

OFFICE OF THE CONTROLLER OF BUDGET



**COUNTY GOVERNMENTS
BUDGET IMPLEMENTATION REVIEW REPORT**

**THE FIRST NINE MONTHS OF
FY 2024/25**

MAY, 2025



FOREWORD

The Office of the Controller of Budget (OCoB) was established under Article 228 of the Constitution of Kenya to oversee the implementation of budgets for the National and County Governments by authorising withdrawals from Public Funds and reporting to each House of Parliament every four months. According to Article 228 (6) of the Constitution and Section 9 of the Controller of Budget Act, 2016, the Controller of Budget (CoB) is required to submit quarterly budget implementation reports for the National and County Governments within thirty days after the end of each quarter.

In line with these requirements, I am pleased to present this County Budget Implementation Review Report for the first nine months of the Financial Year 2024/25, covering 1st July 2024 to 31st March 2025. The report is based on data from the approved county budgets for FY 2024/25, as well as financial and non-financial performance reports submitted to the CoB in accordance with Sections 166 and 168 of the Public Financial Management (PFM) Act, 2012. The data also includes exchequer requisition records and information from the Integrated Financial Management Information System (IFMIS).

This report examines budget implementation across the forty-seven County Governments, presenting an analysis of budget performance, including approved budgets, receipts into the County Revenue Fund, exchequer issues, and expenditures categorised by major classifications: Personnel Emoluments, Operations and Maintenance, and Development Expenditure. Additionally, it assesses expenditures by programs and the absorption of funds relative to the approved budget.

The report provides a comprehensive analysis of how County Governments have implemented their budgets during the reporting period. It highlights key challenges that have affected the efficiency and effectiveness of budget execution and includes recommendations to address these issues. The OCoB remains committed to promoting transparency, accountability, and the prudent use of public resources. We encourage all stakeholders, particularly Parliament, County Executives, County Assemblies, and the National Treasury, to consider the observations made in this report and implement the recommendations provided to strengthen public financial management and enhance the welfare of citizens.

Finally, I would like to express my sincere gratitude to my staff for their tireless efforts, dedication, and commitment in preparing this report. I also extend my appreciation to the County Treasury staff who submitted quarterly reports and provided clarifications that facilitated the preparation of this document. My office will always continue to promote prudent financial management in the public sector.



FCPA Dr Margaret Nyakang'o, CBS

CONTROLLER OF BUDGET



3.12.17 Key Observations and Recommendations

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

- i. 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 5 May 2025.
- ii. Own-source revenue underperformed at Kshs.762.98 million against an annual target of Kshs.1.22 billion, representing 62.4 per cent of the yearly target.
- iii. 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 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 as required by law.
- iv. High level of pending bills, which amounted to Kshs.6567.10 million as of 31 March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
- v. Use of manual payroll. Personnel emoluments amounting to Kshs.84.40 million were processed through the manual payroll, accounting for 3.5 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.
- vi. 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:

- i. *The County Treasury should ensure the 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.*
- ii. *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.*
- iii. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
- iv. *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.*
- v. *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.*
- vi. *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.*

3.13. County Government of Kiambu

3.13.1 Overview of FY 2024/25 Budget

The Kiambu County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.24.54 billion. It comprises Kshs.8.64 billion (35 per cent) and Kshs.15.90 billion (64.8 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.33 billion (6 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.6.97 billion and a recurrent budget of Kshs.16.25 billion. The County's Net Approved Supplementary I Budget (gross budget less AIA estimates) is Kshs.24.54 billion.

The budget will be financed from the following revenue sources: an equitable share of revenue raised nationally of Kshs.13.27 billion (54 per cent), additional allocations of Kshs.3.14 billion (13 per cent), a cash balance of Kshs.150.03 million (0.6 per cent) brought forward from FY 2023/24, and Kshs.7.98 billion (32 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.2.4 billion (10 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.5.58 billion (23 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.126.

3.13.2 Revenue Performance

During the review period, the County received Kshs.11.65 billion in revenues to fund its development and recurrent activities. This amount represents a decrease of Kshs.1.60 billion from Kshs.13.25 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.8.11 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.64.89 million, and its own-source revenue (OSR) collection of Kshs.3.33 billion. Additionally, the County had a cash balance of Kshs.150.03 billion as of FY 2023/24.

The total OSR collection of Kshs.3.33 billion includes Facilities Improvement Financing (FIF) of Kshs.1.25 billion, and Kshs.2.08 billion from other OSR sources. OSR collections from the FIF were received from 106 hospitals where the FIF is collected. Table 3.126 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.126: Kiambu County, Revenue Performance in the First Nine Months of FY 2024/25

