

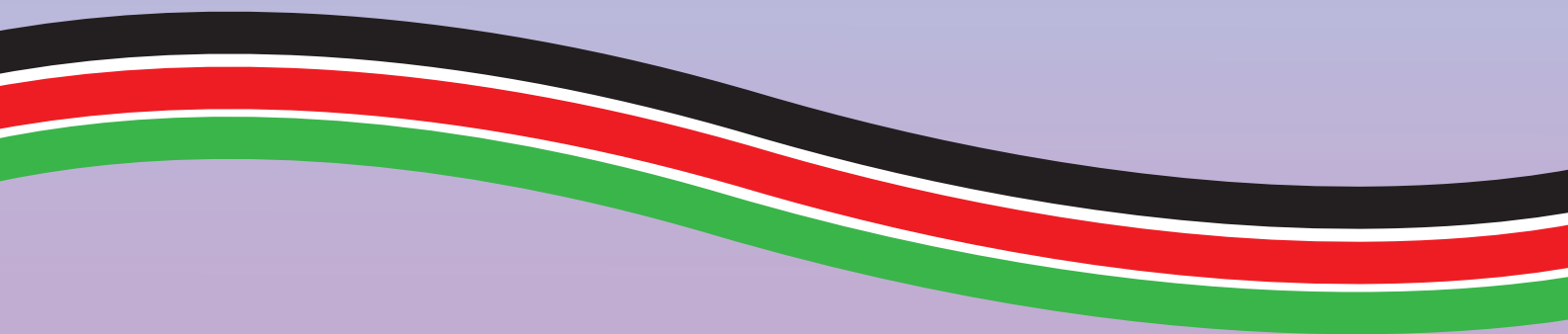
OFFICE OF THE CONTROLLER OF BUDGET



**COUNTY GOVERNMENTS
BUDGET IMPLEMENTATION REVIEW REPORT**

FY 2024/25

AUGUST, 2025



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REPUBLIC OF KENYA



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FOREWORD

The FY 2024/2025 County Governments Budget Implementation Review Report (CBIRR) provides a thorough analysis of the budget performance of the forty-seven County Governments. It examines various aspects, including receipts to the County Revenue Fund, issues related to the exchequer, expenditures, and funds absorption relative to the approved budget. Additionally, the report tracks pending bills and revenue arrears. It identifies key issues that hindered budget implementation during the FY 2024/2025 and offers recommendations to address these challenges.

This report is prepared per Article 228 (6) of the Constitution, which mandates 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. Furthermore, it aligns with Section 9 of the Controller of Budget Act, 2016, which outlines the required contents of budget implementation reports. The report serves as a means for the Controller of Budget to disseminate information about budget implementation at the County Government level, as stipulated in Section 39 (8) of the Public Finance Management Act, 2012.

To compile this report, financial and non-financial data were reviewed and analysed, including reports submitted to the Controller of Budget under Sections 166 and 168 of the Public Finance Management Act. It draws on data from the Integrated Financial Management Information System and the approved budgets for FY 2024/2025. Continuous monitoring of budget implementation by the Office of the Controller of Budget further enhances the findings of this report.

This report will be valuable to the Legislature and Executive branches of County Governments and the public by increasing awareness of budget implementation and improving the management of public funds. I encourage the public and other stakeholders to use this report to scrutinise how County Governments are utilising public funds.

The preparation of this report was made possible through the dedication and hard work of the Controller of Budget staff and County Government personnel, whom I would like to acknowledge and greatly appreciate.

The report is also available at <https://cob.go.ke/>



FCPA Dr Margaret Nyakang'o, CBS
CONTROLLER OF BUDGET

EXECUTIVE SUMMARY

This County Budget Implementation Review Report for FY 2024/25 covers July 2024 to June 2025. It is prepared in compliance with Article 228(6) of the Constitution of Kenya, 2010, and Section 9 of the Controller of Budget Act, 2016. The report reviews budget implementation for each of the 47 County Governments by assessing revenue collection and expenditure performance. It also highlights the common/crosscutting challenges encountered during budget implementation and offers recommendations for addressing these issues.

In FY 2024/25, the County Assemblies approved a combined budget for the County Governments amounting to Kshs.601.69 billion. Of this, Kshs.218.99 billion (36 per cent) was allocated to development expenditure, and Kshs.382.70 billion (64 per cent) was allocated to recurrent expenditure. The allocation for development expenditure conformed to Section 107(2)(b) of the PFM Act, 2012, which stipulated that at least 30 per cent of the budget should be allocated for development expenditure.

To fund the FY 2024/25 budgets, the County Governments expected to receive Kshs.387.43 billion as the equitable share of revenue raised nationally; Kshs.30.83 billion in arrears of the equitable share of revenue raised nationally for June 2024, relating to FY 2023/24; projected to raise Kshs.87.67 billion from own sources of revenue, which comprised Kshs.20.77 billion from the Facility Improvement Fund (FIF)/Appropriation in Aid (A-I-A) and Kshs.66.90 billion from ordinary revenue collections; and projected Kshs.24.92 billion of unspent funds carried forward from FY 2023/24. Additionally, the Counties expected to receive Kshs.70.84 billion as County additional allocations from the National Government and Development Partners.

The actual total funds available to the County Governments in FY 2024/25 amounted to Kshs.533.52 billion. These included Kshs.387.43 billion as the equitable share of revenue raised nationally, and authorised for withdrawal from the Consolidated Fund to respective County Revenue Funds (CRF) accounts by the Controller of Budget in accordance with Article 206(4) of the Constitution; Kshs.30.83 billion in arrears for June 2024, relating to FY 2023/24 equitable share of revenue raised nationally; Kshs.24.86 billion as additional allocations; Kshs.23.14 billion as cash balances brought forward from FY 2023/24; and Kshs.67.30 billion as revenue generated from own sources, which included the Facility Improvement Fund (FIF)/Appropriation in Aid (A-I-A) of Kshs.24.59 billion.

In FY 2024/25, the County Governments generated Kshs.67.30 billion from local revenue sources, accounting for 77 per cent of their cumulative annual local revenue target of Kshs.87.67 billion. This represented a 62.6 per cent increase compared to Kshs.41.40 billion realised in FY 2023/24. The following Counties exceeded their annual local revenue collection targets: Kisii at 178 per cent, Tana River at 133 per cent, Mandera and Wajir both at 123 per cent, Kirinyaga at 122 per cent, Garissa at 120 per cent, Vihiga at 117 per cent, Samburu at 110 per cent, Meru at 106 per cent, Elgeyo Marakwet at 104 per cent, and Homa Bay at 101 per cent. This increase was attributed to various factors, including underbudgeting, a complete lack of budgeting for the Facility Improvement Fund (FIF), revamped revenue streams, and the increased automation of revenue collection processes.

In contrast, some Counties recorded own-source revenue (OSR) performance of less than 70 per cent, including Nairobi City at 66 per cent, Kakamega, Kisumu, and Bungoma each at 65 per cent, Taita Taveta at 64 per cent, Isiolo at 58 per cent, Machakos at 56 per cent, Kajiado at 55 per cent, and Siaya at 47 per cent.

