# COUNTY GOVERNMENT OF BUNGOMA

# 3RD QUARTER BUDGET IMPLEMENTATION REVIEW REPORT FOR FY 2025/26

## MARCH 2026

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## FOREWORD

County Government Budget Implementation Review Report (CBIRR) for the nine months of the Financial Year (FY) 2025/26 has been prepared in conformity with Article 228 (6) of the Constitution and Section 9 of the Controller of Budget Act, 2016, which require the Controller of Budget (COB) to submit to Parliament a report on the implementation of the budgets of the National and County Governments every three months. The report also fulfils requirements of Section 39 (8) of the Public Finance Management (PFM) Act, 2012, which requires the COB to ensure members of the public access information on budget implementation of the National and County Governments.

This report presents the Bungoma County Government's budget performance from July 2025 to March 2026. It is based on an analysis of financial and non-financial performance submissions from the CDAs, and County Assembly to the County Treasury and financial reports generated from the Integrated Financial Management Information System (IFMIS). Some of the information contained in this report includes approved budgets, budget financing, exchequer issues, actual expenditure and budget absorption rates of the County Governments during the reporting period.

Preparation of this report was made possible through the concerted efforts of staff from the CDAs and the Assembly, to whom I am highly grateful for their dedication. I urge all readers to constructively engage the county government on budget implementation matters to promote prudent use of public resources.

**BONVENTURE CHENGEK**
**CEC – M, FINANCE AND ECONOMIC PLANNING**

**ABBREVIATIONS AND ACRONYMS**

ADP: Annual Development Plan

APR: Annual Progress Report

CBEF: County Budget Economic Forum

CDAs: County Departments and Agencies

CIDP: County Integrated Development Plan

CIDP: County Integrated Development Plan

CIMES: County Integrated Monitoring and Evaluation System

COK: Constitution of Kenya

CSP: County Sectoral Plan

FGD: Focus Group Discussion

GOK: Government of Kenya

HIV: Human Immunodeficiency Virus

IBEC: Intergovernmental Budget Economic Council

ICT: Information Communication Technology

KII: Key Informant Interview

M&E: Monitoring and Evaluation

MDAs: Ministries, Departments and Agencies

MTEF: Medium Term Expenditure Framework

MTP: Medium Term Plan

MTR: Mid-Term Review

NT&P: The National Treasury & Planning

PFMA: Public Finance Management Act

PPP: Public Private Partnership

SWG: Sector Working Group

## KEY HIGHLIGHTS

The County Integrated Development Plan (CIDP) for Bungoma County, covering the period 2023 - 2027, has established six key strategic development objectives. These objectives were determined through a participatory process that considered the development priorities outlined in the Governor's Manifesto, the National Government's "Bottom-up agenda," the Sustainable Development Goals (SDGs), and the Medium-Term Plan IV (MTP IV).

