



COUNTY GOVERNMENT OF NANDI

COUNTY TREASURY

**QUARTER THREE NANDI COUNTY BUDGET IMPLEMENTATION REVIEW
REPORT**

FINANCIAL YEAR 2024/2025

APRIL, 2025

County Government of Nandi

1.1.1 Overview of FY 2024/25 Budget

The Nandi County Approved Supplementary I Budget for FY 2024/25 is Kshs.10.63 billion. It comprises Kshs.4.28 billion (40.3 per cent) and Kshs.6.25 billion (59.7 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.26 billion (13.5 per cent) from the FY 2023/24 budget that comprised a development budget of Kshs.3.17 billion and a recurrent budget of Kshs.6.19 billion.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.7.35 billion (69.1 per cent), additional allocations of Kshs.1.77 billion (16.7 per cent), a cash balance of Kshs.595 million (5.6 per cent) brought forward from FY 2023/24, and Kshs.844.17 million (8 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.335.23 million (4.8 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.508.94 million (3.2 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table Error! No text of specified style in document..1.

1.1.2 Revenue Performance

In the review period, the County received Kshs.5.81 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.608.07 million from Kshs.4.24 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.85 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.52.63 million, and its own-source revenue (OSR) collection of Kshs.368.2 million. In addition, the County had a cash balance of Kshs.595 million from FY 2023/24.

The total OSR collection includes Facilities Improvement Financing (FIF) of Kshs.133.59 million, and Kshs.234.61 million from other OSR sources. OSR collections from the FIF were received from Kapsabet County Referral Hospital, Nandi Hills Sub-County Hospital, Meteitei Sub-County Hospital, Kaptumo Sub-County Hospital, Mosoriot Sub-County Hospital, Kabiyeet Sub-County Hospital, and Chepterwai Sub-County Hospital. Table Error! No text of specified style in document..1 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table Error! No text of specified style in document..1: Nandi 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	7,346,071,107	4,845,144,261	66
Sub Total		7,346,071,107	4,845,144,261	66
B	Conditional Grants			
1	County Aggregation and Industrial Parks	187,500,000	52,631,579	28.1
2	Road Maintenance Levy Fund	187,283,794	-	-

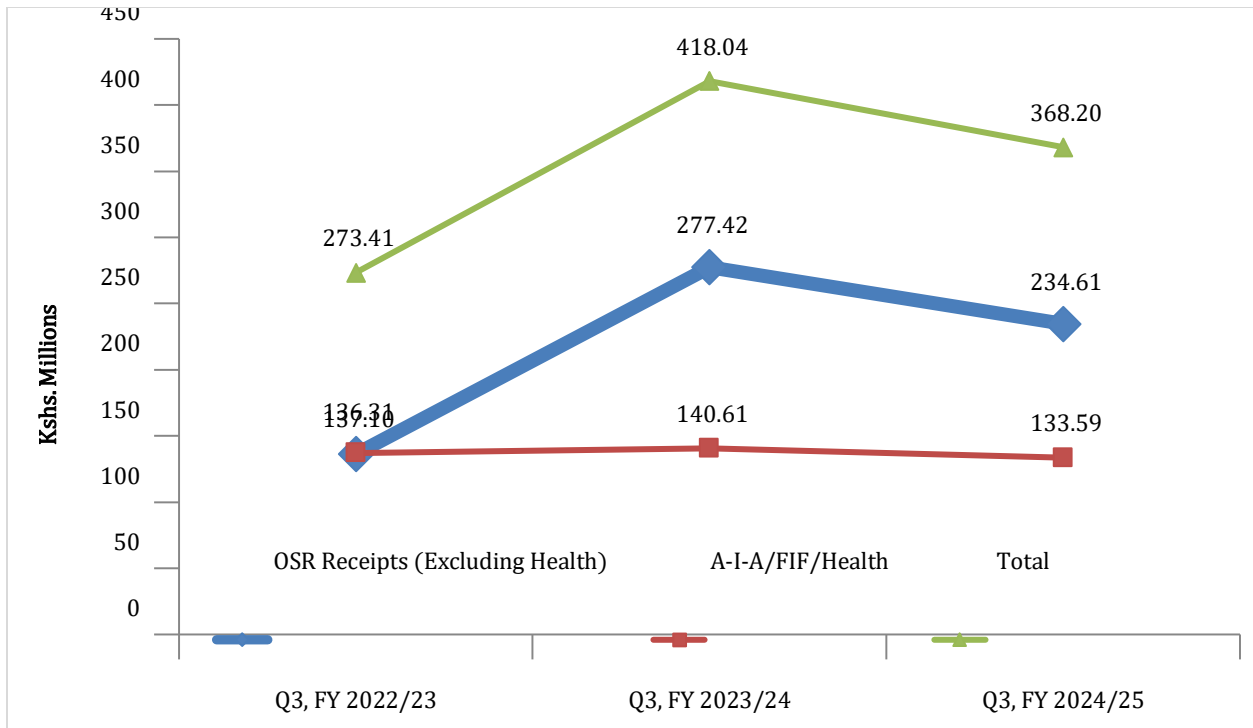
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
3	Community Health Promoters	96,660,000	-	-
4	Kenya Devolution Support Programme (KDSP) II - World Bank	37,500,000	-	-
5	IDA (WORLD BANK). -National Agricultural Value Chain Development project (NAVCDP)	151,515,152	-	-
6	Kenya Urban Support Program (KUSP) - UIG	35,000,000	-	-
7	KISIP-Kenya Informal Settlements Improvement Project FY 2023/2024	208,354,058	-	-
8	KISIP-Kenya Informal Settlements Improvement Project 2024/2025	275,000,000	-	-
9	Financing Locally Led Climate Action (FLLoCA) FY 2023/2024	216,757,206	-	-
10	Financing Locally Led Climate Action (FLLoCA) FY 2024/2025	216,757,206	-	-
11	China fund- Upgrading of Kaimosi Agricultural Training Centre	100,000,000	-	-
12	DANIDA- Primary Healthcare in Devolved Context	8,238,750	-	-
13	Kenya Urban Support Program (KUSP)- UDG	33,993,380	-	-
14	Nandi County HIV/AIDS Programme	15,419,690	-	-
Sub-Total		1,769,979,236	52,631,579	3
C	Other Sources of Revenue			
1	Ordinary Own Source Revenue	508,941,741	234,605,647	46.1
2	Balance b/f from FY2023/24	595,000,000	595,000,000	100
3	Facility Improvement Fund (FIF)	335,231,711	133,590,857	39.9
4	Other Revenues	73,018,561	-	-
Sub Total		1,512,192,013	963,196,504	63.7
Grand Total		10,628,242,356	5,860,972,344	55.1