As of June 30, 2025, County Governments reported a total of Kshs.124.95 billion in outstanding revenue arrears. This sum encompasses ordinary OSR arrears of Kshs.112.47 billion, Kshs.7.46 billion from the Social Health Insurance Fund, and Kshs.5.01 billion from the defunct National Health Insur-

ance Fund. Nairobi City County accounted for the highest share of these arrears, totalling Kshs.63.52 billion, representing 51 per cent of the overall arrears, followed by Mombasa (Kshs.13.75 billion), Nakuru (Kshs.12.59 billion), and Kajiado (Kshs.12.09 billion).

In FY 2024/25, the Controller of Budget authorised withdrawals of Kshs.418.26 billion from the Consolidated Fund to various CRF accounts, representing the Counties' equitable share of revenue raised nationally, per Article 206(4) of the Constitution of Kenya, 2010. This amount included Kshs.30.83 billion in arrears for June 2024, relating to the FY 2023/24 equitable share of revenue raised nationally.

The Controller of Budget further authorised withdrawals of Kshs.472.15 billion from the CRF accounts to the County Operational Accounts for the County Governments in accordance with Article 207(3) of the Constitution of Kenya, 2010. Of this amount, Kshs.348.04 billion (74 per cent) was for recurrent expenditure and Kshs.124.11 billion (26 per cent) was for development expenditure. This represented an increase of 4 per cent from Kshs . 451.21 billion, authorised in FY 2023/24.

During the reporting period, County Governments allocated Kshs.470.74 billion in total expenditures, comprising Kshs.346.98 billion (74 per cent) for recurrent activities and Kshs.123.76 billion (26 per cent) for development initiatives. This resulted in an overall budget absorption rate of 78 per cent, a slight decline from the 80 per cent absorption rate recorded in the same period of FY 2023/24, when cumulative expenditures were Kshs.446.76 billion against a budget of Kshs.562.75 billion. Counties achieving the highest absorption rates included Nandi (98 per cent), Narok (90 per cent), and West Pokot, Meru, and Trans Nzoia (89 per cent). Conversely, some Counties, namely Kwale, Nakuru, Kisii, Isiolo, and Kisumu, recorded the lowest aggregate absorption rates at 68 per cent, 67 per cent, 66 per cent, 63 per cent, and 62 per cent, respectively.

Recurrent expenditures totalled Kshs.346.98 billion, representing 91 per cent of the annual budget for recurrent activities. This is consistent with the absorption rate of 91 per cent in FY 2023/24, where recurrent spending was Kshs.337.53 billion. Of the total recurrent expenditure, Kshs.220.64 billion was incurred for employee compensation, while Kshs.126.34 billion (36 per cent) was incurred for operations and maintenance.

The County Assemblies reported expenditures of Kshs.1.57 billion on MCAs' sitting allowances, equivalent to 87 per cent of the approved budget of Kshs.1.80 billion for FY 2024/25, reflecting a slight improvement from the previous fiscal year.

Development expenditures reached Kshs.123.76 billion, demonstrating a 57 per cent absorption rate of the annual development budget of Kshs.218.99 billion—a decrease from the previous year's 58 per cent. The Counties that attained the highest absorption rates of their respective approved development budgets included Nandi at 90 per cent, Trans Nzoia at 77 per cent, Narok at 74 per cent, Meru at 73 per cent, and Kericho, Mandera, and Kirinyaga each at 72 per cent. In contrast, the Counties with the lowest absorption rates of their respective approved development budgets included Machakos at 41 per cent, Kisii at 40 per cent, Elgeyo Marakwet at 39 per cent, Kiambu and Nyamira each at 37 per cent, and Nairobi City and Kisumu each at 29 per cent.

As of June 30, 2025, the outstanding stock of pending bills amounted to Kshs.183.06 billion, marking a 1 per cent increase from Kshs.181.98 billion in FY 2023/24. This reduction was primarily attributable to the reconciliation of pending bills in Nairobi City County, which decreased by Kshs.39.78 billion. Significant pending bill balances were reported by Nairobi City (Kshs.86.77 billion), Kiambu (Kshs.7.89 billion), and Machakos (Kshs.6.73 billion). In contrast, Narok's pending bill data was incomplete, hindering a comprehensive assessment of compliance and progress.

In FY 2024/25, the Controller of Budget identified critical challenges impeding effective budget execution across County Governments. Key issues include significant underperformance in Own Source Revenue, where Counties missed their target of Kshs.87.67 billion by 23 per cent. High revenue arrears of Kshs.124.95 billion, exacerbating fiscal pressures. Overreliance on the Facility Improvement Fund, which accounted for over 50 per cent of OSR for many Counties, poses a risk to financial sustainability. Additionally, pending bills soared to Kshs.176.80 billion, with over half being under three years old. At the same time, development expenditures remained alarmingly low, as 23 Counties failed to meet the 30 per cent threshold.

The expenditure landscape reveals excessive spending on employee compensation, with only eight Counties staying within the 35 per cent regulatory ceiling. Furthermore, the health sector's wage bill accounts for 44 per cent of total expenditures, raising concerns about financial management. Other challenges include lapsing fund regulations, non-compliance with account opening legislation, and delays submitting mandatory financial reports.

To rectify these issues in subsequent financial years, the Controller of Budget recommends the following strategic actions for County Governments: Develop realistic strategies to expand OSR and reduce reliance on the Facility Improvement Fund; establish mechanisms to collect outstanding revenues and amend legislation to incorporate pending bills into public debt definitions, ensure enhanced fiscal accountability; adhere strictly to legal spending limits, particularly on employee compensation, and prioritize sustainable development by effectively implementing growth-oriented programmes; review and revise outdated fund regulations to prevent disruptions and halt expenditures from lapsed funds.

During FY 2024/25, monitoring and evaluation by the Controller of Budget across 36 County Governments revealed mixed project outcomes. While some initiatives progressed on schedule, others faced significant delays and contract management weaknesses. Also, challenges were observed in the procurement of medical supplies. Additionally, evaluations of equalisation-funded projects raised concerns regarding their effectiveness and ability to bridge service delivery gaps. Ultimately, the Controller of Budget's recommendations focus on cultivating fiscal responsibility and enhancing operational transparency, ensuring County Governments can navigate these challenges and drive sustainable growth for their communities.

the highest percentage of recurrent expenditure to budget at 100 per cent, while the Department of Lands, Energy, Housing & Urban Areas Management had the lowest at 21 per cent.