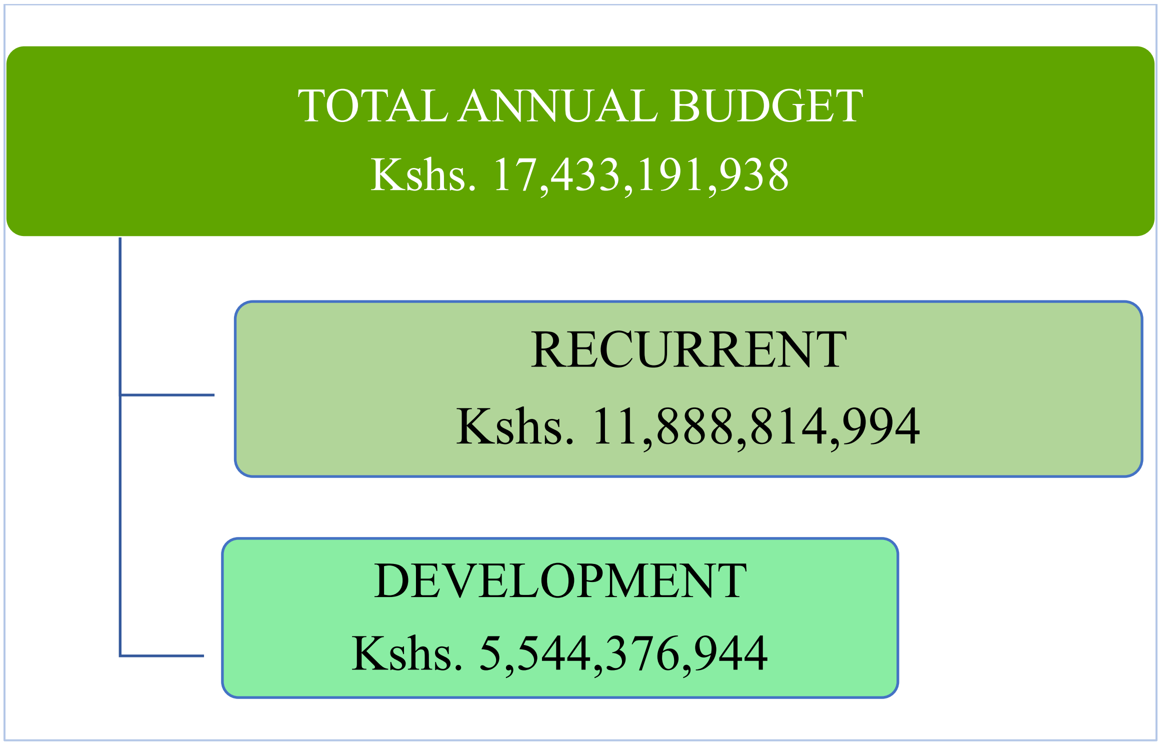
**Key Development Objectives**

1. Agricultural Production and Productivity: The County aims to increase agricultural production and productivity by enhancing access to critical farm inputs, improving agricultural markets, and promoting value addition across the sector.
2. Transport Network Development: Efforts will be undertaken to develop an adequate, reliable, and efficient multi-modal transport network within the County, facilitating movement and connectivity.
3. Access to Safe Water Supply: The County is focused on increasing access to safe water, particularly in rural areas, to improve public health and quality of life.
4. Education and Training: Achieving equitable access to relevant and quality education and training is a priority, ensuring that all residents are empowered with the skills and knowledge necessary for development.
5. Conservation and Sports Development: There will be an increased focus on conserving natural and cultural heritage, as well as expanding and modernizing sports facilities throughout the County.
6. Health Infrastructure Improvement: The County will renovate and consolidate existing health infrastructure to enhance service delivery. This includes the procurement, distribution, and maintenance of appropriate medical equipment.

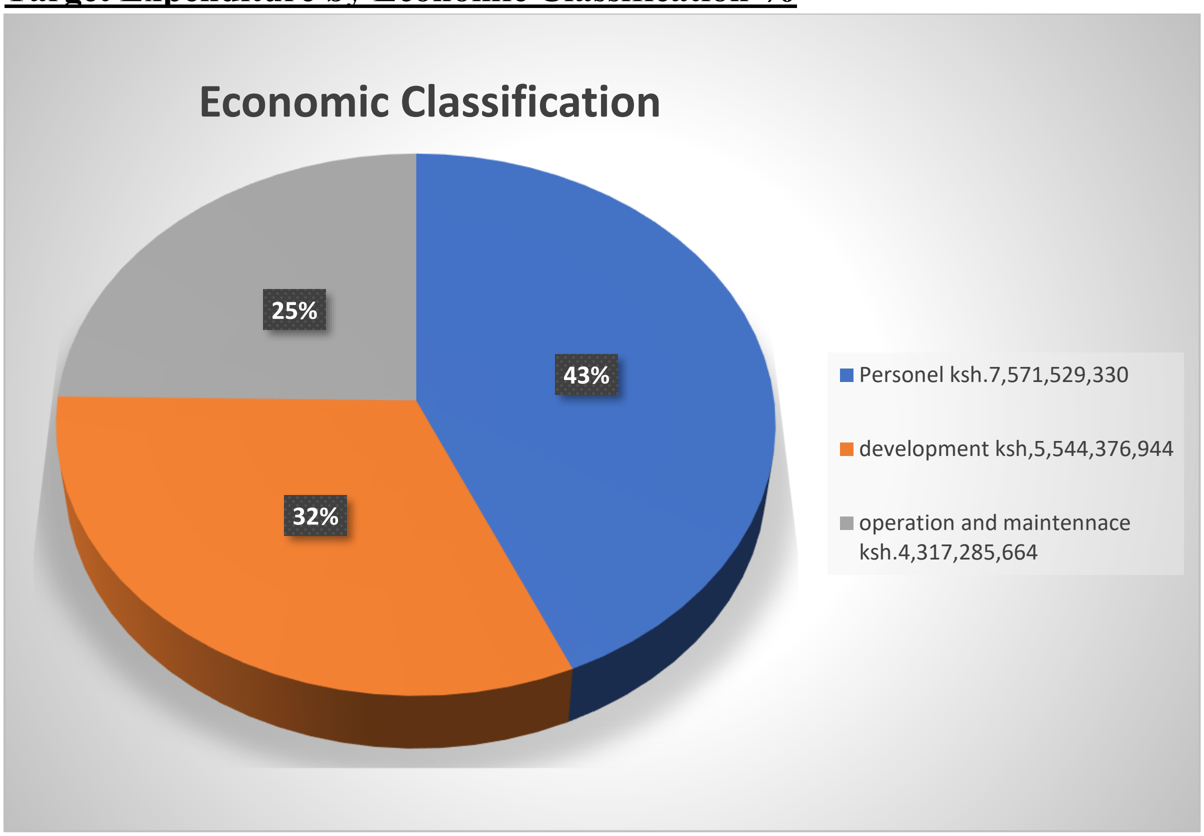
Bungoma County is dedicated to full compliance with all statutory requirements and guidelines as stipulated in the Constitution of Kenya, 2010, as well as relevant national and county legislation. The County Government maintains a continuous commitment to good governance, transparency, and accountability in its operations.

The County regularly reviews its processes and procedures to ensure adherence to established legal frameworks. This includes implementing measures that promote openness, responsible management, and the effective use of resources across all departments and programs.

