurrent expenditure represented 12 per cent of the annual recurrent expenditure budget.

### 3.13.7 Settlement of Pending Bills

At the beginning of FY 2024/25, the County Executive reported a stock of pending bills amounting to Kshs.6.39 billion, comprising of Kshs.4.07 billion for recurrent expenditure and Kshs.2.32 billion for development activities. In the first three months of FY 2024/25, the County settled pending bills amounting to Kshs.631.62 million, consisting of Kshs.389.79 million for recurrent expenditure and Kshs.241.83 million for development programmes. Therefore, as of the end of the first quarter of FY 2024/25, the outstanding amount was Kshs.5.76 billion.

The County Assembly reported outstanding pending bills of Kshs.161.82 million as of 30<sup>th</sup> September 2024.

### 3.13.8 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.1.05 billion on employee compensation, Kshs.657.77 million on operations and maintenance, and Kshs.401.05 million on development activities. Similarly, the County Assembly spent Kshs.101.02 million on employee compensation, Kshs.34.61 million on operations and maintenance, and nil expenditure on development activities, as shown in Table 3.83.

**Table 3.83: 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
<b>Total Recurrent Expenditure</b>	<b>14,052,498,504</b>	<b>1,357,416,186</b>	<b>1,708,999,275</b>	<b>135,632,965</b>	<b>12.2</b>	<b>10.0</b>
Compensation to Employees	7,702,584,301	607,931,941	1,051,229,265	101,023,397	13.6	16.6
Operations and Maintenance	6,349,914,203	749,484,245	657,770,010	34,609,568	10.4	4.6
Development Expenditure	8,054,839,430	110,000,000	401,053,880	-	0.0	0.0
<b>Total</b>	<b>22,107,337,934</b>	<b>1,467,416,186</b>	<b>2,110,053,155</b>	<b>135,632,965</b>	<b>9.5</b>	<b>9.2</b>

Source: Kiambu County Treasury

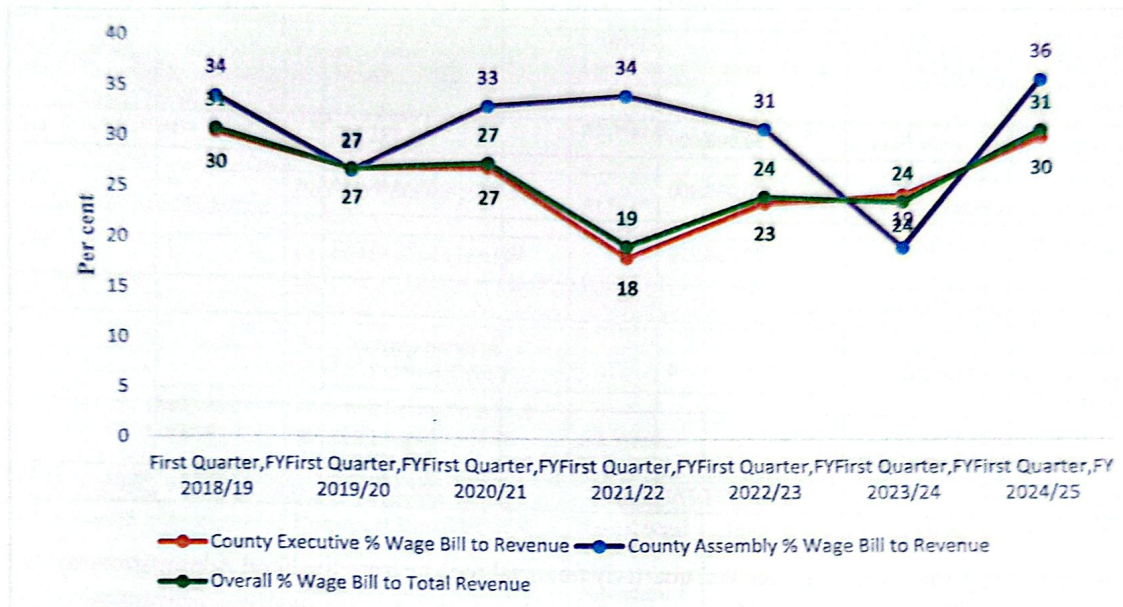


### 3.13.9 Expenditure on Employees' Compensation

In the first quarter of FY 2024/25, employee compensation expenditures amounted to Kshs. 1.15 billion, which represents 40 per cent of the available revenue of Kshs. 2.90 billion. This expenditure decreases from Kshs. 1.76 billion reported during the same period in FY 2023/24. The wage bill included Kshs. 995.45 million paid to health sector employees, accounting for 87 per cent of the total wage bill. The 35 per cent decrease in the wage bill is primarily due to unpaid salaries and benefits for September 2024, which was attributed to delays in the release of the equitable share of revenue raised nationally.

