



COUNTY GOVERNMENT OF NANDI

COUNTY TREASURY

QUARTER ONE NANDI COUNTY BUDGET IMPLEMENTATION REVIEW REPORT

FINANCIAL YEAR 2023/2024

OCTOBER, 2023

1.1.1 Overview of FY 2023/24 Budget

The County's approved budget for the FY 2023/24 was Kshs.9.36 billion, comprising Kshs.3.20 billion (34.2 per cent) and Kshs.6.16 billion (65.8 per cent) allocation for development and recurrent programmes respectively. The approved budget estimates represented an increase of 10.1 per cent compared to the previous financial year when the approved budget was Kshs.8.5 billion and comprised of Kshs.2.43 billion towards development expenditure and Kshs.6.07 billion for recurrent expenditure.

To finance the budget, the County expects to receive Kshs.7.31 billion (78.9 per cent) as the equitable share of revenue raised nationally, Kshs.155.23 million (1.7 per cent) as revenue from health facilities, Kshs.938.82 million (9 per cent) as conditional grants, a cash balance of Kshs.548.53 million (5.9 per cent) brought forward from FY 2022/23, and generate Kshs.360.33 million (3.9 per cent) as ordinary own-source revenue. A breakdown of the conditional grants is provided in **Table 1**.

1.1.2 Revenue Performance

In the first three months of FY 2023/24, the County received Kshs.1.83 billion as the equitable share of the revenue raised nationally, Kshs.579,424 as revenue from health services, cash balance of Kshs.200.80 million from FY 2022/23, and raised Kshs.24.20 million as own-source revenue. The total funds available for budget implementation during the period amounted to Kshs.2.05 billion, as shown in Table 1 .

Table 1: Nandi County, Revenue Performance in FY 2023/24

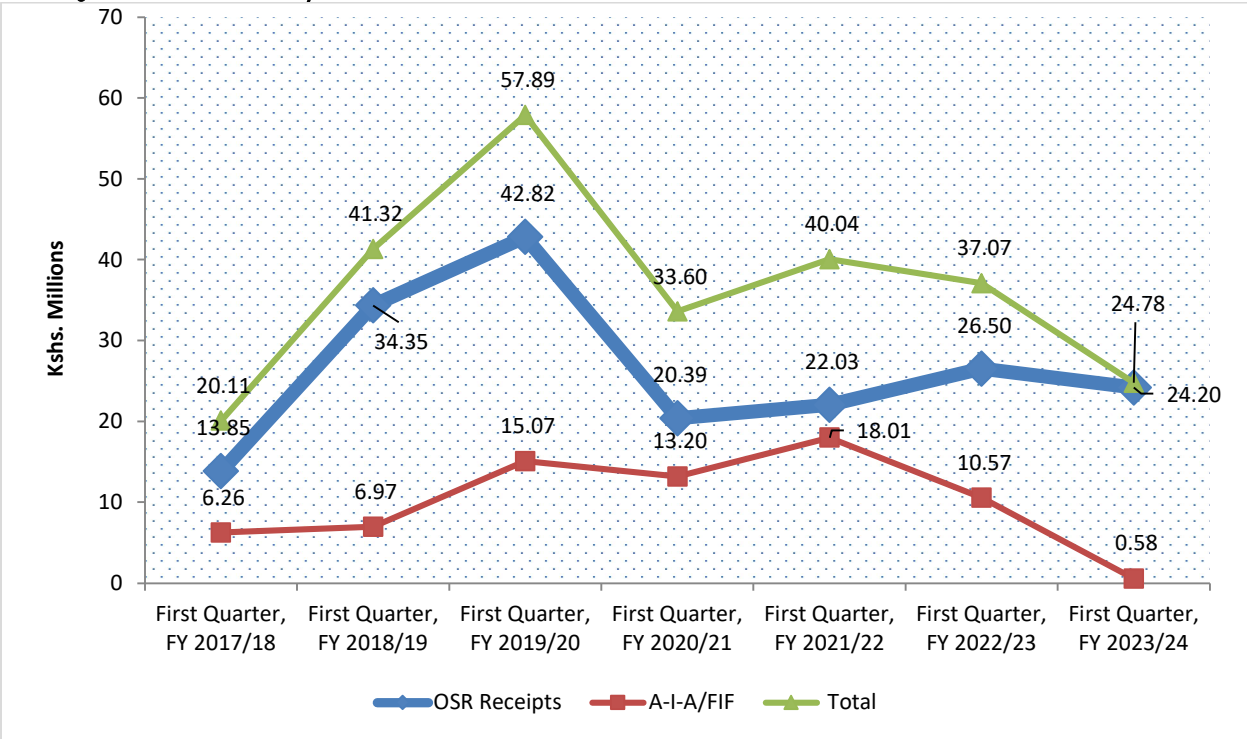
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A	Equitable Share of Revenue Raised Nationally	7,305,294,585	1,826,323,509	25
Sub Total		7,305,294,585	1,826,323,509	25
B	Conditional Grants			
1	Aggregated Industrial Parks Programme	100,000,000	-	-
2	Provision of Subsidised Fertilizer Programme	128,705,606	-	-
3	Livestock Value Chain Support Project	57,294,720	-	-
4	DANIDA -Health Sector Programme Support III	24,759,750	-	-
5	W B. -National Agricultural and Rural Growth	150,000,000	-	-
6	IDA (WORLD BANK). -National Agricultural Value Chain Development Project (NAVCDP)	250,000,000	-	-
7	Nutrition International	35,500,000	-	-
8	KISIP-Kenya Informal Settlements Improvement Project	50,000,000	-	-
9	Financing Locally Led Climate Action (FLLoCA)	126,000,000	-	-
10	FLLoCA County Climate Institutional Support (CCIS) Grant	11,000,000	-	-
11	Transfer for Library Services	5,047,663	-	-
12	Agricultural Sector Development Support Program (ASDSP)	516,946	-	-
Sub-Total		938,824,685	-	-
C	Other Sources of Revenue			
1	Ordinary Own Source Revenue	360,325,820	24,204,661	6.7

