



**COUNTY GOVERNMENT OF NANDI**

**COUNTY TREASURY**

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

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**FINANCIAL YEAR 2023/2024**

**JULY, 2024**



## County Government of Nandi

### 1.1.1 Overview of FY 2023/24 Budget

The County's approved supplementary II budget for FY 2023/24 was Kshs.9.85 billion, comprising Kshs.3.59 billion (36.4 per cent) and Kshs.6.26 billion (63.6 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 15.7 per cent compared to the previous financial year when it was Kshs.8.51 billion and comprised of Kshs.2.40 billion for development expenditure and Kshs.6.11 billion for recurrent expenditures.

To finance the budget, the County expected to receive Kshs.7.31 billion (74.2 per cent) as the equitable share of revenue raised nationally, Kshs.1.38 billion (14 per cent) as additional allocations/conditional grants, a cash balance of Kshs.548.53 million (5.6 per cent) brought forward from FY 2022/23, and generate Kshs.558.33 million (5.7 per cent) as gross own source revenue. The own-source revenue includes Kshs.198.23 million (2 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.360.10 million (3.7 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in **Table 1**.

### 1.1.2 Revenue Performance

In the FY 2023/24, the County received Kshs.6.72 billion as an equitable share of the revenue raised nationally, Kshs.722.11 million as additional allocations/conditional grants, a cash balance of Kshs.548.53 million from FY 2022/23, and raised Kshs.621.67 million as own-source revenue (OSR). The raised OSR includes Kshs. 229.05million as FIF and Kshs. 392.6 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.8.62 billion, as shown in Table -1. **Table -1: Nandi County Revenue Performance in the FY 2023/24**

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	7,305,294,585	6,720,870,513	92
<b>Sub Total</b>		<b>7,305,294,585</b>	<b>6,720,870,513</b>	<b>92</b>
B	Conditional Grants			
1	Establishment of the Industrial Park	250,000,000	62,500,000	25
2	Fertiliser Subsidy Programme	128,705,606	-	-
3	Livestock Value Chain Support Project	57,294,720	-	-
4	DANIDA -HSPS3	24,759,750	20,248,313	81.8
5	W B. -National Agricultural and Rural Growth Project	150,000,000	53,226,757	35.5
6	IDA (WORLD BANK). -National Agricultural Value Chain Development Project (NAVCDP)	200,000,000	199,797,468	99.9
7	Nutrition International	35,500,000	12,499,400	35.2
8	KISIP-Kenya Informal Settlements Improvement Project	304,000,000	132,245,633	43.5
9	Financing Locally Led Climate Action (FLLoCA)	216,577,206	230,077,206	106.2
10	FLLoCA County Climate Institutional Support (CCIS) Grant	11,000,000	11,000,000	100
11	Transfer for Library Services	5,047,663	-	-
12	Agricultural Sector Development Support Program (ASDSP)	516,946	516,946	100
<b>Sub-Total</b>		<b>1,383,401,891</b>	<b>722,111,723</b>	<b>52.2</b>
C	Other Sources of Revenue			
1	Ordinary Own Source Revenue	360,098,158	392,614,159	108.9
2	Balance b/f from FY2022/23	548,529,220	548,529,220	100
3	Facility Improvement Fund (FIF)	198,231,711	229,052,721	120.4

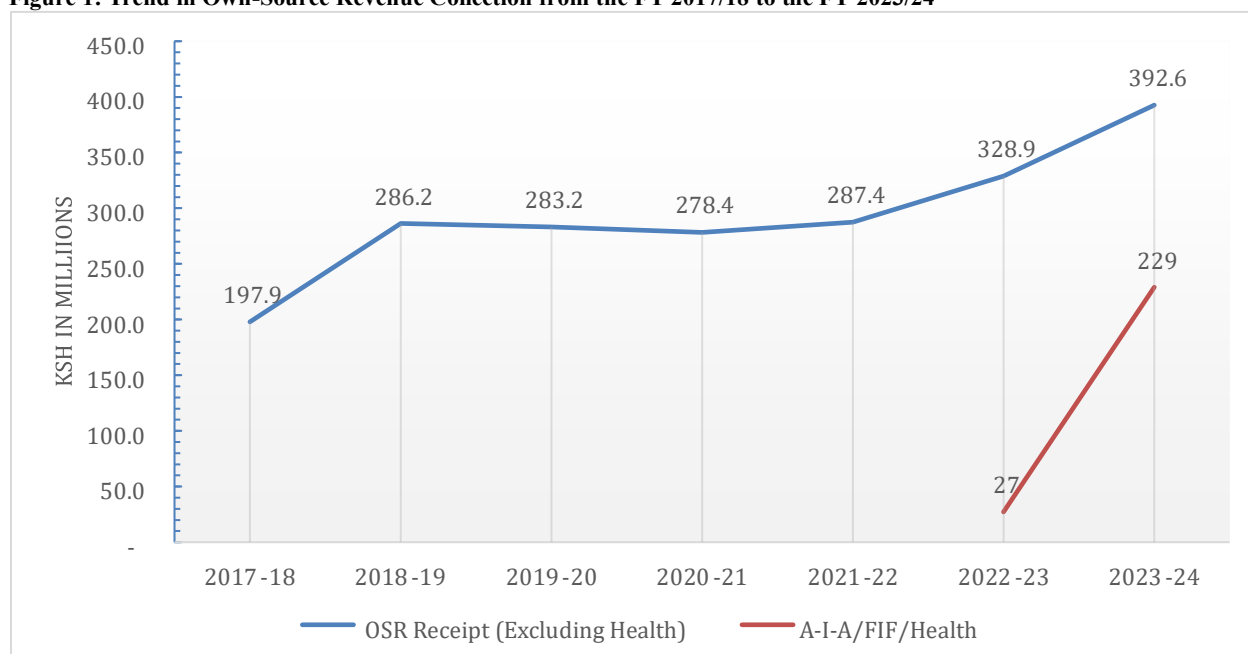
4	Other Revenues	55,110,901	-	-
<b>Sub Total</b>		<b>1,161,969,990</b>	<b>1,170,196,100</b>	<b>101.5</b>
<b>S/ No</b>	<b>Revenue</b>	<b>Annual Budget Allocation (in Kshs)</b>	<b>Actual Receipts (in Kshs.)</b>	<b>Actual Receipts as Percentage of Annual Allocation (%)</b>
<b>Grand Total</b>		<b>9,850,666,466</b>	<b>8,622,238,612</b>	<b>87.5</b>

