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1.1 County Government of Kericho

1.1.1 Overview of FY 2024/25 Budget

The Kericho County Approved Supplementary I Budget for FY 2024/25 was Kshs.9.756 billion. It comprised Kshs.3.561 billion (36.5 per cent) and Kshs.6.195 billion (63.5 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represented an increase of Kshs.1.272 billion (15 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.2.73 billion and a recurrent budget of Kshs.5.753 billion. The increase/decrease in the budget was primarily attributed to the rise in Own Source Revenue and Equitable Share.

The budget was to be financed from the various revenue sources, including the equitable share of revenue raised nationally of Kshs.6.932 billion (71 per cent), additional allocations of Kshs.1.035 billion (11 per cent), a cash balance of Kshs.536.3 million (5 per cent) brought forward from FY 2023/24, and Kshs.1.22 billion (13 per cent) generated as own-source revenue. The own-source revenue comprised Kshs.576.24 million (6 per cent) deposited into the CRF and Kshs 646.35 (7 per cent) as Appropriations-in-Aid (A-I-A) spent at source.

1.1.2 Revenue Performance

The county received Kshs.8.547 billion in revenues in the review period to fund its development and recurrent activities. This amount represented an increase of 13 per cent compared to the amount received in FY 2023/24 of Kshs.7.524 billion. The total revenue consisted of Kshs.6.738 billion from the equitable share of revenue raised nationally. Other revenue streams were additional allocations from the national government and development partners of Kshs.193.2 million and own-source revenue (OSR) collection of Kshs.1.07 billion. Additionally, the county had a cash balance of Kshs.536 billion from FY 2023/24.

The total OSR collection of Kshs.1.07 billion included Facilities Improvement Financing (FIF) of Kshs.682 million, and Kshs.396 million from other OSR sources. Table 1.1 Summarises the total revenue available to the County Government during FY 2024/25.

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

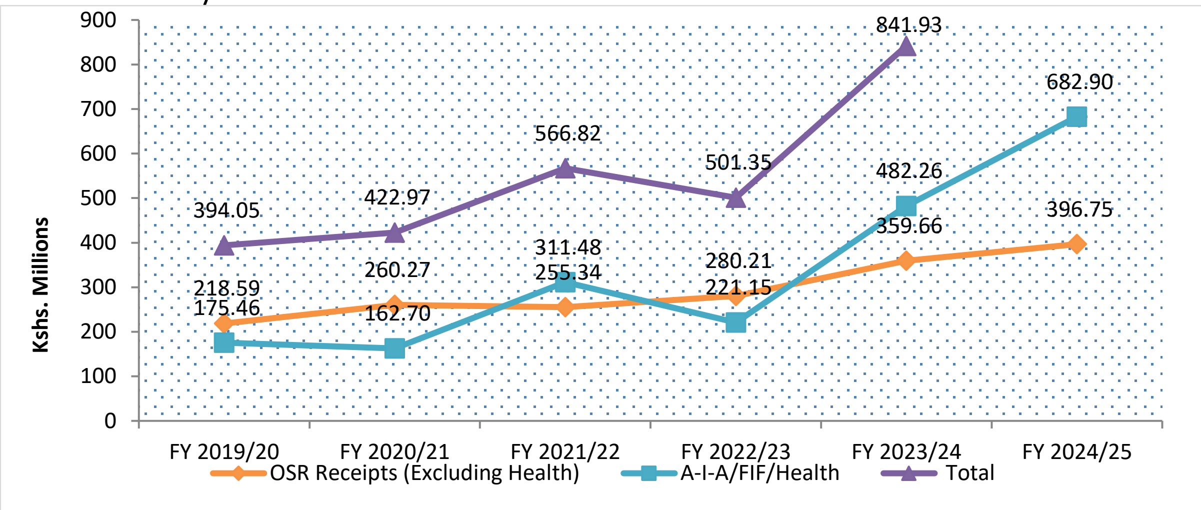
S/No.	Revenue Category	Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally -**	6,962,657,506	6,738,396,691.50	97
	Subtotal	6,962,657,506	6,738,396,691.50	97
B	**Additional Allocations**			
1.	Routine Maintenance Fuel Levy Fund	169,758,085	59,568,948	35
2.	County Aggregated Industrial Parks	250,000,000		-

S/No.	Revenue Category	Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Budget Allocation (%)
3.	County health promoters	45,690,000		-
4.	DANIDA FUND	8,287,500	8,287,500	100
5.	Kenya Devolution Support Project 11 (world bank)	37,500,000		-
6.	Kenya Urban Support Program UDG (SIDA)	43,550,249		-
7.	Kenya Urban Support Program UIG (SIDA)	35,000,000	32,309,300	92
8.	FLOCCA Grants to support climate change CCIs	11,000,000		-
9.	FLOCCA Grants to support climate change CCIR	203,392,898	13,742,755	7
10.	FLLOCA Grants to Support Climate Change CCIR (UNSPENT DONOR)	68,750,000		-
11.	IDA National Agricultural Value Chain Devt Project(NAVCDP)	151,515,152	79,383,098	52
12.	Kenya Agricultural Business Dev't Project(KABDP)	10,918,919		-
13.	FLOCCA Grants to support climate change CCIR	203,392,898	13,742,755	7
14.	Kenya Agricultural Business Dev't Project(KABDP)	10,918,919		-
Subtotal		1,035,362,803	193,291,601	19
C	**Own Source Revenue**			
15.	Ordinary Own Source Revenue	576,244,311	396,750,029	69
16.	Facility Improvement Fund (FIF)	646,355,000	682,898,723	106
17.	Other AIAs (Indicate Name and Amount for each)			
Subtotal		1,222,599,311.00	1,079,648,752.25	
D	**Other Sources of Revenue**			
18.	Unspent Balance from FY 2023/24	1,758,918,927	1,615,968,368	92
19.	Other Revenues (provide a list)			
Sub-Total		1,758,918,927	1,615,968,368	92
Grand Total		**9,756,939,236**	**8,547,656,661**	**88**

Source: *Kericho County Treasury*

Figure 1 Shows the collection trend in own-source revenue from FY 2019/20 to FY 2024/25.

