



**COUNTY GOVERNMENT OF NANDI**

**COUNTY TREASURY**

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

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**FINANCIAL YEAR 2024/2025**

**JULY, 2025**



## 1.1 County Government of Nandi

### 1.1.1 Overview of FY 2024/25 Budget

The Nandi County Approved Supplementary II Budget for FY 2024/25 was Kshs.10.19 billion. It comprised Kshs.3.69 billion (36 per cent) and Kshs.6.49 billion (64 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represented an increase of Kshs.337.56 million (3 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.3.59 billion and a recurrent budget of Kshs.6.26 billion. The increase in the budget is primarily attributed to growth in equitable share allocation.

The budget was to be financed from various revenue sources, including the equitable share of revenue raised nationally at Kshs.7.35 billion (72 per cent), as well as additional allocations of Kshs.1.33 billion (13 per cent), a cash balance of Kshs.595.00 million (6 per cent) brought forward from FY 2023/24, and Kshs.771.5 million (5per cent) generated as own-source revenue.

### 1.1.2 Revenue Performance

The County received Kshs.9.19 billion in revenues during the review period to fund its development and recurrent activities. This amount represented an increase of 8 per cent compared to the amount received in FY 2023/24 of Kshs.8.62 billion. The total revenue consisted of Kshs.7.35 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.486.98 million, as well as own-source revenue (OSR) collection of Kshs.771.5 million. Additionally, the County had a cash balance of Kshs.595.00 million from FY 2023/24.

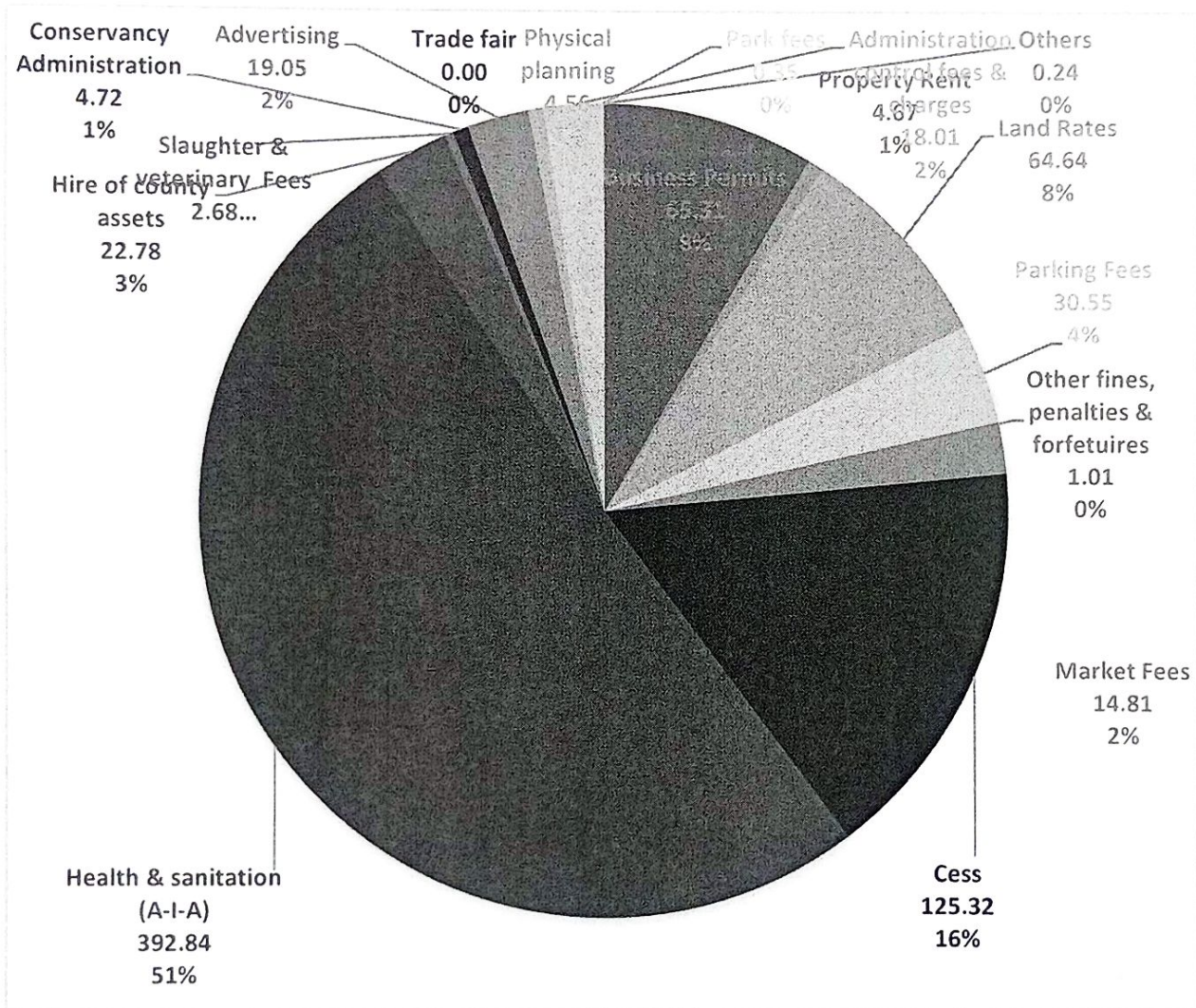
The total OSR collection of Kshs.771.5 million included Facilities Improvement Financing (FIF) of Kshs.392.83 million, and Kshs.378.7 million from other OSR sources. Table 1.1 summarises the total revenue available to the County Government during FY 2024/25.