3.43.16 Key Observations and Recommendations

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

- i. 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 15 August 2025.
- ii. The underperformance of own-source revenue at Kshs.171.14 million against an annual target of Kshs.241 million, representing 71 per cent of the financial year target. If performance is below 75 per cent of the annual target.
- iii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. As of 30 June 2025, the lifespans of the Turkana County Biashara Fund, Turkana County Education Fund, Youth and Women Fund, and Turkana County Cooperative Enterprise Fund had lapsed, making them ineligible for further withdrawals.
- iv. High level of pending bills, which amounted to Kshs.1.33 billion as of 30 June 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.85.71 million for staff not onboarded into HRIS and casual staff were processed through manual payroll, accounting for 1 per cent of the total payroll cost. Manual payroll is prone to abuse and may result in the loss of public funds.
- vi. In the FY2024/25 reporting period, health facilities were owed a combined total of Kshs.20.98 million across the two schemes—SHIF and the defunct NHIF.
- vii. County reported four stalled development projects as of 30 June 2025, with an estimated value of Kshs.572.38 million, of which Kshs.328.90 has already been paid. The reason for the stall includes contract management challenges and a court case.

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

- i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
- ii. *The County 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 County should ensure the timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to re-establish or wind up such funds in compliance with the Public Finance Management Act.*
- iv. *The County Leadership should ensure that genuine bills are paid promptly. Further, compliance with the Pending Bills Action Plan should be enforced.*
- v. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Furthermore, strict adherence to the approved staff establishment should be maintained.*
- vi. *The County Leadership should liaise with the Social Health Authority for the settlement of outstanding claims.*
- vii. *The County should focus on completing the stalled projects as long as they are feasible to ensure value for money and also the achievement of the intended objectives.*

3.44. County Government of Uasin Gishu

3.44.1 Overview of FY 2024/25 Budget

The Uasin Gishu County Approved Supplementary II Budget for FY 2024/25 was Kshs.15.18 billion. It comprised Kshs.6.36 billion (41.9 per cent) and Kshs.8.82 billion (58.1 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represented an increase of Kshs.1.89 billion (14.2 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.5.16 billion and a recurrent budget of Kshs.8.12 billion. The increase in the budget was primarily attributed to the balance brought forward from FY 2023/24.

The budget was to be financed from various revenue sources, including the equitable share of revenue raised na-

tionally, amounting to Kshs.8.47 billion (55.8 per cent), additional allocations of Kshs.3.0 billion (19.8 per cent), a cash balance of Kshs.2.10 billion (13.8 per cent) brought forward from FY 2023/24, and Kshs.1.61 billion (10.6 per cent) generated as own-source revenue. The own-source revenue comprised Kshs.1.4 million (9.2 per cent) deposited into the CRF and Kshs.211.18(1.4 per cent) as Appropriations-in-Aid (A-I-A) spent at source. The A-I-A comprised Kshs.233.04 million (1.9 per cent) as the Facility Improvement Financing (revenue from health facilities) and Kshs.108.73 million (0.9 per cent) from Alcohol control funds and Chobororwa ATC. A breakdown of the additional allocations is shown in Table 3.531.

3.44.2 Revenue Performance

The County received Kshs.12.77 billion in revenues in the review period to fund its development and recurrent activities. This amount represented an increase of 9.3 per cent compared to the amount received in FY 2023/24 of Kshs.7.75 billion. The total revenue consisted of Kshs.8.47 billion from the equitable share of revenue raised nationally. Other revenue streams included additional allocations from the national government and development partners, amounting to Kshs.843.84 million and own-source revenue (OSR) collection of Kshs.1.35 billion. Additionally, the County had a cash balance of Kshs.2.1 billion from FY 2023/24.

The total OSR collection of Kshs.233.04 billion included Facilities Improvement Financing (FIF) of Kshs.108.72 million from A.I.A sources. Table 3.531 summarises the total revenue available to the County Government during FY 2024/25.

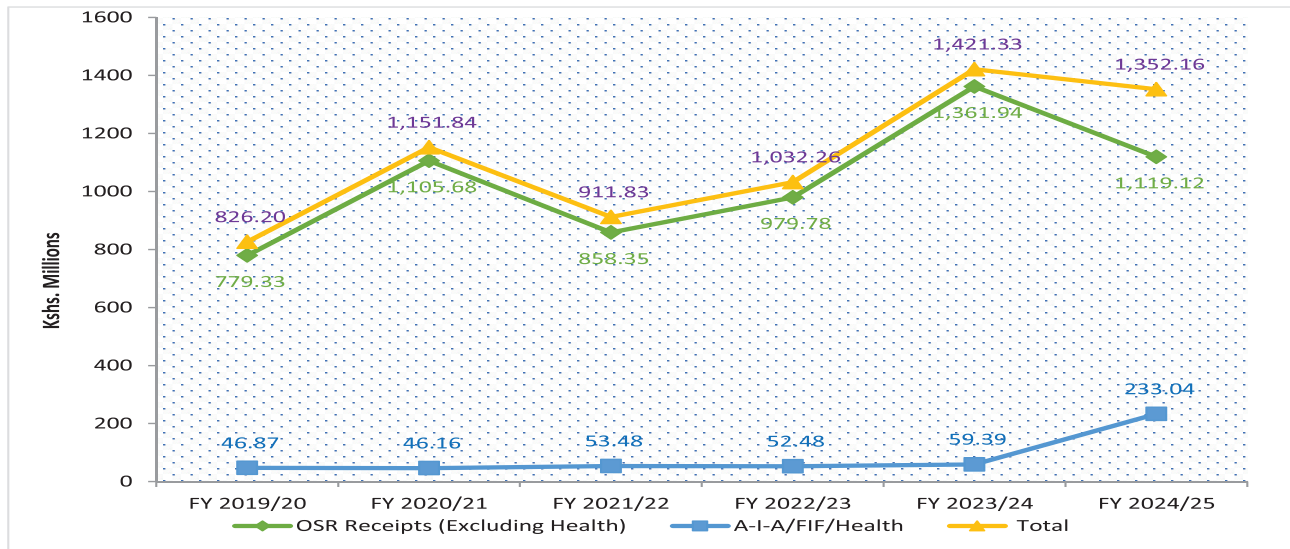
Table 3.531: Uasin Gishu County, Revenue Performance in FY 2024/25

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	8,472,398,961	8,472,398,961	100
Sub Total		8,472,398,961	8,472,398,961	100
B	Conditional Grants			
1	DANIDA	12,456,648	9,750,000	78
2	IDA (World Bank) Credit: Kenya Urban Support Project (KUSP)-Urban Institutional Grant (UIG)	35,000,000	32,309,300	92
3	IDA (World Bank Credit: Kenya Urban Support Project (KUSP) - Urban Development Grant (UDG)	385,055,948		-
4	IDA (World Bank) - Kenya Devolution Support Program-II (KDSP II)	37,500,000		-
5	Ziwa, Kesses, and Tiurbo Hospital Grants	150,000,000		-
6	Grant from World Bank- IDA (NAVCDP)	320,892,779	42,216,802	13
7	Kenya Agricultural Business Development Project (KABDP)	10,918,919		-
8	Road Maintenance Fuel Levy (RMLF)	2,162,215		-
9	Community Health Promoters	61,980,000	61,980,000	100
10	Basic Salary Arrears - County Health Workers	9,600,471	9,600,471	100
11	CAIPS	448,157,362	186,000,000	42
12	FLoCCA	273,363,692	12,084,500	4
13	WB -KISIP II	1,257,024,603	490,000,000	39
Sub-Total		3,004,112,637	843,941,073	28
C	Other Sources of Revenue			
1	Ordinary Own Source Revenue	1,395,000,000	1,010,392,348	72
2	Balance b/f from FY2023/24	2,097,096,120	2,097,096,120	100
3	Facility Improvement Fund (FIF)	79,148,821	233,044,325	294
4	Other Revenues		-	-
5	Appropriation in Aid (AIA)	132,034,571	108,726,538.40	82
Sub Total		3,703,279,512	3,449,259,331	93
Grand Total		15,179,791,110	12,765,599,365	84

Source: Uasin Gishu County Treasury

Figure 173 shows the collection trend in own-source revenue from FY 2019/20 to FY 2024/25.