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
2	Balance b/f from FY2022/23	548,529,220	200,797,819	1.5
3	Appropriation in Aid (AIA)	155,231,711	579,424	0.4
Sub Total		1,064,086,751	33,154,505	3.1
Grand Total		9,308,206,021	2,051,905,413	22

Source: Nandi County Treasury

Figure 1 shows the trend in own-source revenue collection from the first quarter of FY 2017/18 to the first quarter of FY 2023/24.

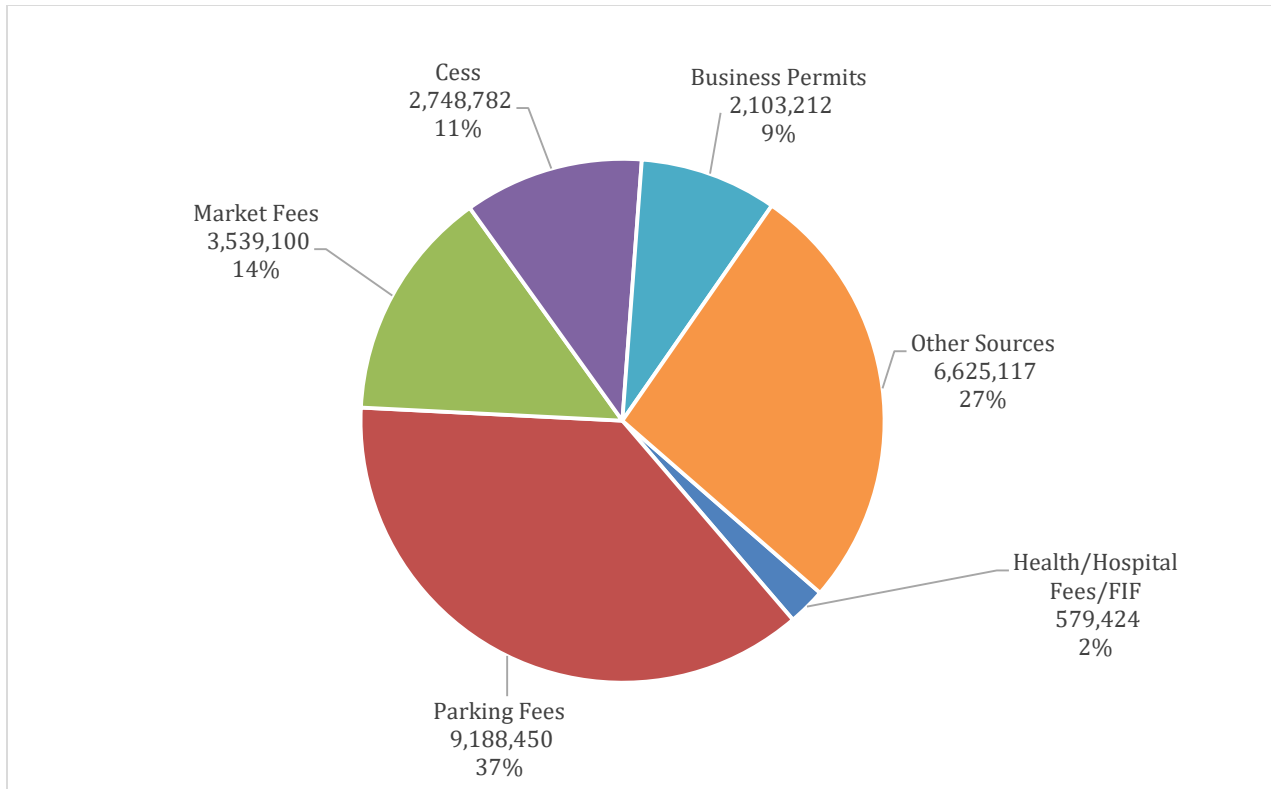
Figure 1: Trend in Own-Source Revenue Collection from the First Quarter of FY 2017/18 to the First Quarter of FY 2023/24



Source: Nandi County Treasury

In the first quarter of FY 2023/24, the County generated a total of Kshs.24.78 million from its sources of revenue inclusive of FIF and AIA. This amount represented a decrease of 33.1 per cent compared to Kshs.37.07 million realised in FY 2022/23 and was 4.8 per cent of the annual target and 1.4 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 First Quarter of FY 2023/24 (Kshs)



Source: Nandi County Treasury

The highest revenue stream of Kshs.9.19 million was from parking fees contributing to 37 per cent of the total OSR receipts during the reporting period.

1.1.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.1.45 billion from the CRF account during the reporting period which comprised Kshs.98.57 million (6.8 per cent) for development programmes and Kshs.1.35 billion (93.2 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first quarter of FY 2023/24 indicates that Kshs.982.79 million was released towards Employee Compensation, and Kshs.368.75 million was for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of the first quarter of FY 2022/23 was Kshs.601.31 million.

1.1.4 County Expenditure Review