Figure 51 shows the trend of personnel expenditures as a percentage of total revenue from the first quarter of FY 2017/18 to the first quarter of FY 2024/25.

**Figure 51: Percentage of Wage Bill to Total Revenue from the First Quarter of FY 2018/19 to the First Quarter of FY 2024/25**



Source: Kiambu County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.07 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.85.78 million was processed through manual payrolls, which accounted for 7 per cent of the total PE cost.

The County Assembly spent Kshs.21.15 million on committee sitting allowances for the 87 MCAs against the annual budget allocation of Kshs.75 million. The average monthly sitting allowance was Kshs.81,053 per MCA. The County Assembly has established 23 Committees.

### 3.13.10 County Emergency Fund and County-Established Funds

Section 116 of the PFM Act 2012 allows County Governments to establish other public funds with approval from the County Executive Committee and the County Assembly. The County allocated Kshs.2.95 billion to county-established funds in FY 2024/25, constituting 13 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 3.84 summarises each established Fund's budget allocation and performance during the reporting period.



**Table 3.84: Performance of County Established Funds in the First Quarter of FY 2024/25**

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Quarter of FY 2024/25	Actual Expenditure in First Quarter of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements
			(Kshs.)			
<b>County Executive Established Funds</b>						
1.	Kiambu Alcoholic Drinks Control Fund	70,000,000	0	15,630,891	0	Yes
2.	Kiambu County Education Bursary Fund	200,000,000	0	1,728,883	0	Yes
3.	Kiambu County Emergency Fund	50,000,000		10,950	0	Yes
4.	Kiambu County Executive Car Loan & Mortgage Scheme Fund			85,782	0	Yes
5.	Kiambu County Jitnue Fund	50,000,000		1,382,342	0	Yes
6.	Kiambu County Facility Improvement Fund	2,200,000,000	0	250,446,032	0	Yes
7.	Kiambu County Climate Fund	377,754,776	0	5,818,080	0	Yes
<b>County Assembly Established Funds</b>						
8.	Kiambu County Assembly Car Loan & Mortgage Scheme Fund	0	-	3,104,489	0	Yes
9.	Kiambu County Assembly Staff Mortgage Scheme Fund	-	-	1,640	0	Yes
	<b>Total</b>	<b>2,947,754,776</b>	<b>0</b>	<b>278,209,089</b>	<b>0</b>	

Source: Kiambu County Treasury

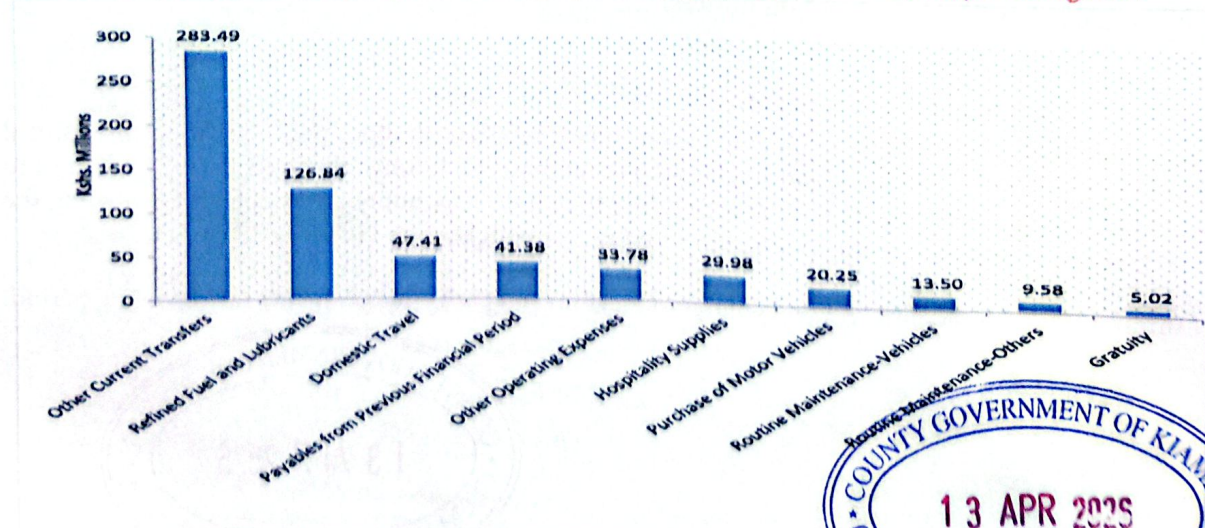
During the reporting period, the CoB received quarterly financial returns from the Fund Administrators of all funds, as indicated in Table 3.84.