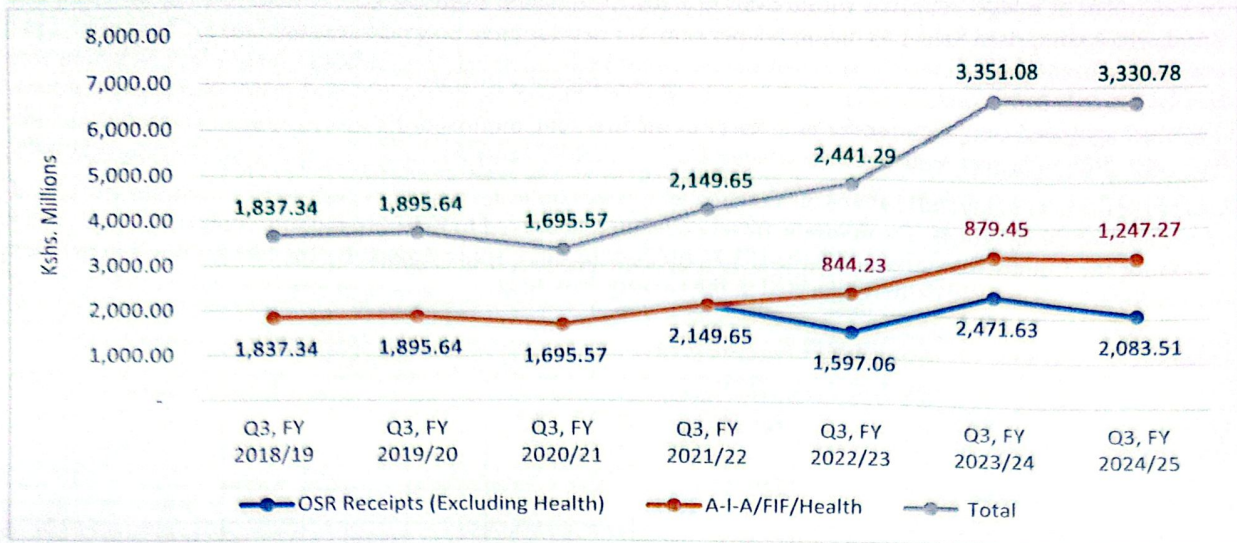
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	13,271,900,869	8,108,547,569	61
Sub Total		13,271,900,869	8,108,547,569	61
B	Conditional Grants			
1	Industrial Park & Aggregate Centre Grant	187,500,000	52,631,579	28
2	Court Fines	5,697,644		0
3	Mineral Royalties	532,558		0
4	IDA (World Bank) National Agricultural Value Chain Development Project (NAVCDP)	151,515,152		0
5	DANIDA Grant - Primary Health Care Devolved	14,527,500		0
6	Road Maintenance Fuel Levy Fund	335,429,530		0
7	Community Health Promoters	94,680,000		0
8	IDA (World Bank) credit - Kenya Urban Support Project (KUSP)-Urban Development Grant (UDG)	1,658,136,816		0
9	IDA (World Bank) FLoLoCA - County Climate Resilience Investment Grant	125,000,000		0
10	IDA (World Bank) FLoLoCA - County Climate Institutional Support (CCRI)	11,277,015		0
11	IDA (World Bank) credit - Kenya Devolution Support Project (KDSP) - Level II	37,500,000		0
12	IDA (World Bank) credit - Kenya Urban Support Project (KUSP)-Urban institutional Grant (UIG)	35,000,000		0
13	World Bank - Kenya Informal Settlement Improvement Project II (KISIP II)	464,543,092		0
14	Aquaculture Business Development Project ABDP	19,395,531		0
Sub-Total		3,140,734,838	52,631,579	2
C	Other Sources of Revenue			
1	Ordinary Own Source Revenue	5,580,140,717	2,083,510,365	37
2	Balance b/f from FY2023/24	150,028,072	150,028,072	100
3	Facility Improvement Fund (FIF)	2,400,000,000	1,247,268,854	52
4	Other Revenues	143,633,951	12,261,470.00	9
5	Appropriation in Aid (AIA)	-	-	0
Sub Total		8,273,802,740	3,493,068,760	42
Grand Total		24,686,438,447	11,654,247,908	47

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 collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.



Figure 49: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25

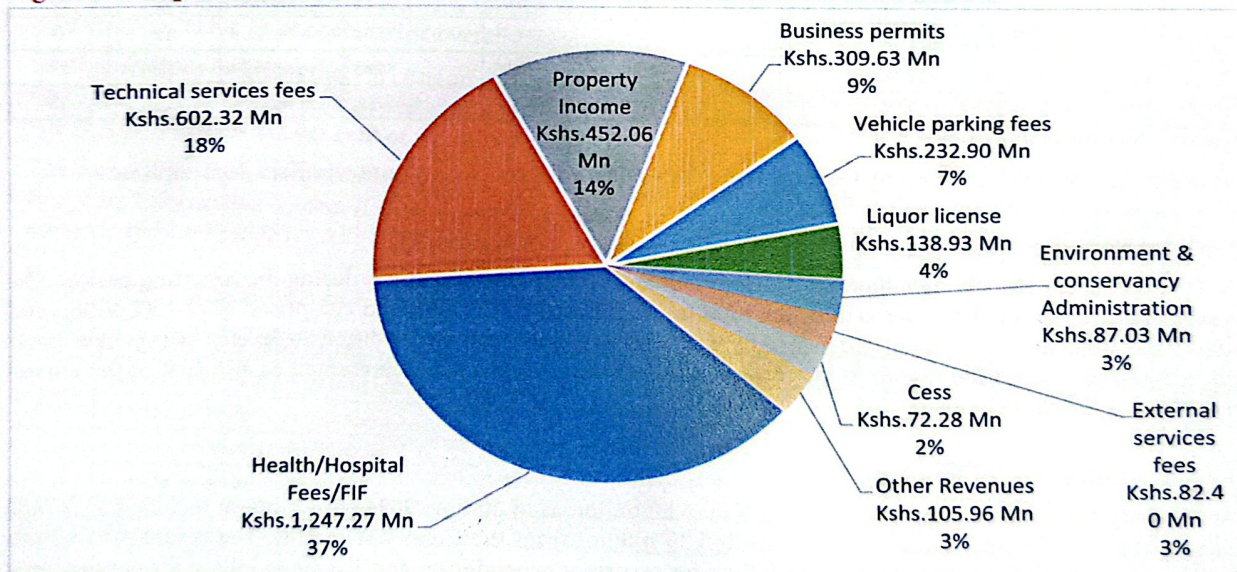


Source: Kiambu County Treasury

During the review period, the County generated Kshs.3.33 billion from its own revenue sources, including AIA and FIF. This amount was a decrease of less than 1 per cent compared to Kshs.3.35 million realised in a similar period in FY 2023/24, which was 42 per cent of the annual target and 41 per cent of the equitable revenue share disbursed. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years, amounting to Kshs.5.67 million.

