THE COUNTY GOVERNMENT OF NAROK

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

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BUDGET IMPLEMENTATION REPORT

QUARTER 3 OF FINANCIAL YEAR 2024/2025

APRIL 15, 2025

Hon. David Muntet
County Executive Committee Member
Finance and Economic Planning

Peter Naingisa
Chief officer
Finance and Economic Planning

1. Budget Implementation Report

1.1 County Government of Narok

1.1.1 Overview of FY 2024/25 Budget

The Narok County Approved Budget for FY 2024/25 is Kshs 15.68. It comprises Kshs.5.16 billion (32.9 per cent) and Kshs.10.53 billion (67.1per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs 627,.44million (4 per cent) from the FY 2023/24 budget that comprised a development budget of Kshs.5.323billion and a recurrent budget of Kshs.9.736, billion. The increase in the budget was attributed to the rise in own source revenue. The County's Approved Budget is Kshs.15.52 billion, which consists of Kshs.10.36billion for recurrent and Kshs.5.16billion for development.

Commented [OCOB1]: 'Gross' includes amounts

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.9.53 billion (60.8 per cent), additional allocations of Kshs.1.12 billion (7.2 per cent), a cash balance of Kshs.0 million (0 per cent) brought forward from FY 2023/24, and Kshs.5.024 billion (31 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.44 million (0.3 per cent) as Appropriations-in-Aid (A-I-A), Ksh120.95 million (0.8 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.4.89 billion (31 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 1.1.

1.1.2 Revenue Performance

In the review period, the County received Kshs.11.08 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.1.78 billion from Kshs.9.30 billion received in the same period in FY 2023/24. The total revenue consists of Kshs. 6.10 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs. 0 billion, and its own-source revenue (OSR) collection of Kshs. 4.98 billion. In addition, the County had a cash balance of Kshs.0 billion from FY 2023/24.

The total OSR collection of Kshs. 4.98 billion includes Appropriations in Aid (AIA) of Kshs. 27.96 million, Facilities Improvement Financing (FIF) of Kshs. 75.03 million, and Kshs. 4.88billion from other OSR sources. OSR collections from the FIF were received from (Narok referral, Kilgoris and Lolgorian referral hospitals), where FIF is collected. Table 1.1 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 1.1:Narok County, Revenue Performance in the First Nine Months of FY 2024/25

No	Revenue Stream	Potential Revenue (For OSR, FIF and AIA) (Kshs.)	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Variance (Kshs.)

		A	B	C	D=B-C
A	**Unspent Balance from FY 2023/24**			**13,052,857.00**	(13,052,857.00)
B	**Equitable Share of Revenue Raised Nationally**	0	9,533,887,039.00	6,095,981,832.00	3,437,905,207.00
1					
	Sub-Total	-	**9,533,887,039.00**	**6,109,034,689.00**	**3,437,905,207.00**
C	**Additional Allocations (Including Grants)**				
1	Road Maintenance Fuel Levy (RMFL)	0	275,190,523.69	-	275,190,523.69
2	Allocation for Mineral Royalties	0	12,708,045.92	-	12,708,045.92
3	County Aggregated Industrial Park (CAIP)	0	250,000,000.00	-	250,000,000.00
4	Warld bank Loan- NAVCDP	0	151,515,152.00	-	151,515,152.00
5	DANIDA Grant -PHC	0	12,382,500.00	-	12,382,500.00
6	Kenya Agricultural Business Development Project (KABDP)	0	10,918,919.00	-	10,918,919.00
7	Kenya Devolution Support Programme (KDSPII)	0	37,500,000.00	-	37,500,000.00
8	Kenya Urban Support Programme (KUSP II) UIG	0	35,000,000.00	-	35,000,000.00
9	Kenya Urban Support Programme (KUSP II) UDG	0	71,235,901.00	-	71,235,901.00
10	Financing Locally Led Climate Action (FLLoCA) Dev	0	131,548,362.00	-	131,548,362.00
11	Financing Locally Led Climate Action (FLLoCA) Rec	0	11,000,000.00	-	11,000,000.00
12	Community Health Promoters (CHP) Projects	0	49,800,000.00	-	49,800,000.00
13	UNFPA	0	7,400,000.00	-	7,400,000.00
14	Kenya Devolution Support Programme (KDSP I B/F)	0	68,451,638.00	-	68,451,638.00
	Sub-Total	-	**1,124,651,041.61**	-	**1,124,651,041.61**
D	**Own Sources of Revenue**				
1	CESS REVENUE	283,200,000.00	294,269,909.00	125,491,271.00	168,778,638.00
2	PLOT RENT	226,200,000.00	122,376,084.46	8,148,969.00	114,227,115.46
3	SINGLE BUSINESS PERMITS	407,600,000.00	84,341,468.51	40,745,886.00	43,595,582.51
4	HOUSE RENTS		17,200,000.00	3,603,813.00	13,596,187.00
5	VEHICLE PARKING	57,700,000.00	36,000,000.00	13,525,502.00	22,474,498.00
6	MARKRTS & SLAUGHTER FEES	146,800,000.00	50,098,805.12	6,648,622.00	43,450,183.12
7	ADVERTISING	147,800,000.00	5,658,531.49	7,594,151.00	(1,935,619.51)