**Table 1.1: Nandi County, Revenue Performance in FY 2024/25**

S/N o	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	<b>Equitable Share of Revenue Raised Nationally</b>	7,346,071,107	7,346,071,107	100
	<b>Sub Total</b>	7,346,071,107	7,346,071,107	100
B	<b>Conditional Grants</b>			
1	County Aggregation and Industrial Parks	187,500,000	52,631,579	28
2	Road Maintenance Levy Fund		65,154,809	-
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	100,499,619	66
6	Kenya Urban Support Program (KUSP) - UIG	35,000,000	32,309,300	92

During the year, the County generated Kshs. 771.5 million from its revenue sources, including the FIF. This amount represented a 24 per cent increase compared to Kshs. 621.67 million realised in the same period of FY 2023/24, accounting for 10 per cent of the equitable revenue share disbursed and 91 per cent of the annual target. The revenue streams which contributed the highest OSR receipts are shown in Figure 2.

**Figure 2: Nandi County Top Own Source Revenue Streams in FY 2024/25**



Source: Nandi County Treasury

### 1.1.3 Exchequers Approved

The Controller of Budget approved withdrawals of Kshs.9.178 billion from the CRF account in FY 2024/25, which comprised Kshs.2.32 billion (25 per cent) for development programmes and Kshs.6.86 billion (75 per cent) for recurrent programmes. Analysis of the recurrent exchequers

released indicates that Kshs.3 billion was towards employee compensation and Kshs.3.86 billion for operations and maintenance.

The operations and maintenance exchequer review indicates that 82 per cent was for domestic travel and 18 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.272.2 million and included Kshs.152.8 million for the County Executive and Kshs.119.4 million for the County Assembly. The foreign exchequer totalled Kshs.59.1 million, comprising Kshs.22.4 million for the County Executive and Kshs.36.7 million for the County Assembly.

As of June 30, 2025, the County Government's cash balance in the CRF account was Kshs.978.61 million.

#### 1.1.4 County Expenditure Review

The County spent Kshs.7.98 billion on development and recurrent programmes in the reporting period. The expenditure represented 87 per cent of the total funds released by the CoB. It comprised Kshs.2.02 billion (25 per cent) for development programmes and Kshs.5.96 billion (75 per cent) for recurrent programmes. Expenditure on development programmes represented an absorption rate of 55 per cent, while recurrent expenditure represented 92 per cent of the annual recurrent expenditure budget.

#### 1.1.5 Settlement of Pending Bills

The County reported pending bills totalling Kshs.891.82 million as of July 1, 2024. This amount included Kshs.878.36 million from the County Executive and Kshs.13.46 million from the County Assembly. The pending bills from the County Executive consisted of Kshs.586.41 million for recurrent expenditures and Kshs.291.95 million for development expenditures.

During the year, the County Executive settled pending bills amounting to Kshs.875.34 million, comprising Kshs.586.25 million (67 per cent) for recurrent programmes and Kshs.289.09 million (33.0 per cent) for development programmes. Table 1.3 provides additional details of pending bills.