Figure 1: Kericho County Trend in Own-Source Revenue Collection from FY 2019/20 to FY 2024/25

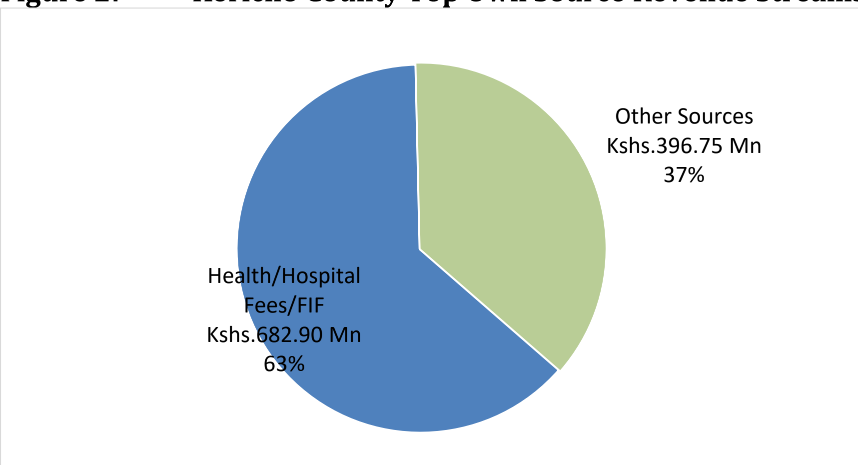


Source: *Kericho County Treasury*

During the year, the county generated Kshs.1.079 billion from its revenue sources, including FIF. This amount was an increase of 28 per cent compared to Kshs.841 million realised in a similar period in FY 2023/24, and was 88.3 per cent of the annual target and 16 per cent of the equitable revenue share disbursed.

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

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



Source: Kericho County Treasury

1.1.3 Exchequers Approved

The Controller of Budget approved withdrawals of Kshs.7.78 billion from the CRF account in FY 2024/25, which comprised Kshs.2.369 million (30 per cent) for development programmes and Kshs5.412 billion (70 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.744 Billion was towards employee compensation and Kshs.1.667 million for operations and maintenance expenditure.

The operations and maintenance exchequer analysis indicates that xx per cent was for domestic travel and xx per cent for foreign travel. The domestic travel exchequer amounted to Kshs.300 million and included Kshs.127 million for the County Executive and Kshs.173 million for the

County Assembly. The foreign exchequer totalled Kshs.47.5 million, comprising Kshs.14.3 million for the County Executive and Kshs.33.1 million for the County Assembly.

As of the closure of FY 2024/25, the County Government's cash balance in the CRF account was Kshs.15.6 million.

1.1.4 County Expenditure Review

The county spent Kshs.7.97 billion on development and recurrent programmes in the reporting period. The expenditure represented102.5 per cent of the total funds released by the CoB. It comprised Kshs.2.578 billion for development programmes and Kshs. 5.397 billion for recurrent programmes. Expenditure on development programmes represented an absorption rate of 72.4 per cent, while recurrent expenditure represented 87.1 per cent of the annual recurrent expenditure budget.

1.1.1 Settlement of Pending Bills

The county reported pending bills totalling Kshs.1.25 billion as of 30 June 2024. This amount included Kshs.1.14 billion from the County Executive and Kshs.106.73 million from the County Assembly. The pending bills from the County Executive consisted of Kshs.211.61 million for recurrent expenditures and Kshs.936.31 million for development expenditures.

During the year, the County Executive settled pending bills amounting to Kshs.682.45 million, comprising Kshs.108.74 million (xx per cent) for recurrent programmes and Kshs.520.78 million (xx per cent) for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.52.91 million for development activities. Table 1.2 provides additional details of pending bills.

Table 1.2: Kericho County Pending Bills as of 30 June 2025

	Pending Bills as of 1 July 2024 (Kshs.)	Settled Pending Bills in FY 2024/25 (Kshs.)	Pending bills incurred in FY 2024/25 (Kshs.)	Outstanding pending bills as of 30 June 2025 (Kshs. Mn)
County Executive				
Recurrent	211,613,725	108,746,488	558,424,038	661,291,275
Development	936,319,678	520,788,983	951,473,475	1,367,004,160
Total	**1,147,933,403**	**629,535,471**	**1,509,897,513**	**2,028,295,435**
County Assembly				
Recurrent				
Development	106,733,214	52,914,733	-	53,818,481
Total	**106,733,214**	**52,914,733**	**-**	**53,818,481**

Source*: xxx County Treasury*

The County Executive submitted a pending bills payment plan, committing to pay Kshs.1.47 billion in FY 2024/25. The county adhered to this payment plan, as it cleared Kshs.629.53 million for the Executive.

Table 1.3 presents the ageing of the total outstanding bills as of 30 June 2025, which was Kshs. 2.082 Billion.