8	PUBLIC HEALTH SERVICE FEES	-	5,000,000.00	3,990,213.00	1,009,787.00
9	PHYSICAL PLANNING & DEVELOPMENT	8,700,000.00	54,226,794.74	9,939,912.00	44,286,882.74
10	HIRE OF COUNTY ASSETS	-	412,903.24	-	412,903.24
11	CONSERVANCY & SOLID WASTE DISPOSAL	93,300,000.00	8,531,250.00	114,498.00	8,416,752.00
12	SALE OF COUNTY ASSETS		31,660,000.00	29,740,926.00	1,919,074.00
13	ADMINISTRATION CONTROL FEES & CHARGES	89,700,000.00	1,461,915.00		1,461,915.00
14	PARK FEES	2,162,800,000.00	4,141,751,556.43	4,620,710,582.35	(478,959,025.92)
15	MISCELLANEOUS RECEIPTS	77,000,000.00	5,776,558.70	8,121,755.30	(2,345,196.60)
16	OTHER FINES, PENALTIES ,AND FORFEITURE FEES	13,100,000.00	282,315.75	614,400.00	(332,084.25)
	Sub-Total	**3,713,900,000.00**	**4,859,048,092.44**	**4,878,990,500.65**	**(19,942,408.21)**
E	**Facility Improvement Fund (FIF)**				
1	HOSPITAL FEES	334,300,000.00	120,951,908.06	75,026,957.00	45,924,951.06
	Sub-Total	**334,300,000.00**	**120,951,908.06**	**75,026,957.00**	**45,924,951.06**
F	**Appropriations in Aid**				
1	LIQUOUR FEES	52,000,000.00	43,999,999.50	27,956,687.00	16,043,312.50
	Sub-Total	**52,000,000.00**	**43,999,999.50**	**27,956,687.00**	**16,043,312.50**
G	**Other Revenues**				
1					
2					
	Sub-Total				
	Total	**4,100,200,000.00**	**15,682,538,080.61**	**11,091,008,833.65**	**4,604,582,103.96**

***Source:** Narok County Treasury*

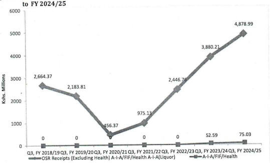
Include an explanation for any performance above 100% or below 50% of the annual target.

Please provide the correct name of the additional allocations as they appear in the County Governments Additional Allocations Act.

Indicated whether the County has/does not have governing legislation on the operation of ordinary A-I-A and FIF.

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

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



**Import the table in the Excel worksheet*

** All income from the health sector should be stated as A-i-A or FIF, even if the County deposited the same into the CRF – this will ensure equal treatment across all counties.*

Ensure figures for the period agree with table I, above as appropriate.

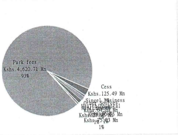
***Source:** Narok County Treasury*

During the review period, the County generated Kshs.4.89 billion from its own revenue sources, including AIA and FIF. This amount was an increase of 21 per cent compared to Kshs. 3.96 billion realised in a similar period in FY 2023/24 and was 99.2 per cent of the annual target and 82 per cent of the equitable revenue share disbursed.

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

Commented [P2]: Limit to the 8 top streams only and include AIA and/or FIF. Totals should agree.

Figure 2: Top Own Source Revenue Streams in the First Nine Months FY 2024/25 (include the Kshs.label against all amounts in the pie chart)



Source: Narok County Treasury

(the above graph should include AIA/FIF)

As shown in Figure 2, the highest revenue stream of Kshs. 4.62 billion was from park fees contributing to 93 per cent of the total OSR receipts. The County Government has automated all revenue streams (amend as necessary).