**Table 1.3: Nandi County Pending Bills as of June 30 2025**

	Pending Bills as of July 1 2024 (Kshs.)	Settled Pending Bills in FY 2024/25 (Kshs.)	Pending bills incurred in FY 2024/25 (Kshs.)	Outstanding pending bills as of June 30 2025 (Kshs.)
<b>County Executive</b>				
Recurrent	586,410,928	<b>586,248,528</b>	475,798,102	475,960,502
Development	291,952,341	<b>289,091,630</b>	492,842,690	495,703,401
<b>Total</b>	<b>878,363,269</b>	<b>875,340,158</b>	<b>968,640,792</b>	<b>971,663,903</b>
<b>County Assembly</b>				
Recurrent	-	-	-	-
Development	13,458,001	-	-	13,458,001
<b>Total</b>	<b>13,458,001</b>	-	-	<b>13,458,001</b>
<b>Grand Total</b>	<b>891,821,270</b>	<b>875,340,158</b>	<b>968,640,792</b>	<b>985,121,904</b>

*Source: Nandi County Treasury*

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 June 2025. The County generally adhered to this payment plan.

Table 1.4 presents the ageing of the total outstanding bills as of June 30 2025, which was Kshs.985.12 million.

**Table 1.4: County Nandi Pending Bill Ageing Analysis as of June 30 2025**

Pending Bill Ageing Analysis					
Category	Ageing analysis (Amount in Kshs.)				Total
	Under one year	1-2 years	2-3 years	Over 3 years	
<b>Development Pending Bills</b>	506,300,690			2,860,712	509,161,402
Recurrent Pending Bills (Goods & Services)	384,798,102			162,400	384,960,502
Recurrent Pending Bills (Salary Arrears and Statutory Deductions)	91,000,000				91,000,000
Recurrent Pending Bills (Staff Claims)					-
<b>Total Recurrent Pending Bills</b>	475,798,102	-	-	162,400	475,960,502
<b>Total Pending Bills</b>	982,098,792	-	-	3,023,112	985,121,904
<b>% of Total</b>	100	-	-	0	100

Source: Nandi County Treasury

### 1.1.6 Expenditure by Economic Classification

The County Executive incurred Kshs.2.64 billion for compensation of employees, Kshs.2.59 billion for operations and maintenance, and Kshs.2.02 billion for development activities. Similarly, the County Assembly spent Kshs.358.26 million on compensation of employees, Kshs.369.40 million on operations and maintenance, and Kshs.3.97 million on development activities, as shown in Table 1.4.

**Table 1.5: Nandi County 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>	5,765,887,267	727,658,319	5,235,506,502	727,658,919	91	100
Compensation to Employees	3,659,776,584	437,043,393	2,644,154,531	358,262,066	72	82
Operations and Maintenance	2,106,110,683	290,614,926	2,591,351,971	369,396,853	123	127
<b>Development Expenditure</b>	3,675,911,214	18,765,773	2,015,090,671	3,972,598	55	21
<b>Total</b>	<b>9,441,798,481</b>	<b>746,424,092</b>	<b>7,250,597,173</b>	<b>731,631,517</b>	<b>77</b>	<b>98</b>