Table 1.3: Kericho County Pending Bill Ageing Analysis as of 30th June 2025

Pending Bill Ageing Analysis					
Category	**Ageing analysis (Amount in Kshs.)**				**Total**
	Under one year	**1-2 years**	**2-3 years**	**Over 3 years**	

Development Pending Bills	**1,005,291,956**	**156,790,502**	**258,740,183**		**1,420,822,641**
Recurrent Pending Bills (Goods & Services)	509,131,540	102,867,237	-		611,998,777
Recurrent Pending Bills (Salary Arrears and Statutory Deductions)	-				-
Recurrent Pending Bills (Staff Claims)	49,292,498				49,292,498
Total Recurrent Pending Bills	**558,424,038**	**102,867,237**	**-**	**-**	**661,291,275**
Total Pending Bills	**1,563,715,994**	**259,657,739**	**258,740,183**	**-**	**2,082,113,916**
% of Total	**75**	**12**	**12**	**-**	**100**

Source: *Kericho County Treasury*

1.1.5 Expenditure by Economic Classification

The County Executive incurred Kshs.3.317 billion for compensation of employees, Kshs.1.199 billion for operations and maintenance, and Kshs.2.5 billion for development activities. Similarly, the County Assembly spent Kshs.453 million on compensation of employees, Kshs.426 million on operations and maintenance, and Kshs. 52.9 million on development activities, as shown in Table 1.4.

Table 1.4: Kericho County Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	5,315,320,057	880,334,303	4,516,974,169	880,239,028	85	100
Compensation of Employees	3,604,759,651	453,279,359	3,317,554,728	453,279,359	92	100
Operations and Maintenance	1,710,560,406	427,054,944	1,199,419,441	426,959,669	70	100
Development Expenditure	3,454,551,662	106,733,214	2,525,915,586	52,914,711	73	50
Total	**8,769,871,719**	**987,067,517**	**7,042,889,755**	**933,153,739**	**80**	**95**

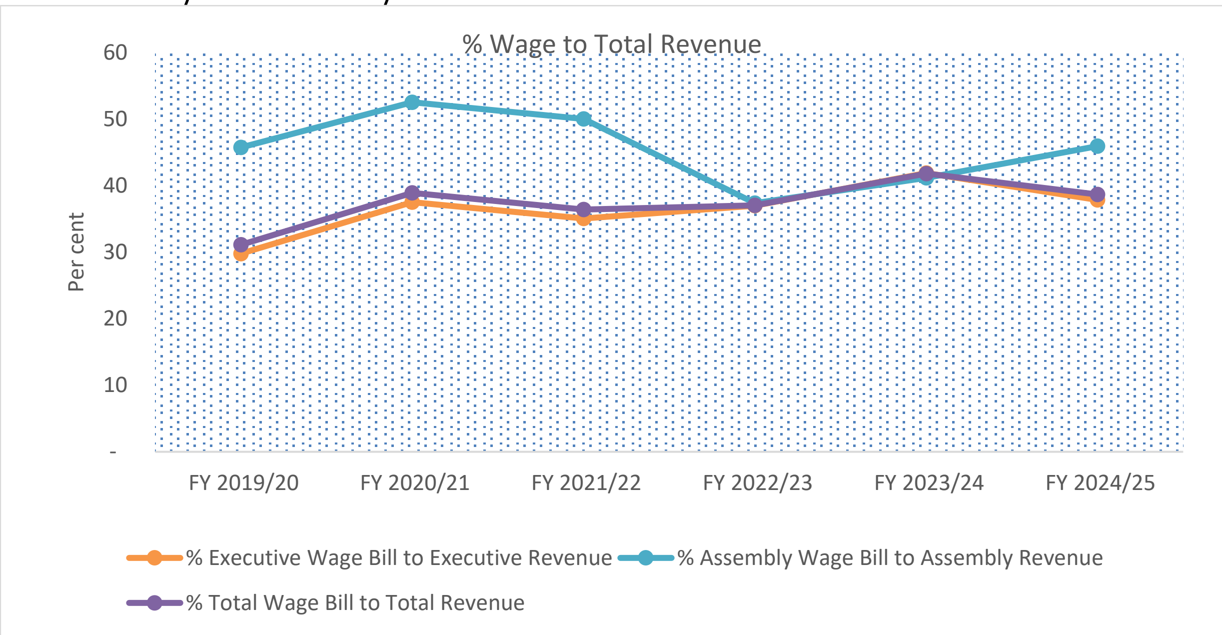
Source*: Kericho County Treasury*

1.1.6 Expenditure on Compensation of Employees

During the period under review, the expenditure on employee compensation totalled Kshs.3.77 billion. Therefore, the percentage of compensation of employees to adjusted revenue, excluding the earnings from extractive revenue of Kshs.0 million, in line with Regulation 25(1)(c) of the PRM (County Governments) Regulations 2015, was 39 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.3.54 billion reported in FY 2023/24. Of this total, Kshs.1.944 billion related to the Health Sector employees, which accounted for 52 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 Total Revenue Received from FY 2019/20 to FY 2024/25



Source: Kericho County Treasury

Further analysis indicated that PE costs amounting to Kshs.3.63 billion were processed through the Human Resource Information System (HRIS while Kshs.134 million was processed through manual payrolls, which accounted for 4 per cent of the total PE cost.

The manual payrolls comprised salaries for staff not onboarded into the Human Resource Information System (HRIS) and gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 1.5.

Table 1.5: Breakdown of Kericho County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
1.	Salaries for staff yet to be onboarded into HRIS	134,077,994
2.	Salaries for casual staff	0
3.	Top-up Allowances for Security Officers	0
4.	LAPTRUST/LAPFUND Pension Contributions	0
5.	Gratuity for contract staff	680,344
	Total	**134,758,338**

Source: Kericho County Treasury

The County Assembly spent Kshs.47 million on committee sitting allowances for the 48 MCAs against the annual budget allocation of Kshs.47 million. The average monthly sitting allowance was Kshs.82,347 per MCA. The County Assembly has 16 House Committees.