1.1.3 Borrowing by the County

The County Government borrowed a total of Kshs.0 billion from xx (Kshs.xx.xx million), xx (Kshs.xx.xx million) and xxx (Kshs.xx.xx million) to support its operations. Include a write-up on any short-term borrowing (County to disclose and provide evidence); the write-up should include the name of the financial institution(s), approval for the borrowing, the purpose of the borrowing, the amount borrowed and the outstanding amounts as of 31st March 2025.

1.1.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.10.80 billion from the CRF account during the reporting period, which comprised Kshs.2.04 billion (18.9per cent) for development programmes and Kshs.8.76 billion (81.1per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs 4.61 billion was rêleased towards compensation of employees and Kshs 4.14 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25 do not include the March 2025 exchequer request for the County Executive and County Assembly due to ..... (include the appropriate statement)

Commented [OCOB3]: Amend accordingly

Analysis of the operations and maintenance exchequer releases indicates that 5 per cent was for domestic travel and 0.33 per cent for foreign travel. The domestic travel exchequer amounted to Kshs. 352.16million and included Kshs.171.57 million for the County Executive and Kshs.180.54million for the County Assembly. The foreign exchequer totalled Kshs. 13.84million, comprising Kshs.13.84 million for the County Executive and Kshs.0 million for the County Assembly.

Table 1.2:Nrok County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	911,000,000	150,000,000	572,574,493		570,775,277	
County Executive	321,742,095		260,694,059		200,694,059	
Finance & Economic Planning	1,651,604,959	125,105,000	1,476,399,799	10,105,000	1,400,399,799	10,105,000
Transport and Public Works	311,170,904	1,303,190,524	270,799,913	740,345,345	270,799,913	740,345,345
Education, Youth, Sports, Culture and Social Services	1,611,513,485	436,000,000	1,521,091,705	373,302,889	1,500,091,705	353,302,889
Environment Protection, Energy, Water & Natural Resources	388,388,340	599,500,500	320,966,023	260,637,142	310,966,023	260,637,142
Public Service Board	102,343,276	-	89,432,870	61,009,439	89,432,870	61,009,439
Agriculture, Livestock & Fisheries	447,040,312	615,418,919	338,616,900	78,341,378	337,808,557	80,314,569
Health & Sanitation	2,841,274,310	481,094,035	2,496,687,158	342,135,784	2,406,687,158	334,135,784
Lands Housing Physical Planning & Urban Development	227,776,251	307,000,000	186,958,952	155,603,067	180,958,952	143,629,875
ICT & E Government	123,325,223	318,000,000	104,169,480	-	104,169,480	-
Administration And Public Services Management	916,650,403	150,000,000	527,100,724	20,000,000	523,100,724	20,000,000
Trade, Industry and Cooperative Development	580,110,533	670,249,999	510,287,016	-	510,287,016	-
Office of the County Attorney	93,039,013	-	80,561,290	-	80,561,290	-
Total	**10,526,979,104**	**5,155,558,977**	**8,756,340,382**	**2,041,480,042**	**8,486,732,823**	**2,003,480,042**

Source: *Narok County Treasury*

As of 31 March 2025, the County Government's cash balance in the CRF account was Kshs.186.80 million.

1.1.5 County Expenditure Review

The County spent Kshs.10.49 billion on development and recurrent programmes in the reporting period. The expenditure represented 97.1 per cent of the total funds released by the CoB and comprised of Kshs.8.49billion and Kshs 2.00 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 38.9 per cent, while recurrent expenditure represented 80.6 per cent of the annual recurrent expenditure budget.

1.1.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs. 426.44 million as of 30th June 2024. This amount included Kshs.408.53 million from the County Executive and Kshs.17.92 million from the County Assembly. The pending bills from the County Executive consists of Kshs.163.62 million for recurrent expenditures and Kshs.244.90 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Ksh 54 million, comprising Kshs.35 million for recurrent programmes and Kshs.17 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.0 million, which included Kshs.0million for recurrent activities and Kshs.0 million for development activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.xxx million and Kshs.xxx million, respectively, in the first nine months of FY 2024/25. However, the County did adhere/not adhere to this payment plan, as it cleared Kshs.xxx.xx million for the Executive and Kshs.xx.xx million for the Assembly.

As of 31 March 2025, the outstanding bills amounted to Kshs.355.45 million, comprising Kshs. 337.53 for the County Executive and Kshs. 17.92 million for the County Assembly.