Source: Nandi County Treasury

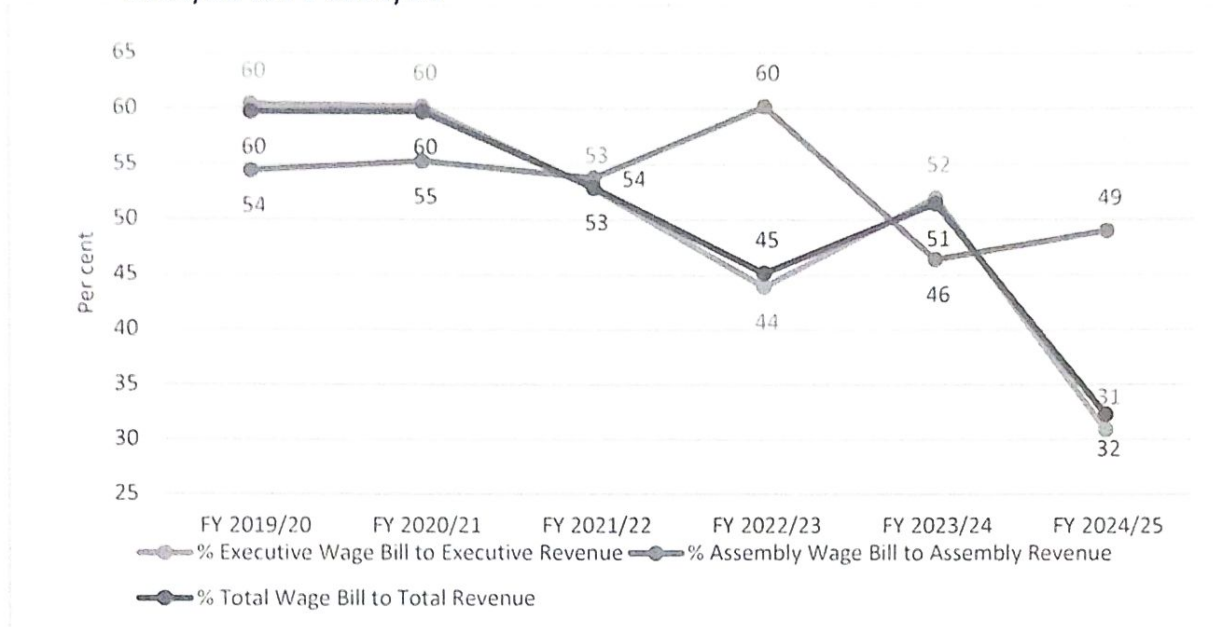
### 1.1.7 Expenditure on Compensation of Employees

During the period under review, the expenditure on employee compensation totalled Kshs.3.00 billion. Therefore, the percentage of compensation of employees to revenue was 33 per cent. This expenditure on employee compensation shows a decrease compared to the Kshs.4.43 billion

reported in FY 2023/24. Of this total, Kshs.1.36 billion related to the Health Sector employees, which accounted for 45 per cent of the overall employees' compensation.

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

**Figure 3: Percentage of Employee Compensation to Annual Revenue Received from FY 2019/20 to FY 2024/25**



Source: Nandi County Treasury

PE costs amounting to Kshs.2.89 billion were processed through the Human Resource Information System (HRIS), while Kshs.112 million was processed through manual payroll, which accounted for 4 per cent of the total PE cost.

A breakdown of manual payroll was not provided. The County Assembly spent Kshs.27.46 million on committee sitting allowances for the 45 MCAs against the annual budget allocation of Kshs.27.46 million. The average monthly sitting allowance was Kshs.50,844 per MCA. The County Assembly has 21 house committees.

### 1.1.8 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.517.28 million to County-Established funds in FY 2024/25, or 5 per cent of the County's overall budget. Furthermore, the County allocated Kshs.45 million to the Emergency Fund (less than 1 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 1.6 summarises each established Fund's budget allocation and performance during the reporting period.

**Table 1.7: Performance of Nandi County Established Funds in FY 2024/25**

S/N o.	Name of the Fund	Year Established	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 Financial Statements (Yes/No.)
<b>County Executive Established Funds</b>							
1.	Nandi County Car and Mortgage Fund	2018	6,000,000	-	-	223,000,000	Yes
2.	Nandi County Education Scheme	2016	164,000,000	90,000,000	90,000,000	600,000,000	Yes
3.	Nandi County Emergency Fund	2020	45,000,000	44,985,000	36,519,019		No

Source: Nandi County Treasury

During the reporting period, the CoB did not receive quarterly financial reports from the Fund Administrator of Nandi County Emergency Fund, as indicated in Table 1.6, contrary to the requirement of Section 168 of the PFM Act, 2012.