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

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



Source: Kiambu County Treasury

As shown in Figure 50, the highest revenue stream, at Kshs.1.25 billion was from Hospital FIF, accounting for 37 per cent of the total OSR receipts. The County Government has automated all revenue streams.

3.13.3 Borrowing by the County

The County Government did not report on any borrowing.



3.13.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.10.36 billion from the CRF account during the reporting period, which comprised Kshs.1.89 billion (18 per cent) for development programmes and Kshs.8.47 billion (82 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.5.80 billion was released towards compensation of employees and Kshs.2.67 billion for operations and maintenance expenditure. Exchequer approved compensation for employees in the first nine months of FY 2024/25, which does not include the March 2025 exchequer request for the County Executive and County Assembly due to a delay in releasing funds.

Analysis of the operations and maintenance exchequer releases indicates that 8 per cent was for domestic travel and 1.3 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.210 million, comprising Kshs.37.63 million for the County Executive and Kshs.173.37 million for the County Assembly. The foreign travel exchequer totalled Kshs.35.85 million, entirely allocated to the County Assembly.

Table 3.127: Kiambu County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Mil-lion)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	1,418.62	110.00	692.18	-	49	0
County Executive	476.48	-	235.94	-	50	-
County Public Service Board	92.89	-	46.53	-	50	-
Finance, ICT & Economic Planning	1,586.98	183.78	860.02	-	54	0
Water, Environment and Natural Resources	573.51	550.96	358.24	48.91	62	9
Health Services	7,016.17	846.74	3,810.04	457.74	54	54
Roads, Transport and Public Works	788.31	2,109.59	444.42	381.14	56	18
Administration and Public Service	1,076.50	87.55	575.60	-	53	0
Agriculture, Crop Production & Irrigation	523.87	710.60	279.94	183.70	53	26
Education, Culture and Social Services	1,563.95	847.09	825.93	463.33	53	55
Youth and Sports	185.14	170.00	74.19	106.47	40	63
Lands, Physical Planning and Housing	416.25	2,307.61	173.38	2.18	42	0
Trade, Tourism, Industry and Cooperatives	179.26	720.95	88.83	245.14	50	34
	15,897.94	8,644.86	8,465.24	1,888.61	53	22

Source: Kiambu County Treasury

As of 31st March, 2025, the County Government's cash balance in the CRF account was Kshs 46.59 million.

3.13.5 County Expenditure Review

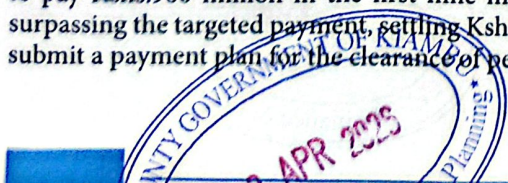
The County spent Kshs.11.45 billion on development and recurrent programmes during the reporting period. The expenditure represented 111 per cent of the total funds released by the CoB and comprised Kshs.1.82 billion and Kshs.9.63 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 21 per cent, while recurrent expenditure represented 61 per cent of the annual recurrent expenditure budget.

3.13.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.6.80 billion as of 30 June 2024. This amount included Kshs.6.66 billion from the County Executive and Kshs.146.25 million from the County Assembly. The pending bills from the County Executive consist of Kshs.4.45 billion for recurrent expenditures and Kshs.2.35 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.1.20 billion, comprising Kshs.756.80 million for recurrent programmes and Kshs.446.75 million for development programmes. The County Assembly did not settle any pending bills during the reporting period.

The County Executive submitted a payment plan for pending bills at the commencement of FY 2024/25, committing to pay Kshs.900 million in the first nine months of FY 2024/25. The County adhered to this payment plan by surpassing the targeted payment, settling Kshs.1.20 billion for the Executive. However, the County Assembly did not submit a payment plan for the clearance of pending bills, nor did they settle any outstanding bills.



As of 31st March 2025, the outstanding bills totalled Kshs.5.60 billion, comprising Kshs.5.45 billion for the County Executive and Kshs.146.25 million for the County Assembly.

3.13.7 Expenditure by Economic Classification

The County Executive spent Kshs.5.98 billion on employee compensation, Kshs.2.96 billion on operations and maintenance, and Kshs.1.82 billion on development activities. Similarly, the County Assembly spent Kshs.404.80 million for employee compensation, Kshs.287.38 million on operations and maintenance, and nil on development activities, as shown in Table 3.128.