The County spent Kshs.1.67 billion on development and recurrent programmes in the reporting period. The expenditure represented 115.2 per cent of the total funds released by the CoB and comprised of Kshs.143.44 million and Kshs.1.53 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 4.5 per cent, while recurrent expenditure represented 24.8 per cent of the annual recurrent expenditure budget.

1.1.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.219.27 million, comprising of Kshs.96.46 million for recurrent expenditure and Kshs.122.81 million for development activities. In the first quarter of FY 2023/24, pending bills amounting to Kshs.20.65 million were settled for development programmes. As of 30th September 2023, the outstanding amount was Kshs.169.53 million.

1.1.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.838.60 million on employee compensation, Kshs.427.96 million on operations and maintenance, and Kshs.122.79 million on development activities. Similarly, the County Assembly spent Kshs.77.82 million on employee compensation, Kshs.182.20 million on operations and maintenance, and Kshs.20.65 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
Total Recurrent Expenditure	5,362,889,821	796,999,461	1,266,562,678	260,023,286	23.6	32.6
Compensation to Employees	3,432,738,607	371,157,819	838,599,168	77,824,012	24.4	21
Operations and Maintenance	1,930,151,214	425,841,642	427,963,510	182,199,274	22.2	42.8
Development Expenditure	3,103,427,640	100,000,000	122,792,720	20,651,079	4	20.7
Total	8,466,317,461	896,999,461	1,389,355,398	280,674,365	16.4	31.3

Source: Nandi County Treasury

1.1.7 Expenditure on Employees' Compensation

In the first three months of FY 2023/24, expenditure on employee compensation was Kshs.916.42 million, or 49.2 per cent of the available revenue which amounted to Kshs.1.86 billion. This expenditure represented a decrease from Kshs.1.11 billion reported in the first quarter of FY 2022/23. The wage bill included Kshs.589.89 million paid to health sector employees, translating to 62.2 per cent of the total wage bill.