1.1.7 Expenditure by Economic Classification

The County Executive spent Kshs.4.27 billion on employee compensation, Kshs. 3.65 million on operations and maintenance, and Kshs.2.0 billion on development activities. Similarly, the County Assembly spent Kshs.346.89 million on employee compensation, Kshs.223.89 million on operations and maintenance, and Kshs.0 million on development activities, as shown in Table 1.3.

Table 1.3: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Overall Expenditure as a Percentage of Revenue (%)
	County Executive	County Assembly	County Executive	County Assembly	
Total Recurrent Expenditure	**9,615,979,104**	**911,000,000**	7,915,957,546	570,775,277	
Compensation to Employees	4,795,013,112	545,073,962	4,267,979,011	345,485,900	40.97
Operations and Maintenance	4,820,965,992	365,926,038	3,647,978,535	225,289,377	35.64
Development Expenditure	5,005,558,977	150,000,000	2,003,480,042	-	18.09
Total	**14,621,538,081**	**1,061,000,000**	**9,919,437,589**	**570,775,277**	

Source: Narok County Treasury

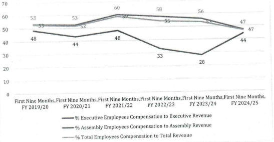
1.1.8 Expenditure on Compensation to Employees

2 In the period under review, the expenditure on employee compensation amounted to Kshs.4.61billion. The total revenue, excluding the earnings from extractive natural resources from sand cess, gypsum cess, and quarry cess, is Kshs. 11.08 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 41.7 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.2.71 billion reported during the same period in FY 2023/24. Of this total, Kshs.796.63 million was allocated to Health Sector employees, which accounts for 17.3 per cent of the overall employees' compensation. (Any significant change (above 10 %) in compensation to employees compared to the previous period should be explained).

Commented [OCOB4]: Amend accordingly

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

Figure 3: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



Source: Narok County Treasury

Further analysis indicates that PE costs amounting to Kshs.4.18 billion were processed through the Integrated Payroll and Personnèl Database (IPPD) system. In contrast, Kshs.17.82 million was processed through manual payrolls, which accounted for 0.4 per cent of the total PE cost.

The manual payrolls comprised salaries for 1 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 95 casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 1.4.

Table 1.4: Breakdown of Narok County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
1.	Salaries for 1 staff yet to be onboarded into UHR	1,003,672.40
2.	Salaries for 95 casual staff	10,557,502.00
3.	Top-up Allowances for 15 security officers	2,694,838.71
4.	LAPTRUST/LAPFUND Pension Contributions	200,370,581.14
5.	Gratuity for contract staff	42,104,425.14
6.	Permanent Exits	611,977.79
7.	NMK- Staff Pension Scheme	145,192.45
	Total	**257,488,189.63**

The County Assembly spent Kshs.28.31 million on committee sitting allowances for the 50 MCAs against the annual budget allocation of Kshs.34.81 million. The average monthly sitting allowance was Kshs.62,926 per MCA. The County Assembly has 21 House Committees.

2.1.1 County Emergency Fund and County-Established Funds

Section 116 of the PFM Act 2012 allows County Governments to establish other public funds with approval from the County Executive Committee and the County Assembly. The County allocated Kshs.xx.xx million to County-Established funds in FY 2024/25, or xx per cent of the County's overall budget. Further, the County allocated Kshs.xx.xx million to the Emergency Fund (xx per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 1.5 summarises each established Fund's budget allocation and performance during the reporting period.

Table 1.5: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25(Own Source Revenue) (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
	County Executive Established Funds						
1.	Narok County	01.01.2019	30,000,000	27,905,687	27,465,130	27,905,687	Yes

	Alcoholic Reg Fund						
2.	FIF	2023	-	77,728,270	77,728,270	77,728,270	Yes
3.							
4.							
		County Assembly Established Funds					
5.							
6.							
7.							
	Total						

Source: *Narok County Treasury*

Note: Cumulative disbursements to a fund include all monies that the County Treasury has transferred to the Fund since its inception to the reporting period.

During the reporting period, the CoB did not receive quarterly financial reports from xx Fund Administrators, as indicated in Table 1.5, contrary to the requirement of Section 168 of the PFM Act, 2012. The administration costs of the xxx, xx, and xxx Funds were above the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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. During the reporting period, the CoB established that the lifespan of **XX Fund** and **XX Fund** had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these expired funds, as they no longer have a legal basis for continued existence.