Table 3.128: 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	14,479,324,817	1,418,615,658	7,773,053,380	692,184,675	8,936,756,926	692,184,675	62	49
Compensation to Employees	7,878,603,025	607,931,941	5,409,215,972	386,376,410	5,979,318,873	404,803,625	76	67
Operations and Maintenance	6,600,721,792	810,683,717	2,363,837,408	305,808,265	2,957,438,053	287,381,050	45	35
Development Expenditure	8,534,864,021	110,000,000	1,888,605,551	-	1,817,384,303	-	21	-
Total	23,014,188,838	1,528,615,658	9,661,658,931	692,184,675	10,754,141,229	692,184,675	47	45

Source: Kiambu County Treasury

3.13.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation amounted to Kshs.6.38 billion. The total revenue was Kshs.11.65 billion. Consequently, the percentage of employee compensation to revenue is 55 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.6.01 billion reported during the same period in FY 2023/24. Of this total, Kshs.2.61 billion was allocated to Health Sector employees, which accounts for 41 per cent of the overall employees' compensation.

Further analysis indicates that PE costs amounting to Kshs.4.63 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs 194.70 million was processed through manual payrolls, which accounted for 4.2 per cent of the total PE cost.

The manual payrolls comprised salaries for 654 staff who had yet to be onboarded into the Government Human Resource Information System (GHRIS), as well as salaries for gratuity remittances to pension schemes for staff on contract and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.129.

Table 3.129: Breakdown of Kiambu County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
1	Salaries for 654 staff are yet to be onboarded into HRIS	24,691,048
2	LAPTRUST Pension Contributions	519,137
3	LAPFUND Pension Contributions	106,633
4	Gratuity for contract staff	9,566,372
	Total	34,883,190

Source: Kiambu County Treasury

The County Assembly spent Kshs.58.38 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.74,564 per MCA. The County Assembly has 23 house committees.

3.13.9 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.2.95 billion to County-Established funds in FY 2024/25, or 12 per cent of the County's overall budget. Further, the County allocated Kshs.50 million to the Emergency Fund (below 1 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

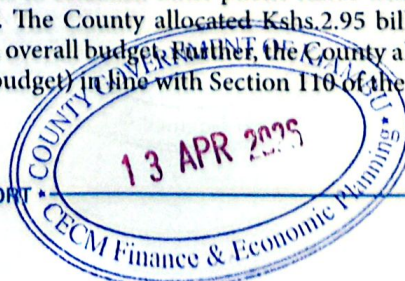


Table 3.130 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.130: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Half of FY 2024/25 (Kshs.)	Actual Expenditure in First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements
County Executive Established Funds						
1	Kiambu Alcoholic Drinks Control Fund	70,000,000	0	159,021,013	0	Yes
2	Kiambu County Education Bursary Fund	200,000,000	100,000,000	99,406,655	0	Yes
3	Kiambu County Emergency Fund	50,000,000	25,000,000	2,113,360	0	Yes
4	Kiambu County Executive Car Loan & Mortgage Scheme Fund	0	0	19,865,385	0	Yes
5	Kiambu County Jitnue Fund	50,000,000	0	1,967,490	0	Yes
6	Kiambu County Facility Improvement Fund	2,200,000,000	0	958,424,103	0	Yes
7	Kiambu County Climate Fund	377,754,776	0	7,487,250	0	Yes
County Assembly Established Funds						
8	Kiambu County Assembly Car Loan & Mortgage Scheme Fund	0	-	3,104,489	0	Yes
9	Kiambu County Assembly Staff Mortgage Scheme Fund	-	-	9,040	0	Yes
Total		2,947,754,776	125,000,000	1,251,398,785	0	

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 3.130, which was in line with the requirement of Section 168 of the PFM Act, 2012.

3.13.10 County Corporations

The County has established three county corporations. In FY 2024/25, the County allocated Kshs.22 million to these corporations through their parent departments. Their total expenditure for the first nine months amounted to Kshs.2.75 million, as shown in Table 3.131.

Table 3.131: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
				(Kshs.)	
1	Githunguri Water and Sanitation Company Ltd	Water Environment, Natural Resources, and Climate Change	7,000,000	2,747,287	2,747,287
2	Kikuyu Water Company Ltd	Water Environment, Natural Resources, and Climate Change	1,471,000	-	-
3	Thika Water and Sewerage Company Ltd	Water Environment, Natural Resources, and Climate Change	13,529,000	-	-
Total			22,000,000	2,747,287	2,747,287