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.

### 3.13.11 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.47.41 million and comprised of Kshs.31.96 million spent by the County Assembly and Kshs.15.45 million by the County Executive. No expenditure on foreign travel was incurred during the reporting period. Other operating expenses include Kshs.12.95 million in Management Fees and Kshs.7.22 million in Bank Charges.

### 3.13.12 Development Expenditure

In the First Quarter of FY 2024/25, the County reported an expenditure of Kshs.401.05 million on development programmes, representing an increase of 126 per cent compared to a similar period in FY 2023/24 when the County spent Kshs.177.78 million. Table 3.85 summarises development projects with the highest expenditure in the reporting period.

**Table 3.85: 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, Transport, Public Works & Utilities	Payables from previous financial years	All Wards	364,175,588	123,667,451	21
2	Trade and Markets	Payables from the previous period	ALL	55,000,000	36,391,078	66
3	Health	Construction of a level IV Hospital at Gachororo Health Centre	Juja ward	196,699,815	32,000,000	80
4	Culture and Social Services	Payables from previous Financial Period-Others		41,683,533	25,705,780	62
5	Roads, Transport, Public Works & Utilities	Proposed Rehabilitation of various bus parks within Kimabu County	All Wards	125,000,000	20,550,821	100
6	Health	Construction of a level IV Hospital at Karuri level IV hospital	Karuri ward	180,734,625	20,000,000	60
7	Health	Construction of Ndenderu Wangunyu Level 3 Hospital	Ndenderu ward	50,000,000	13,772,507	80
8	Health	Construction of a level III Hospital at Kiawaroga	Limuru East ward	42,480,230	10,745,330	50
9	Health	Construction of a level III Hospital at Kahawa Sukari	Kahawa Sukari	43,813,600	9,972,378	100
10	Health	Construction of a level III Hospital at Ndumberi	Ndumberi ward	41,913,760	9,539,786	60

Source: Kiambu County Treasury

### 3.13.13 Budget Performance by Department

Table 3.86 summarises the approved budget allocation, expenditure and absorption rate by departments in the first three months of FY 2024/25.

**Table 3.86: Kiambu County, Budget Allocation and Absorption Rate by Department**

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	1,357.42	110	135.63	-	135.63	-	100	-	10	-
County Executive	485	-	28.55	-	62.43	-	219	-	13	-
County Public Service Board	90.09	-	8.07	-	5.90	-	73	-	7	-
Finance, ICT & Economic Planning	1,508.12	271	161.38	-	191.81	-	119	-	13	-
Water, Environment and Natural Resources	500.73	601.89	95.02	15.54	91.03	38.23	96	246	18	6



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
Health Services	7,039.81	715.46	951.44	47.60	915.62	122.13	96	257	13	17
Roads, Transport and Public Works	771.10	1,724.15	142.87	104.41	138.87	144.22	97	138	18	8
Administration and Public Service	1,009.38	75	133.41	-	114.27	-	86	-	11	-
Agriculture, Crop Production & Irrigation	510.88	713.22	64.54	7.83	44.35	9.03	69	115	9	1
Education, Culture and Social Services	1,401.52	637.84	132.87	21.08	88.47	31.61	67	150	6	5
Youth and Sports	174.55	170	9.06	12.37	10.84	12.37	120	100	6	7
Lands, Physical Planning and Housing	402.52	2,833.11	46.92	-	38.48	2.18	82	-	10	0
Trade, Tourism, Industry and Co-operative	158.81	313.18	26.25	23.56	7.12	41.29	27	175	4	13
<b>Total</b>	<b>15,409.91</b>	<b>8,164.84</b>	<b>1,936.01</b>	<b>232.40</b>	<b>1,844.63</b>	<b>401.05</b>	<b>95</b>	<b>173</b>	<b>12</b>	<b>5</b>