2.1.2 County Corporations

Commented [OCOB5]: New Section

The County has established xxx county corporations. In FY 2024/25, the county allocated Kshs.xxx to these corporations through their parent departments. Their total expenditure in the first nine months amounted to Kshs.xxx, as shown in Table 1.7.

Table 1.6: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1.					
2.					
3.					
4.					

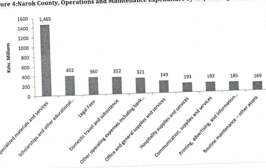
S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
5.					
6.					
7.					
	Total				

Source: Narok County Treasury

2.1.3 Expenditure on Operations and Maintenance

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

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



Source: Narok County Treasury

Expenditure on domestic travel amounted to Kshs.352.11 million and comprised Kshs.180.54 million spent by the County Assembly and Kshs.171.57 million by the County Executive. Expenditure on foreign travel amounted to Kshs.13.85 million and comprised Kshs 13.85 million by the County Assembly and Kshs.0 million by the County Executive. Expenditure on foreign travel is summarised in Table 1.7.

Table 1.7: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)

County Executive	2 officers	23rd to 27th September	Industrial Tour	Italy amd Germany	1,899,180
County Executive	2 officers	25th to 31st August	12th World Wilderness congress	USA	1,616,220
County Executive	3 Officers	14th to 17th October	Export Abottoir benchmarking Exercise	South Africa	1,978,640
County Executive	5 officers	4TH-6th March	Kenya tourism boards expo invite	Germany	3,706,605
County Executive	2 officers	3rd-13 February	Africa World Championship qualifiers	South Africa	939,156
County Executive	4 officers	4TH-6th March	Kenya tourism boards expo invite	Germany	3,706,605
	Total				**13,846,406**

Source: Narok County Treasury and Narok County Assembly

The operations and maintenance costs include an expenditure of Kshs.77.71 million on garbage collection and Kshs.360.27 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

2.1.4 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.75.12 million as FIF, which was 62 per cent of the annual target of Kshs.120.95 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has (however, not) developed regulations,20xx, to operationalise the FIF Act of 2023.

The Health Facilities did (not) provide a report on the utilisation of the FIF during the reporting period, in line with (contrary to) Section 18 (e) of the FIF Act, 2023.

The expenditure by the health facilities amounted to Kshs.xx.xx, as shown in Table 1.8.

Table 1.8: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1.	Narok County Referal Hospital		59,556,100	
2.	LOLGORIAN		3,427,701	
3.	TRANSMARA WEST		10,908,470	
4.	OLOLULUNGA		1,487,386	
	Total		75,379,657	

Source: Narok County Treasury

Commented [P6]: The suggested write-up in red shoul be verified to ensure the accuracy of the report.

The Health Facility with the highest absorption rate was Narok county referral Hospital.

2.1.5 Development Expenditure

In the review period, the County reported spending Kshs.2.0 billion on development programmes, representing a decrease of 45 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.2.90 billion. Table 1.9 summarises development projects with the highest expenditure in the reporting period.

The increase/ decline in development expenditure was attributed to ...

Table 1.9: Narok County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31st March 2025	Implementation status (%)
1	Health and Sanitation	Mango Processing Plant	Lomut ward	31 December 2026	59,186,500	500,000	9,186,500	16
2								
3								
4								
5								
6								
7								
8								
9								
10								

Source: Narok County Treasury

Commented [OCOB7]: Amend this table, check the NG approach that has cumulative amounts paid

Include an explanation for any absorption rate(s) above 100% and all projects without a budget allocation. Also, make relevant observations here. Let us have ten projects with the highest expenditure.

The County has reported xx stalled development projects to date, with an estimated value of Kshs.xx.xx million, of which Kshs.xx.xx has already been paid.

2.1.6 Budget Performance by Department

Table 1.10 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 1.10: Narok County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	911,000,000	150,000,000	572,574,493		570,775,277		62.7	-