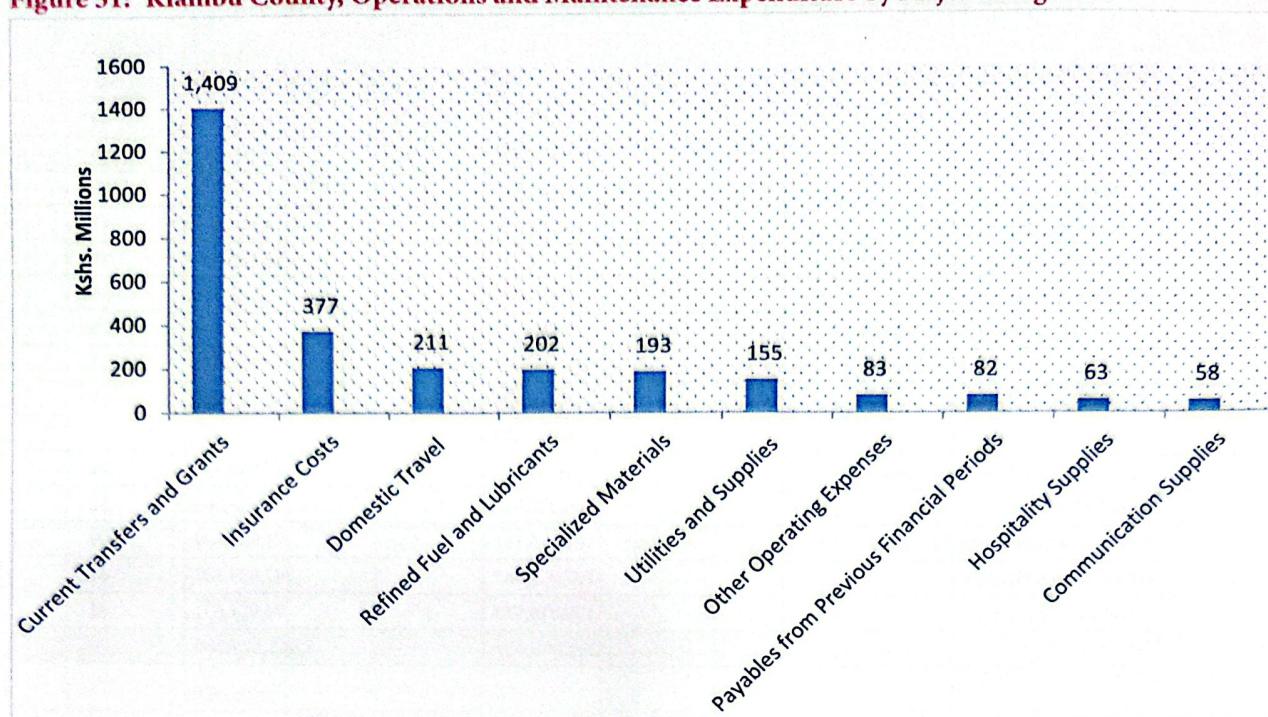
Source: Kiambu County Treasury

3.13.11 Expenditure on Operations and Maintenance

Figure 51 summarises the Operations and Maintenance expenditure by major categories.



Figure 51: Kiambu County, Operations and Maintenance Expenditure by Major Categories



Source: Kiambu County Treasury

The operations and maintenance costs include Kshs.28.92 million on Management Fees, Kshs.21.61 million on 'other operating expenses—others', and Kshs.14.61 million on bank charges.

Expenditure on domestic travel amounted to Kshs.211 million and comprised Kshs.173.37 million spent by the County Assembly and Kshs.37.63 million by the County Executive. Expenditure on foreign travel amounted to Kshs.35.85 million and was entirely incurred by the County Assembly. Expenditure on foreign travel is summarised in Table 3.132.

Table 3.132: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	5	26th Sept To 2nd Oct 2024	CAKSB & Esami Consultative Meeting	Arusha, Tanzania	1,942,735
County Assembly	21	6-12 Oct 2024	Training On Capacity Building for Legislators	Dubai, UAE	15,826,083
County Assembly	1	15-21 Sept 2024	7th African Network of Parliamentary Budget Offices Annual Conference	Kampala, Uganda	354,850
County Assembly	1	22-28 Sept 2024	Capacity Building Training on Performance Budget Program	Dubai, UAE	759,929
County Assembly	12	3rd -10th Nov2024	Training On Evidence-Based Decision Making and Technology Governance	Dubai, UAE	7,524,789
Total					26,408,386

Source: Kiambu County Treasury and Kiambu County Assembly

3.13.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.1.25 billion as FIF, which was 52 per cent of the annual target of Kshs.2.40 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 (2019) and guidelines for the operationalisation of the FIF Act. The expenditure by health facilities amounted to Kshs.1.07 billion, as shown in Table 3.133.

Table 3.133: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate
				(%)
1	Igegania Level 4 Hospital	33,058,077	20,491,604	62
2	Gatundu Level 5 Hospital	240,462,349	109,450,804	46
3	Karatu Sub District Hospital	4,085,831	1,568,824	38
4	Kigumo Subcounty Hospital	10,934,059	4,918,743	45
5	Wangige Subcounty Level 4 Hospital	32,274,724	25,132,725	78
6	Nyathuna Level 4 Hospital	5,050,066	1,828,546	36
7	Kihara Subcounty Level 4 Hospital	29,659,551	21,675,588	73
8	Karuri Subcounty Level 4 Hospital	23,806,407	13,546,272	57
9	Kiambu Level 5 Hospital	589,610,924	289,772,696	49
10	Lussingeti Subcounty Hospital	18,037,679	10,162,244	56
11	Lari Subcounty Level 4 Hospital	18,105,572	17,008,345	94
12	Limuru Subcounty Hospital	106,027,063	55,275,665	52
13	Ruiru Subcounty Level 4 Hospital	121,115,141	71,983,509	59
14	Thika Level 5 Hospital	787,952,983	347,839,869	44
15	Level 2 & 3 Hospitals	179,819,573	74,971,631	42
	Total	2,200,000,001	1,065,627,063	48

Source: Kiambu County Treasury

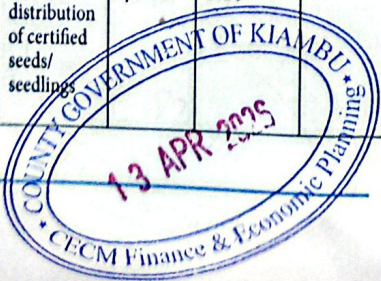
The Health Facility with the highest absorption rate was Lari Sub-county Level 4 Hospital.

3.13.13 Development Expenditure

During the review period, the County reported spending Kshs.1.82 billion on development programmes, representing a 2 per cent decrease compared to a similar period in FY 2023/24, when the County spent Kshs.1.85 billion. Table 3.124 summarises development projects with the highest expenditure in the reporting period.