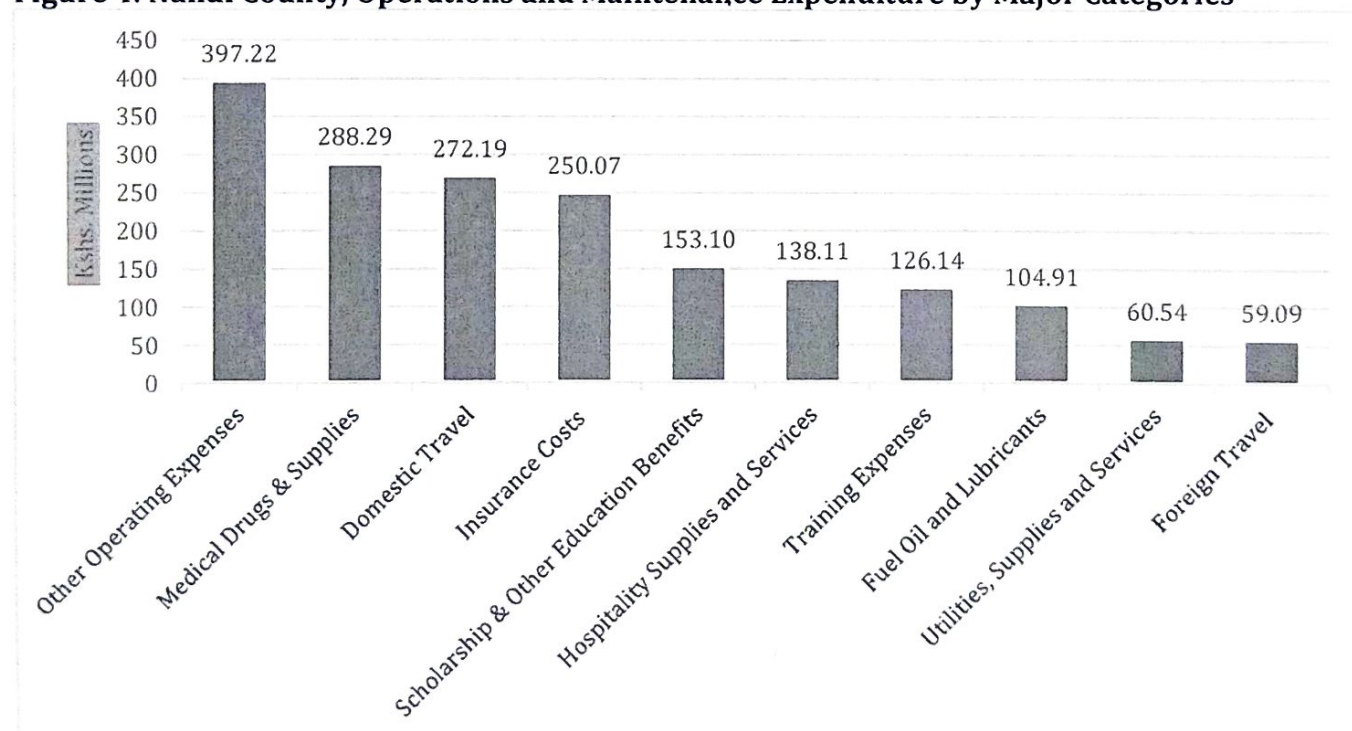
### 1.1.9 County Corporations

The County did not report on County Corporations.

### 1.1.10 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.272.2 million and comprised Kshs.119.4 million spent by the County Assembly and Kshs.152.8 million by the County Executive. Expenditure on foreign travel amounted to Kshs.59.1 million and comprised Kshs.36.7 million by the County Assembly and Kshs.22.4 million by the County Executive. Expenditure on foreign travel is summarised in Table 1.8.

**Table 1.8 Summary of Expenditure on Foreign Travel in 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
4	County Assembly	4	26-30 Nov- /2024	Attending the 29th East Africa Law Society Annual Conference	Uganda	1,184,220
7	County Assembly	7	28/11-05 Dec- 2024	Attending the Building Tech-Driven Resilience: Smart Solutions for Sustainable County Development Programme	Ethiopia	3,142,440
5	County Assembly	7	05-10 Dec- 2024	Attending the Building Tech-Driven Resilience: Smart Solutions for Sustainable County Development Programme	UAE	2,940,426
6	County Assembly	7	10-15 Dec- 2024	Attending A Programme on Building Resilient Healthcare Systems -Embracing Digital Health and Sustainable Solutions	Turkey	3,109,932
9	County Assembly	18	04-15 March 2025	Performance Management in the Public Sector: Leveraging Technology for Enhanced Service Delivery	Kampala, Uganda	6,876,732
8	County Assembly	9	09-14 March 2025	Innovative Leadership and Change Management for the Public Sector	Dubai, United Arab Emirates	3,284,856
10	County Executive	1	15-May-25	Facilitation for a working visit	United States	545,927.00
11	County Executive	1	15-May-25	Facilitation for a working visit	United States	750,064.00

Source: Nandi County Treasury and Nandi County Assembly

### 1.1.11 Development Expenditure

During the review period, the County reported spending Kshs.3.33 billion on development programmes, representing an increase of 87 per cent compared to FY 2023/24, when the County spent Kshs.1.78 billion. Table 1.11 summarises the development projects with the highest expenditure in the reporting period.