Figure 173: Uasin Gishu County Trend in Own-Source Revenue Collection from FY 2019/20 to FY 2024/25 (Kshs.Millions)

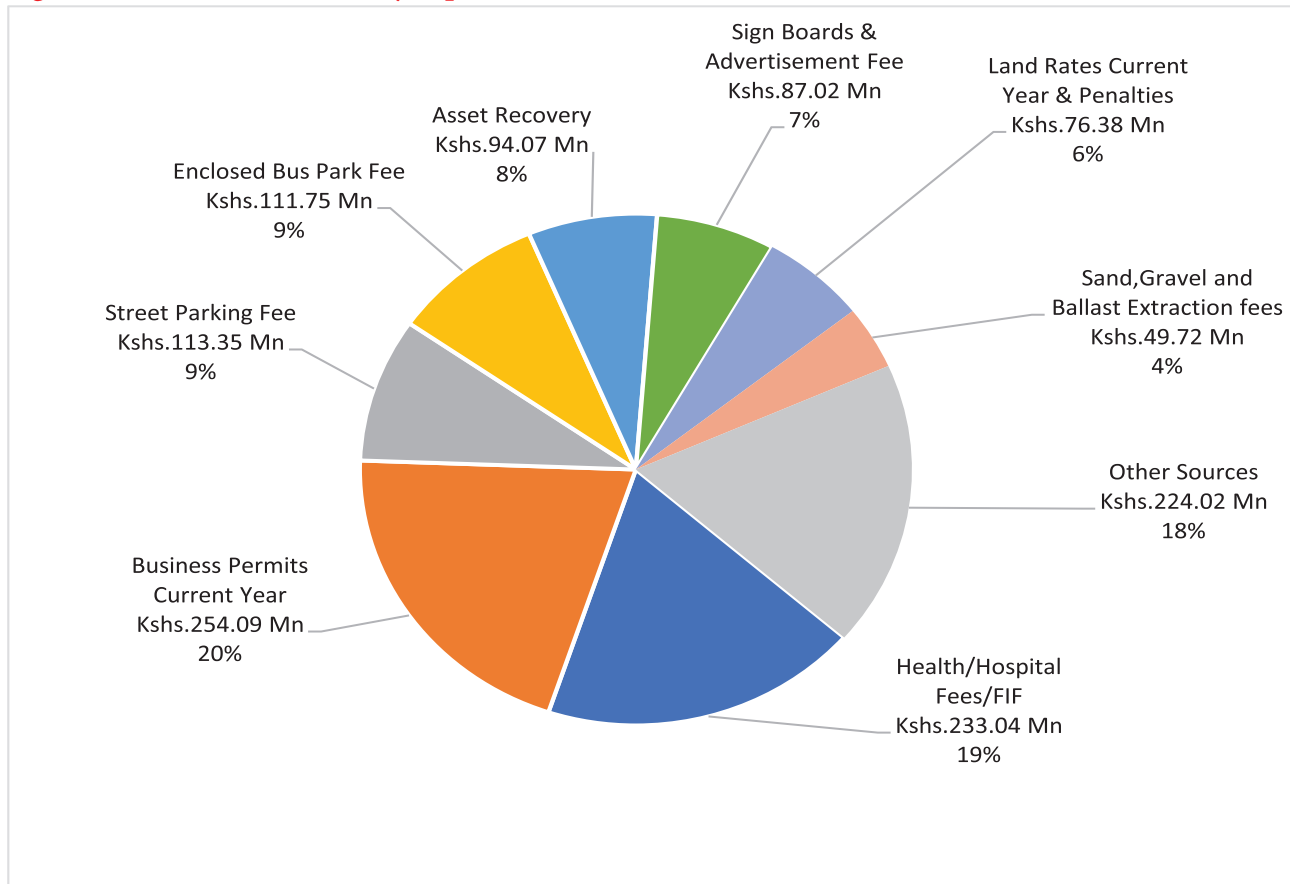


Source: Uasin Gishu County Treasury

During the year, the County generated Kshs.1.35 billion from its revenue sources, including FIF. This amount was a decrease of 4.9 per cent compared to Kshs.1.42 billion realised in a similar period in FY 2023/24. It was 88.2 per cent of the annual target and 16 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 174.

Figure 174: Uasin Gishu County Top Own Source Revenue Streams in FY 2024/25



Source: Uasin Gishu County Treasury

As shown in Figure 174, the highest revenue stream, at Kshs.254.09 million, was from Business permits, accounting for 20 per cent of the total OSR receipts. The County Government has automated two out of 40 revenue streams.

3.44.3 Borrowing by the County

As reported by the County Treasury, the County did not borrow during the reporting period.

3.44.4 Exchequers Approved

The Controller of Budget approved withdrawals of Kshs.11.14 billion from the CRF account in FY 2024/25, which comprised Kshs.4.56 billion (41 per cent) for development programmes and Kshs.6.58 billion (59 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.4.83 billion was towards employee compensation and Kshs.1.75 billion for operations and maintenance expenditure.

The operations and maintenance exchequer analysis indicates that 20.1 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.353.41 million and included Kshs.221.79 million for the County Executive and Kshs.131.62 million for the County Assembly. The foreign exchequer totalled Kshs.17.9 million, comprising Kshs.11.1 million for the County Executive and Kshs.6.8 million for the County Assembly.

As of the closure of FY 2024/25, the County Government's cash balance in the CRF account was Kshs.1.49 million.

3.44.5 County Expenditure Review

The County spent Kshs.11.13 billion on development and recurrent programmes in the reporting period. This expenditure represented 99.9 per cent of the total funds released by the CoB. It comprised Kshs.3.59 billion for development programmes and Kshs.7.54 billion for recurrent programmes. Expenditure on development programmes represented an absorption rate of 56.5 per cent, while recurrent expenditures represented 85.5 per cent of the annual recurrent expenditure budget.

3.44.6 Settlement of Pending Bills

As of 30 June 2024, the County reported pending bills totalling Kshs.710.18 billion. This amount included Kshs.672.52 billion from the County Executive and Kshs.37.66 million from the County Assembly. The pending bills from the County Executive consisted of Kshs.420.68 million for recurrent expenditures and Kshs.251.84 million for development expenditures.