*Source: Nandi County Treasury*

The increased performance in own-source revenue resulted from enhanced measures by the County to collect health revenue. The County has governing legislation on the operation of ordinary A-I-A and FIF.

Figure 1 shows the trend in own-source revenue collection from the FY 2017/18 to the FY 2023/24. Data was unavailable for FY 2017/18 to FY 2020/21.

**Figure 1: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24**

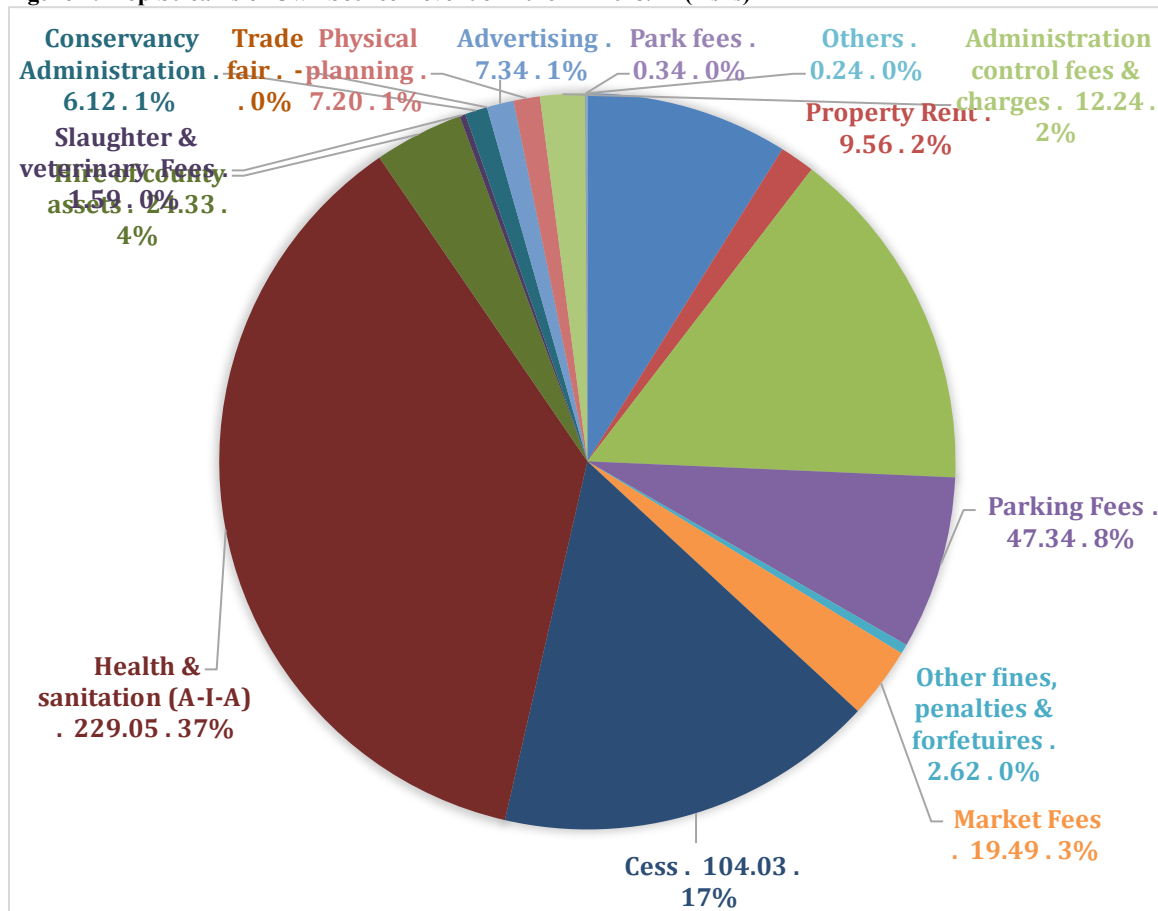


*Source: Nandi County Treasury*

In FY 2023/24, the County generated Kshs. 621.67 million from its revenue sources, including FIF and AIA. This amount represented an increase of 174.6 per cent compared to Kshs.355.9 million realised in a similar period in FY 2022/23. It was 113 per cent of the annual target and 9.4 per cent of the equitable revenue share disbursed during the period.