**Table 1.12: Nandi County, List of Development Projects with the Highest Expenditure**

No.	Sector	Project Name	Project Location	Contract Sum (Kshs)	Amount paid in FY 2024/25 (Kshs)	Cumulative Expenditure as of June 30 2025	Implementation Status (%)
1	Executive	Supply, delivery, and installation of office furniture at the Governor's building	Kapsabet	24,913,345	24,913,345	24,913,345	100
2	Health and Sanitation	Construction of OPD Block at Kobujoi	Kobujoi	8,786,058	8,786,058	8,786,058	100
3	Health and Sanitation	Construction of a Funeral Home	Kapsabet	8,071,720	8,071,720	8,071,720	100
4	Education and Vocational Training	Construction of the Mogomben Twin Workshop in Kobujoi Ward	Kobujoi	4,545,945	4,545,945	4,545,945	100
5	Agriculture and Cooperative Dev.	Construction of Perimeter Wall and Fencing of Kabiyet Dairies	Kabiyet	4,503,731	4,503,731	4,503,731	100
6	Agriculture and Cooperative Dev.	Supply and Delivery of Farm Inputs	Kapkangani	4,050,000	4,050,000	4,050,000	100
7	Agriculture and Cooperative Dev.	Supply and Delivery of Acaricides	County Wide	4,030,000	4,030,000	4,030,000	100
8	Agriculture and Cooperative Dev.	Construction of NCC Kabiyet Road	Kabiyet	4,755,926	4,755,926	4,755,926	100
9	Agriculture and Cooperative Dev.	Construction of the Guest House in Kaimosi	Kapkangani	4,940,220	4,940,220	4,940,220	100
10	Finance and Economic Planning	Commission for Nandi County Revenue Collection	Kapsabet	3,905,736	3,905,736	3,905,736	100

Source: Nandi County Treasury

The County did not report any stalled projects.

### 1.1.12 Budget Performance by Department

Table 1.13 summarises the approved budget allocation, expenditure, and absorption rate by departments in the period under review.

**Table 1.14: Nandi 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
County Executive	509.79	131.50	477.16	60.34	507.35	73.95	106.3	122.6	99.5	56.2
Health and Sanitation	2,831.35	306.54	2,747.07	113.51	2,722.54	137.52	99.1	121.2	96.2	44.9
Public Service and Labour	62.66	-	45.00	-	52.32	-	116.3	-	83.5	-
County Assembly	727.66	18.77	727.66	3.97	-	-	-	-	-	-
Kapsabet Municipality	74.50	90.79	59.08	36.14	39.47	26.82	66.8	74.2	53.0	29.5
Office of the County Attorney	90.52	-	73.28	-	64.85	-	88.5	-	71.6	-
Finance and Economic Planning	579.56	27.00	556.36	3.91	439.60	6.80	79.0	174.1	75.8	25.2
Administration, Public Service and E-Government	416.05	54.63	395.54	36.62	415.80	29.87	105.1	81.6	99.9	54.7
Agriculture and Co-operatives Development	257.36	606.91	233.50	484.62	225.37	324.40	96.5	66.9	87.6	53.5
Sports, Youth Affairs, Culture and Heritage	162.58	88.14	144.86	77.33	140.08	77.96	96.7	100.8	86.2	88.5
Education and Vocational Training	428.70	370.35	405.21	368.85	348.40	261.29	86.0	70.8	81.3	70.6
Lands, Environment, Natural Resources and Climate Change	119.30	1,081.07	93.20	432.32	110.70	323.24	118.8	74.8	92.8	29.9
Transport, Public Works and Infrastructure Development	154.75	654.00	137.42	565.12	95.20	631.50	69.3	111.7	61.5	96.6
Trade, Tourism, Industrialisation and Enterprise Development	78.77	264.98	60.00	130.45	73.84	121.73	123.1	93.3	93.7	45.9
<b>Total</b>	<b>6,494</b>	<b>3,695</b>	<b>6,155</b>	<b>2,313</b>	<b>5,236</b>	<b>2,015</b>	<b>85.1</b>	<b>87.1</b>	<b>80.6</b>	<b>54.5</b>