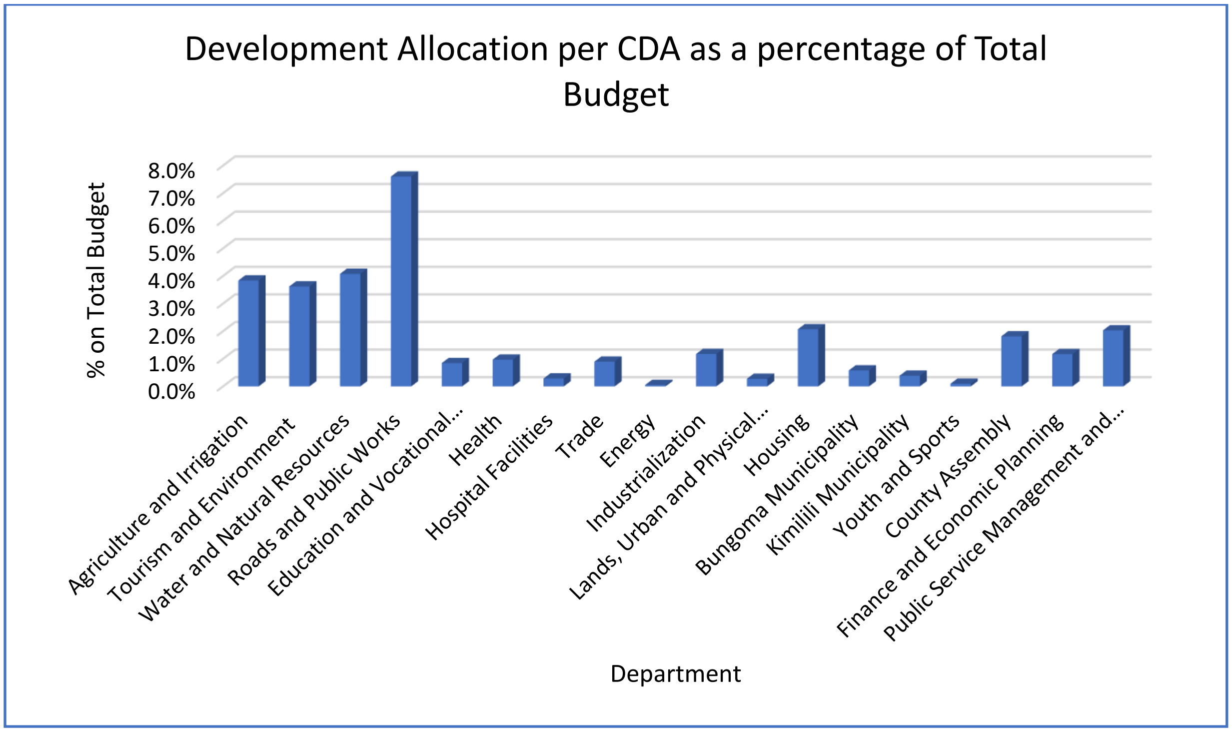
**FY 2025/26 Approved Budget Estimates (Kshs.)**




**Target Expenditure by Economic Classification %**



**FY 2025/26 CDAs Development Budget Allocation as a Percentage of the Total Budget**




**Total Revenue Target for Financial Year 2025/26**

| REVENUE SOURCE | APPROVED ANNUAL BUDGET FY 2025/26 |
|---|---|
| | **Kshs.** |
| Transfers from Central Government | 12,524,956,714 |
| Conditional Grant- National Government: | 625,511,033 |
| Conditional Grants - Development Partners: | 2,200,506,069 |
| Funds | 4,763,278 |
| Locally Generated AIA: | 1,393,562,696 |
| Local Revenue Target Per Finance Act | 683,892,147 |
| **Total** | |


## EXECUTIVE SUMMARY:

This report covers the budget implementation for nine months of FY 2025/26. The report covers two major sections; the revenue analysis section and the expenditure analysis part. In the revenue, the report details the total revenue collected in the third quarter of the financial year in the revenue streams and classifications. This part also indicates the current status of revenue collection target for the period. "The second part analyses both the recurrent and development expenditure by the County Government entities during the period under review

The County Government's total approved budget for 2025/26 FY amounts to Kshs 17,433,191,938. Recurrent allocation of Kshs 11,888,814,994 and Development allocation of Kshs 5,544,376,944 distributed in its CDAs as illustrated below;

| **DEPARTMENT** | **Recurrent** | **Development** | **Total** |
|---|---|---|---|
| Agriculture and Irrigation | 68,864,598 | 668,936,378 | 737,800,976 |
| Tourism and Environment | 429,389,891 | 631,169,149 | 1,060,559,040 |
| Water and Natural Resources | 44,519,692 | 711,022,927 | 755,542,619 |
| Roads and Public Works | 48,210,573 | 1,325,332,478 | 1,373,543,051 |
| Education and Vocational Training Centres | 149,214,330 | 147,397,986 | 296,612,316 |
| Health | 225,290,685 | 169,143,801 | 394,434,486 |
| Hospital Facilities | 1,200,585,267 | 50,000,000 | 1,250,585,267 |
| Sanitation | 368,943 | - | 368,943 |
| Trade | 24,766,263 | 156,128,492 | 180,894,755 |
| Trade Loan | 3,435,064 | - | 3,435,064 |
| Energy | 38,458,822 | 9,372,408 | 47,831,230 |
| Industrialization | 12,608,357 | 204,706,886 | 217,315,243 |
| Lands, Urban and Physical Planning | 24,701,170 | 47,895,000 | 72,596,170 |
| Housing | 69,428,198 | 360,937,200 | 430,365,398 |
| Bungoma Municipality | 41,553,099 | 100,783,414 | 142,336,513 |
| Kimilili Municipality | 46,442,260 | 67,239,549 | 113,681,809 |
| Gender, Culture | 39,832,524 | - | 39,832,524 |
| Women Fund | - | 90,881 | 90,881 |
| Disability Fund | - | 90,881 | 90,881 |
| Youth and Sports | 29,428,582 | 16,635,949 | 46,064,531 |
| Youth Fund | 25,992 | - | 25,992 |
| County Assembly | 1,074,221,694 | 316,248,601 | 1,390,470,295 |
| Finance and Economic Planning | 443,347,931 | 203,721,461 | 647,069,392 |
| County Public Service Board | 39,603,818 | 3,800,000 | 43,403,818 |
| Governor’s Office | 192,283,354 | - | 192,283,354 |
| Deputy Governor’s Office | 35,608,450 | - | 35,608,450 |
| Public Service Management and Administration | 453,883,944 | 353,723,504 | 807,607,448 |
| Sub County Administration | 8,472,553 | - | 8,472,553 |
| Office of the County Secretary | 7,144,268,940 | - | 7,144,268,940 |
| **Grand Total** | **11,888,814,994** | **5,544,376,944** | 17,433,191,938 |