Table 3.134: Kiambu County, List of Development Projects with the Highest Expenditure

No	Sector	Project Name	Project Location	Project Commencement Date	Expected date of Completion of the Project	Contract sum (Kshs)	Total Funding in the First Nine Months of FY 2024/2025 (Kshs.)	Expenditure in the First Nine Months of FY 2024/25 (Kshs.)	Cumulative project expenditure as of 31 March 2025 (Kshs.)	Percentage (%) of Completion	Remarks/Challenges faced in implementing Projects
1	Agriculture, Livestock and Co-operative Development	Procurement of food crop fertiliser, and coffee fertiliser	County-wide	01 July 2024	30 June 2025	100,000,000	100,000,000	80,000,000	80,000,000	80%	Ongoing
2	Roads, Transport, Public Works & Utilities	Proposed Rehabilitation of various bus parks within Kiambu County	All Wards			125,000,000	220,000,000	57,917,439	57,917,439	1	Complete
3	Sports	Rehabilitation of Thika Stadium Phase II	Township Ward	9/1/2024	multi year	165,669,432	30,000,000	52,689,237	52,689,237	5	Ongoing
4	Agriculture, Livestock and Co-operative Development	Procurement & distribution of certified seeds/seedlings	County-wide	01 July 2024	30 June 2025	111,405,302	111,405,302	48,769,800	48,769,800	44%	Ongoing



No	Sector	Project Name	Project Location	Project Commencement Date	Expected date of Completion of the Project	Contract sum (Kshs)	Total Funding in the First Nine Months of FY 2024/2025 (Kshs.)	Expenditure in the First Nine Months of FY 2024/25 (Kshs.)	Cumulative project expenditure as of 31 March 2025 (Kshs.)	Percentage (%) of Completion	Remarks/Challenges faced in implementing Projects
5	Health	Construction of a multistorey hospital block at Thogoto Level 4 Hospital	Kikuyu ward	Oct-23	Oct-25	257,304,215	46,723,001	45,213,852	45,213,852	90%	Ongoing
6	Health	Construction of a level IV Hospital at Karuri level IV hospital	Karuri ward	Sept 2023	Sep-25	180,734,625	122,780,323	41,859,275	57,168,118	74%	Ongoing
7		Payables from Previous Financial Period -Other(Budgets)		Jul-24		41,683,533	41,683,533	39,247,470	39,247,470	94	
8	Sports	Construction of Kanjeru Stadium	Gitaru Ward	3/1/2024	multi year	163,875,850	30,000,000	37,081,475	37,081,475	5	Ongoing
9	Trade & Markets	Payables from the previous period	ALL	01 July 2024	30/06/2025	55,000,000	55,000,000	36,391,078	36,391,078	66%	Ongoing
10	Industrialisation	Construction of Industrial Park (CAIPS)	Githunguri	01 April 2024	30/06/2025	498,828,815	237,500,000	30,000,000	176,470,724	36%	Ongoing

Source: Kiambu County Treasury

3.13.14 Budget Performance by Department

Table 3.125 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.135: 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	1,418.62	110.00	692.18	-	692.18	-	100	-	49	-
County Executive	476.48	-	235.94	-	278.17	-	118	-	58	-
County Public Service Board	92.89	-	46.53	-	40.95	-	88	-	44	-
Finance, ICT & Economic Planning	1,586.98	183.78	860.02	-	837.28	15.00	97	-	53	8
Water, Environment and Natural Resources	573.51	550.96	358.24	48.91	303.81	93.00	85	190	53	17
Health Services	7,016.17	846.74	3,810.04	457.74	4,767.07	424.39	125	93	68	50
Roads, Transport and Public Works	788.31	2,109.59	444.42	381.14	468.93	336.94			59	16
Administration and Public Service	1,076.50	87.55	575.60	-	583.48	1.35	101	-	54	2

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, Crop Production & Irrigation	523.87	710.60	279.94	183.70	270.34	189.10	97	103	52	27
Education, Culture and Social Services	1,563.95	847.09	825.93	463.33	1,084.79	498.47	131	108	69	59
Youth and Sports	185.14	170.00	74.19	106.47	67.51	117.12	91	110	36	69
Lands, Physical Planning and Housing	416.25	2,307.61	173.38	2.18	167.13	2.18	96	100	40	0
Trade, Tourism, Industry and Cooperative	179.26	720.95	88.83	245.14	67.31	139.85	76	57	38	19
Total	15,897.94	8,644.86	8,465.24	1,888.61	9,628.94	1,817.38	114	96	61	21

Source: Kiambu County Treasury

Analysis of expenditure by departments shows that the Department of Youth and Sports recorded the highest absorption rate of development budget at 69 per cent, followed by the Department of Education, Culture and Social Services at 59 per cent. The Department of Education, Culture and Social Services had the highest percentage of recurrent expenditure to budget at 69 per cent, while the Department of Youth and Sports had the lowest at 37 per cent.