Source: Nandi County Treasury

The County has governing legislation on the operation of ordinary A-I-A and FIF.

Figure 1 shows the collection trend in own-source revenue from the first nine months of FY 2019/20 to FY 2024/25.

Figure 1: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2019/20 to FY 2024/25

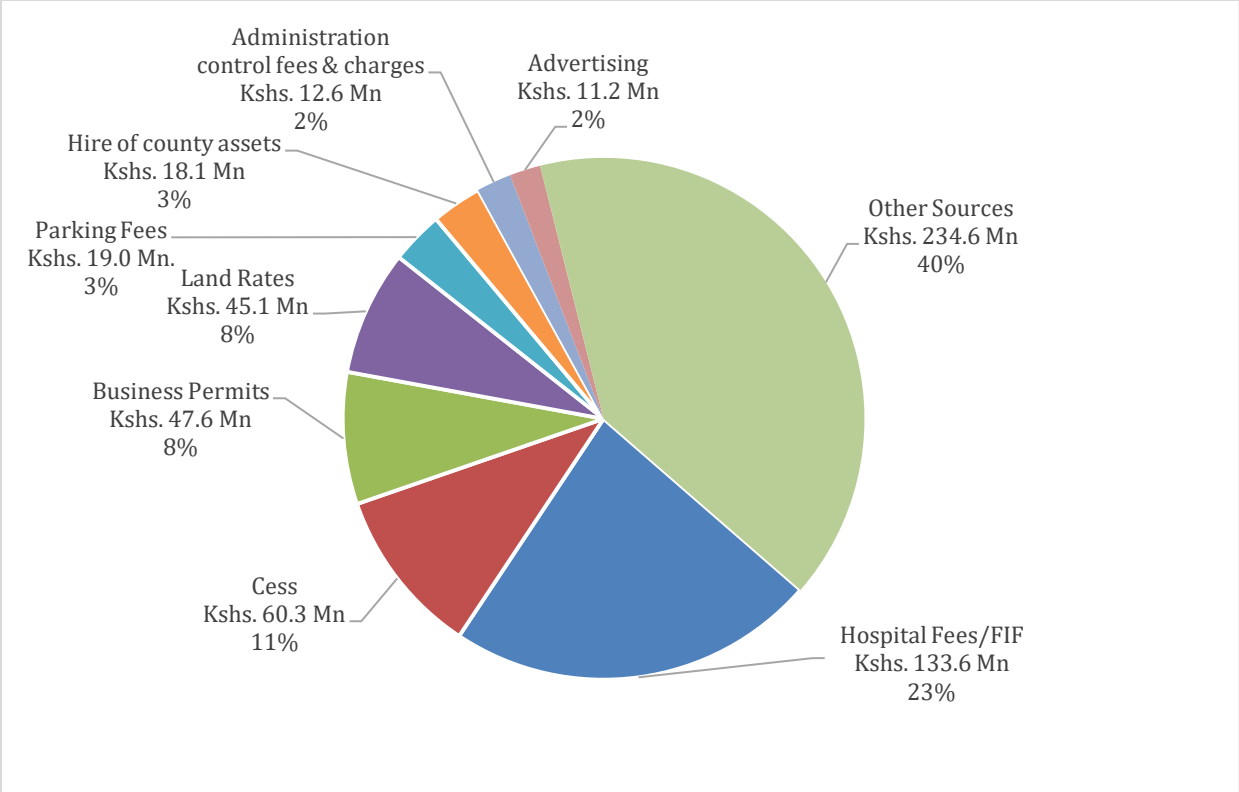


Source: Nandi County Treasury

During the review period, the County generated Kshs.368.20 million from its own revenue sources, including AIA and FIF. This amount was a decrease of 11.9 per cent compared to Kshs.418.04 million realised in a similar period in FY 2023/24 and was 43.6 per cent of the annual target and 7.6 per cent of the equitable revenue share disbursed.

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

Figure 2: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source: Nandi County Treasury

As shown in Figure 2, the highest revenue stream of Kshs.133.6 million was from Hospital fees contributing 23 per cent of the total OSR receipts. The County Government has automated all revenue streams.

1.1.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.15 billion from the CRF account during the reporting period, which comprised Kshs.1.09 billion (21.2 per cent) for development programmes and Kshs.4.05 billion (78.8 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.53 billion was released towards compensation of employees and Kshs.1.76 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25 do not include the March 2025 exchequer request for the County Executive and County Assembly due to delay in disbursement of equitable share.

Analysis of the operations and maintenance exchequer releases indicates that 13.2 per cent was for domestic travel and 2.6 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.232.11 million and included Kshs.116.55 million for the County Executive and Kshs.115.56 million for the County Assembly. The foreign exchequer totalled Kshs.44.97 million, comprising Kshs.4.28 million for the County Executive and Kshs.40.69 million for the County Assembly.