Further analysis indicates that PE costs amounting to Kshs.850.16 million were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.66.26 million was processed through manual payrolls. The manual payrolls accounted for 7.2 per cent of the total PE cost.

The County Assembly spent Kshs.4.75 million on committee sitting allowances for the 45 MCAs and the Speaker against the annual budget allocation of Kshs.30.89 million. The average monthly sitting allowance was Kshs.35,216 per MCA. The County Assembly has established 21 Committees.

1.1.8 County Emergency Fund and County-Established Funds

Section 110 of the PFM Act 2012 establishes the Emergency Fund, while 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.318 million to county-established funds in FY 2023/24, constituting 3.4 per cent of the County's overall budget. Table 3 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3: Performance of County Established Funds in the First Quarter of 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 30 th September 2023 (Yes/No.)
County Executive Established Funds					
1.	Nandi County Executive Car Loan and Mortgage Scheme Fund	150,000,000	20,000,000	20,000,000	Yes
2.	Nandi County Emergency Fund	150,000,000	10,000,000	10,000,000	Yes
3.	Nandi County Bursary Fund	18,000,000	11,000,000	11,000,000	Yes
County Assembly Established Funds					
4.	Nandi County Assembly Car Loan and Mortgage Scheme Fund	-	-	-	Yes
Total		318,000,000	41,000,000	41,000,000	