3.13.15 Budget Execution by Programmes and Sub-Programmes

Table 3.126 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.136: Kiambu County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.)		Actual Expenditure as at 31 March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Assembly of Kiambu							
Legislation and oversight	Legislation and oversight	726,291,445	-	373,970,337	-	51	-
General Administration Planning and Support Services	General Administration Planning and Support Services	544,276,541	110,000,000	241,500,593	-	44	-
Representation services	Representation services	148,047,672	-	76,713,745	-	52	-
Grand Total		1,418,615,658	110,000,000	692,184,675	-	49	-
COUNTY EXECUTIVE							
Leadership & Coordination of County Admin & Departments	General Administration and Support Services	402,912,683	-	251,032,784	-	62	0
	Public Awareness and Institutional Strengthening	24,070,000	-	9,274,736	-	39	-
	Legal services	49,500,000	-	17,862,463	-	36	0
TOTAL		476,482,683	-	278,169,983	-	58	0
DEPARTMENT: COUNTY PUBLIC SERVICE BOARD							
Leadership and Administration of Human Resource and Development in County Public Service	Human Resource development and management services	92,888,220	0	40,946,725	0	44	0
TOTAL		92,888,220	-	40,946,725	0	44	0
DEPARTMENT: FINANCE, ICT & ECONOMIC PLANNING							
Public Finance Management and Economic Policy & Strategy	Budget	14,955,200	0	4,052,868	0	27	0
	Revenue	397,198,931	15,780,000	105,673,806	0	27	0
	Accounting	62,500,000	0	40,237,115	0	64	0
	Interest A/c	10,387,800	0	2,729,895	0	26	0



Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.)		Actual Expenditure as at 31 March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Economic Planning	11,157,000		5,542,885		50	
General Administration and support services	General Administration and support services	1,030,776,352	5,000,000	646,882,354	0	63	0
ICT Services	ICT services	60,000,000	163,000,000	32,157,932	15,000,000	54	9
Totals		1,586,975,283	183,780,000	837,276,855	15,000,000	53	8
DEPARTMENT: WATER, ENVIRONMENT, ENERGY & NATURAL RESOURCES							
Department of Water Environment, Energy & Natural Resources							
Water and environment administration	Administration, Planning & Support Services	573,513,432	-	303,805,075	-	53	0
Water	Water Resource Management and Sanitation	-	201,116,139	-	78,032,935	0	39
Natural Resources	Natural Resources, Forest Conservation and Management	-	8,700,000	-	2,993,000	0	34
Environment	Environment and Solid Waste Management	-	25,328,380	-	9,438,390	0	37
Renewable Energy and Climate Change	Climate Change Mitigation & Adaptation	-	315,812,975	-	2,531,500	0	1
Grand Total		573,513,432	550,957,494	303,805,075	92,995,825	53	0
DEPARTMENT: HEALTH SERVICES							
Health Services	Curative	1,507,195,602	846,744,990	1,052,289,527	424,386,603	70	50
Health Services	Preventive and Promotive	371,107,042	0	78,303,923	0	21	0
Health Services	Pharmaceuticals	120,000,000	0	52,693,856	0	44	0
Health Services	Administration and Support	5,017,869,476	0	3,583,782,787	0	71	0
TOTAL		7,016,172,120	846,744,990	4,767,070,093	424,386,603	68	50
DEPARTMENT: ROADS, TRANSPORT, PUBLIC WORKS & UTILITIES							
Maintenance of Road, Bridges, Transport, Construction and Maintenance	General administration and support services	788,314,721	0	468,925,013	0	59	0
	Construction of roads and civil works	0	2,109,589,721	0	336,937,020	0	16
TOTAL		788,314,721	2,109,589,721	468,925,013	336,937,020	59	16
DEPARTMENT: ADMINISTRATION & PUBLIC SERVICE							
Administration & Public Service							
P1: General Administration, Planning & Support Services	SP1: Administration and Financial Services	945,422,785	47,549,484	563,308,685	1,352,180	60	3
	SP2: Enforcement, Monitoring & Compliance services	15,000,000	-	-	-	0	0
	SP3: Betting and Gaming Services	13,500,000	-	-	-	0	0
	SP4: KDSP II Level 1 & 2 Grant	37,500,000	-	-	-	0	0
	Sub Total	1,011,422,785	47,549,484	563,308,685	1,352,180	56	3
Administration & Public Service							
P2: Alcoholic Drinks Control and Rehabilitation	SP1: Rehabilitation and Intervention on alcohol and substance abuse	30,000,000	40,000,000	15,000,000	-	-	0

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.)		Actual Expenditure as at 31 March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Sub-Total	30,000,000	40,000,000	15,000,000	-	50	0
Administration & Public Service							
P3: Human Resource Management and Development Services	SP1: Human Resource Management Services	32,306,500	-	5,173,931	-	16	0
	SP2: Human Resource Development Services	2,773,500	-	-	-	0	0
	Sub-Total	35,080,000	-	5,173,931	-	15	0
Grand Total		1,076,502,785	87,549,484	583,482,616	1,352,180	54	2
DEPARTMENT: AGRICULTURE, LIVESTOCK AND COOPERATIVE DEVELOPMENT							
Agriculture, Livestock and Cooperative Development	General Administration, Planning and Support Services	449,408,841	-	260,458,147	-	58	0
	Crop Development, Irrigation and Marketing Services	806,000	460,015,152	0	158,733,400	0	35
	Livestock and Fisheries Management and Development	33,155,781	210,583,074	4,522,194	30,363,624	14	14
	Cooperative Development and Management	40,500,000	40,000,000	5,362,759	-	13	0
Total Amount		523,870,622	710,598,226	270,343,100	189,097,024	52	27
DEPARTMENT: EDUCATION, CULTURE & SOCIAL SERVICES							
Pre-primary Edu, Promotion of Culture and Social Services	Pre-primary Edu, Promotion of Culture and Social Services	504,140,000	817,088,955	435,119,594	498,472,089	86	61
	Gender, Culture and Social Services	36,130,000	30,000,000	3,205,000	-	9	0
	General administration and support services	1,023,683,042	-	646,469,202	-	63	0
	TOTALS	1,563,953,042	847,088,955	1,084,793,796	498,472,089	69	59
DEPARTMENT: YOUTH AFFAIRS, SPORTS & COMMUNICATION							
Youth Affairs, Sports and Communication	Youth Affairs	12,900,000	0	2,680,000	0	21	0
	Sports	53,400,000	0	4,505,777	0	8	0
	Communication	27,950,000	0	17,438,865	0	62	0
	General Administration	90,892,827	0	42,882,478	0	47	0
	Youth Empowerment	0	-	0	0	0	0
	Improvement of Sports Infrastructure and Other Payables	0	170,000,000	0	117,116,093	0	69
	TOTAL	185,142,827	170,000,000	67,507,120	117,116,093	36	69
DEPARTMENT: LAND, HOUSING, PHYSICAL PLANNING, MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT							
Urban Areas Development & Administration	Urban Areas Administration and Management	145,985,600	1,743,636,620	22,801,930	-	16	0
General Administration, Planning and Support Services	General administration and support services	240,266,793	-	139,324,538	-	58	0
Land Use Management, Valuation & Rating and Physical Planning	Land Administration Services	30,000,000	27,928,865	5,000,000	-	17	0
Housing and Community Development	Housing Development	-	536,043,092	-	2,175,000	0	0
GRAND TOTAL		416,252,393	2,307,608,577	167,126,468	2,175,000	40	0



Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.)		Actual Expenditure as at 31 March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
DEPARTMENT: TRADE, INDUSTRIALISATION, TOURISM & INVESTMENT							
Department TITI							
Programme 1	General Administration, Planning and Support Services	179,256,689	0	67,310,082	0	38	0
	Trade and Markets		465,066,921		109,249,117	0	23
	Tourism promotion and marketing		9,176,300		-	0	0
	Industrialisation		246,703,353		30,603,352	0	12
	Investment				-	0	0
	Sub Total		179,256,689	720,946,574	67,310,082	139,852,469	38
Grand Total		15,897,940,475	8,644,864,021	9,628,941,601	1,817,384,303	61	21

Source: Kiambu County Treasury

Sub-programmes with the highest levels of implementation based on absorption rates were: Pre-primary Education, Promotion of Culture and Social Services in the Department of Education, Culture & Social Services at 86 per cent, Administration & Support and Curative Services both in the Department of Health Services at 71 per cent and 70 per cent, Improvement of Sports Infrastructure in the Department of Youth Affairs, Sports and Communication at 69 per cent of budget allocation.

3.13.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated seventy-four accounts with commercial banks, including eleven for Health Facilities, fourteen for FIF, seven for Established Funds, six special-purpose accounts, and thirty-six for revenue.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 74 commercial bank accounts, as required by Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.13.17 Key Observations and Recommendations

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

- i. The late submission of financial reports by the County Assembly to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received on 29 April, 2025.
- ii. High level of pending bills, which amounted to Kshs.5.60 billion as of 31 March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Assembly.
- iii. Use of manual payroll. Personnel emoluments amounting to Kshs.234.25 million for 654 staff yet to be onboarded into HRIS 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 proper controls are lacking.
- iv. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

- i. The County Assembly should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget, as per the timelines prescribed in Section 166 of the PFM Act, 2012.
- ii. 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.
- iii. The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including 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.
 - iv. The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.

3.14. County Government of Kilifi

3.14.1 Overview of FY 2024/25 Budget

The Kilifi County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.21.41 billion. It comprises Kshs.11.44 billion (53 per cent) and Kshs.9.97 billion (47 per cent) allocation 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 that comprised a development budget of Kshs.5.42 billion and a recurrent budget of Kshs.11.59 billion. The increase in the budget was attributed to the rise in the balance brought down and a higher projection of the local revenues. The County's Net Approved Supplementary I Budget is Kshs.21.01 billion, comprising Kshs.9.57 billion for recurrent and Kshs.11.44 billion for development.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.12.55 billion (59 per cent), additional conditional allocations of Kshs.3.45 billion (16 per cent), a cash balance of Kshs.3.43 billion (16 per cent) brought forward from FY 2023/24, and Kshs.1.97 billion (9 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.400 million (20 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.1.57 billion (80 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.137

3.14.2 Revenue Performance

During the review period, the County received Kshs.11.34 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.59.76 million from Kshs.11.28 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.6.97 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.20.0 million, and its own-source revenue (OSR) collection of Kshs.913.78 billion. In addition, the County had a cash balance of Kshs.3.43 billion from FY 2023/24.

The total OSR collection of Kshs.913.78 billion includes Facilities Improvement Financing (FIF) of Kshs.336.44 million and Kshs.577.34 million from other OSR sources. Table 3.137 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.137: Kilifi County, Revenue Performance in the First Nine Months 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	12,554,603,733	6,977,951,063	56
Sub Total		12,554,603,733	6,977,951,063	56
B	Conditional Grants			
1	Aggregated Industrial Parks Programme	250,000,000		0
2	Kenya Devolution Support Programme KDSP-II	37,500,000		0
3	Kenya Urban Support Program KUSP-UIG	35,000,000		0
4	Community Health Promoters	90,953,531		0
5	Primary Healthcare in a Devolved Context	16,087,500		0
6	Roads Maintenance Fuel Levy	242,979,152		0
7	Allocation for Mineral Royalties	177,531,147		0
8	Water & Sanitation Development Programme (WSDP)	1,700,000,000		0
9	Kenya Informal Settlements and Improvement Project (KISIP)	750,000,000		0