1.1.7 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.315 million to County-Established funds in FY 2024/25, or 3 per cent of the county's overall budget. Further, the county allocated Kshs.17 million to the Emergency Fund (0.1

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 1.6Performance of Kericho County Established Funds in FY 2024/25

S/No.	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.)
		County Executive Established Funds					
1.	Kericho County Car Loan	2015	0	0	8,603,087	44,780,000	yes
2.	Kericho County Emergency Fund	2014	17,000,000	17,000,000	23,842,702	346,200,113	yes
3.	Kericho County Climate Change Fund	2021	278,721,805	48,328,907	267,786,687	384,391,024	yes
4.	Kericho County Mortgage fund	2015	20,000,000	20,000,000	71,906,030	236,318,000	yes
5.	Kericho County Bursary Fund	2014	0	0	1,830,232	1,135,280,039	yes
		County Assembly Established Funds					
6.	Kericho County Assembly Staff Car Loan and Mortgage Fund	2014	15,261,268	15,261,268	28,931,302	225,922,268	yes
7.	Kericho County Assembly Members Car Loan and Mortgage Fund	2014	0	0	1,318,266	269,000,000	yes
8.							
	Total		330,983,073	100,590,175			

Source: *Kericho County Treasury*

Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, allows County Governments to establish public funds with a lifespan capped at 10 years unless extended by the County Assembly. In FY 2024/25, the CoB established that the lifespan of **the** 6 **Funds** had lapsed.

1.1.8 County Corporations

The county has 2 County corporations, which were allocated Kshs. 17,373,497.00 in FY 2024/25. Their total expenditure for the year amounted to Kshs., as shown in Table 1.7.

Table 1.7Performance of Kericho County Corporations in FY 2024/25

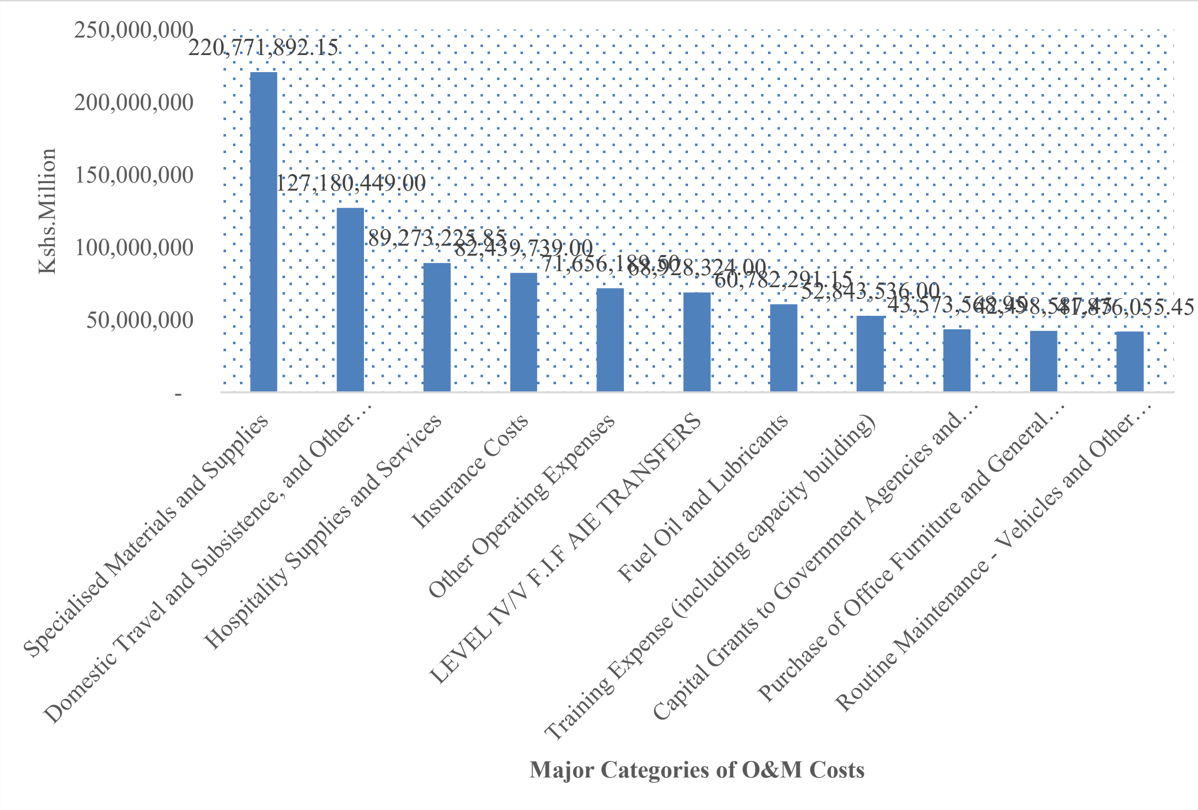
S/No.	Name of the Corporation	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in FY 2024/25 (Kshs.)	Actual Expenditure in FY 2024/25 (Kshs.)	Cumulative Exchequer Issues to the Corporation since their inception (Kshs.)
1.	KEWASCO	17,373,497	15,000,000		
2.	Kabianga Tea Farm	0	0	0	0
	Total				

Source: *Kericho County Treasury*

1.1.9 Expenditure on Operations and Maintenance

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

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



Source: *Kericho County Treasury*

Expenditure on domestic travel amounted to Kshs.300 million and comprised Kshs.173 million spent by the County Assembly and Kshs.127 million by the County Executive. Expenditure on foreign travel amounted to Kshs.47 million and comprised Kshs.33 million by the County Assembly and Kshs.14 million by the County Executive. Expenditure on foreign travel is summarised in **Error! Reference source not found.**.