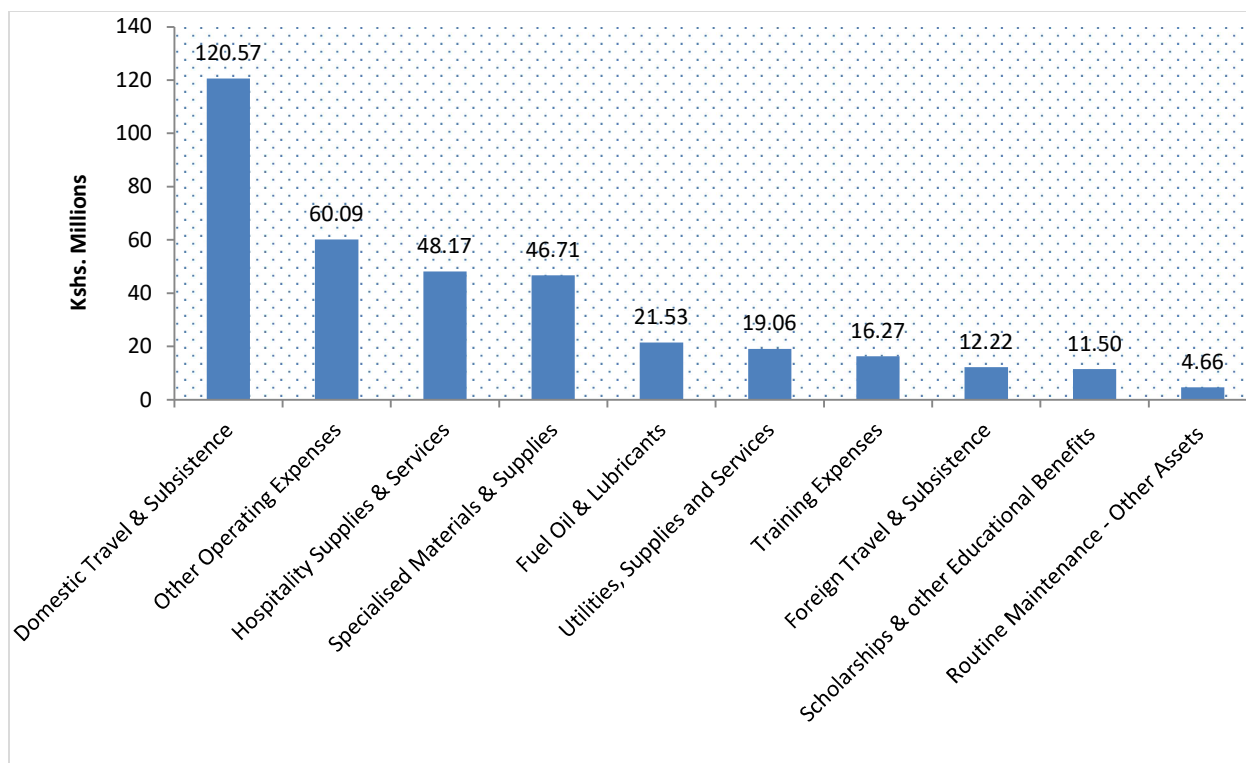
Source: *Nandi County Treasury*

During the reporting period, the CoB received all quarterly financial returns from Fund Administrators.

1.1.9 Expenditure on Operations and Maintenance

Figure 2 summarises the Operations and Maintenance expenditure by major categories.

Figure 2: Nandi County, Operations and Maintenance Expenditure by Major Categories



Source: Nandi County Treasury

During the period, expenditure on domestic travel amounted to Kshs.120.57 million and comprised Kshs.74.14 million spent by the County Assembly and Kshs.46.44 million by the County Executive. Expenditure on foreign travel amounted to Kshs.12.22 million and comprised Kshs.608,896 by the County Assembly and Kshs.11.61 million by the County Executive as summarised in Table 4 below;-

Table 4: Summary of Highest Expenditure on Foreign Travel as of 30th September 2023

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	1	23-30 th July 2023	Leadership and Performance Management Conference	Addis Ababa, Ethiopia	608,896.00
County Executive	4	20th-27th August, 2023	International conference on food and safety	Paris, France	2,640,370
County Executive	2	24th-28th September, 2023	Development tour in matters of solar street lighting	Johannesburg, South Africa	799,848

Source: Nandi County Treasury

1.1.10 Development Expenditure

In the first quarter of FY 2023/24, the County incurred Kshs.143.44 million on development programmes, representing an increase compared to a similar period of FY 2023/24 when the County

did not incur any development expenditure. Table 5 summarises development projects with the highest expenditure in the reporting period.

Table 5: Nandi County, List of Development Projects with the Highest Expenditure

Sector	Project Name	Project Location	Contract sum (Kshs.)	Budget Allocation (Kshs.)	Amount paid to date (Kshs)	Implementation status (%)
Roads and infrastructure	Construction of Tinderet Culverts	Tinderet	1,913,764	1,913,764	1,913,764	100
Roads and infrastructure	Construction of Kamogoiwo Gaa Road	Ndalat Ward	2,000,793	2,000,793	2,000,793	100
Executive	Construction of Governors Building	Kasabet	45,847,895	50,000,000	42,800,000	93
health and sanitation	Renovation Works at Serem Dispensary	Kemeloi Maraba	4,573,241	4,573,241	4,573,241	100
Roads and infrastructure	Construction of Kipsugur Kiborgok Culvert	Kapkangani	1,804,172	1,804,172	1,804,172	100

Source: Nandi County Treasury

1.1.11 Budget Performance by Department

Table 6 summarises the approved budget allocation, expenditure and absorption rate by departments in the first quarter of FY 2023/24.

Table 6: Nandi County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Expenditure (Kshs.Million)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	483.84	71.50	146.38	4.54	166.31	4.54	113.6	100.0	34.4	6.4
Finance and Economic Planning	577.07	93.00	144.99	6.56	158.71	6.56	109.5	100.0	27.5	7.1
Administration, Public Service and ICT	314.14	66.50	54.05	-	19.94	-	36.9	-	6.3	-
Health and Sanitation	2,608.00	296.42	582.07	7.49	686.00	7.49	117.9	100.0	26.3	2.5
Agriculture and Co-operative Development	282.00	837.43	45.00	-	104.98	1.64	233.3	-	37.2	0.2
Sports, Youth Affairs, Gender and Social Welfare Arts	163.84	89.27	16.18	-	14.60	-	90.3	-	8.9	-
Education, and Vocational Training and Development	436.65	252.98	140.13	14.21	81.29	18.86	58.0	132.7	18.6	7.5