Source: Nandi County Treasury

Analysis of expenditure by departments shows that the Department of Transport, Public Works, and Infrastructure Development recorded the highest absorption rate of the development budget at 96.6 per cent, followed by the Department of Sports, Youth Affairs, Culture, and Heritage at 88.5 per cent.

The Department of County Executive had the highest absorption of recurrent budget at 99.5 per cent, while the Department of Kapsabet Municipality had the lowest at 53.0 per cent.

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

Table 1.14 summarises the budget execution by programmes and sub-programmes in the period under review.

**Table 1.15: Nandi County, Budget Execution by Programmes and Sub-Programmes**

Vote (Department)	Description	Revised Estimates Recurrent (Ksh)	Revised Estimates Development (Ksh)	Expenditure Recurrent (Ksh)	Expenditure Development (Ksh)	Absorption Recurrent (%)	Absorption Development (%)
4411-Nandi - County Executive	General Administration and Support Services	509,785,728	131,500,000	507,354,768.20	73,953,213.95	99.5	56.2
4414-Nandi - Health	Health Service Delivery Administration Services	2,831,354,174	306,543,415	2,722,543,570.4	137,523,274.95	96.2	45
4422-Nandi - County Public Service	Administrative Support Services	62,658,673	-	5,233,324.3	-	83.5	-
4424-Nandi-Kapsabet Municipality	General Administration and Support Services	74,502,705	-	39,470,097.35	-	52.9	-
4424-Nandi-Kapsabet Municipality	Infrastructure and Development	-	83,787,995	-	26,824,279.2	-	32
4425-Nandi - Office of The County Attorney	Administrative Support Services	90,520,398	-	64,845,160.95	-	71.6	-
4426-Nandi-Finance and Economic Planning	General Administration and Support Services	579,562,223	-	439,495,749.7	-	75.8	-
4426-Nandi-Finance and Economic Planning	Revenue Collection and Management Phase 1	-	8,000,000	-	6,800,036	-	85
4427-Nandi - Administration, Public Service, and ICT	Administration and support services	416,050,123	46,328,941	415,796,240.15	29,872,871.25	99.9	64
4428-Nandi - Agriculture and Co-operatives Development	Administration and support services	251,149,727	536,810,659	225,368,950.6	324,399,267.85	87.5	55
4428-Nandi - Agriculture and Co-operatives Development	Livestock Production and Management	-	53,600,000	-	-	-	-
4428-Nandi - Agriculture and	Administrative Support Services	6,208,501	-	-	-	-	-

Vote (Department)	Description	Revised Estimates Recurrent (Ksh)	Revised Estimates Development (Ksh)	Expenditure Recurrent (Ksh)	Expenditure Development (Ksh)	Absorptio n Recurr ent (%)	Absorptio n Developm ent (%)
Co-operatives Development							
4429-Nandi- Sports, Youth Affairs, Gender and Social Welfare Arts	Development And Promotion of Culture	14,843,600	23,374,054		I am running a few minutes late; my previous meeting is running over.		
4429-Nandi- Sports, Youth Affairs, Gender and Social Welfare Arts	General Administratio n and Support Services	56,431,790	-		-		
4429-Nandi- Sports, Youth Affairs, Gender and Social Welfare Arts	Sports Infrastructure Development	-	64,764,566		-		
4429-Nandi- Sports, Youth Affairs, Gender and Social Welfare Arts	Sports Activities and Programs	91,304,890	-	140,083,772.15	77,964,408.75	91.7	88
4430-Nandi - Education, Vocational Training, and Scholarship	Administratio n and support services	428,698,890	-	348,396,500.55	-	81.3	-
4430-Nandi - Education, Vocational Training, and Scholarship	General Administratio n & Support Services	-	370,346,567		261,287,849.75	-	71
4431-Nandi - Lands, Physical Planning, Housing Envi, Water, Natural Resources/CLI	Administratio n and support services	119,295,613	-	110,698,610.85	-	92.8	-
4431-Nandi - Lands, Physical Planning, Housing Envi, Water, Natural Resources/CLI	Land and Crops Development	-	133,001,296		-		
4431-Nandi - Lands, Physical Planning, Housing Envi, Water, Natural Resources/CLI	General Administratio n and support services	-	948,072,434		323,238,875.4	-	34
4432-Nandi - Transport, Public Works and Infrastructure Development	General Administratio n and support services	154,753,393	-	95,197,617.45		62	-