1.1.10 Facility Improvement Financing

In FY 2024/25, the county reported collections of Kshs.682 million as FIF, which was106 per cent of the annual target of Kshs.646 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The county has developed regulations to operationalise the FIF Act of 2023.

Health facilities were owed a combined total of Kshs. in the reporting period. XX million across the three schemes, namely the Social Health Authority (SHA), the Social Health Insurance Fund (SHIF), and outstanding debts from the defunct National Health Insurance Fund (NHIF). A breakdown of the claims is presented in Table 1.8.

Table 1.8: Kericho County Health Facilities FIF Performance in FY2024/25

S/no	Level of Health Facility and number of facilities	SHA (Kshs. Million)			SHIF (Kshs. Million)			NHIF (Kshs. Million)
		Approved Claims	Claims Paid	Balance	Approved Claims	Claims Paid	Balance	Pending Debt
1	One Level 5	203.5	158.9	45.5	0	0	-	17.6
2	Six Level 4	75.4	13.0	62.4	0	0	-	4.6
	Total	**278.9**	**170.9**	**107.9**	**0**	**0**	**0**	**22.3**

Source: *Kericho County Treasury*

In FY 2024/25, health facilities recorded approved claims from the Social Health Authority (SHA) amounting to Kshs. 278.9 million. Of this, only Kshs. 170.9 million was disbursed, occasioning a pending balance of Kshs. 107.9 million. Similarly, approved claims under the Social Health Insurance Fund (SHIF) totalled Kshs. 0 million, yet actual disbursements amounted to Kshs. 0 million, resulting in an outstanding balance of Kshs.) million. Further, the defunct National Health Insurance Fund (NHIF) still owes health facilities Kshs. 22.3 million. These delays in disbursement continue to deprive facilities of critical financial resources needed to maintain essential health services.

The expenditure by the health facilities amounted to Kshs.369.18 million, as shown in Table 1.9.

Table 1.9: Kericho County Health Facilities Expenditure Performance in FY 2024/25

No.	Level of Health Facility and number of facilities	Approved Budget for the Facilities (Kshs.)	Actual Expenditure of the Facilities (Kshs.)	Absorption rate (%)
1.	One Level 5	318,777,592	317,101,696	99%
2.	Six Level 4	68,228,714	52,082,217	76%
	Total	387,006,306	369,183,913	95%

Source: *Kericho County Treasury*

1.1.11 Development Expenditure

In the review period, the county reported spending Kshs.2.578 billion on development programmes, representing an increase of 54 per cent compared to FY 2023/24, when the county spent Kshs.1.67 billion.

Table 1.10 Summarises the development projects with the highest expenditure in the reporting period.

Table 1.10: Kericho County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in FY 2024/25 (Kshs.)	Cumulative Expenditure as of 30 June 2025	Implementation status (%)
1	Strategic Intervention	Stormwater drainage Kapkatet	Kapkatet ward	18,093,000	18,093,000	18,093,000	0	100%
2	Strategic Intervention	Construction of Non Communicable Disease Centre and external works at Kericho County Referral Hospital	Kipchebor Ward	54,238,396	54,238,396	54,238,396	0	15%
3	Strategic Intervention	Rehabilitation and Improvement of Kapsoit water supply project	Kapsoit Ward	17,158,047	17,158,047	17,158,047	0	100%
4	Strategic Intervention	Construction of Casualty and Emergency unit, Renovation of OPD and Maternity at Sosiot Health Centre	Waldai Ward	32,936,010	32,936,010	32,936,010	0	22%
5	Strategic Intervention	Construction of Kedowa Maize Mill	Kedowa/Kimugul	12,922,138	12,922,138	12,922,138	0	100%
6	Strategic Intervention	Construction of Supporting Infrastructure at Kedowa Maize Milling Plant	Kedowa/Kimugul	18,164,620	18,164,620	18,164,620	0	58%
7	Strategic Intervention	Construction of an Outpatient unit and Associated external works at Cheborgei Health Centre	Cheboin Ward	16,492,297	16,492,297	16,492,297	0	33%
8	Strategic Intervention	Proposed Road Works in Kapkatet town	Kapkatet Ward	4,226,460	4,226,460	4,226,460	0	100%
9	Strategic Intervention	Rehabilitation and Construction of drainage structures and tarmacking of minor roads at Londiani town	Kedowa/Kimugul	6,113,079	6,113,079	6,113,079	0	100%
10	Strategic Intervention	Erection and Completion of an Operating Theatre in Ainamoi Health Centre	Ainamoi Ward	3,300,000	3,300,000	3,300,000	0	80%
11	Strategic Intervention	Construction of MCH, Kitchen, Staff House, Renovation of Existing OPD and Associated External Works at Kunyak Health Centre	Kunyak Ward	8,575,186	8,575,186	8,575,186	0	25%

Source: *Kericho County Treasury*

The county reported 20 stalled development projects as of 30 June 2025, with an estimated value of Kshs.321 million, of which Kshs.95.3 million has already been paid. The stalled projects are shown in Table 1.11.Table 1.11: Kericho County Stalled Projects as of 30 June 2025