Department	Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Expenditure (Kshs.Million)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Lands, Physical Planning, Housing, Environment, Water, Natural Resources and Climate Change	118.09	494.55	40.00	36.61	3.47	54.34	8.7	148.4	2.9	11.0
Transport, Public Works and Infrastructure Development	163.83	410.83	-	27.26	11.80	27.01	-	99.1	7.2	6.6
Trade, Tourism, Industrialization and Enterprise Development	86.86	418.95	-	-	1.55	-	-	-	1.8	-
County Public Service Board and Labour	52.12	-	-	-	15.19	-	-	-	29.1	-
County Assembly	797.00	100.00	182.72	-	260.02	20.65	142.3	-	32.6	20.7
Kapsabet Municipality	15.80	72.00	-	-	1.50	2.34	-	-	9.5	3.2
Office of the County Attorney	60.65	-	-	-	1.22	-	-	-	2.0	-
Total	6,160	3,203	1,352	97	1,527	143	113.0	148.4	24.8	4.5

Source: Nandi County Treasury

Analysis of expenditure by department shows that the County Assembly had the highest absorption rate at 20.7 per cent, followed by the Department of Lands, Physical Planning, Housing, Environment, Water, Natural Resources and Climate Change, which recorded the highest absorption rate of development budget at 11 per cent. The Department of Agriculture and Co-operative Development had the highest percentage of recurrent expenditure to budget at 37.2 per cent while the Department of Trade, Tourism, Industrialization and Enterprise Development had the lowest at 1.8 per cent.

1.1.12 Budget Execution by Programmes and Sub-Programmes

Table 7 summarises the budget execution by programmes and sub-programmes in the first quarter of FY 2023/24.

Table 7: Nandi County, Budget Execution by Programmes and Sub-Programmes

Description	Approved Budget	Actual Payments	Absorption
	(Kshs.)	(Kshs.)	(%)
Default Value (Non-Departmental)	-	-	-
Default - Non-Programmatic	-	-	-
General Administration and Support Services	-	-	-
Office of Governor	1,110,688,554	170,855,389	15.4
Facilitation of Public Participation Forums	-	-	-
Health Care Infrastructure	-	-	-
Physical Infrastructure	-	-	-
County Executive Committee Services	-	-	-
Public Sector Advisory	-	-	-
General Administration & Support Services	-	-	-

Description	Approved Budget	Actual Payments	Absorption
	(Kshs.)	(Kshs.)	(%)
Enforcement of Domesticated Or Enacted Laws and Regulations	-	-	-
Disaster Risk Reduction and Emergency	-	-	-
Administration and General Support Services	-	-	-
Coordination of County Functions	-	-	-
General Administration and Support Services	1,110,688,554	170,855,389	15.4
County Bursary Scheme	-	-	-
Office of The Deputy Governor	-	-	-
Public Sector Advisory	-	-	-
County Administration and Public Service	-	-	-
Facilitation of Public Participation Forums	-	-	-
General Administration and Support Services	-	-	-
Enforcement of Domesticated Or Enacted Laws and Regulations	-	-	-
Physical Infrastructure	-	-	-
Coordination of County Functions	-	-	-
HRM	-	-	-
County Bursary Scheme	-	-	-
ICT	-	-	-
ICT Infrastructure	-	-	-
Physical Infrastructure	-	-	-
Public Finance & Accounts	-	-	-
Economic Development Coordination and Monitoring & Evaluation	-	-	-
Revenue Enhancement and Infrastructure	-	-	-
Administration & Support of Human Resources	-	-	-
Economic Planning	-	-	-
General Administration and Support Services	-	-	-
Fiscal Planning	-	-	-
Economic Development Coordination and Monitoring & Evaluation	-	-	-
Audit	-	-	-
Audit Services	-	-	-
Revenue	-	-	-
Revenue Enhancement and Infrastructure	-	-	-
General Administration and Support Services	-	-	-
Procurement	-	-	-
Public Procurement	-	-	-
Budgeting	-	-	-
Budget Formulation and Management	-	-	-
Finance and Accounting	-	-	-
Fiscal Planning	-	-	-
Administration & Support of Human Resources	-	-	-
Health Service Delivery Administration Services	-	-	-
Audit Services	-	-	-
Budget Formulation and Management	-	-	-
Revenue Enhancement and Infrastructure	-	-	-
ICT Infrastructure	-	-	-
Public Finance & Accounts	-	-	-
Economic Development Coordination and Monitoring & Evaluation	-	-	-
Debt Management	-	-	-
General Administration and Support Services	-	-	-
Public Procurement	-	-	-
Sub-County Administration	-	-	-
Administration & Support of Human Resources	-	-	-
Special Programmes	-	-	-