# I. INTRODUCTION

**Legal basis for preparation of quarterly reports**

This report is prepared pursuant to the provisions of section 166 (1) and section 166 (4) of the Public Finance Management Act 2012. In accordance with section 166 (1), every accounting officer of a county government entity is required to prepare a quarterly report for each financial quarter pertaining to the activities of the entity.

Furthermore, section 166 (4) stipulates that, not later than one month following the end of each quarter, the County Treasury is responsible for consolidating these quarterly reports. Once consolidated, the reports must be submitted to the county assembly, delivered to the Controller of Budget, the National Treasury, and the Commission on Revenue Allocation. In addition, the County Treasury is mandated to publish and publicize the reports to ensure transparency and accessibility.

In compliance with these legal requirements, the ensuing sections of this report provide a comprehensive financial analysis of Bungoma County's budget implementation for the nine months of FY 2025/26, encompassing both development and recurrent expenditure. The analysis details how funds were allocated and the sources of revenue supporting county operations. By assessing revenue collection performance and examining the proportion of budgeted amounts realized, this report offers a thorough overview of fiscal management practices. Additionally, it evaluates the composition of funds received—including the equitable share from the national government, conditional grants, and internally generated revenues—thereby laying the groundwork for subsequent discussions on revenue trends and budget execution outcomes.

## 2. FINANCIAL ANALYSIS OF THE COUNTY BUDGET IMPLEMENTATION FOR NINE MONTHS OF FY 2025/26

### 2.1 Introduction

This chapter presents a financial analysis of aggregated county budget for nine months of FY 2025/26.

The analysis covers both development and recurrent expenditures, highlighting the allocation proportions and funding sources for the county's operations. The assessment also considers revenue collection performance over the fiscal year, detailing the extent to which budgeted amounts were realized and examining the composition of funds received, including the equitable share from the national government, conditional grants, and internally generated revenues. This comprehensive approach provides insights into the county's fiscal management and sets the foundation for the subsequent review of revenue trends and budget execution outcomes.

### 2.2 Overview of the Budget

During the nine months of FY 2025/26, the Bungoma County government’s combined budget, as approved by the County Assembly, was Kshs. 17.433 billion. Of this total, Kshs. 5.544 billion, representing 32 percent, was allocated to development expenditure, while Kshs. 11.89 billion, equivalent to 68 percent, was set aside for recurrent expenditure.

To finance this budget, Bungoma County anticipates to receive Kshs. 12.5 billion, which accounts for 72 percent of the total, as the equitable share of revenue raised nationally. Additionally, the county expected to obtain Kshs2.2 billion, or 12.6 percent, in the form of additional allocations and conditional grants from development partners, 625 million equivalent to 3.6 percent as conditional grants from national government. The county also projected generating Kshs. 1.96 billion, or 12 percent, as gross own source revenue. This own source revenue was further broken down into Kshs. 1.393 billion (8 percent) as ordinary Appropriations-in-Aid (A-I-A), Kshs. 683 million (4.2 percent) as ordinary own-source revenue. Details regarding the breakdown of additional allocations and conditional grants are provided in Table 2.1.

The following section provides a detailed breakdown of the revenues received within the nine months of FY 2025/26.

Within the reporting period, the County's revenue realization closely reflected the budget projections, with actual receipts categorized across various funding streams. As shown in the subsequent table, the opening balances in nonrefundable special purpose accounts reached Kshs. 691,665,325, achieving a full 100 percent realization. Transfers from the County Revenue Fund (CRF) further contributed to the overall fiscal resources, underscoring the importance of both external and internal financing mechanisms in meeting the county's operational and development goals. This comprehensive review of revenue classifications provides deeper insight into the effectiveness of the county's budget execution and the reliability of each revenue source throughout FY 2024/25.