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

**Figure 2: Top Streams of Own Source Revenue in the FY 2023/24 (Kshs)**



Source: Nandi County Treasury

The highest revenue stream, Kshs.229.05 million, came from FIF, which contributed 37% of the total OSR receipts during the reporting period.

### 1.1.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.7.82 billion from the CRF account during the reporting period, comprising Kshs.1.64 billion (21 per cent) for development programmes and Kshs.6.17 billion (79 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in FY 2023/24 indicates that Kshs.4.48 billion was released towards Employee Compensation and Kshs.1.69 billion for Operations and Maintenance expenditures.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.15.75 million.

### 1.1.4 County Expenditure Review

The County spent Kshs.8.32 billion on Development and recurrent programmes in the reporting period. The expenditure represented 106.4 per cent of the total funds released by the CoB and comprised of Kshs.1.78 billion and Kshs.6.53 billion on Development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 49.8 per cent, while recurrent expenditure represented 104.3 per cent of the annual recurrent expenditure budget.

### 1.1.5 Settlement of Pending Bills

**Table 1.3: Nandi County Pending Bills as of June 30 2024**

	Pending bills incurred in FY 2023/2024 (Kshs.)	Outstanding pending bills as of June 30 2024 (Kshs.)
<b>County Executive</b>		
Recurrent	807,128,666.09	807,128,666.09
Development	447,457,868.80	447,457,868.80
<b>Total</b>	<b>1,254,586,534.89</b>	<b>1,254,586,534.89</b>

*Source: Nandi County Treasury*

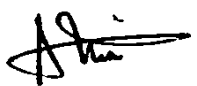
Table 1.4 presents the ageing of the total outstanding bills as of June 30 2024, which was Kshs.1,254,586,536 million.

**Table 1.4: County Nandi Pending Bill Ageing Analysis as of June 30 2024**

<b>COUNTY GOVERNMENT OF NANDI</b>					
<b>PENDING BILLS AGING ANALYSIS FOR 2023/2024</b>					
<b>10. Outstanding Trade Payables</b>					
	<b>County Entity</b>	<b>Development</b>	<b>Recurrent</b>	<b>Total</b>	
As at 1 July 2023 (End of FY 2023/24)	County Executive	435,703,877	818,882,660	1,254,586,536	
	County Assembly	-	-	-	
	<b>Total</b>	<b>435,703,877</b>	<b>818,882,660</b>	<b>1,254,586,536</b>	
<b>11. Trade Payables Ageing Analysis</b>					
<b>Category</b>	<b>Ageing analysis (Amount in Kshs.)</b>				<b>Total</b>
		<b>1-2 years</b>	<b>2-3 years</b>	<b>Over 3 years</b>	
<b>County Executive</b>					
<b>Development Trade Payables</b>	326,777,907.60	87,140,775.36	21,785,193.84	-	435,703,876.80
Recurrent Trade Payables (Goods & Services)	638,728,474	98,265,919	81,888,266		818,882,659.61
Recurrent Trade Payables (Salary)					-

Arrears and Statutory Deductions)					
Recurrent Trade Payables (Staff Claims)					-
<b>Total Recurrent Trade Payables</b>	638,728,474	98,265,919	81,888,266	-	818,882,659.61
<b>Total Trade Payables</b>	<b>965,506,382</b>	<b>185,406,695</b>	<b>103,673,460</b>	-	<b>1,254,586,536.41</b>
<b>% of Total</b>	<b>76.96</b>	<b>14.78</b>	<b>8.26</b>	<b>0</b>	<b>100.00</b>
<b>County Assembly</b>					
<b>Development Trade Payables</b>					-
Recurrent Trade Payables (Goods & Services)					-
Recurrent Trade Payables (Salary Arrears and Statutory Deductions)					-
Recurrent Trade Payables (Staff Claims)					-
<b>Total Recurrent Trade Payables</b>	-	-	-	-	-
<b>Total Trade Payables</b>	-	-	-	-	-
<b>% of Total</b>	-	-	-	-	-

Approved by:  
County Executive Committee Member Finance & Economic  
Planning

Sign:  \_\_\_\_\_

## Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.4.04 billion on employee compensation, Kshs.1.70 billion on operations and maintenance, and Kshs.1.73 billion on development activities. Similarly, the County Assembly spent Kshs.394.93 million on employee compensation, Kshs.397.67 million on operations and maintenance, and Kshs.57.29 million on development activities, as shown in Table 2.