Table Error! No text of specified style in document..2: Nandi County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure to Exchequer Issues (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	488,545,728	126,500,000	405,544,797	30,162,173	119.5	180.6
Health and Sanitation	2,804,391,951	303,593,540	1,911,852,619	68,098,639	106.9	126.2
Public Service and Labour	56,672,677	-	-	-	-	-
County Assembly	727,658,319	60,000,000	569,065,182	-	111.8	-
Kapsabet Municipality	63,294,084	89,987,995	28,600,000	8,356,141	85.2	93.9
Office of the County Attorney	79,470,398	-	20,000,000	-	226.8	-
Finance and Economic Planning	546,362,223	35,000,000	360,329,772	-	125.1	-
Administration, Public Service and E-Government	369,397,634	44,228,941	168,484,324	36,624,221	72.3	93.0
Agriculture and Co-operatives Development	255,407,727	554,191,740	213,500,000	182,324,696	100.0	126.6
Sports, Youth Affairs, Culture and Heritage	169,785,090	79,538,620	51,341,155	33,606,794	164.5	80.3
Education and Vocational Training & Scholarship	430,398,890	386,646,567	242,624,924	153,675,333	145.0	120.7
Lands, Environment, Natural Resources and Climate Change	126,645,613	1,347,673,730	24,003,708	217,082,851	231.0	186.0
Transport, Public Works and Infrastructure Development	148,630,393	865,981,808	59,146,089	274,734,330	155.0	136.4
Trade, Tourism, Industrialization and Enterprise Development	80,281,839	387,956,849	-	85,946,484	-	109.9
Total	6,346,942,566	4,281,299,790	4,054,492,570	1,090,611,662	115.5	140.6

Source: Nandi County Treasury

Expenditure exceeded exchequer releases because it included payments and payment commitments.

As of 31 March 2025, the County Government's cash balance in the CRF account was Kshs.80.84 million.

1.1.4 County Expenditure Review

The County spent Kshs.6.21 billion on development and recurrent programmes in the reporting period. The expenditure represented 120.7 per cent of the total funds released by the CoB and comprised of Kshs.1.53 billion and Kshs.4.68 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 35.8 per cent, while recurrent expenditure represented an absorption rate of 73.8 per cent.