Project Name	Project Location	Estimated Value of the Project (Kshs.)	Amount Paid on the stalled project	Outstanding Balance as of 30 June 2025	Percentage of Completion Before Stalling of the Project	Reason for Project Stalling
Proposed construction of generator house and supply, delivery, installation and commissioning of a generator at sosiot health centre	Waldai	5,300,220.00	0	5,300,220.00	0	The contractor abandoned the site without any communication
Proposed remodeling of surgical theatre at fort ternan sub-county hospital	Chilchila	5,821,108.75	0	5,821,108.75	0	The contractor never reported to site
Proposed supply and delivery of cardiothoracic consumables at Kericho County Referral Hospital	Kipchebor	4,502,732.00	0	4,502,732.00	0	Failed to supply the consumables
Kiboybei Water Supply	Kapsoit	36,731,977.51	5,873,809.00	30,858,168.51	16%	Land issues
Solait water project		103,545,774.30	13,502,388	90,043,386.30	13%	Community Conflict with the contractor on land issues
Construction and equipping of the theatre at Ainamoi Health Centre	Ainamoi	14,136,359.00	8,626,128.00	5,510,231.00	61%	The contractor abandoned the site without communication with the client
Kaboloin water project, lower part of Kapsaos	Kapsaos	15,255,327.90	12,036,825.40	3,218,502.50	79%	Technical hitch that requires redesigning
Supply and installation of 2 disc pulper machine	Kaplelartet	2,400,000	0	2,400,000.00	0%	Contractor did not supply
Construction of 100m3 masonry water tank	Chilchila ward	1,897,150	0	1,897,150.00	0%	Contractor left site
Construction of an ECDE classroom at Rwandet	Kisiara	898,131	0	898,131.00	0%	Lack of Capacity by Contractor
Construction of an ECDE toilet at Tilolwet	Londiani	759,510	0	759,510.00	0%	Lack of Capacity by Contractor
Construction of an ECDE classroom at Kipteran	Soin	1,082,980	0	1,082,980.00	0%	Lack of Capacity by Contractor
Construction of an ECDE toilet at Litiik	Tebesonik	724,316	0	724,316.00	0%	Hostile Community
Construction of a toilet at Leldet VTC	Kamasian	860,520.48	0	860,520.48	0%	Lack of Capacity by Contractor
Construction of a toilet at Chepseon VTC	Chepseon	916,400	0	916,400.00	0%	Lack of Capacity by Contractor
Acquisition of land for sweet potato pack house	Kaplelartet	1,500,000.00	0	1,500,000.00	0%	Family dispute on who owns the land and succession issues
Acquisition of land for Chebulu Conservancy	Kaplelartet	5,000,000.00	0	5,000,000.00	0%	Valuation costs conflict
Kipkobob Water Project	Chemosot	102,407,437.61	50,034,908.82	52,372,528.79	49%	Lack of budget allocation
Fabrication of fire engine	HQ	9,272,671	0	9,272,671.00	0%	The truck was not registered (mechanical engineer report not availed)
Bureti Fire Station	Kapkatet	8,248,375.00	5,320,615	2,927,760.00	65%	The contractor has abandoned site

Source: Kericho County Treasury

1.1.12 Budget Performance by Department

Table 1.12 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 1.12: Kericho County, Budget Allocation and Absorption Rate by Department

Department	Revised Budget Allocation (Kshs.Million)		Exchequer Received (Kshs.Million)		Expenditure (Kshs.Million)		Expenditure (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly Services	880,3	106,7	880,2	52,9	880,2	52,9	100	100	100	49
Public Service & Administration	424,3	20,9	345,0	16,4	366,7	15,7	106	95	86	75
Office of the Governor & Deputy governor	161,2	-	158,0	-	150,4	-	95	-	93	-
County Public Service Board	82,7	-	81,4	-	79,1	-	97	-	95	-
Finance & Economic Planning	350,1	270,9	333,4	263,3	326,6	265,1	98	100	93	97
Health Services	2,904,1	242,0	2,286,7	232,4	2,307,2	236,2	100	101	79	97
Agriculture, Livestock Development & Fisheries	189,8	503,2	184,8	298,6	166,9	398,4	90	133	87	79
Education, Youth Affairs, Culture & Social Services	616,0	241,4	613,9	216,5	611,0	198,3	99	91	99	82
Public Works,Roads & Transport	105,3	969,2	104,4	770,4	102,0	712,0	97.	92.	96	73
Trade,Industrialization,Tourism,Wildlife & Cooperative Development	66,7	355,0	62,9	86,5	59,9	82,4	95	95	89	23
Water,Energy,Natural Resources & Environment	174,9	593,4	169,3	289,3	165,7	498,3	97	172	94	84
Land,Housing & Physical Planning	165,9	217,0	120,9	115,9	111,1	94,9	91	81	66	43
Information Communication & E-Government	73,7	41,0	70,8	26,4	69,8	24,1	98	91	94	59
	6,195,6	**3,561,2**	**5,412,4**	**2,369,2**	**5,397,2**	**2,578,8**	**99**	**108**		

Source: *Kericho 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 97.9 per cent, followed by the Department of Health Services at 97.6 per cent. The County Assembly had the highest percentage of recurrent expenditure to budget at 100 per cent, while the Department of Education, Youth Affairs, Culture & Social Services had the lowest at 99.2 per cent.