**Table 2: Summary of Budget and Expenditure by Economic Classification**

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
<b>Total Recurrent Expenditure</b>	<b>5,467,573,084</b>	<b>796,999,461</b>	5,740,263,247	792,598,550	<b>105</b>	<b>99.4</b>
Compensation to Employees	3,699,589,243	490,399,129	4,039,555,885	394,925,397	109.2	80.5
Operations and Maintenance	1,767,983,841	306,600,332	1,700,707,362	397,673,153	96.2	129.7
<b>Development Expenditure</b>	<b>3,521,093,920</b>	<b>65,000,000</b>	1,727,536,420	57,285,011	49.1	88.1
<b>Total</b>	<b>8,988,667,004</b>	<b>861,999,461</b>	<b>7,467,799,667</b>	<b>849,883,561</b>	83.1	98.6

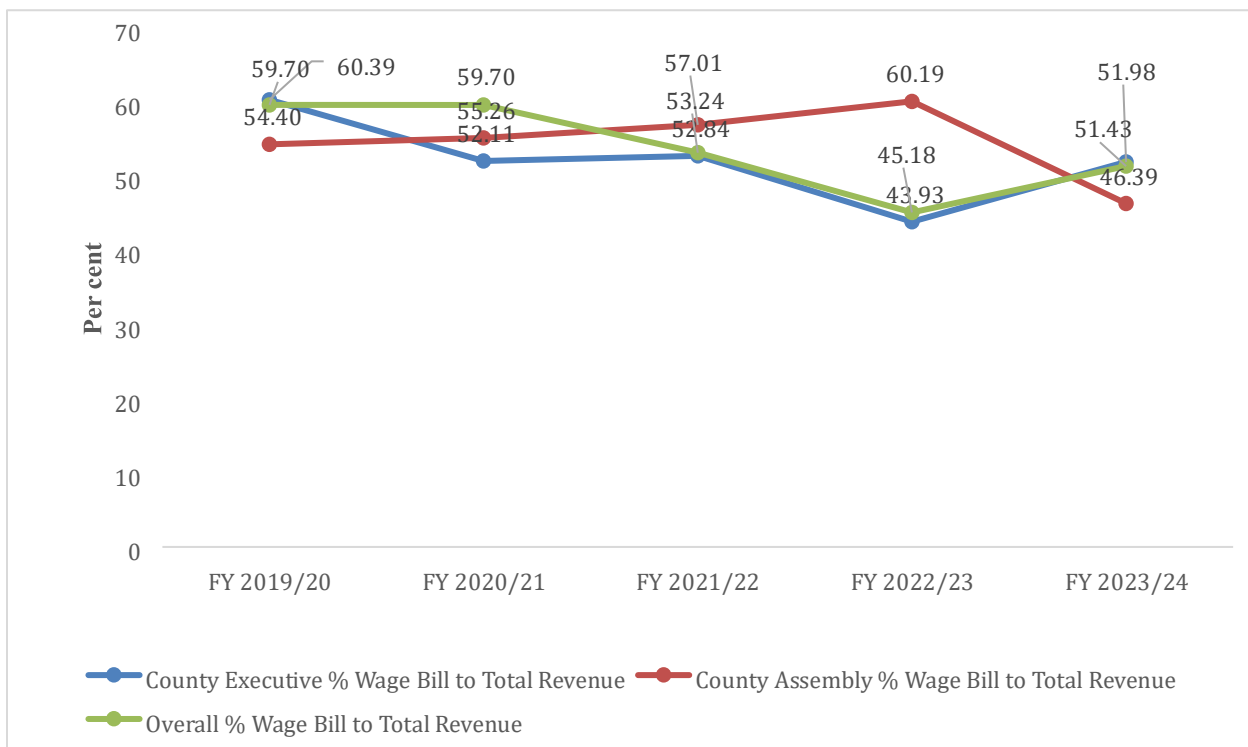
Source: Nandi County Treasury

### 1.1.6 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.43 billion, or 51.4 per cent of the available revenue. This expenditure represented an increase from Kshs.3.63 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.2.92 billion paid to health sector employees, translating to 65.9 per cent of the total wage bill. The 22.1 per cent increase in the wage bill is due to increased employee statutory deductions.

Figure 3 shows the trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24.

**Figure 3: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24**



Source: Nandi County Treasury

Further analysis indicates that PE costs amounting to Kshs.4.16 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.270.94 million was processed through manual payrolls. The manual payrolls accounted for 6.1 per cent of the total PE cost.

The County Assembly spent Kshs.19.44 million on committee sitting allowances for the 45 MCAs against the annual budget allocation of Kshs.30.89 million. The average monthly sitting allowance was Kshs.36,008.00 per MCA. The County Assembly has established 21 Committees.

### 1.1.7 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.330 million to county-established funds in FY 2023/24, constituting 3.5 per cent of the County's overall budget. Table 3 summarises each established Fund's budget allocation and performance during the reporting period. Further, the County allocated Kshs.100 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3 summarises each established Fund's budget allocation and performance during the reporting period.