During the year, the County Executive settled pending bills amounting to Kshs.664.71 million, comprising Kshs.415.30 million (98.7 per cent) for recurrent programmes and Kshs.249.42 million (86.2 per cent) for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.3.3 million (8.8 per cent) for recurrent activities. Table 3.532 provides additional details of pending bills.

Table 3.532: Uasin Gishu County Pending Bills as of 30 June 2025

	Pending Bills as of 1 July 2024 (Kshs.)	Settled Pending Bills in FY 2024/25 (Kshs.)	Pending bills incurred in FY 2024/25 (Kshs.)	Outstanding pending bills as of 30 June 2025 (Kshs.)
County Executive				
Recurrent	251,840,938	246,113,404	193,924,798	199,652,332
Development	420,684,433	415,303,968	858,199,867	863,580,332
Total	672,525,371	661,417,371	1,052,124,665	1,063,232,664
County Assembly				
Recurrent	37,658,452	3,303,791	23,371,961	57,726,622
Development	0	0	0	0
Total	37,658,452	3,303,791	23,371,961	57,726,622

Source: Uasin Gishu County Treasury

The County Executive and the Assembly submitted a pending bills payment plan, committing to pay Kshs.672.5 million and Kshs.37.66 million, respectively, in FY 2024/25. The County adhered mainly to this payment plan, as it cleared Kshs.661.42 million for the Executive and Kshs.3.30 million for the Assembly.

Table 3.533 presents the ageing of the total outstanding bills as of 30 June 2025, which was Kshs.1.063 billion.

Table 3.533: County Uasin Gishu Pending Bill Ageing Analysis as of 30 June 2025

Category	Ageing analysis (Amount in Kshs.)				Total
	Under one year	1-2 years	2-3 years	Over 3 years	
Development Pending Bills	184,168,658	15,483,675			199,652,333
Recurrent Pending Bills (Goods & Services)	450,975,363	210,178,485	12,930,259	90,790,137	764,874,244
Recurrent Pending Bills (Salary Arrears and Statutory Deductions)	156,432,710				156,432,710
Recurrent Pending Bills (Staff Claims)					0
Total Recurrent Pending Bills	607,408,073	210,178,485	12,930,259	90,790,137	921,306,954
Total Pending Bills	791,576,731	225,662,160	12,930,259	90,790,137	1,120,959,287
% of Total	71	20	1	8	100

Source: Uasin Gishu County Treasury

3.44.7 Expenditure by Economic Classification

The County Executive incurred Kshs.4.49 billion for compensation of employees, Kshs.2.25 billion for operations and maintenance, and Kshs.3.56 billion for development activities. Similarly, the County Assembly spent Kshs.335.01 million on compensation of employees, Kshs.464.88 million on operations and maintenance, and Kshs.31.02 million on development activities, as shown in Table 3.534.

Table 3.534: Uasin Gishu County Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Overall Absorption
	County Executive	County Assembly	County Executive	County Assembly	
Total Recurrent Expenditure	8,013,669,218	807,072,370	6,738,993,433	799,890,981	85.5
Compensation to Employees	4,575,628,740	365,990,414	4,491,809,192	335,012,933	97.7
Operations and Maintenance	3,438,040,478	441,081,956	2,247,184,241	464,878,048	69.9
Development Expenditure	6,248,382,347	110,667,175	3,562,300,871	31,020,937	56.5
Total	14,262,051,565	917,739,545	10,301,294,304	830,911,918	73.3

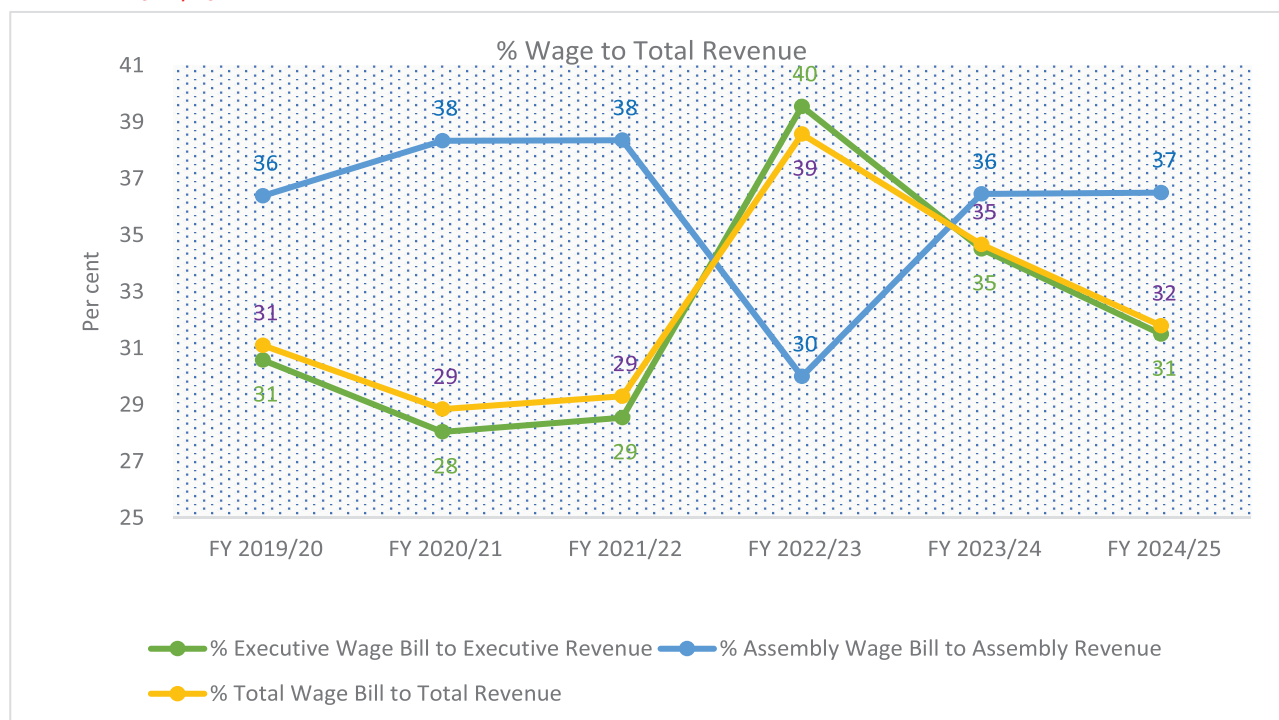
Source: Uasin Gishu County Treasury

3.44.8 Expenditure on Compensation of Employees

During the period under review, the expenditure on employee compensation totalled Kshs.4.86 billion. Therefore, the percentage of compensation of employees to adjusted revenue, excluding the earnings from extractive revenue of Kshs.15.18 billion, in line with Regulation 25(1)(c) of the PFM (County Governments) Regulations 2015, was 32 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.4.61 billion reported in FY 2023/24. Of this total, Kshs.1.87 billion related to the Health Sector employees, which accounted for 39 per cent of the overall employees' compensation.