County Executive	321,742,095		260,694,059		200,694,059		62.4	-
Finance & Economic Planning	1,651,604,959	125,105,000	1,476,399,799	10,105,000	1,400,399,799	10,105,000	84.8	8.1
Transport and Public Works	311,170,904	1,303,190,524	270,799,913	740,345,345	270,799,913	740,345,345	87.0	56.8
Education, Youth, Sports, Culture and Social Services	1,611,513,485	436,000,000	1,521,091,705	373,302,889	1,500,091,705	353,302,889	93.1	81.0
Environment Protection, Energy, Water & Natural Resources	388,388,340	599,500,500	320,966,023	321,646,581	310,966,023	321,646,581	80.1	53.7
Public Service Board	102,343,276	-	89,432,870	-	89,432,870	-	87.4	-
Agriculture, Livestock & Fisheries	447,040,312	615,418,919	338,616,900	78,341,378	337,808,557	80,314,569	75.6	13.1
Health & Sanitation	2,841,274,310	481,094,035	2,496,687,158	342,135,784	2,406,687,158	334,135,784	84.7	69.5
Lands Housing Physical Planning & Urban Development	227,776,251	307,000,000	186,958,952	155,603,067	180,958,952	143,629,875	79.4	46.8
ICT & E Government	123,325,223	318,000,000	104,169,480	-	104,169,480	-	84.5	-
Administration And Public Services Management	916,650,403	150,000,000	527,100,724	20,000,000	523,100,724	20,000,000	57.1	13.3
Trade, Industry and Cooperative Development	580,110,533	670,249,999	510,287,016	-	510,287,016	-	88.0	-
Office of the County Attorney	93,039,013	-	80,561,290	-	80,561,290	-	86.6	-
Total	**10,526,979,104**	**5,155,558,977**	**8,756,340,382**	**2,041,480,042**	**8,486,732,823**	**2,003,480,042**	80.6	38.9

Source: *Narok County Treasury*

Please note the addition of "plus AIA" in Table 1.9. Any performance above 100 per cent, if any, should be explained, along with the source of funds.

Analysis of expenditure by departments shows that the Department of Education, Youth, Sports, Culture and Social Services recorded the highest absorption rate of development budget at 81 per cent, followed by the Department of Health and Sanitation at 69.5 per cent. The Department of Education, Youth, Sports, Culture and Social Services had the highest percentage of recurrent expenditure to budget at 93 per cent, while the Department of Trade, Industry and Cooperative Development had the lowest at 88 per cent.

2.1.7 Budget Execution by Programmes and Sub-Programmes

Table 1.11 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 1.11:Narok County, Budget Execution by Programmes and Sub-Programmes

Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
			KShs	KShs	KShs	KShs	KShs
102004610		**Crop Development and management**	**800,070,821.00**	**0**	**800,070,821.00**	**533,613,378.00**	**775,737,395.00**
	102024610	Crop Productivity Improvement	800,070,821.00	0	800,070,821.00	533,613,378.00	775,737,575.00

103004610		**Livestock Resources management and development**	**214,059,898.00**	**0**	**214,059,898.00**	**64,888,477.00**	**214,059,898.00**
	103014610	Livestock Pests & Disease Management & Control	113,236,103.00	0	113,236,103.00	6,868,360.00	113,236,103.00
	103074610	Livestock Information Management	100,823,795.00	0	100,823,795.00	58,020,117.00	100,823,795.00
104004610		**Fisheries development and management**	**48,328,512.00**	**0**	**48,328,512.00**	**18718000**	**48,328,512.00**
	104014610	Fish Products Production	48,328,512.00	0	48,328,512.00	18718000	48,328,512.00
105004610		**Land Policy and Planning**	**44,403,099.00**	**0**	**44,403,099.00**	**2,324,125.00**	**44,403,099.00**
	105014610	Development Planning and Land Reforms	44,403,099.00	0	44,403,099.00	2,324,125.00	44,403,099.00
106004610		**Housing Development and Human Settlement**	**196,692,757.00**	**0**	**196,692,757.00**	**51,873,720.00**	**171,103,028.00**
	106014610	Housing Development	196,692,757.00	0	196,692,757.00	51,873,720.00	171,103,028.00
107004610		**Urban Mobility and Transport**	**293,680,395.00**	**0**	**293,680,395.00**	**0.00**	**293,680,395.00**
	107014610	Metropolitan Planning & Infrastructure Development	293,680,395.00	0	293,680,395.00		293,680,395.00
201004610		**Roads Transport and Public Works**	**1,614,361,428.00**	**0**	**1,614,361,428.00**	**1,228,608,790.00**	**1,284,932,864.00**
	201014610	General Administration, Planning and Support Services	67,185,299.00	0	67,185,299.00	10,636,220.00	56,549,079.00
	201024610	Construction of Roads and Bridges	1,479,389,344.00	0	1,479,389,344.00	1,213,112,839.00	1,165,456,731.00
	201034610	Maintenance of Roads	67,786,785.00	0	67,786,785.00	4,859,731.00	62,927,054.00
202004610		**ICT Services**	**441,325,223.00**	**0**	**441,325,223.00**	**42,000,000.00**	**399,325,223.00**
	202014610	ICT Infrastructure Development	441,325,223.00	0	441,325,223.00	42,000,000.00	399,325,223.00
301004610		**General Administration and Support Services**	**699,196,845.00**	**0**	**699,196,845.00**	**72,377,088.00**	**699,196,845.00**
	301014610	Administrative Services	9,435,168.00	0	9,435,168.00	0	9,435,168.00
	301024610	Cooperative Development & Management	34,656,100.00	0	34,656,100.00	9,543,336.00	25,112,764.00
	301034610	Trade Development and Promotion	655,105,577.00	0	655,105,577.00	62,833,752.00	592,271,825.00
303004610		**Tourism Development and Promotion**	**450,913,688.00**	**0**	**450,913,688.00**	**229,942,960.00**	**224,770,727.90**
	303014610	Tourism Promotion and Marketing	450,913,688.00	0	450,913,688.00	229,942,960.00	224,770,728.00