Source: Kiambu County Treasury

Analysis of expenditure by departments shows that the Department of Health Services recorded the highest absorption rate of its development budget at 17 per cent, followed by the Department of Trade, Tourism, Industry & Co-operatives at 13 per cent. The Department of Water, Environment and Natural Resources had the highest percentage of recurrent expenditure to budget at 18 per cent. In contrast, the Department of Trade, Tourism, Industry & Co-operatives had the lowest at 4 per cent.

The allocations for the County Executive and County Assembly's recurrent budgets are within the recommended ceilings per CARA 2024.

### 3.13.14 Budget Execution by Programmes and Sub-Programmes

Table 3.87 summarises the budget execution by programmes and sub-programmes in the First Quarter of FY 2024/25.

**Table 3.87: Kiambu County, Budget Execution by Programmes and Sub-Programmes**

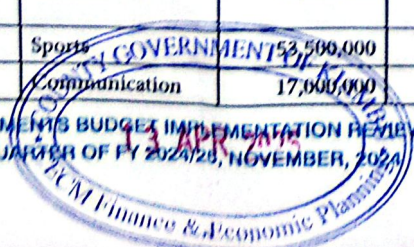
Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
<b>COUNTY ASSEMBLY</b>							
Legislation and oversight	Legislation and oversight	688,434,245	-	76,869,075	-	11	-
General Administration Planning and Support Services	General Administration Planning and Support Services	524,310,941	110,000,000	44,520,680	-	8	0
Representation services	Representation services	144,671,000	-	14,243,210	-	10	-
	<b>Sub Total</b>	<b>1,357,416,186</b>	<b>110,000,000</b>	<b>135,632,965</b>	<b>-</b>	<b>10</b>	<b>0</b>
<b>COUNTY EXECUTIVE</b>							
Leadership & Coordination of County Admin & Departments	General Administration and Support Services	411,430,000	-	58,623,528	-	14	-
	Public awareness and Institutional Strengthening	24,070,000	-	123,660	-		



Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		(Kshs.)		(Kshs.)		Recur- rent e	Develop- ment
		Recurrent	Development	Recurrent	Develop- ment		
	Legal services	49,500,000	-	3,678,295	-	7	-
	<b>Sub Total</b>	<b>485,000,000</b>	<b>-</b>	<b>62,426,823</b>	<b>-</b>	<b>13</b>	<b>-</b>
<b>COUNTY PUBLIC SERVICE BOARD</b>							
Leadership and Administration of Human Resources and Development in County Public Service	Human Resource development and management services	90,090,972	-	5,903,325	-	7	-
	<b>Sub Total</b>	<b>90,090,972</b>	<b>-</b>	<b>5,903,325</b>	<b>-</b>	<b>7</b>	<b>-</b>
<b>FINANCE &amp; ECONOMIC PLANNING</b>							
Public Finance Management and Economic Policy & Strategy	Budget	14,955,200	-	948,583	-	6	-
	Revenue	393,500,000	5,000,000	33,202,930	-	8	0
	Accounting	62,500,000	-	17,234,830	-	28	-
	Internal Audit	10,387,800	-	974,192	-	9	-
	Economic Planning	11,157,000	-	602,410	-	5	-
General Administration and support services	General Administration and support services	1,000,616,154	5,000,000	131,548,057	-	13	0
ICT Services	ICT services	15,000,000	261,000,000	7,300,000	-	49	0
	<b>Sub Total</b>	<b>1,508,116,154</b>	<b>271,000,000</b>	<b>191,811,002</b>	<b>-</b>	<b>13</b>	<b>0</b>
<b>WATER, ENVIRONMENT, ENERGY &amp; NATURAL RESOURCES</b>							
Water and environment administration	Administration, Planning & Support Services	500,725,926	-	91,032,888	-	0	-
Water	Water Resource Management and Sanitation	-	174,252,369	-	38,231,439	-	22
Natural Resources	Natural Resources, Forest Conservation and Management	-	10,000,000	-	-	-	0
Environment	Environment and Solid Waste Management	-	44,883,260	-	-	-	0
Renewable Energy and Climate Change	Climate Change Mitigation & Adaptation	-	372,754,777	-	-	-	0
		<b>500,725,926</b>	<b>601,890,406</b>	<b>91,032,888</b>	<b>38,231,439</b>	<b>0</b>	<b>6</b>
<b>HEALTH SERVICES</b>							
Health Services	Curative	1,200,000,000	715,461,755	1,819,580	122,126,018	0	17
	Preventive and Promotive	959,107,042	-	291,370,778	-	0	-
	Pharmaceuticals	120,000,000	-	-	-	-	-
	Administration and Support	4,760,698,635	-	622,228,864	-	0	-
	<b>Sub Total</b>	<b>7,039,805,677</b>	<b>715,461,755</b>	<b>915,419,222</b>	<b>122,126,018</b>	<b>0</b>	<b>17</b>



Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		(Kshs.)		(Kshs.)		Recurrent	Development
		Recurrent	Development	Recurrent	Development		
<b>ROADS, TRANSPORT, PUBLIC WORKS &amp; UTILITIES</b>							
Maintenance of Roads, Bridges, Transport, Construction and Maintenance	General administration and support services	771,101,084	-	138,873,487	-	0	-
	Construction of road and civil works	-	1,724,148,358	-	144,218,272	-	8
	<b>Sub Total</b>	<b>771,101,084</b>	<b>1,724,148,358</b>	<b>138,873,487</b>	<b>144,218,272</b>	<b>0</b>	<b>8</b>
<b>ADMINISTRATION &amp; PUBLIC SERVICE</b>							
General Administration Planning and Support services	General Administration Planning and Support services	924,882,896	35,000,000	112,828,708	-	0	0
Human Resource Management & Development Services	Human Resource Management & Development	54,500,000	-	1,436,800	-	0	-
Alcoholic Fund	Alcoholic Drinks Control & Rehabilitation	30,000,000	40,000,000	-	-	-	0
	<b>Sub-Total</b>	<b>1,009,382,896</b>	<b>75,000,000</b>	<b>114,265,508</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>AGRICULTURE, LIVESTOCK AND CO-OPERATIVE DEVELOPMENT</b>							
Agriculture, Livestock and Co-Operative Development	General Administration, Planning and Support Services	426,762,458	-	42,688,730	-	0	-
	Crop Development, Irrigation and Marketing Services	806,000	431,835,070	-	9,026,100	-	2
	Livestock and Fisheries Management and Development	46,308,780	276,383,074	108,178	-	-	0
	Co-operative Development and Management	37,000,000	5,000,000	1,555,055	-	-	0
	<b>Sub Total</b>	<b>510,877,238</b>	<b>713,218,144</b>	<b>44,351,963</b>	<b>9,026,100</b>	<b>-</b>	<b>1</b>
<b>EDUCATION, GENDER, CULTURE &amp; SOCIAL SERVICES</b>							
Pre-primary edu, Promotion of Culture and Social Services	PrePrimary education and youth polytechnics services	380,140,000	607,835,695	1,214,380	31,611,633	0	5
	Gender, Culture and Social Services	36,130,000	30,000,000	325,000	-	0	0
	General administration and support services	985,248,957	-	86,930,727	-	0	-
	<b>Sub Total</b>	<b>1,401,518,957</b>	<b>637,835,695</b>	<b>88,470,107</b>	<b>31,611,633</b>	<b>0</b>	<b>5</b>
<b>YOUTH AFFAIRS, SPORTS &amp; COMMUNICATION</b>							
Youth Affairs, Sports and Communication	Youth Affairs	11,000,000	-	455,000	-	4	-
	Sports	53,500,000	-	2,620,900	-	5	-
	Communication	17,000,000	-	132,000	-	1	-