Figure 175 shows the compensation trend of employees' expenditures as a percentage of total revenue received from FY 2019/20 to FY 2024/25.

Figure 175: Percentage of Employee Compensation to Total Revenue Received from FY 2019/20 to FY 2024/25



Source: Uasin Gishu County Treasury

Further analysis revealed that PE costs totalling Kshs.4.25 billion for 4786 staff were processed through the Human Resource Information System (HRIS) Kshs.574.70 million was processed through manual payrolls, which accounted for 11.9 per cent of the total PE cost.

The manual payrolls comprised salaries for 591 staff not onboarded into the Human Resource Information System (HRIS), salaries for 890 casuals, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.535

Table 3.535: Breakdown of Uasin Gishu County Manual Payroll

	Category	County Executive	County Assembly	Total
1	Salaries for staff paid outside the Human Resource Information System (HRIS)	246,368,556	14,262,615	260,631,171.1
2	Salaries for casual staff	158,130,487	-	158,130,486.8
3	Gratuity for contract staff	68,293,415	28,295,615	96,589,030.3
4	Community Health Workers	59,347,500		59,347,500.0
5	Total	532,139,958	42,558,230	574,698,188

Source: Uasin Gishu County Treasury

The County Assembly spent Kshs.38.92 million on committee sitting allowances for the 45 MCAs against the annual budget allocation of Kshs.39.92 million. The average monthly sitting allowance was Kshs.72.071 per MCA. The County Assembly has 25 House Committees.

3.44.9 County-Established Funds

Section 116 of the PFM Act 2012 allows County Governments to establish other public funds, subject to approval from the County Executive Committee and the County Assembly. The County allocated Kshs.565.99 million to County-Established funds in FY 2024/25, or 3.7 per cent of the County's overall budget. Further, the County allocated Kshs.85.3 million to the Emergency Fund (0.6 per cent of the total budget), not in line with Section 110 of the PFM Act, 2012, which recommends at least 2 per cent of the total budget. Table 3.536 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.536: Performance of Uasin Gishu County Established Funds in FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in FY 2024/25 (Kshs.)	Actual Expenditure in FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No)
	County Executive Established Funds					
1	Uasin Gishu County Emergency Fund-Governor	85,300,000	85,300,000	85,300,000	275,096,374	Yes
2	Uasin Gishu County Enterprise Development Fund (Co-op)	116,984,014	116,984,014	116,984,014	634,755,449	Yes
3	Uasin Gishu County Inua Biashara Fund (trade)	102,797,685	102,797,685	102,797,685	353,612,396	Yes
4	Uasin Gishu County Bursary and Skills Development Support Fund	176,000,000	-	-	12,386,200,000	Yes
5	Car Loan & Mortgage - County Executive(governor)	25,000,000	-	-	-	Not yet
6	Uasin Gishu TVET Fund	40,000,000	-	-	325,382,015	Yes
7	County Education Revolving Fund	-	-	-	322,115,883	Yes
8	Uasin Gishu Alcohol Drinks Control Fund	-	-	-	36,643,826	Yes
	County Assembly Established Funds					
9	Car Loan & Mortgage - County Assembly	19,908,000	-	-	325,272,646	Not yet
	Total	565,989,699	305,081,699	305,081,699	14,659,078,589	

Source: Uasin Gishu County Treasury

During the reporting period, the CoB did not receive quarterly financial reports from two Fund Administrators, as indicated in Table 3.536, contrary to the requirement of Section 168 of the PFM Act, 2012. The County did not disclose the administration costs of the funds, whether they were within or above the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, allows County Governments to establish public funds with a lifespan capped at 10 years unless extended by the County Assembly. In FY 2024/25, the CoB established that the lifespan of the Uasin Gishu County Bursary and Skills Development Support Fund had lapsed. Consequently, the CoB did not approve any requests for withdrawals to support the operations of the lapsed funds.

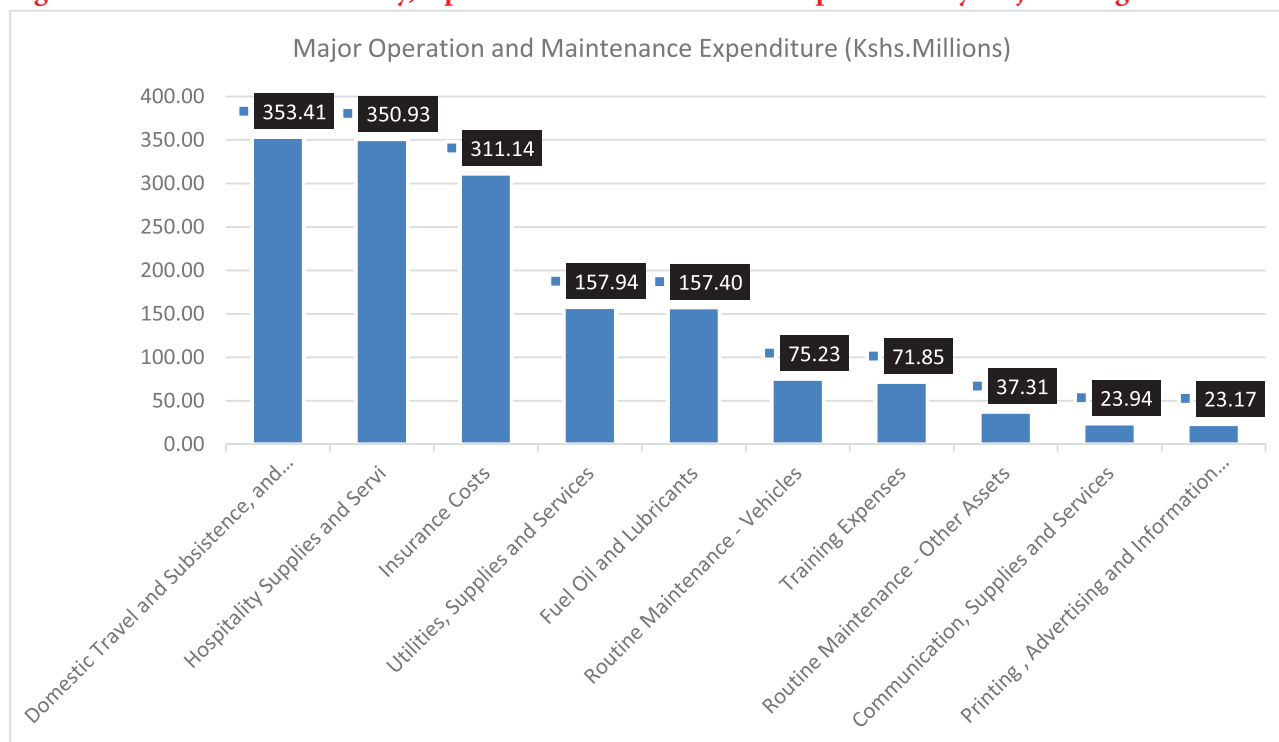
3.44.10 County Corporations

The County has yet to establish any County corporation.