Vote (Department)	Description	Revised Estimates Recurrent (Ksh)	Revised Estimates Development (Ksh)	Expenditure Recurrent (Ksh)	Expenditure Development (Ksh)	Absorption Recurrent (%)	Absorption Development (%)
4432-Nandi - Transport, Public Works and Infrastructure Development	Road-works	-	653,998,014	-	631,498,582.2	-	97
4433-Nandi - Trade, Tourism, Industrialisation and Enterprise	General Administration & Support Services	78,766,839	-	73,835,471.7	-	93.7	-
4433-Nandi - Trade, Tourism, Industrialisation and Enterprise	Trade development & Promotion	-	264,983,273	-	121,728,011.85	-	46
<b>Grand Total</b>		<b>5,765,887,267</b>	<b>3,625,111,214</b>	<b>5,235,506,502</b>	<b>2,015,090,671</b>	<b>90.8</b>	<b>55.6</b>

Source: Nandi County Treasury

During the period under review, the development programmes with the highest levels of budget implementation, based on absorption rates, were: Road-works in the Department of Transport, Public Works and Infrastructure Development at 97 per cent, Sports Activities and Programmes in the Department of Sports, Youth Affairs, Gender and Social Welfare Arts at 88 per cent, Revenue Collection and Management Phase 1 in the Department of Finance and Economic Planning at 85 per cent, and Administration and support services in the Department of Administration Public Service and ICT at 64 per cent of the budget allocation.

Conversely, the recurrent programmes with the highest levels of budget implementation, based on absorption rates, were: Administration and support services in the Department of Administration Public Service and ICT at 99.9 per cent, General Administration and Support Services in the Department of County Executive at 99.5 per cent, Administration and support services in the Department of Lands, Physical Planning, Housing Envi, Water, Natural Resources/CLI at 92.8 per cent, and General Administration & Support Services in the Department of Trade, Tourism, Industrialization and Enterprise at 93.7 per cent of the budget allocation..

#### 1.1.14 Accounts Operated in Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, requires that County Government bank accounts be opened and maintained at the Central Bank of Kenya. The only exemption is for imprest bank accounts for petty cash and revenue collection bank accounts.

Further, 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 one account designated for banking revenue from Kaimosi ATC operations, 2 Imprest Accounts for

managing petty cash, one account for the National Agricultural and Rural Inclusive Growth Project, one account for the County Development Support Programme, one account for the Urban Development Grant, one account for the Urban Infrastructure Grant, one account for youth service programmes and initiatives, one account for health operations and services, and one account for deposits and retentions.

#### 1.1.15 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 Government's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report. The financial reports were received on August 22 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 1.13.
- iii. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, contrary to Section 168 of the PFM Act, 2012. The reports for the Nandi County Emergency Fund had not been submitted to the CoB as of July 15, 2025.
- iv. High level of pending bills which amounted to Kshs.1.34 billion as of June 30 2025.
- v. In the FY2024/25 reporting period, health facilities were owed a combined total of Kshs.77.54 million across the two schemes—SHIF, and the defunct NHIF. The persistent delay in remitting approved claims undermines the ability of hospitals to generate and utilise revenue at source as intended, thereby constraining their capacity to fund critical operations, procure essential medical supplies, and deliver quality healthcare services.

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 CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
- iv. *The County Leadership should ensure that genuine pending bills are paid promptly. Further, compliance with the Pending Bills Action Plan should be enforced.*
- v. *The Social Health Authority (SHA) should expedite the settlement of all outstanding claims owed to health facilities, including those carried over from the defunct NHIF. Timely payment of these*

claims is crucial to enable health facilities to generate and utilise revenue at source, as per the Facilities Improvement Financing Act, 2023, sustain operations, and deliver quality healthcare services.



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