**Table 3: Performance of County Established Funds in the FY 2023/24**

S/No.	Name of The Fund	Approved Budget Allocation in FY 2032/24 (Kshs.)	Exchequer Issues (Kshs)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 31 <sup>st</sup> March 2024 (Yes/No)
<b>County Executive Established Funds</b>					
1.	Nandi County Education Fund	152,000,000	152,000,000	146,500,000	Yes
2.	Nandi County Emergency Fund	100,000,000	50,041,585	35,000,000	No
3.	Nandi County Executive Car Loan and Mortgage Scheme Fund	80,000,000	62,000,000	32,000,000	Yes
<b>County Assembly Established Funds</b>					
5.	Car Loan & Mortgage Fund	97,328,000	30,968,000	93,240,000	No
<b>Total</b>					
		<b>330,000,000</b>	<b>295,009,585</b>	<b>160,240,000</b>	

*Source: Nandi County Treasury*

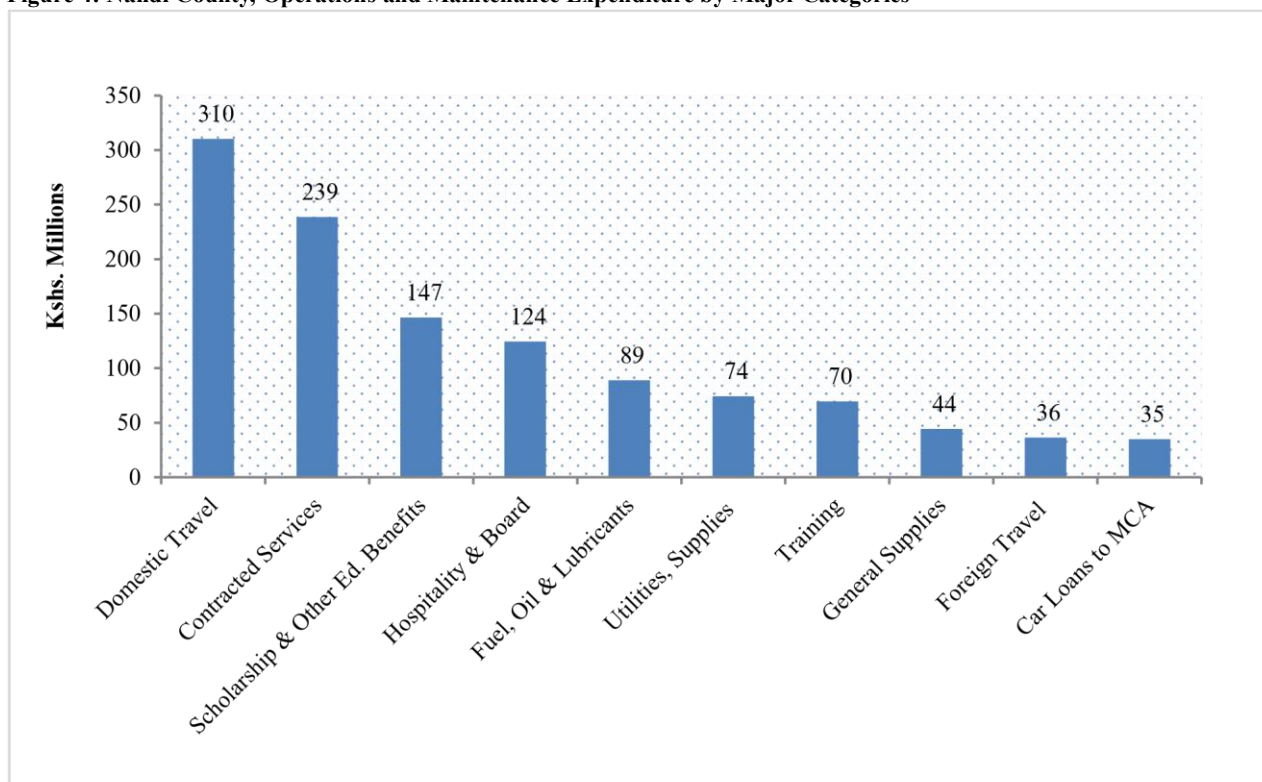
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of 2 funds, as indicated in Table 3, contrary to the requirement of Section 168 of the PFM Act, 2012.

The County government uses commercial bank accounts to operate the above-established public funds contrary to Regulations 82(1)(b) of the PFM (County Governments) Regulations, 2015, which require that County government bank accounts must be opened and maintained at the Central Bank of Kenya.