1.1.5 Settlement of Pending Bills

The County reported pending bills totalling Kshs.661.33 million as of 30th June 2024. This amount included Kshs.661.33 million from the County Executive and Kshs.0.00 million from the County Assembly. The pending bills from the County Executive consisted of Kshs.331.44 million for recurrent expenditures and Kshs.329.88 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.639.58 million, comprising Kshs.315.06 million for recurrent programmes and Kshs.324.53 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.0.00 million, which included Kshs.0.00 million for recurrent activities and Kshs.0.00 million for development activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.612.60 million by the end of March 2025. The County generally adhered to this payment plan.

As of 31 March 2025, the outstanding bills amounted to Kshs.21.75 million, entirely by the County Executive.

1.1.6 Expenditure by Economic Classification

The County Executive spent Kshs.2 billion on employee compensation, Kshs.2.04 billion on operations and maintenance, and Kshs.1.53 million on development activities. Similarly, the County Assembly spent Kshs.252.77 million on employee compensation, Kshs.383.18 million on operations and maintenance, and Kshs.3.97 million on development activities, as shown in Table Error! No text of specified style in document..3.

Table Error! No text of specified style in document..3: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	5,619,284,247	727,658,319	4,046,287,170	635,951,892	72.0	87.4
Compensation to Employees	3,655,010,587	434,385,867	2,003,963,843	252,769,658	54.8	58.2
Operations and Maintenance	1,964,273,660	293,272,452	2,042,323,326	383,182,234	104.0	130.7
Development Expenditure	4,221,299,790	60,000,000	1,529,523,719	3,972,598	36.2	6.6
Total	9,840,584,037	787,658,319	5,575,810,888	639,924,490	56.7	81.2

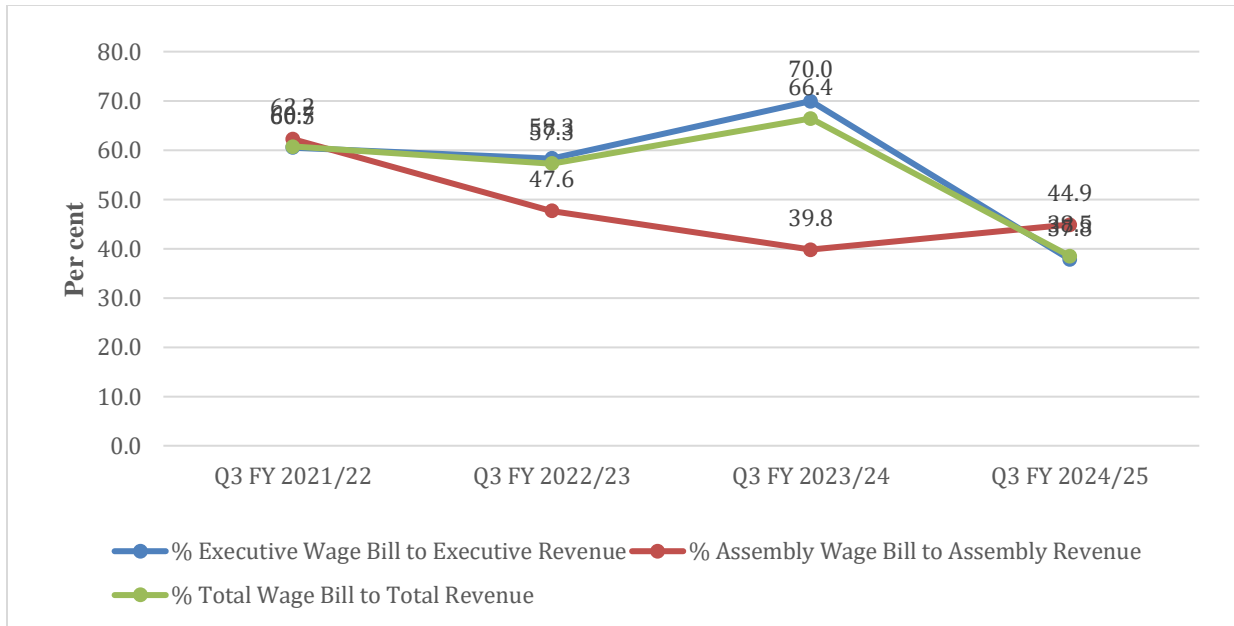
Source: Nandi County Treasury

1.1.7 Expenditure on Compensation to Employees

2 In the period under review, the expenditure on employee compensation amounted to Kshs.2.26 billion. The total revenue, excluding the earnings from extractive natural resources from sand cess, gypsum cess, and quarry cess, is Kshs.5.86 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 38.5 per cent. This expenditure on employee compensation shows a decrease compared to the Kshs.3.35 billion reported during the same period in FY 2023/24. Of this total, Kshs.1.64 billion was spent on health sector employees, which accounts for 72.6 per cent of the overall employees' compensation. The decrease is a result of measures taken to reduce in payroll expenses.