306000000		**Tourism Development and Promotion**	**100,249,999.00**	**0**	**100,249,999.00**	**0**	**100,249,999.00**
	306039999	Tourism Infrastructure Development	100,249,999.00	0	100,249,999.00	0	100,249,999.00
401004610		**Preventive &Promotive Health Services**	**481,094,035.00**	**0**	**481,094,035.00**	**440,361,538.00**	**481,094,035.00**
	401014610	Health Promotion	481,094,035.00	0	481,094,035.00	440,361,538.00	481,094,035.00
402004610		**Curative Health Services**	**488,124,894.00**	**0**	**488,124,894.00**	**355,235,895.00**	**488,124,894.00**
	402014610	Referral Services	488,124,894.00	0	488,124,894.00	355,235,895.00	488,124,894.00
403004610		**General Administration, Planning & Support Services**	**2,353,149,416.00**	**0**	**2,353,149,416.00**	**2,343,814,559.05**	**1,553,819,346.57**
	403014610	Health Policy, Planning and Financing	2,353,149,416.00	0	2,353,149,416.00	2,343,814,559.05	1,553,819,346.57
502004610		**Manpower Development, Employment and Productivity Management**	**1,730,459,500.00**	**0**	**1,730,459,500.00**	**1,443,558,984.63**	**1,570,772,787.10**
	502014610	Early Child Development and Education	1,730,459,500.00	0	1,730,459,500.00	1,443,558,984.63	286,900,515.37
701004610		**General Administration, Planning and Support Services**	**2,494,774,786.61**	**0**	**2,494,774,786.61**	**1,473,511,272.00**	**2,119,954,098.61**
	701014610	Administrative Services	772,161,123.87	0	772,161,123.87	363,626,731.00	408,534,392.87
	701044610	Coordination and Administrative Services	762,391,555.87	0	762,391,555.87	337,509,986.00	424,881,569.87
	701054610	Public service and Field Administrative Services	857,878,830.87	0	857,878,830.87	690,271,602.00	167,607,228.87
	701084610	Board Management Services	102,343,276.00	0	102,343,276.00	82,102,953.00	20,240,323.00
702004610		**Public Finance Management**	**904,925,076.00**	**0**	**904,925,076.00**	**721,726,093.00**	**526,501,393.00**
	702014610	Accounting services	84,691,636.00	0	84,691,636.00	60,504,228.00	24,187,408.00
	702024610	Resource Mobilization	466,041,607.00	0	466,041,607.00	419,393,989.00	46,647,618.00
	702034610	Budget Formulation, Coordination and Management	51,518,543.00	0	51,518,543.00	20,170,790.00	31,347,753.00
	702044610	Supply Chain Management Services	231,623,633.00	0	231,623,633.00	205,928,609.00	25,695,024.00
	702054610	Internal Audit Services	71,049,657.00	0	71,049,657.00	15,728,477.00	55,321,180.00
703004610		**Economic Policy and County Planning**	**871,784,883.00**	**0**	**871,784,883.00**	**553,173,407.00**	**871,784,883.00**
	703014610	Economic Planning Coordination	719,451,966.00	0	719,451,966.00	433,366,153.00	286,085,813.00