1.1.13 Budget Execution by Programmes and Sub-Programmes

Table 1.13 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 1.13: Kericho County, Budget Execution by Programmes and Sub-Programmes

County, Budget Execution by Programmes and Sub-Programmes								
Programme	Sub-Programme	Approved Supplementary Budget Estimates FY 2024/25 (Kshs.)			Actual Expenditure Jul 24 -Jun 25 (Kshs.)		Absorption Rate	
		Recurrent Expenditure	Development Expenditure	Gross	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Coordination Services	County Coordination Services	161,256,392	-	161,256,392	150,400,330	-	93%	
		161,256,392	**-**	**161,256,392**	**150,400,330**	**-**	**93%**	
DEPARTMENT: FINANCE AND ECONOMIC PLANNING								
Administration, Planning and Support Services.	Administration Services.	288,833,239	-	288,833,239	268,718,539	-	93%	0%
Administration, Planning and Support Services.	Monitoring Budget Implementation and Reporting	29,200,000	36,984,012	66,184,012	27,964,232	31,158,676	96%	84%
Public Finance Management	Budget Formulation co-odination and management	25,750,000	234,000,000	259,750,000	24,257,108	234,000,000	94%	100%
Audit Services	County Audit	6,350,000	-	6,350,000	5,703,210	-	90%	
		350,133,239	**270,984,012**	**621,117,251**	**326,643,089**	**265,158,676**	**93%**	**98%**
DEPARTMENT: AGRICULTURE, LIVESTOCK AND FISHERIES								
Policy, Strategy and Management of Agriculture	Development of Agricultural Policy, Legal & Regulatory framework.	72,128,418	-	72,128,418	56,600,809		78%	
Crop Development and Management	Agriculture Extension Services	60,708,413	358,664,149	419,372,562	59,157,636	291,665,189	97%	81%
Livestock Resource Management and Development	Livestock Disease Management and Control.	-	83,692,389	83,692,389		61,699,412		74%
Livestock Resource Management and Development	Livestock Production and Extension Services	37,919,501	-	37,919,501	35,668,508		94%	
Fisheries development	Management and Development of Capture Fisheries	7,400,131	8,650,000	16,050,131	7,287,800	6,633,670	98%	77%
Cooperative development and management	Cooperative Advisory & Extension Services.	11,713,870	52,258,171	63,972,041	8,260,213	38,497,419	71%	
		189,870,333	**503,264,709**	**693,135,042**	**166,974,966**	**398,495,690**	**88%**	**79%**

DEPARTMENT: WATER, ENERGY, NATURAL RESOURCES AND ENVIRONMENT

Environment policy development and coordination	Planning Coordination Policy and Administrative Services	161,738,287	25,000,000	186,738,287	152,547,753	24,898,056	94%	100%
Water supply services	Rural Water Supply	13,256,328	568,482,722	581,739,050	13,218,164	473,465,404	100%	83%
		174,994,615	**593,482,722**	**768,477,337**	**165,765,917**	**498,363,460**	**95%**	**84%**
DEPARTMENT:EDUCATION, YOUTH AFFAIRS, CULTURE AND SOCIAL SERVICES								
General Administration & planning services.	Policy Development and Administration	607,931,470	17,363,468	625,294,938	603,927,920	4,941,500	99%	28%
Basic Education	Early Childhood Development Education	5,000,000	113,618,858	118,618,858	4,330,557	86,149,092	87%	76%
Gender and Social Development	Social Welfare Services/Social Infrastructure Development	3,100,000	15,500,000	18,600,000	2,805,890	12,212,072	91%	79%
Youth development and empowerment services	Youth development (YP) Training	-	95,000,000	95,000,000		95,000,000		100%
		616,031,470	**241,482,326**	**857,513,796**	**611,064,367**	**198,302,664**	**99%**	**82%**
DEPARTMENT: HEALTH SERVICES								
Curative Health	Administration and Planning	1,586,148,035	131,735,203	1,717,883,238	1,153,353,021	130,919,230	73%	99%
Curative Health	Hospital(curative)Services	-	-	-	-	-		
Preventive and Promotive Health	Preventive Medicine and Promotive Health	1,318,012,715	110,308,672	1,428,321,387	1,153,902,330	105,375,362	88%	96%
		2,904,160,750	**242,043,875**	**3,146,204,625**	**2,307,255,351**	**236,294,593**	**79%**	**98%**
DEPARTMENT: LANDS, HOUSING AND PHYSICAL PLANNING								
Administration and support services	General Administration and Planning	123,284,985	133,050,249	256,335,234	72,685,967	44,030,995	59%	33%
Housing Development and Human Resource	Housing Development	9,879,309	23,106,250	32,985,559	8,801,913	20,100,080	89%	87%
Land policy and planning	Development Planning and Land Reforms	27,145,730	21,001,700	48,147,430	24,651,297	12,856,650	91%	61%
Land policy and planning	Land Use Planning	5,652,443	39,855,800	45,508,243	4,967,011	17,943,892	88%	45%
		165,962,467	**217,013,999**	**382,976,466**	**111,106,188**	**94,931,617**	**67%**	**44%**
DEPARTMENT: PUBLIC WORKS, ROADS AND TRANSPORT								
Transport Management and safety	General Administration Planning and Support Services	93,862,784	-	93,862,784	90,648,010	-	97%	