Figure 3 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 3: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2021/22 to FY 2024/25



Source: Nandi County Treasury

The Integrated Payroll and Personnel Database (IPPD) system processed the majority of Personnel Emoluments (PE) costs, amounting to Kshs 2.16 billion. In comparison, only Kshs 101.09 million, or 4.5 per cent of the total PE cost, was processed through manual payrolls.

The County Assembly spent Kshs.27.24 million on committee sitting allowances for the speaker and 45 MCAs against the annual budget allocation of Kshs.27.46 million. The average monthly sitting allowance was Kshs. 67,247 per MCA. The County Assembly has 21 House Committees.

2.1.1 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.227 million to County-Established funds in FY 2024/25, or 2 per cent of the County's overall budget. Further, the County allocated Kshs.57 million to the Emergency Fund (1 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table Error! No text of specified style in document..4 summarises each established Fund's budget allocation and performance during the reporting period.

Table Error! No text of specified style in document..4: 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 (Kshs.)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 30 September 2024 (Yes/No.)
	County Executive Established Funds				

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 30 September 2024 (Yes/No.)
1.	Nandi County Executive Car Loan and Mortgage Scheme Fund	6,000,000	-	-	No
2.	Nandi County Emergency Fund	57,000,000	15,000,000-	14,713,043	Yes
3.	Nandi County Bursary Fund	164,000,000	-	-	Yes
County Assembly Established Funds					
4.	Nandi County Assembly Car Loan and Mortgage Scheme Fund	-	-	-	No
	Total	227,000,000	15,000,000	14,713,043	

Source: Nandi County Treasury

During the reporting period, the CoB did not receive quarterly financial reports from 2 Fund Administrators, as indicated in Table Error! No text of specified style in document..4, contrary to the requirement of Section 168 of the PFM Act, 2012..