3.44.11 Expenditure on Operations and Maintenance

Figure 176 summarises the Operations and Maintenance expenditure by major categories.

Figure 176: Uasin Gishu County, Operations and Maintenance Expenditure by Major Categories



Source: Uasin Gishu County Treasury

Expenditure on domestic travel amounted to Kshs.353.41 million and comprised Kshs.221.79 million spent by the County Assembly and Kshs.131.62 million by the County Executive. Expenditure on foreign travel amounted to Kshs.17.90 million and comprised Kshs.6.81 million by the County Assembly and Kshs.11.09 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.537.

Table 3.537: Summary of Expenditure on Foreign Travel in 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 Executive	3	23rd May 2025-2nd June 2025	Training	Tokyo Japan	1,127,892
County Executive	4	May 2025-	Collaboration	USA	14,490,318
County Assembly	8	December	Training	Kampala	3,261,060

Source: Uasin Gishu County Treasury and Uasin County Assembly

Other types of expenditure under the operations and maintenance costs include Kshs.350.93 million on hospitality and supplies, Kshs.311.14 million on insurance, and Kshs.157.94 million on utilities.

3.44.12 Facility Improvement Financing

In FY 2024/25, the County reported collections of Kshs.233.04 million as FIF, which was 294.44 per cent of the annual target of Kshs.79.15 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed regulations to operationalise the FIF Act of 2023.

Health facilities were owed a combined total of Kshs.44.15 million across the two schemes, namely the the Social Health Insurance Fund (SHIF), and the County did not provide the outstanding debts from the defunct National Health Insurance Fund (NHIF). A breakdown of the claims is presented in Table 3.538.

Table 3.538: Uasin Gishu County Health Facilities FIF Performance in FY2024/25

S/no	Level of Health Facility and number of facilities	SHA (Kshs.Million)			SHIF (Kshs.Million)			NHIF (Kshs. Million)
		Approved Claims	Claims Paid	Balance	Ap-proved Claims	Claims Paid	Balance	Pending Debt
1	Four Level 4 Hospitals	66,416,261	35,733,714	30,682,547	-	9,410,782	-9,410,782	
2	Twelve Level 3 Hospitals	80,421,161	60,159,500	23,873,966	-	8,439,018	-8,439,018	
3	Twenty-six Level 2 Hos-pitals	-	6,897,393	-	-	13,127,489	-13,127,489	
	Total	146,837,422	102,790,606	44,046,816	-	30,977,290	-30,977,290	-

Source: Uasin Gishu County Treasury

In FY 2024/25, health facilities recorded approved claims from the Social Health Authority (SHA) amounting to Kshs.146.84 million. Of this, only Kshs.102.79 million was disbursed, occasioning a pending balance of Kshs.44.05 million. There was no data by the County for the approved claims under the Social Health Insurance Fund (SHIF); however, claims paid by SHIF totalled Kshs.30.97 million. Further, the County did not provide information on the defunct National Health Insurance Fund (NHIF) owed by health facilities.

The expenditure by the health facilities amounted to Kshs.million, as shown in Table 3.539.

Table 3.539: Uasin Gishu County Health Facilities Expenditure Performance in FY 2024/25

No.	Level of Health Facility and number of facilities	Approved Budget for the Facilities (Kshs.)	Actual Expenditure of the Facilities (Kshs.)	Absorption rate (%)
1.	Three Level 4 Hospitals	22,963,677	22,963,677	100
2.	Ten 3 Health Facilities	32,948,346	32,948,346	100
3.	Ten 2 Health Facilities	2,661,220	2,661,220	100
	Total	58,573,243	58,573,243	100

Source: Uasin Gishu County Treasury

3.44.13 Development Expenditure

In the review period, the County reported spending Kshs.3.56 billion on development programmes, representing an increase of 57.5 per cent compared to FY 2023/24, when the County spent Kshs.2.26 billion. Table 3.539 summarises the development projects with the highest expenditure in the reporting period.

The increase in development expenditure was attributed to the rollout of the procurement plan earlier than in previous years.

Table 3.540: Uasin Gishu County, List of Development Projects with the Highest Expenditure

No.	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs.)	Amount paid in FY 2024/25 (Kshs.)	Cumulative Expenditure as of 30 June 2025	Implementation status (%)
1	Construction of Kesses Phase II	Kesses		450,567,250	100,000,000	427,491,496	84
2	Ziwa Level V Phase II	Ziwa		806,562,179	30,000,000	311,445,626	45
3	County Aggregation and Industrial Park (CAIP)	Moiben		535,000,000	-	238,500,000	52
4	Ziwa Level V Phase III	Ziwa		415,317,248	50,000,000	147,068,408	65
5	Construction of the Turbo Level IV Hospital	Tapsagoi		705,710,330	50,000,000	111,051,894	21

No.	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs.)	Amount paid in FY 2024/25 (Kshs.)	Cumulative Expenditure as of 30 June 2025	Implementation status ()
6	Proposed Erection and completion of the outpatient unit, ICU & HDU block, Burnt Forest Hospital.	Ainabkoi		60,000,000	20,000,000	57,537,740	100
7	Request for proposal for the supply, installation, testing, and commissioning of the Integrated Revenue System	County-wide		47,800,000	47,800,000	42,800,000	1
8	Construction and completion of the Theatre block and the postnatal block at Ziwa Sub-County Hospital	Ziwa		14,599,635	2,000,000	12,696,675	98
9	Construction of Ziwa Machine - Cheplelaibei Bridge in Ziwa Ward	Ziwa		25,927,658	12,000,000	11,026,908	50
10	Purchase & installation of spares and solar streetlights for Kapsoya, Kipkorgot and Illula in Kapsoya Ward	Kapsoya		10,000,000	10,000,000	9,999,950	100

Source: Uasin Gishu County Treasury

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

3.44.14 Budget Performance by Department

Table 3.541 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.541: Uasin Gishu County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.Millions)		Exchequer Issues (Kshs.Millions)		Expenditure (Kshs. Millions)		Expenditure to Exchequer Issues ()		Absorption rate ()	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Governor's Office	131.12		102.85		105.02		102.1	-	80.1	-
Finance	763.91		412.46		762.25		184.8	-	99.8	-
Public Service Management	891.92	30.03	782.54	29.03	861.42		110.1	-	96.6	-
Administration- ICT and E-Government	76.15		47.85		62.99	20.41	131.6	-	82.7	-
Roads, Transport and Infrastructure	608.74	818.67	579.58	445.92	532.14	716.84	91.8	160.8	87.4	87.6
Health Services	1,829.55	472.14	1,279.19	349.07	1,614.00	225.47	126.2	64.6	88.2	47.8
Agriculture, Livestock and Fisheries	287.88	425.85	195.93	312.79	223.19	243.48	113.9	77.8	77.5	57.2
Trade, Cooperatives, Tourism, Wildlife	156.44	403.03	132.68	198.27	143.33	196.31	108.0	99.0	91.6	48.7
Education, Social, Cultural, Youth and Sports	628.99	236.01	455.34	129.46	456.41	78.22	100.2	60.4	72.6	33.1
County Public Service Board	73.95		48.41		71.05		146.8	-	96.1	-
County Assembly	807.07	110.67	799.89	31.02	799.89	31.02	100.0	100.0	99.1	28.0
Economic Planning	121.89		107.31		119.25		111.1	-	97.8	-
Administration and Devolution	179.17	273.48	122.54	260.68	158.05	182.43	129.0	70.0	88.2	66.7
YOUTH AND SPORTS DEVELOPMENT	241.79	93.86	146.34	79.63	227.78	62.92	155.7	79.0	94.2	67.0