### 1.1.8 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.310 million and comprised Kshs.139.09 million spent by the County Assembly and Kshs.171.36 million by the County Executive. Expenditure on foreign travel amounted to Kshs.36.31 million and comprised Kshs.10 million by the County Assembly and Kshs.26.31 million by the County Executive. Expenditure on foreign travel is summarised in Table 4 below;-

**Table 4: Summary of Highest Expenditure on Foreign Travel as of 30<sup>th</sup> June 2024**

Arm of County Government	No. of Officers Travelled	Dates Travelled	Purpose of Travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	7	5th-8th January 2024	First Annual Conference on Integrating Urban Infrastructure and Technological Advancement towards smart cities and sustainable housing	Dubai, UAE	4,306,803
County Assembly	7	4th-7th January 2024	Role of Leadership in Efficient Healthcare Management and Advanced Healthcare Technologies in a Digitally Disruptive World	Dubai, UAE	3,633,273
Executive	2	22nd August 2023	Facilitation to attend international conference on food safety and security international conference on vaccines	France	1,823,840
Executive	4	27th September 2023	Facilitation to attend solar system street lighting	South Africa	1,773,478
Executive	1	13th March 2024	Facilitation to receive an Innovation award on Behalf of Nandi County	United States of America	1,317,316
County Assembly	1	27th Oct - 5th Nov 2023	Training on Performance Management and Localisation of Sustainable Development Goals	Kent, UK	1,042,932
Executive	1	18th August 2023	Facilitation to attend UN food systems summit in Rome, Italy	Italy	829,308

Executive	2	21st August 2023	Facilitation to attend 7th International Conference on Food Safety and Security	France	816,530
Executive	2	5th December 2023	Facilitation to attend the 7 <sup>th</sup> Africa Conference on Agriculture and the 60th annual AEASA Conference	South Africa	757,250
Executive	1	22nd November 2023	Facilitation to participate in the Third Belt and Road Forum	China	718,842
Executive	1	7th December 2023	Facilitation to New Delhi to accompany H.E The President	India	618,668

Source: Nandi County Treasury and Nandi County Assembly

The operations and maintenance costs include an expenditure of Kshs.33.67 million on Legal fees/Dues, arbitration, and compensation payments.

### 1.1.9 Development Expenditure

In FY 2023/24, the County reported spending Kshs.1.78 billion on development programmes, a decrease of 9.4 percent compared to FY 2022/23, when the County spent Kshs.1.97 billion. The table summarises development projects with the highest expenditure in the reporting period.

**Table 4: Nandi County, List of Development Projects with the Highest Expenditure**

	Sector	Project Name	Project Location	Contract Sum (Kshs)	Budget (Kshs)	Amount Paid to Date
1	County Assembly	Construction of Modern County Assembly Chambers, Offices and Auxiliary Amenities	Kapsabet	586,837,418	65,000,000	486,481,053
2	Lands and Physical Planning	County Physical Land Use Development Plan	Countywide	83,000,000	85,000,000	46,848,384
3	Executive	Construction of Governors Building	Kapsabet	45,847,895	50,000,000	42,800,000
4	Health and Sanitation	Construction of Mother and Child at County Referral Hospital	Kapsabet	67,152,195	67,152,195	66,333,788
5	Roads and Infrastructure	Being Payment In Respect To Supply and Delivery of Motor Graders	County Wide	20,534,568	20,534,568	19,936,474
6	Executive	Construction of Perimeter Wall At Governors Building	Kapsabet	11,909,483	11,909,483	11,909,483
7	Agriculture and Cooperative	Construction of Cooperative Creameries Processing Plant At Kabiyeet Phase III	Kabiyeet	9,527,586	9,527,586	9,527,586
	Sector	Project Name	Project Location	Contract Sum (Kshs)	Budget (Kshs)	Amount Paid to Date
8	Health and Sanitation	Construction of Chepterwai Subcounty Hospital Phase 2	Chepterwai	9,653,387	9,653,387	9,372,220
9	Agriculture and Cooperative	Supply of Foot and Mouth Disease Vaccines	County Wide	7,200,000	7,200,000	7,200,000
10	Sports Youth Affairs Culture Gender and Social Welfare	Construction of Eliud Kipchoge Complex	Kapsabet	6,669,310	6,669,310	6,669,310

Source: Nandi County Treasury

### 1.1.10 Budget Performance by Department

Table summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

**Table 5: Nandi County, Budget Allocation and Absorption Rate by Department**

Department	Budget Allocation (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Expenditure to Exchequer	Absorption rate (%)
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							Issues (%)			
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	484.74	51.50	484.74	25.67	455.64	25.00	94.0	97.4	94.0	48.5
Finance and Economic Planning	525.74	55.00	524.62	6.56	461.91	13.50	88.0	205.6	87.9	24.5
Administration, Public Service and ICT	187.32	69.50	177.24	-	179.83	6.00	101.5	-	96.0	8.6
Health and Sanitation	2,998.80	288.12	2,995.12	98.16	3,461.13	139.72	115.6	142.3	115.4	48.5
Agriculture and Cooperative Development	279.70	793.23	279.70	328.05	275.27	582.95	98.4	177.7	98.4	73.5
Sports, Youth Affairs, Gender and Social Welfare Arts	123.02	60.02	117.07	28.67	114.46	44.36	97.8	154.7	93.0	73.9
Education and Vocational Training and Development	409.43	257.19	404.00	101.77	398.70	127.55	98.7	125.3	97.4	49.6
Lands, Physical Planning, Housing, Environment, Water, Natural Resources and Climate Change	102.66	879.03	97.90	573.36	91.99	300.99	94.0	52.5	89.6	34.2
Transport, Public Works and Infrastructure Development	145.50	433.44	140.78	322.72	120.05	363.64	85.3	112.7	82.5	83.9
Trade, Tourism, Industrialization and Enterprise Development	73.84	577.07	72.48	100.41	58.42	121.50	80.6	121.0	79.1	21.1
County Public Service Board and Labour	52.80	-	42.86	-	46.95	-	109.5	-	88.9	-
County Assembly	797.00	65.00	765.28	57.29	792.60	57.29	103.6	100.0	99.4	88.1
Kapsabet Municipality	14.33	57.00	3.45	-	6.57	2.34	190.4	-	45.8	4.1
Office of the County Attorney	69.70	-	69.70	-	69.35	-	99.5	-	99.5	-
<b>Total</b>	<b>6,265</b>	<b>3,586</b>	<b>6,175</b>	<b>1,643</b>	<b>6,533</b>	<b>1,785</b>	<b>105.8</b>	<b>108.7</b>	<b>104.3</b>	<b>49.8</b>