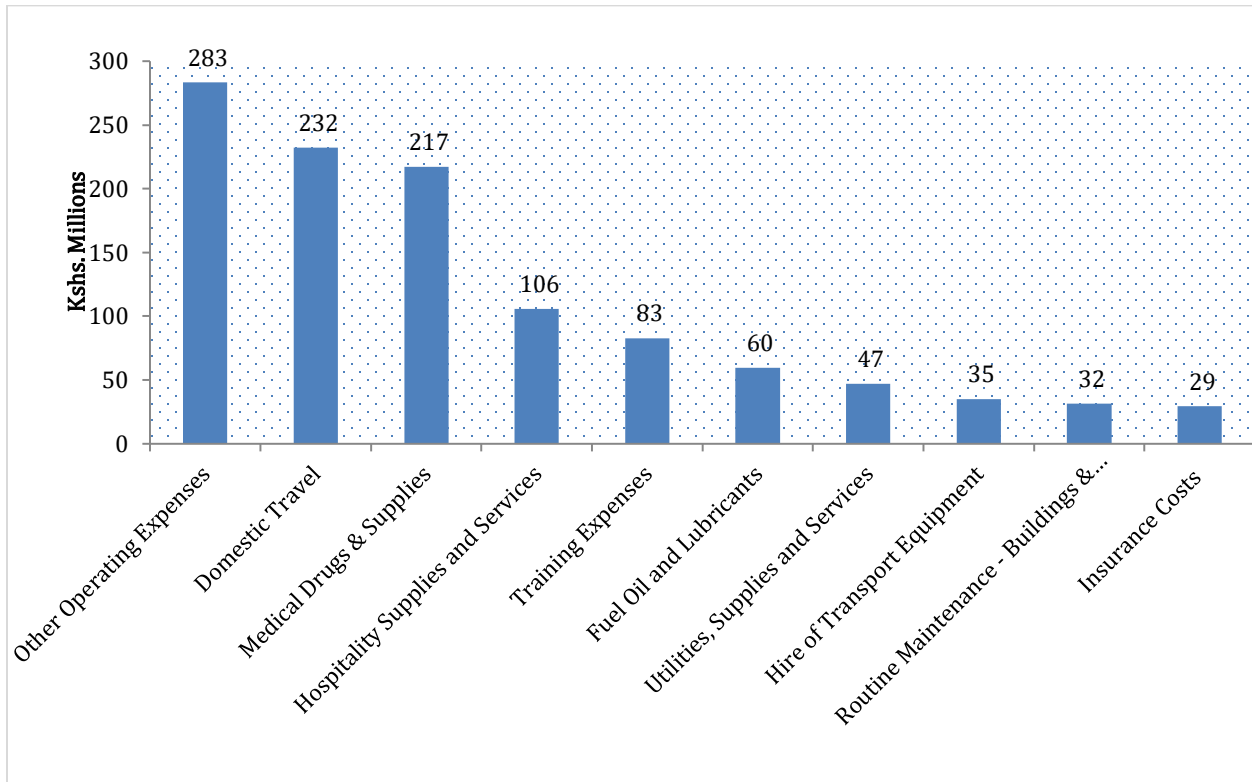
2.1.2 County Corporations

The County has no semi-autonomous county corporations.

2.1.3 Expenditure on Operations and Maintenance

Figure 4 summarises the Operations and Maintenance expenditure by major categories.

Figure 4: Nandi County, Operations and Maintenance Expenditure by Major Categories



Source: Nandi County Treasury

Expenditure on domestic travel amounted to Kshs.232.11 million and comprised Kshs.115.56 million spent by the County Assembly and Kshs.116.55 million by the County Executive. Expenditure on foreign travel amounted to Kshs.44.97 million and comprised Kshs.40.69 million by the County Assembly and Kshs.4.28 million by the County Executive. Expenditure on foreign travel is summarised in Table Error! No text of specified style in document..5.

Table Error! No text of specified style in document..5: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

S/No.	Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of The Travel	Destination	Total Costs of the Travel (Kshs.)
1	County Executive	1	21-Aug-24	A Workshop on Emergency Fire Response	United Kingdom	875,136
2	County Executive	1	30-Aug-24	Forum on Food Systems	Rwanda	250,000
3	County Executive	1	13-Nov-24	Food System Forum	Rwanda	494,517

S/No.	Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of The Travel	Destination	Total Costs of the Travel (Kshs.)
4	County Assembly	4	26-30 Nov-/2024	Attending 29th East Africa Law Society Annual Conference	Uganda	1,184,220
5	County Assembly	7	05-10 Dec-2024	Attending the Building Tech-Driven Resilience: Smart Solutions for Sustainable County Development Program	UAE	2,940,426
6	County Assembly	7	10-15 Dec-2024	Attending A Program on Building Resilient Healthcare Systems - Embracing Digital Health and Sustainable Solutions	Turkey	3,109,932
7	County Assembly	7	28/11-05 Dec-2024	Attending the Building Tech-Driven Resilience: Smart Solutions for Sustainable County Development Program	Ethiopia	3,142,440
8	County Assembly	9	09-14 March 2025	Innovative Leadership and Change Management for Public Sector	Dubai, United Arab Emirates	3,284,856
9	County Assembly	18	04-15 March 2025	Performance Management in Public Sector: Leveraging Technology for Enhanced Service Delivery	Kampala, Uganda	6,876,732

Source: Nandi County Treasury and Nandi County Assembly

The operations and maintenance costs include an expenditure of Kshs.486,000 on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

2.1.4 Facility Improvement Financing

The County collected Kshs.133.59 million as FIF, which was 39.9 per cent of the annual target of Kshs.335.23 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.

The Health Facilities provided reports on the utilisation of the FIF during the reporting period, in line with Section 18 (e) of the FIF Act, 2023.

The expenditure by the health facilities amounted to Kshs.115.14 million, as shown in Table Error! No text of specified style in document..6.

Table Error! No text of specified style in document..6: 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.	Kapsabet County Referral Hospital	150,000,000	76,211,174	50.8
2.	Nandi Hills Sub County Hospital	30,000,000	11,724,229	39.1
3.	Meteitei Sub County Hospital	10,875,000	8,924,476	82.1
4.	Kaptumo Sub County Hospital	9,375,000	6,881,220	73.4
5.	Kabiyet Sub County Hospital	6,750,000	1,512,479	22.4
6.	Mosoriot Sub County Hospital	6,000,000	5,382,314	89.7
7.	Chepterwai Sub County Hospital	4,500,000	4,509,247	100.2
	Total			

Source: Nandi County Treasury

The Health Facility with the highest absorption rate was Chepterwai Sub County Hospital.

2.1.5 Development Expenditure

In the review period, the County reported spending Kshs.1.53 billion on development programmes, representing an increase of 153.29 per cent compared to the same period in FY 2023/24, when the County spent Kshs.603.87 million. Table Error! No text of specified style in document..7 summarises development projects with the highest expenditure in the reporting period.