**Table 2.1 Additional allocations and Conditional Grants Received**

| Description | Budgeted income for entire FY 2025/26 | Actual Receipts Received 2025/26 | % realized |
|---|---|---|---|
| | Ksh | Ksh | |
| Equitable Share | 11,838,054,666 | 8,819,350,727 | 75% |
| Conditional Grants & Development Partners | 2,826,017,102 | 1,320,683,435 | 47% |
| Local Revenues | 2,077,454,843 | 1,221,758,444 | 59% |
| Equitable share B/F | 691,665,325 | 691,691,870 | 100% |
| **Total** | **17,433,191,936** | **12,053,484,476** | **60%** |

### 2.3 Revenue Analysis

In the nine months of FY 2025/26, the total funds available for budget implementation amounted to Kshs.12.05 billion. The County received Kshs. 8.8 billion as the equitable share of the revenue raised nationally, Kshs. 691 million was balance in the county revenue fund, 1.32 billion conditional grants from Development partners and national government received in the reporting period. During the reporting period, the County collected a total of Kshs.1.22 billion from own source generated revenue, which was 59 per cent of the annual target of Kshs. 2.07 billion. The total local revenue collected was Kshs 390 million against a target of Kshs. 683 million representing 57 percent of the target while Appropriation in Aid (AiA) collection amounted to Kshs. 831 million against a target of Kshs. 1.39 billion representing 59.6 per cent of the target.

Funds were allocated across different revenue streams, each linked to specific targets and collections. Table 2.2 below provides a comprehensive summary, featuring the original budget, supplementary estimates, annual targeted revenue, opening balances, actual revenue realized, and the variance for each revenue stream. This detailed breakdown offers a holistic view of the financial resources utilized to support the County's budget implementation for the fiscal year.

**Table 2.2: Total Funds available for Budget Implementation**

| Revenue Source | Actual QTR 3 2022/23 | Budget 2023/24 | Actual QTR 3 2023/2024 | Revised Estimates FY 2024/25 | Actual QTR 3 2024/2025 | Budget 2025/26 | Actual QTR 3 2025/2026 | Variance QTR 3 (FY 2025/26) | Annual Growth (%) | Achievement Rate (%) | Percent of Total Revenue |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Local Sources | 290,966,562 | 868,201,471 | 316,644,956 | 1,193,245,421 | 352,701,863 | 683,892,147 | 390,623,642 | -293,268,505 | 11% | 57% | 3% |
| Facility Improvement Fund | 437,924,756 | 1,162,071,383 | 422,866,872 | 1,063,647,395 | 441,396,218 | 1,393,562,698 | 831,134,802 | -562,427,896 | 88% | 60% | 7% |
| **Own Source Revenue Sub Total** | **728,891,318** | **2,030,272,854** | **739,511,828** | **2,256,892,816** | **794,098,081** | **2,077,454,845** | **1,221,758,444** | -855,696,401 | 54% | 59% | 10% |
| Balance in County Revenue Fund & Commercial Accounts (Fiscal Balances) | 284,656,453 | 363,023,948 | 565,794,558 | 0 | 888,958,688 | 0 | 686,902,048 | 686,902,048 | -23% | 0% | 6% |
| County Assembly Refunds to CRF | | | | | | | 26,545 | 26,545 | 100% | 0.0% | 0.0002 % |
| Funds | | | | | | 4,763,278 | 4,763,278 | 0 | 0% | 100% | 0% |
| Conditional Grants | 2,500,000 | 1,463,020,370 | 257,532,535 | 1,789,513,118 | 84,798,999 | 2,826,017,102 | 1,320,683,435 | -1,505,333,667 | 1457% | 47% | 11% |
| Equitable Share | 6,182,472,409 | 11,387,333,905 | 6,444,950,494 | 11,543,041,769 | 6,478,990,203 | 12,524,956,714 | 8,819,350,727 | -3,705,605,987 | 36% | 70% | 73% |
| Subtotal | **6,469,628,862** | **13,213,378,223** | **7,268,277,587** | **13,332,554,887** | **7,452,747,890** | **15,355,737,094** | **10,831,726,033** | **-4,524,011,061** | 45% | 71% | 90% |
| **TOTAL** | **7,198,520,180** | **15,243,651,077** | **8,007,789,415** | **15,589,447,703** | **8,246,845,971** | **17,433,191,938** | **12,053,484,477** | **-5,379,707,461** | 46% | 69% | 100% |

### 2.4 Funds Released to the County

#### 2.4.1 Funds released from the Consolidated Fund to Bungoma County CRF.

Article 207 of the Constitution of Kenya establishes the County Revenue Fund, into which all monies raised or received by or on behalf of the County Government must be deposited. The responsibility for administering this fund lies with the County Treasury, as stipulated in Section 109 of the Public Finance Management (PFM) Act, 2012. The fund is maintained as the County Exchequer Account at the Central Bank of Kenya.

During the nine months of the financial year 2025/26, the Controller of Budget (COB) approved the transfer of Kshs. 8.8 billion from the Consolidated Fund to the Bungoma County Revenue Funds (CRFs). This transfer constituted an equitable share of the revenue raised nationally, in accordance with Article 206 (4) of the Constitution. The amount transferred represented 73 percent of the approved equitable share, which was set at Kshs. 12.5 billion in the County Allocation of Revenue Act, 2025.

#### 2.4.2 Funds Released to the County Operational Accounts

The withdrawal of funds from the County Revenue Fund is authorized by the County Appropriation Act. To access these funds, the County Treasury must seek approval from the Controller of Budget (COB), an independent constitutional office responsible for overseeing the implementation of budgets by both national and county governments. Upon approval, funds are transferred from the County Revenue Fund to the County Operational Account, which refers to the designated bank accounts held by the County Executive and County Assembly for managing their respective approved budgets.