Source: Nandi County Treasury

Analysis of expenditure by departments shows that the County Assembly recorded the highest absorption rate of the development budget, at 88.1 per cent, followed by the Department of Transport, Public Works, and Infrastructure Development, at 83.9 per cent. The Department of Health and Sanitation had the highest percentage of recurrent expenditures to budget, at 115.4 per cent, while the Department of Kapsabet Municipality had the lowest, at 45.8 per cent.

The allocations for recurrent expenditure for the Assembly and the Executive are within the ceilings in CARA, 2023.

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

Table 6 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

**Table 6: Nandi County, Budget Execution by Programmes and Sub-Programmes**

Description	Revised Estimates			Expenditure			Absorption Rate(%)
	Recurrent	Development	Gross	Recurrent	Development	Gross	
<b>4411-Nandi - County Executive</b>							
General Administration and Support Services	484,744,277	51,500,000	536,244,277	455,638,375	24,995,065	480,633,440	89.6
<b>Grand Total</b>	<b>484,744,277</b>	<b>51,500,000</b>	<b>536,244,277</b>	<b>455,638,375</b>	<b>24,995,065</b>	<b>480,633,440</b>	<b>89.6</b>
<b>4414-Nandi - Health</b>							
Preparation of Regional & Local Physical Development	-	-	-	-	1,435,230	1,435,230	-
Health Service Delivery Administration Services	3,391,397,474	288,116,483	3,679,513,957	3,461,128,753	138,286,394	3,599,415,147	97.8
<b>Grand Total</b>	<b>3,391,397,474</b>	<b>288,116,483</b>	<b>3,679,513,957</b>	<b>3,461,128,753</b>	<b>139,721,624</b>	<b>3,600,850,377</b>	<b>97.9</b>
<b>4422-Nandi - County Public Service</b>							
Administration and support services	1,200,000	-	1,200,000	1,134,400	-	1,134,400	94.5
Administrative Support Services	46,600,087	-	46,600,087	45,815,772	-	45,815,772	98.3
<b>Grand Total</b>	<b>47,800,087</b>	<b>-</b>	<b>47,800,087</b>	<b>46,950,172</b>	<b>-</b>	<b>46,950,172</b>	<b>98.2</b>
<b>4424-Nandi-Kapsabet Municipality</b>							
Default - Non Programmatic	-	-	-	-1,194,559	-	-1,194,559	
General Administration and Support Services	14,330,000	36,000,000	50,330,000	7,764,600	2,339,915	10,104,515	20.1
Infrastructure and Development	-	21,000,000	21,000,000	-	-	-	
<b>Grand Total</b>	<b>14,330,000</b>	<b>57,000,000</b>	<b>71,330,000</b>	<b>6,570,041</b>	<b>2,339,915</b>	<b>8,909,956</b>	<b>12.5</b>
<b>4425-Nandi - Office of The County Attorney</b>							
Administrative Support Services	69,695,643	-	69,695,643	69,346,200	-	69,346,200	99.5
<b>Grand Total</b>	<b>69,695,643</b>	<b>-</b>	<b>69,695,643</b>	<b>69,346,200</b>	<b>-</b>	<b>69,346,200</b>	<b>99.5</b>
<b>4426-Nandi-Finance and Economic Planning</b>							