Table Error! No text of specified style in document..7: Nandi County, List of Development Projects with the Highest Expenditure

S/No	Department	Project Name	Location	Contract Sum	Amount Paid to Date	Implementation Status
1	County Executive	County Contribution to RREC Fund	Countywide	20,000,000	20,000,000	100
2	Education and Vocational Training	Supply of Building Materials	Countywide	17,977,150	17,977,150	100
3	Administration, Public Service and E-Government	Installation of LED Screen	Kapsabet	14,000,000	14,000,000	100
4	Lands, Environment, Natural Resources and Climate Change	Supply of Tree Seedlings	Countywide	9,898,760	13,167,760	133
5	Education and Vocational Training	Supply of Hardware Materials	Countywide	12,509,692	12,509,692	100
6	Transport, Public Works and Infrastructure Development	Supply of Fuel	Countywide	10,900,000	10,900,000	100

S/No	Department	Project Name	Location	Contract Sum	Amount Paid to Date	Implementation Status
7	Lands, Environment, Natural Resources and Climate Change	Provision of Consultancy Service on County Spatial Plan	Countywide	7,954,668	7,954,668	100
8	Sports, Youth Affairs, Culture and Heritage	Proposed Fencing of Kamatargui Park	Kapsabet	4,992,390	4,992,390	100
9	Health and sanitation	Construction of Chepterit Dispensary	Chemundu Kapngetuny	4,977,430	4,977,430	100
10	Lands, Environment, Natural Resources and Climate Change	Supply of Water Pipes	Countywide	4,900,000	4,900,000	100

Source: Nandi County Treasury

2.1.6 Budget Performance by Department

Table Error! No text of specified style in document..8 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table Error! No text of specified style in document..8: Nandi County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Expenditure (Kshs.)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	488,545,728	126,500,000	484,827,891	54,476,089	99.2	43.1
Health and Sanitation	2,804,391,951	303,593,540	2,044,514,079	85,909,882	72.9	28.3
Public Service and Labour	56,672,677	-	20,400,647	-	36.0	-
County Assembly	727,658,319	60,000,000	635,951,892	3,972,598	87.4	6.6
Kapsabet Municipality	63,294,084	89,987,995	24,368,514	7,850,000	38.5	8.7
Office of the County Attorney	79,470,398	-	45,354,620	-	57.1	-
Finance and Economic Planning	546,362,223	35,000,000	450,719,364	30,940,760	82.5	88.4
Administration, Public Service and E-Government	369,397,634	44,228,941	121,863,138	34,061,841	33.0	77.0
Agriculture and Co-operatives Development	255,407,727	554,191,740	213,515,886	230,898,020	83.6	41.7

Sports, Youth Affairs, Culture and Heritage	169,785,090	79,538,620	84,445,857	26,980,030	49.7	33.9
Education and Vocational Training & Scholarship	430,398,890	386,646,567	351,748,553	185,424,741	81.7	48.0
Lands, Environment, Natural Resources and Climate Change	126,645,613	1,347,673,730	55,440,117	403,692,321	43.8	30.0
Transport, Public Works and Infrastructure Development	148,630,393	865,981,808	91,697,884	374,873,097	61.7	43.3
Trade, Tourism, Industrialization and Enterprise Development	80,281,839	387,956,849	57,390,619	94,416,937	71.5	24.3
Total	6,346,942,566	4,281,299,790	4,682,239,062	1,533,496,317	73.8	35.8

Source: Nandi County Treasury

Analysis of expenditure by departments shows that the Department of Finance and Economic Planning recorded the highest absorption rate of development budget at 88.4 per cent, followed by the Department of Administration, Public Service and E-Government at 77 per cent. The Department of County Executive had the highest absorption of recurrent budget at 99.2 per cent, while the Office of the County Attorney had the lowest with no expenditure.

2.1.7 Budget Execution by Programmes and Sub-Programmes

Table Error! No text of specified style in document..9 summarises the budget execution by programmes and sub-programmes in the period under review.