The withdrawal of funds from the County Revenue Fund is authorized by the County Appropriation Act. To access these funds, the County Treasury must seek approval from the Controller of Budget (COB)—an independent constitutional office responsible for overseeing the implementation of budgets by both national and county governments. Upon approval, funds are transferred from the County Revenue Fund to the County Operational Account, which refers to the designated bank accounts held by the County Executive and County Assembly for managing their respective approved budgets.

Following the approval and withdrawal process, the allocated funds were distributed as follows, with further details provided in Chapter Six. The COB authorized withdrawals totaling Kshs. 8.8 billion from the County Revenue Fund to County Operational Accounts. Of this amount, 1.5 billion was earmarked for development expenditure, and Kshs.7.3 billion for recurrent expenditure. Expenditure on development programs reflected an absorption rate of 27 percent of the total development budget, indicating low utilization of allocated funds similar to the 3rd quarter in the previous year. In contrast, recurrent expenditure represented 83 percent of the annual recurrent expenditure budget, suggesting a relatively low level of fund utilization.

# 3. FINANCIAL ANALYSIS OF COUNTY BUDGET IMPLEMENTATION FOR NINE MONTHS FY 2025/26

## 3.1 Introduction

This chapter presents a financial analysis of aggregated county budget implementation for FY 2025/26. The analysis examines the extent to which budgeted resources were received and utilized, highlights the allocation between development and recurrent expenditures, and evaluates the county's performance in generating its own revenue. The findings consider not only the overall budget but also the actual funds available and expended during the financial year, providing insight into the efficiency of resource absorption and the effectiveness of fiscal management within Bungoma County. The subsequent overview details the approved budget, the composition of funding sources, and the revenue performance for the nine-month period, setting the stage for a deeper exploration of financial outcomes and variances in the following sections.

### 3.1.1 Overview of FY 2025/26 Budget

In nine months of FY 2025/26, the combined Bungoma County government budget approved by the County Assembly amounted to Kshs. 17.4 billion that comprised Kshs. 5.5 billion (32 per cent) allocated to development expenditure and Kshs. 11.88 billion (68 per cent) for recurrent expenditure.

To finance this budget, Bungoma County anticipates to receive Kshs. 12.5 billion, which accounts for 72 percent of the total, as the equitable share of revenue raised nationally. Additionally, the county expected to obtain Kshs. 2.2 billion, or 12.6 percent, in the form of additional allocations and conditional grants from development partners, 625 million equivalent to 3.6 percent as conditional grants from national government. The county also projected generating Kshs. 2.077 billion, or 12 percent, as gross own source revenue. This own source revenue was further broken down into Kshs. 1.393 billion (8 percent) as ordinary Appropriations-in-Aid (A-I-A), Kshs. 683 million (4.2 percent) as ordinary own-source revenue. Details regarding the breakdown of additional allocations and conditional grants are provided in Table 3.1

The overall availability of funds for budget implementation during FY 2025/26 reflects a blend of national transfers, conditional grants, and locally generated revenue, resulting in a total of Kshs. 17.4 billion accessible for expenditure over the nine-month period. This financial inflow enabled the County to support both development and recurrent operations, with revenue streams comprising the equitable share, contributions from development partners, conditional grants from the National Government, and own-source revenue—including ordinary A-I-A and ordinary OSR. Table 3.1 presents a detailed breakdown of these revenue categories, opening balances, and actual receipts, offering a comprehensive view of Bungoma County's fiscal capacity and resource mobilization efforts throughout the third quarter of the year.

### 3.1.2 Revenue Performance

In the nine months of FY 2025/26, the County received Kshs. 8.8 billion as equitable share, Kshs. 691 million balance on the County revenue fund for the previous finance year 2025/26. The raised OSR includes Kshs. 831.1 million as ordinary A-I-A and Kshs. 390 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs. 12.05 billion, as shown in Table 3.1.

**Table 3.1: Revenue Performance for nine months of FY 2025/26**

| No | Revenue Stream | Annual Approved Targeted Revenue (Kshs.) | Total Revenues Nine Months of FY 2025/26 (Kshs.) | Variance (Kshs.) | % Collection of Revenue Against Annual Target |
|---|---|---|---|---|---|
| A | **Unspent Balance from FY 2024/25** | | | - | |
| 1 | Balance at CRF | 685,017,969.75 | 685,017,969.75 | - | 100 |
| 2 | County Executive Refunds to CRF | 1,884,077.70 | 1,884,077.70 | - | 100 |
| 3 | County Assembly Refunds to CRF | - | 26,545.00 | - 26,545.00 | 0 |
| B | **Equitable Share of Revenue Raised Nationally** | - | - | - | 0 |
| 1 | Transfers from Central Government | 11,838,054,666.00 | 8,819,350,727.00 | 3,018,703,939.00 | 74.5 |
| | **Sub-Total** | **11,838,054,666.00** | **8,819,350,727.00** | 3,018,703,939.00 | 74.5 |
| C | **Transfers from Equalisation Fund** | - | - | - | 0 |
| 1 | Finance and Economic Planning: Equalization Fund | - | 47,414,988.25 | - 47,414,988.25 | 0 |
| | **Sub-Total** | **-** | **47,414,988.25** | - 47,414,988.25 | 0 |
| D | **Additional Allocations (National Government & Development Partners)** | - | - | - | 0 |
| 1 | UNFPA | 7,400,000.00 | - | 7,400,000.00 | 0 |
| 2 | SHIF | - | - | - | 0 |
| 3 | Community Health Promoters | - | - | - | 0 |
| | Primary Health Care | 14,331,000.00 | - | 14,331,000.00 | 0 |
| 4 | Trade: Aggregated Industrial Park Grant | 204,706,886.00 | 204,706,886.00 | - | 100 |
| 5 | Rural Electrification and Renewable Energy Corporation (REREC) | - | - | - | 0 |
| 6 | Kenya Agricultural Business Development Project (KABDP) | 10,918,919.00 | - | 10,918,919.00 | 0 |