Description	Approved Budget	Actual Payments	Absorption
	(Kshs.)	(Kshs.)	(%)
County Administrative Services	-	-	-
Health Sector Programme Support (DANIDA Funds)	-	-	-
General Administration and Support Services	-	-	-
Town Administration Section	-	-	-
County Administrative Services	-	-	-
General Administration and Support Services	-	-	-
Administration & Support of Human Resources	-	-	-
Special Programmes	-	-	-
Ward Administration	-	-	-
Special Programmes	-	-	-
Public Health and Sanitation	5,808,825,164	693,488,368	11.9
Preventive & Promotive Health Services	-	-	-
Physical Planning	-	-	-
Health Service Delivery Administration Services	5,808,825,164	693,488,368	11.9
Curative Health Services	-	-	-
Health Care Infrastructure	-	-	-
Health Sector Programme Support (DANIDA Funds)	-	-	-
Administration and General Support Services	-	-	-
Preventive Health Services	-	-	-
Health Care Infrastructure	-	-	-
Health Sector Programme Support (DANIDA Funds)	-	-	-
Curative Health Services	-	-	-
Health Service Delivery Administration Services	-	-	-
Preventive & Promotive Health Services	-	-	-
Curative Health Services	-	-	-
General Administration and Support Services	-	-	-
Physical Planning	-	-	-
Preventive & Promotive Health Services	-	-	-
Curative Health Services	-	-	-
Health Service Delivery Administration Services	-	-	-
Health Care Infrastructure	-	-	-
Agriculture and Crop Production	-	-	-
Fisheries Development and Management	-	-	-
Crop Development and Management	-	-	-
Administration and General Support Services	-	-	-
Livestock and Veterinary	-	-	-
Crop Development and Management	-	-	-
Fisheries Development and Management	-	-	-
Livestock Resources Management and Development	-	-	-
Fisheries	-	-	-
Fisheries Development and Management	-	-	-
Crop Development and Management	-	-	-
Tourism	-	-	-
General Administration and Support Services	-	-	-
Tourism Development and Promotion	-	-	-
Culture	-	-	-
Cooperative Development and Management	-	-	-
Culture	-	-	-
Culture	-	-	-
Co-Operatives	-	-	-
Tourism Development and Promotion	-	-	-
Gender	-	-	-
Cooperative Development and Management	-	-	-
Youth Affairs	-	-	-
Sports Development	-	-	-
General Administration and Support Services	-	-	-
Social Services	-	-	-