General Administration and Support Services	525,736,729	-	525,736,729	461,914,790	-	461,914,790	87.9
Revenue Collection and Management Phase 1	-	55,000,000	55,000,000	-	13,496,149	13,496,149	24.5
<b>Grand Total</b>	<b>525,736,729</b>	<b>55,000,000</b>	<b>580,736,729</b>	<b>461,914,790</b>	<b>13,496,149</b>	<b>475,410,939</b>	<b>81.9</b>
<b>4427-Nandi - Administration Public Service and ICT</b>							
Administration and support services	187,323,842	82,501,800	269,825,642	179,830,954	5,997,699	185,828,653	68.9
Administrative Support Services	-	-13,000,000	-13,000,000	-	-	-	
<b>Grand Total</b>	<b>187,323,842</b>	<b>69,501,800</b>	<b>256,825,642</b>	<b>179,830,954</b>	<b>5,997,699</b>	<b>185,828,653</b>	<b>72.4</b>
<b>4428-Nandi - Agriculture and Cooperatives Development</b>							
Administration and support services	279,700,919	793,230,272	1,072,931,191	275,270,101	582,949,894	858,219,995	80.0
<b>Grand Total</b>	<b>279,700,919</b>	<b>793,230,272</b>	<b>1,072,931,191</b>	<b>275,270,101</b>	<b>582,949,894</b>	<b>858,219,995</b>	<b>80.0</b>
<b>4429-Nandi-Sports, Youth Affairs, Gender and Social Welfare Arts</b>							
Development And Promotion of Culture	11,888,970	-	11,888,970	6,076,290	-	6,076,290	51.1
General Administration and Support Services	55,086,946	-	55,086,946	52,959,587	-	52,959,587	96.1
Sports infrastructure Development	-	60,022,000	60,022,000	-	44,358,920	44,358,920	73.9
Sports Activities and Programs	56,042,424	-	56,042,424	55,420,200	-	55,420,200	98.9
<b>Grand Total</b>	<b>123,018,340</b>	<b>60,022,000</b>	<b>183,040,340</b>	<b>114,456,077</b>	<b>44,358,920</b>	<b>158,814,997</b>	<b>86.8</b>
<b>4430-Nandi - Education Vocational Training and Scholarship</b>							
Administration and support services	409,427,616	-	409,427,616	398,700,902	-	398,700,902	97.4
General Administration & Support Services	-	257,193,129	257,193,129	-	127,551,417	127,551,417	49.6
<b>Grand Total</b>	<b>409,427,616</b>	<b>257,193,129</b>	<b>666,620,745</b>	<b>398,700,902</b>	<b>127,551,417</b>	<b>526,252,319</b>	<b>78.9</b>
<b>Nandi - Lands, Physical Planning, Housing</b>							
Administration and support services	102,658,526	-	102,658,526	91,990,064	-	91,990,064	89.6
General Administration and support services							34.2

	-	879,025,767	879,025,767	-	300,988,676	300,988,676	
<b>Grand Total</b>	<b>102,658,526</b>	<b>879,025,767</b>	<b>981,684,293</b>	<b>91,990,064</b>	<b>300,988,676</b>	<b>392,978,740</b>	<b>40.0</b>
<b>4432-Nandi - Transport, Public Works and Infrastructure Development</b>							
General Administration and support services	145,503,856	-	145,503,856	120,045,463	-	120,045,463	82.5
Road-works	-	433,436,934	433,436,934	-	363,641,670	363,641,670	83.9
<b>Grand Total</b>	<b>145,503,856</b>	<b>433,436,934</b>	<b>578,940,790</b>	<b>120,045,463</b>	<b>363,641,670</b>	<b>483,687,133</b>	<b>83.5</b>
<b>4433-Nandi - Trade, Tourism, Industrialization and Enterprise</b>							
General Administration & Support Services	73,835,775	-	73,835,775	58,421,355	-	58,421,355	79.1
Trade Development & Promotion	-	577,067,535	577,067,535	-	121,495,392	121,495,392	21.1
<b>Grand Total</b>	<b>73,835,775</b>	<b>577,067,535</b>	<b>650,903,310</b>	<b>58,421,355</b>	<b>121,495,392</b>	<b>179,916,747</b>	<b>27.6</b>

*Source: Nandi County Treasury*

Sub-programmes with the highest implementation rates based on absorption were Administrative Support Services in the Department of the County Attorney at 99.5 per cent, Administrative Support Services in the Department of County Public Service at 98.3 per cent, Sports Activities and Programs in the Department -Sports, Youth Affairs, Gender and Social Welfare Arts at 98.9 per cent and Health Service Delivery Administration Services in the Department of Health and Sanitation at 97.8 per cent of budget allocation.

### 1.1.12 Accounts Operated Commercial Banks

The County government operated 7 accounts with commercial banks. This is contrary to Regulations 82(1)(b) of the PFM (County Governments) Regulations, 2015, which requires that County government bank accounts be opened and maintained at the Central Bank of Kenya. The only exemption is for imprest bank accounts for petty cash and revenue collection bank accounts.

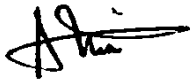
### 1.1.13 Key Observations and Recommendations

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

1. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received on 31st July 2024
2. from the Fund Administrators 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 Emergency Fund, County Assembly Car Loan & Mortgage Fund and County Executive Car Loan & Mortgage Fund reports were not submitted to the Controller of Budget.
3. The County Treasury did not provide an updated list of pending bills as of 30<sup>th</sup> June 2024.
4. Use of manual payroll. Personnel emoluments amounting to Kshs.270.94 million were processed through the manual payroll, accounting for 6.1 per cent of the total payroll cost. The annual payroll is prone to abuse and may lead to the loss of public funds if proper controls are lacking.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
3. *The county leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Furthermore, compliance with the payment plan should be enforced.*
4. *The Government requires that salaries be processed through the IPPD system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for its 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.*



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