| No | Revenue Stream | Annual Approved Targeted Revenue (Kshs.) | Total Revenues Nine Months of FY 2025/26 (Kshs.) | Variance (Kshs.) | % Collection of Revenue Against Annual Target |
|---|---|---|---|---|---|
| 7 | Kenya Livestock Commercialization Project (KELCOP) | 94,202,157.00 | 62,408,470.20 | 31,793,686.80 | 66.2 |
| 8 | Roads: I) Fuel Levy Fund | 293,952,071.00 | 63,910,688.00 | 230,041,383.00 | 21.7 |
| 9 | Health: I) UNICEF | - | - | - | 0.0 |
| 10 | III) Danish International Development Agency (DANIDA) | 16,202,706.00 | 16,202,706.00 | - | 100.0 |
| 11 | Agriculture: World bank Agricultural and Rural growth Projects | 391,721.00 | 391,721.00 | - | 100.0 |
| 12 | National Agricultural Value Chain Development Project (NAVCDP) | 231,843,531.00 | 138,509,848.60 | 93,333,682.40 | 59.7 |
| 13 | Sweden Agricultural Sector Development Sector Development Support Program Programmme (ASDSP II) | - | - | - | 0.0 |
| 14 | County Secretary: Kenya Devolution Support Programme - Level 1 | 73,237,537.00 | 328,037.00 | 72,909,500.00 | 0.4 |
| 15 | Kenya Devolution Support Programme - Level 11 | 352,500,000.00 | 35,253,471.15 | 317,246,528.85 | 10.0 |
| 16 | Lands: I) Urban Support Programme (Development) | 100,440,487.00 | 48,569,409.00 | 51,871,078.00 | 48.4 |
| 17 | II) Urban Support Programme (Recurrent) | 35,106,669.00 | 106,669.00 | 35,000,000.00 | 0.3 |
| 18 | III) KISP II (Kenya Informal Settlement Improvement Project) | 300,614,270.00 | 714,080.00 | 299,900,190.00 | 0.2 |
| 19 | Finance Locally Led Climate Action Program (FLLOCA) - Water | - | - | - | 0.0 |
| 20 | Climate change grant | 590,169,149.00 | 702,166,461.00 | - 111,997,312.00 | 119.0 |
| 21 | Water and Natural Resources I) WATER KOICA | 500,000,000.00 | - | 500,000,000.00 | 0.0 |
| | **Sub-Total** | **2,826,017,103.00** | **1,273,268,446.95** | 1,552,748,656.05 | 45.1 |
| E | **Ordinary Own Source Revenue (OSR)** | **683,892,147.48** | **390,623,642.44** | 293,268,505.04 | 57.1 |
| F | **Facility Improvement Fund/Financing (FIF)** | 1,393,562,696.00 | 831,134,802.21 | 562,427,893.79 | 59.6 |
| H | FUNDS | | - | - | 0.0 |

| No | Revenue Stream | Annual Approved Targeted Revenue (Kshs.) | Total Revenues Nine Months of FY 2025/26 (Kshs.) | Variance (Kshs.) | % Collection of Revenue Against Annual Target |
|---|---|---|---|---|---|
| | Trade loan | 3,435,064.00 | 3,435,064.00 | - | 100.0 |
| | Women Fund | 155,250.00 | 155,250.00 | - | 100.0 |
| | Disability | 26,511.00 | 26,511.00 | - | 100.0 |
| | Youth Fund | 25,992.00 | 25,992.00 | - | 100.0 |
| | Emergency Fund | 365,961.00 | 365,961.00 | - | 100.0 |
| | Education support Scheme Fund | 754,500.00 | 754,500.00 | - | 100.0 |
| | **Sub-Total** | **4,763,278.00** | **4,763,278.00** | - | 100.0 |
| | **grand total** | **17,433,191,937.93** | **12,053,484,477.30** | 5,379,707,460.63 | 69.1 |