Description	Approved Budget	Actual Payments	Absorption
	(Kshs.)	(Kshs.)	(%)
Youth Affairs	-	-	-
General Administration and Support Services	-	-	-
Gender	-	-	-
Gender and Social Services	-	-	-
Gender	-	-	-
Social Services	-	-	-
Sports	-	-	-
Sports Development	-	-	-
Pre-Education and Care Services	-	-	-
Education	-	-	-
General Administration & Support Services	-	-	-
Youth Training and Development	-	-	-
Quality Assurance, Evaluation and Research	-	-	-
Education	-	-	-
Vocational Training	-	-	-
Education	-	-	-
Youth Training and Development	-	-	-
Environmental Protection	-	-	-
Environmental Conservation & Protection	-	-	-
General Administration and Support Services	-	-	-
Culture	-	-	-
Water Supply	-	-	-
Lands	-	-	-
Housing	-	-	-
Environmental Conservation & Protection	-	-	-
Physical Planning	-	-	-
Land Adjudication	-	-	-
Administration and General Support Services	-	-	-
Natural Resources and Mining	-	-	-
Land Survey	-	-	-
General Administration and Support Services	-	-	-
Environmental Conservation & Protection	-	-	-
Housing	-	-	-
Water Supply	-	-	-
Physical Planning	-	-	-
Land Adjudication	-	-	-
General Administration and Support Services	-	-	-
Water	-	-	-
Water Supply	-	-	-
Survey	-	-	-
Physical Planning	-	-	-
Environmental Conservation & Protection	-	-	-
Land Adjudication	-	-	-
Land Survey	-	-	-
Physical and Structural Planning	-	-	-
General Administration and Support Services	-	-	-
Education	-	-	-
Road Transport	-	-	-
Roads and Infrastructure	-	-	-
General Administration and Support Services	-	-	-
Road Transport	-	-	-
Public Works	-	-	-
Government Buildings	-	-	-
Road Transport	-	-	-
General Administration and Support Services	-	-	-
Transport	-	-	-
Road Transport	-	-	-

Description	Approved Budget	Actual Payments	Absorption
	(Kshs.)	(Kshs.)	(%)
General Administration and Support Services	-	-	-
Weights and Measures	-	-	-
Weights and Measures	-	-	-
Trade Shows and Exhibitions	-	-	-
Trade Development	-	-	-
Industry Development	-	-	-
Industrial, SME Development	-	-	-
Industry Development	-	-	-
Trade Development	-	-	-
Markets	-	-	-
Industry Development	-	-	-
Trade Development	-	-	-
General Administration and Support Services	-	-	-
Headquarters	104,241,174	15,191,124	14.6
Administration & Support of Human Resources	101,841,174	14,995,124	14.7
Human Resource Management	-	-	-
Administration and General Support Services	2,400,000	196,000	8.2
County Assembly Service Board	1,793,998,922	189,677,048	10.6
County Assembly Service Board	1,793,998,922	189,677,048	10.6
County Assembly Clerk Services	-	-	-
Finance and Accounts	-	-	-
Physical Infrastructure and Equipment	-	-	-
Administration Section	-	-	-
County Assembly Clerk Services	-	-	-
General Administration and Support Services	-	-	-
Administration & Support of Human Resources	-	-	-
Physical Infrastructure and Equipment	-	-	-
County Assembly Service Board	-	-	-
General Administration and Support Services	-	-	-
Grand Total	8,817,753,814	1,069,211,929	12.1

Source: Nandi County Treasury

Sub-programmes with the highest levels of implementation based on absorption rates were; General Administration and Support Services in the Office of the Governor at 19 per cent, Health Service Delivery Administration Services in the Department of Health and Sanitation at 12 per cent, Administration & Support of Human Resources in the Department of County Public Service Board and Labour at 14.7 per cent, and County Assembly Service Board at 10.6 per cent.

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 30th October 2023.
2. The underperformance of own-source revenue at Kshs.24.20 million against an annual projection of Kshs.360.33 million, representing 6.7 per cent of the annual target.
3. Diversion of funds by the County Treasury and weak budgeting practice, as shown in Table 5, where the County incurred expenditure over approved exchequer issues in several departments.

4. Use of manual payroll. Personnel emoluments amounting to Kshs.66.26 million were processed through the manual payroll, accounting for 7.2 per cent of the total payroll cost. The manual payroll is prone to abuse and may lead to the loss of public funds where there is a lack of proper controls.
5. The County budget has an estimated cash balance of Kshs.548.53 million from the previous final year which varies significantly with the actual balance of Kshs200.8 million. This will lead to a budget deficit.

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 Section 166 of the PFM Act, 2012.*
2. *The County should address its own-source revenue performance to ensure the approved budget is fully financed.*
3. *The County Treasury should improve the Vote book and budgetary control to ensure expenditure is within the approved budget.*
4. *The Government requires that salaries be processed through the IPPD system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, there should be strict compliance with the approved staff establishment.*
5. *The County Treasury should correctly budget for unspent cash balances from the previous financial years to avoid budget deficits.*