Department	Budget Allocation (Kshs.Millions)		Exchequer Issues (Kshs.Millions)		Expenditure (Kshs. Millions)		Expenditure to Exchequer Issues ()		Absorption rate ()	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Cooperatives and Enterprise Development	163.44		125.12		156.36	-	125.0	-	95.7	-
Livestock Development and Fisheries	48.75	158.26	18.37	132.28	27.13	87.80	147.7	66.4	55.7	55.5
Eldoret Municipality	584.08	169.67	134.44	120.47	136.22	101.31	101.3	84.1	23.3	59.7
Promotive and Preventive Health	544.89	110.49	542.98	109.32	538.56	50.06	99.2	45.8	98.8	45.3
Energy, Environment, Climate Change, and Natural Resources	50.28	445.94	19.24	359.98	26.92	341.04	139.9	94.7	53.5	76.5
Partnership Liason and Linkages	49.08		37.85		42.93		113.4	-	87.5	-
Gender, Social Protection, and Culture	148.95	51.79	134.96	47.46	150.30	33.01	111.4	69.6	100.9	63.7
Housing and Urban Development	40.50	1,356.25	33.82	1,019.15	31.31	456.27	92.6	44.8	77.3	33.6
Lands and Physical Planning	97.05	268.91	79.70	183.90	74.65	92.01	93.7	50.0	76.9	34.2
Water, Irrigation and Sanitation	204.22	933.98	187.08	752.21	170.72	674.74	91.3	89.7	83.6	72.2
Uasin Gishu - County Attorney	90.93		53.25		47.02		88.3	-	51.7	-
Total	8,820.74	6,359.05	6,579.74	4,560.65	7,538.88	3,593.32	114.6	78.8	74.6	56.5

Source: Uasin Gishu County Treasury

Analysis of expenditure by departments shows that the Roads, Transport and Infrastructure recorded the highest absorption rate of development budget at 87.6 per cent, followed by the Department of Energy, Environment, Climate Change and Natural Resources at 76.5 per cent. The Department of Gender, Social Protection, and Culture had the highest percentage of recurrent expenditure to budget at 100 per cent, while the Department of Eldoret Municipality had the lowest at 23.3 per cent.

3.44.15 Key Observations and Recommendations

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

- 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 August 2025.
- ii. Unspent funds from FY 2023/24 were not refunded into the CRF account, resulting in actual expenditures exceeding the approved exchequer in several departments, as shown in Table 3.541.
- iii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. As of 30 June 2025, the lifespan of the Bursary and Scholarship Fund had lapsed, making them ineligible for further withdrawals.
- iv. 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. As of 15 July 2025, the reports for the Executive car and mortgage Fund and County Assembly car and mortgage were not submitted to the CoB.
- v. High level of pending bills, which amounted to Kshs.1.06 billion as of 30 June 2025.
- vi. Use of manual payroll. Personnel emoluments amounting to Kshs.532.14 million were staff not onboarded into HRIS and were processed through manual payroll, accounting for 11.9 per cent of the total payroll cost. Manual payroll is prone to abuse and may result in the loss of public funds.
- vii. In the FY2024/25 reporting period, health facilities were owed a combined total of Kshs.44.5 million across the two schemes—SHIF, and the defunct NHIF.

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

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

- ii. *The County Treasury should ensure unspent funds from the previous financial year are deposited into the CRF Account in line with Section 136 of the PFM Act 2012.*
- iii. *The County should ensure the timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to re-establish or wind up such funds in compliance with the Public Finance Management Act.*
- iv. *The CECMF should ensure that all Fund Administrators submit financial and non-financial reports to the Controller of Budget by the 15th of the month after each quarter, as required by Section 168 of the PFM Act, 2012.*
- v. *The County Leadership should ensure that genuine bills are paid. Further, compliance with the Pending Bills Action Plan should be enforced.*
- vi. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Furthermore, strict adherence to the approved staff establishment should be maintained.*
- vii. *The County Leadership should liaise with the Social Health Authority for the settlement of outstanding claims.*

3.45. County Government Vihiga

3.45.1 Overview of FY 2024/25 Budget

The Vihiga County Approved Supplementary I Budget for FY 2024/25 was Kshs.7.11 billion. It comprised Kshs.2.29 billion (32 per cent) and Kshs.4.82 billion (68 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represented an increase of Kshs.426.05 million (8 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.2.20 billion and a recurrent budget of Kshs.4.48 billion. The increase in the budget was primarily attributed to the increase in the conditional grants.

The budget was to be financed from various revenue sources, including the equitable share of revenue raised nationally, amounting to Kshs.5.29 billion (74 per cent), additional allocations of Kshs.1.03 billion (15 per cent), a cash balance of Kshs.443.50 million (6 per cent) brought forward from FY 2023/24, and Kshs.340.00 million (5 per cent) generated as own-source revenue. The own-source revenue comprised Kshs.186.47 million (48 per cent) deposited into the CRF and Kshs.211.39 million (52 per cent) as Appropriations-in-Aid (A-I-A) spent at source. The A-I-A comprised Kshs.211.39 million (100 per cent) as the Facility Improvement Financing (revenue from health medical facilities). A breakdown of the additional allocations is shown in Table 3.542.

3.45.2 Revenue Performance

The County received Kshs.6.67 billion in revenues in the review period to fund its development and recurrent activities. This amount represented a 20 per cent increase compared to the amount received in FY 2023/24 of Kshs.5.57 billion. The total revenue consisted of Kshs.5.71 billion from the equitable share of revenue raised nationally. Other revenue streams included additional allocations from the national government and development partners, amounting to Kshs.118.16 million, as well as-source revenue (OSR) collection of Kshs.397.86 million. Additionally, the County had a cash balance of Kshs.443.50 million from FY 2023/24.

The total OSR collection of Kshs.397.86 million included Facilities Improvement Financing (FIF) of Kshs.211.39 million, and Kshs.186.47 million from other OSR sources. Table 3.542 summarises the total revenue available to the County Government during FY 2024/25.

Table 3.542: Vihiga County, Revenue Performance in 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	5,292,921,648	5,714,284,568	108
Sub Total		5,292,921,648	5,714,284,568	108
B	Conditional Grants			
1	Road Maintenance Fuel Levy	104,335,372	37,535,760	36
2	Community Health Promoters (CHPS)	43,380,000	0	-
3	Primary Health Care in Developed Context Programme (DANIDA)	16,015,507	7,166,250	45