	703024610	Monitoring and Evaluation Services	152,332,917.00	0	152,332,917.00	119,807,254.00	32,525,663.00
704004610		**Legislation and Representation**	**150,000,000.00**	**0**	**150,000,000.00**	**91,831,562.00**	**150,000,000.00**
	704024610	County Co-ordination Services	150,000,000.00	0	150,000,000.00	91,831,562.00	58,168,438.00
901004610		**Social Development and Children Services**	**317,053,985.00**	**0**	**317,053,985.00**	**147,821,490.00**	**317,053,985.00**
	901014610	Gender and Youth Development	50,776,983.00	0	50,776,983.00	30,992,508.00	19,784,475.00
	901024610	Social Assistance to Vulnerable Groups	21,212,256.00	0	21,212,256.00	3,696,500.00	17,515,756.00
	901034610	Development and Promotion of culture	36,332,668.00	0	36,332,668.00	7,855,100.00	28,477,568.00
	901044610	Development and Management of sports facilities	31,000,000.00	0	31,000,000.00	0	31,000,000.00
	901054610	Sports Services	89,764,363.00	0	89,764,363.00	45,709,746.00	44,054,617.00
	901064610	Voluntary Training Services	87,967,715.00	0	87,967,715.00	59,567,636.00	28,400,079.00
02004610		**Environment Management and Protection**	**987,888,840.00**	**0**	**987,888,840.00**	**674,831,527.00**	**313,057,313.00**
	1002014610	Forests Conservation and Management	987,888,840.00	0	987,888,840.00	674,831,527.00	313,057,313.00
		Grand Total	**15,682,538,080.61**	**0**	**15,682,538,080.61**	**10,490,212,865.68**	**5,192,325,214.93**

Source: *Narok County Treasury*

Ensure the total convergence with the approved PBB budget and expenditure as presented in Table 1.10.

Sub-programmes with the highest levels of implementation based on absorption rates were: Health policy planning and financing in the Department of Health and Sanitation at 99 per cent, Health promotion in the Department of Health and Sanitation at 91 per cent, Early Child Development and Education in the Department of Education, Youth, Sports, Culture and Social Services at 83 per cent, and Construction of roads at 82 per cent of budget allocation.

2.1.8 Accounts Operated Commercial Banks

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

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments)

Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 6 accounts with commercial banks, including 2 accounts for Health Facilities, xx accounts for Vocational Training Centers, xx accounts for Established Funds, xx revenue accounts, xx special purpose accounts (additional allocations), and xx accounts for....

The County Treasury submitted/did not submit copies of authorisation letters to the Controller of Budget for opening XX commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

Commented [MB8]: Ensure the list of bank accounts i provided separately in Excel

Commented [OCOB9]: Note, that these are commerci accounts and thus do not include CBK accounts

Commented [EK10]: Amend accordingly

2.1.9 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. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received on xxx.
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 yearly target. If performance is below 40 per cent of the annual target.
iii. Unspent funds from FY 2023/24 were not refunded into the CRF account, which led to actual expenditures exceeding the approved exchequer in several departments, as shown in Table 1.10.
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. During the reporting period, the CoB found that the lifespan of **XX Fund** and **XX Fund** had expired, 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 Controller of Budget as of 15th January 2025.
vi. High level of pending bills which amounted to Kshs.xxx.xx billion as of 31st March 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 yet to be 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 lead to the loss of public funds where proper controls are lacking.
viii. The programmes and sub-programmes in Table 1.11 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. Etc....

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

i. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The County 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 to the CRF Account in line with Section 136 of the PFM Act 2012.*
iv. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from expired funds should cease immediately, and legal mechanisms should be followed to either 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 payment 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. Further, strict compliance with 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 to OCOB copies of authorisation letters for opening commercial bank accounts to enhance accountability and oversight*
x. *Etc....*

End

Key Notes

1. *Figures should be in* ***two*** *decimal places, e.g. Kshs.10.23 million*
2. *All percentages should be in* ***zero*** *decimal place: The term "zero per cent" indicates no decimal point, as in "12 per cent" or "7 per cent." However, there is an exception for percentages less than 1 per cent. In this case, if the value is, for example, 0.02 per cent, please report it as such in the tables. In the written text, you should write "less than 1 per cent."*

Commented [EK11]: Applicable where some staff a[re] awaiting issuance of UPN. Otherwise delete

3. *Any performance beyond 100 per cent and less than 50 per cent should be followed by an explanation/disclosure*
4. *Font – Minion Pro size 11 for standard text and 9 for all charts and tables. (**Source** is bold, and text after that is non-bold – both are italics – font 9)*
5. *Validate the data on the spreadsheet's report and have the reports peer-reviewed before submitting them for consolidation.*