Table Error! No text of specified style in document..9: Nandi County, Budget Execution by Programmes and Sub-Programmes

Programme	Final Budget	Expenditure	Absorption
	Kshs	Kshs	%
	1,696,670,545.00	1,004,321,006.50	59.2
Administration and Support Services	1,696,670,545.00	1,004,321,006.50	59.2
	148,601,296.00	-	-
Land and Crops Development	148,601,296.00	-	-
	53,600,000.00	-	-
Livestock Production and Management	53,600,000.00	-	-
	1,347,702,827.00	495,390,205.15	36.8
General Administration and Support Services	1,347,702,827.00	495,390,205.15	36.8

Programme	Final Budget	Expenditure	Absorption
	Kshs	Kshs	%
	865,981,808.00	374,873,097.40	43.3
Road-Works	865,981,808.00	374,873,097.40	43.3
	80,281,839.00	57,390,619.00	71.5
General Administration & Support Services	80,281,839.00	57,390,619.00	71.5
	387,956,849.00	94,416,937.00	24.3
Trade Development & Promotion	387,956,849.00	94,416,937.00	24.3
	53,954,554.00	3,258,814.00	6.0
Development and Promotion of Culture	53,954,554.00	3,258,814.00	6.0
	3,107,985,491.00	2,130,423,960.75	68.5
Health Service Delivery Administration Services	3,107,985,491.00	2,130,423,960.75	68.5
	386,646,567.00	186,398,741.00	48.2
General Administration & Support Services	386,646,567.00	186,398,741.00	48.2
	1,291,201,825.00	1,039,606,825.90	80.5
General Administration and Support Services	1,291,201,825.00	1,039,606,825.90	80.5
	16,000,000.00	30,940,760.00	193.4
Revenue Collection and Management Phase 1	16,000,000.00	30,940,760.00	193.4
	141,343,075.00	68,961,817.00	48.8
Administrative Support Services	141,343,075.00	68,961,817.00	48.8
	82,987,995.00	7,850,000.00	9.5
Infrastructure and Development	82,987,995.00	7,850,000.00	9.5
	128,869,366.00	82,952,104.40	64.4
Sports Infrastructure Development	60,964,566.00	26,980,030.40	44.3
Sports Activities and Programs	67,904,800.00	55,972,074.00	82.4
County Assembly Service Board	787,658,319.00	630,394,433.60	80.0
Personnel Services	787,658,319.00	630,394,433.60	80.0
Grand Total	10,577,442,356.00	6,207,179,321.70	58.7

Source: Nandi County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Revenue Collection and Management Phase 1 in the Department of Finance and Economic Planning at 193.4 per cent, General Administration and Support Services in the Department of Administration, Public Service and E-Government at 80.5 per cent, Road Works in the Department of Transport, Public Works and Infrastructure Development at 71.5 per cent and Health Service Delivery Administration Services in the Department of Health and Sanitation at 68.5 per cent of budget allocation.

2.1.8 Accounts Operated Commercial Banks

Regulations 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 10 accounts with commercial banks, including There is 1 account designated for banking revenue from Kaimosi ATC operations, 2 Imprest Accounts for managing petty cash, 1 account for the National Agricultural and Rural Inclusive Growth Project, 1 account for the County Development Support Programme, 1 account for the Urban Development Grant, 1 account for the Urban Infrastructure Grant, 1 account for youth service programs and initiatives, 1 account for health operations and services, and 1 account for deposits and retentions.

2.1.9 Key Observations and Recommendations

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

- i. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received on 28 April 2025.
- ii. Unspent funds from FY 2023/24 may have not been refunded into the CRF account, which led to actual expenditures exceeding the approved exchequer in several departments, as shown in Table Error! No text of specified style in document..8.
- iii. Fund Administrators failed to submit copies of 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. Copies of reports for the Nandi County Assembly Car Loan and Mortgage Scheme Fund and Nandi County Bursary Fund were not submitted to the Controller of Budget as of 15th April 2025.
- iv. Use of manual payroll. Personnel emoluments amounting to Kshs.101.09 million were processed through manual payroll, accounting for 4.5 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

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

- i. *The County Treasury should ensure 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 to the CRF Account in line with Section 136 of the PFM Act 2012.*

- iii. *The CECMF should follow-up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
- iv. *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. Further, strict compliance with the approved staff establishment should be maintained.*

End

Key Notes

1. *Figures should be in **two** decimal places, e.g. Kshs.10.23 million*
2. *All percentages should be in **zero** decimal place: The term "zero per cent" indicates no decimal point, as in "12 per cent" or "7 per cent." However, there is an exception for percentages less than 1 per cent. In this case, if the value is, for example, 0.02 per cent, please report it as such in the tables. In the written text, you should write "less than 1 per cent."*
3. *Any performance beyond **100 per cent and less than 50 per cent** should be followed by an explanation/disclosure*
4. *Font – Minion Pro size 11 for standard text and 9 for all charts and tables. (**Source** is bold, and text after that is non-bold – both are italics – font 9)*
5. *Validate the data on the spreadsheet's report and have the reports peer-reviewed before submitting them for consolidation.*