Programme	Sub-Programme	Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		(Kshs.)		(Kshs.)		Recurrent	Development
		Recurrent	Development	Recurrent	Development		
	General Administration	93,052,827	-	7,636,248	-	8	-
	Youth Empowerment	-	40,000,000	-	-	-	0
	Improvement of Sports Infrastructure	-	130,000,000	-	12,374,340	-	10
	<b>Sub Total</b>	<b>174,552,827</b>	<b>170,000,000</b>	<b>10,844,148</b>	<b>12,374,340</b>	<b>6</b>	<b>7</b>
<b>LAND, HOUSING, PHYSICAL PLANNING, MUNICIPAL ADMINISTRATION &amp; URBAN DEVELOPMENT</b>							
Urban Areas Development & Administration	Urban Areas Administration and Management	135,000,000	1,958,136,816	13,883,100	-	10	0
General Administration, Planning and Support Services	General administration and support services	227,518,169	-	24,598,201	-	11	-
Land Use Management, Valuation & Rating and Physical Planning	Land Administration services	40,000,000	14,428,865	-	-	-	0
Housing and Community Development	Housing Development	-	860,543,092	-	2,175,000	-	0
	<b>Sub Total</b>	<b>402,518,169</b>	<b>2,833,108,773</b>	<b>38,481,301</b>	<b>2,175,000</b>	<b>10</b>	<b>0</b>
<b>TRADE, INDUSTRIALISATION, TOURISM, INVESTMENTS</b>							
Trade, Industrialisation, Tourism, Investments	General Administration, Planning and Support Services	158,808,604	-	7,119,503	-	4	-
	Trade and Markets	-	274,000,000	-	41,291,078	-	15
	Tourism promotion and marketing	-	9,176,300	-	-	-	0
	Industrialisation	-	20,000,000	-	-	-	0
	Investment	-	10,000,000	-	-	-	0
	<b>Sub Total</b>	<b>158,808,604</b>	<b>313,176,300</b>	<b>7,119,503</b>	<b>41,291,078</b>	<b>4</b>	<b>13</b>
<b>GRAND TOTAL</b>		<b>15,409,914,690</b>	<b>8,164,839,431</b>	<b>1,844,632,242</b>	<b>401,053,880</b>	<b>12</b>	<b>5</b>

Source: Kiambu County Treasury

Sub-programmes with the highest levels of implementation based on absorption rates were: ICT Services and Accounting in the Department of Finance and Economic Planning at 49 per cent and 28 per cent, respectively, Water Resource Management and Sanitation in the Department of Water, Irrigation & Natural Resources at 23 per cent, and Trade and Markets in the Department of Trade, Industrialization, Tourism and Investments at 15 per cent of budget allocation.

### 3.13.15 Accounts Operated in Commercial Banks

The County government operated 292 accounts with commercial banks, of which 239 were for healthcare facilities.

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.



### 3.13.16 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the COB identified the following challenges which hampered effective budget implementation;

1. The late submission of financial reports by the County Treasury and the County Assembly to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received on 28<sup>th</sup> October, 2024.
2. The underperformance of own-source revenue at Kshs.830.53 million against an annual target of Kshs.8.28 billion, representing 10 per cent of the yearly target.
3. High level of pending bills, which amounted to Kshs.5.90 billion as of 30<sup>th</sup> September 2024.
4. Use of manual payroll. Personnel emoluments amounting to Kshs.85.78 million were processed through the manual payroll, accounting for 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 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 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 remaining part of the 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.*

## 3.14. County Government of Kilifi

### 3.14.1 Overview of FY 2024/25 Budget

The Kilifi County approved FY 2024/25 budget is Kshs.21.41 billion. This comprised Kshs.11.44 billion (54 per cent) and Kshs.9.97 billion (47 per cent) allocations for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.4.39 billion (26 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.5.42 billion and a recurrent budget of Kshs.11.59 billion.

The Kilifi County Government budget will be financed from different sources. The County Governments expect to receive Kshs.12.55 billion (58 per cent) as the equitable share of revenue raised nationally, Kshs.3.45 billion (16.1 per cent) as additional allocations, a cash balance of Kshs.3.43 billion (16.0 per cent) was brought forward from FY 2023/24, and generate Kshs.1.57 billion (7 per cent) as gross own source revenue.

### 3.14.2 Revenue Performance

In the first quarter of FY 2024/25, Kilifi County received a total of Kshs.4.63 billion to fund recurrent and development activities. Equitable share from the National Government of Kshs.968.74 million, own source revenue