Infrastructure, Roads and Transport	Rehabilitation of Road	3,400,000	939,665,412	943,065,412	3,400,000	686,442,055	100%	73%
Infrastructure, Roads and Transport	Maintenance of Roads and Bridges/Periodic Maintenance	8,045,958	29,600,000	37,645,958	8,045,955	25,576,235	100%	86%
		105,308,742	**969,265,412**	**1,074,574,154**	**102,093,964.90**	**712,018,290**	**97%**	**73%**
DEPARTMENT: TRADE, INDUSTRIALISATION, TOURISM, WILDLIFE AND COOPERATIVE MANAGEMENT								
Trade development and investment	Fair trade Practices and Consumer Protection (weight & measures)	19,160,892	346,431,761	365,592,653	15,720,669	76,823,081	82%	22%
Trade development and investment	Administrative and Support Services.	40,833,526	2,000,000	42,833,526	39,720,724	-	97%	0%
Tourism development and marketing	Local Tourism Development.	6,772,961	6,632,506	13,405,467	4,515,409	5,583,416	67%	84%
		66,767,379	**355,064,267**	**421,831,646**	**59,956,801**	**82,406,496**	**90%**	**23%**
DEPARTMENT: ICT AND E-GOVERNMENT								
Information & Communication Service	News and Information Services	73,731,262	-	73,731,262	69,841,204	-	95%	0%
Information & Communication Service	ICT and BPO development services	-	41,000,000	41,000,000	-	24,194,793	0%	59%
Youth development and empowerment services	Youth development (YP) Training	-	-	-	-	-	0%	
		73,731,262	**41,000,000**	**114,731,262**	**69,841,204**	**24,194,793**	**95%**	**59%**
DEPARTMENT: COUNTY PUBLIC SERVICE BOARD								
Administration of Human Resources and Public Service	Establishment, Appointment, Discipline and Board Management.	82,743,700	-	82,743,700	79,123,292	-	96%	
		82,743,700	**-**	**82,743,700**	**79,123,292**	**-**	**96%**	
DEPARTMENT: PUBLIC SERVICE MANAGEMENT								
Administration of Human Resources and Public Service	General Administration, Planning and Support Services	309,845,855	20,950,340	330,796,195	296,918,088	15,749,306	96%	75%
Administration of Human Resources and Public Service	Human Resource Development	114,513,853	-	114,513,853	69,825,612	-	61%	
		424,359,708	**20,950,340**	**445,310,048**	**366,743,700**	**15,749,306**	**86%**	**75%**
County Executive Grand Total		**5,315,320,057**	**3,454,551,662**	**8,769,871,719**	**4,516,969,170**	**2,525,915,585**	**85%**	**73%**

Source: *Kericho County Treasury*

The development sub-programmes with the highest levels of budget implementation, based on absorption rates, were: Budget Formulation co-ordination and management in the Department of Finance and Economic Planning at 100 per cent, Planning Coordination Policy and Administrative Services in the Department of Water, Energy, Natural Resources And Environment at 100 per cent, Youth development (YP) Training in the Department of Education, Youth Affairs, Culture And Social Services at 100 per cent, and Administration and Planning at 99 per cent of the budget allocation. Conversely, the recurrent sub-programmes with the highest levels of budget implementation, based on absorption rates, were: Rehabilitation of Road in the Department of Public Works, Roads and Transport at 100 per cent, Maintenance of Roads and Bridges/Periodic Maintenance in the Department of Public Works, Roads and Transport at 100 per cent, Rural Water Supply in the Department of Water, Energy, Natural Resources And Environment At 100 per cent, and Policy Development and Administration at 99 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 245 accounts in commercial banks, including 184 accounts for Health Facilities, 26 accounts for Vocational Training Centres, 11 accounts for Established Funds, 1 revenue accounts, 14 special purpose accounts (additional allocations), and 7 accounts for municipalities.

The County Treasury submitted copies of authorisation letters to the Controller of Budget for opening all commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

1.1.15 Key Observations and Recommendations

List down challenges as appropriate.

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

i. The county Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on xxxx.
ii. The underperformance of own-source revenue at Kshs.xx.xx million against an annual target of Kshs.xx.xx million, representing xx per cent of the financial year target. If performance is below 75 per cent of the annual target.

iii. 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 1.12.

iv. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. As of 30 June 2025, the lifespan of the XX Fund and the XX Fund had lapsed, making them ineligible for further withdrawals.

v. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. The reports for the xxxxxx Fund, xxxx Fund and xxxx Fund were not submitted to the CoB as of 15 July 2025.

vi. High level of pending bills which amounted to Kshs.xxx.xx billion as of 30 June 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.

vii. Use of manual payroll. Personnel emoluments amounting to Kshs.xx.xx million for XX staff not onboarded into HRIS and XX casual staff were processed through manual payroll, accounting for xx per cent of the total payroll cost. Manual payroll is prone to abuse and may result in the loss of public funds.

The programmes and sub-programmes in

viii. Table 1.13 were not aligned with the approved budget for each Department; for example,...
ix. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.
x. In the FY2024/25 reporting period, health facilities were owed a combined total of Kshs. XX million across the three schemes—SHA, 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.
xi. Etc…The. The programme-based budgeting framework was adhered to
xii. The Project Implementation Framework was in place

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

i. The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.
ii. The county should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.
iii. The County 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.
iv. The county should ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to re-establish or wind up such funds in compliance with the Public Finance Management Act.
v. The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.
vi. The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the Pending Bills Action Plan should be enforced.
vii. The Government requires that salaries be processed through the HRIS system, and the county is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Furthermore, strict adherence to the approved staff establishment should be maintained.
viii. The County Treasury must ensure compliance with the approved programme and sub-programmes in the approved supplementary xx budget.
ix. The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.
x. The Social Health Authority (SHA) should expedite the settlement of all outstanding claims owed to health facilities, including those carried over from the defunct National Health Insurance Fund (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.
xi. Etc….

Key Notes

1. *Figures should be in* ***two*** *decimal places, e.g. Kshs.. 10.23 million*
2. *All percentages should be in* ***zero*** *decimal places: 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 75 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.*