***Source:*** *County Treasury*

### Table 3.2: Own Source Revenue Collection for the Period July 2025 to March 2026 of FY 2025/26

| No | Revenue Stream | Annual Approved Targeted Revenue (Kshs.) | Nine Months Revenue for FY 2025/26 (Kshs.) | Variance (Kshs.) | % Collection of Revenue Against Annual Target |
|---|---|---|---|---|---|
| 1 | Land Rates | 59,432,350.25 | 24,928,587.00 | 34,503,763.25 | 41.9 |
| 2 | Alcohol drinks licenses | 10,177,562.35 | 6,545,600.00 | 3,631,962.35 | 64.3 |
| 3 | Single Business Permits | 109,251,658.38 | 69,664,250.00 | 39,587,408.38 | 63.8 |
| 4 | Application fees | 7,648,839.12 | 2,678,000.00 | 4,970,839.12 | 35.0 |
| 5 | Renewal fees | 10,680,015.02 | 8,227,000.00 | 2,453,015.02 | 77.0 |
| 6 | Conservancy fees | 19,076,922.16 | 12,125,382.00 | 6,951,540.16 | 63.6 |
| 7 | Fire Compliance | 30,496,798.44 | 19,798,100.00 | 10,698,698.44 | 64.9 |
| 8 | Advertisement fees | 32,667,680.51 | 20,561,225.00 | 12,106,455.51 | 62.9 |
| 9 | Food and Drugs Permit | 4,786,712.14 | 2,985,000.00 | 1,801,712.14 | 62.4 |
| 10 | Hire of Machinery | 554,204.27 | 25,000.00 | 529,204.27 | 4.5 |
| 11 | Parking fees | 11,593,808.98 | 11,319,150.00 | 274,658.98 | 97.6 |
| 12 | Bodaboda parking | 4,948,014.33 | 832,500.00 | 4,115,514.33 | 16.8 |
| 13 | House Rent | 13,866,489.73 | 6,685,036.00 | 7,181,453.73 | 48.2 |
| 14 | Plan Approval | 14,409,310.96 | 8,455,096.00 | 5,954,214.96 | 58.7 |
| 15 | Inspection fee | 1,662,612.80 | 1,462,470.00 | 200,142.80 | 88.0 |
| 16 | Ground Rent | 3,175,114.75 | 2,294,334.00 | 880,780.75 | 72.3 |
| 17 | Market fees | 47,403,328.47 | 26,119,655.00 | 21,283,673.47 | 55.1 |

| No | Revenue Stream | Annual Approved Targeted Revenue (Kshs.) | Nine Months Revenue for FY 2025/26 (Kshs.) | Variance (Kshs.) | % Collection of Revenue Against Annual Target |
|---|---|---|---|---|---|
| 18 | Enclosed Bus Park Fee | 75,371,780.40 | 50,371,800.00 | 24,999,980.40 | 66.8 |
| 19 | Slaughter fee | 7,204,655.48 | 2,145,850.00 | 5,058,805.48 | 29.8 |
| 20 | Cess | 49,878,384.09 | 56,960,879.00 | - 7,082,494.91 | 114.2 |
| 21 | Market shops rent | 2,521,038.15 | 932,500.00 | 1,588,538.15 | 37.0 |
| 22 | Stock Sales | 9,228,949.57 | 5,505,730.00 | 3,723,219.57 | 59.7 |
| 23 | Penalties | 1,662,612.80 | 226,500.00 | 1,436,112.80 | 13.6 |
| 24 | Consent to charge | 165,454.66 | 96,000.00 | 69,454.66 | 58.0 |
| 25 | Survey fees & Beacon search | 462,334.83 | 232.00 | 462,102.83 | 0.1 |
| 26 | Co-operative Audit fees | 1,792,560.07 | 170,060.00 | 1,622,500.07 | 9.5 |
| 27 | Payroll Product | 161,554.57 | 2,814,095.80 | - 2,652,541.23 | 1741.9 |
| 28 | Imprest recovery | 2,958,638.21 | 370,000.00 | 2,588,638.21 | 12.5 |
| 29 | Bank Commissions | 15,517,719.49 | 9,507,944.34 | 6,009,775.15 | 61.3 |
| 30 | Salary Recovery | 2,081,113.11 | 2,488,887.00 | - 407,773.89 | 119.6 |
| 31 | Fisheries | 1,662,612.80 | 111,000.00 | 1,551,612.80 | 6.7 |
| 32 | Occupational Report | 432,184.92 | 77,400.00 | 354,784.92 | 17.9 |
| 33 | Weights and Measures | 1,702,714.79 | 542,300.00 | 1,160,414.79 | 31.8 |
| 34 | Physical Planning fees | 197,844.49 | - | 197,844.49 | 0.0 |
| 35 | Change of User fees | 116,221.05 | 94,000.00 | 22,221.05 | 80.9 |
| 36 | Sale of fertilizers | 73,886,640.91 | - | 73,886,640.91 | 0.0 |
| 37 | Mabanga AMC | 2,771,021.34 | 163,250.00 | 2,607,771.34 | 5.9 |
| 38 | Mabanga ATC | 33,998,930.76 | 27,936,978.30 | 6,061,952.46 | 82.2 |
| 39 | Livestock | 6,171,265.46 | 1,957,915.00 | 4,213,350.46 | 31.7 |
| 40 | Duplicate Permit | - | 9,000.00 | - 9,000.00 | #DIV/0! |
| 41 | Burial Fees | 73,374.23 | 69,000.00 | 4,374.23 | 94.0 |
| 42 | Stadium Hire | 1,108,408.54 | 24,500.00 | 1,083,908.54 | 2.2 |
| 43 | Miscellaneous Income | - | 1,200.00 | - 1,200.00 | 0.0 |
| 44 | Technical services | - | - | - | 0.0 |
| 45 | Plot transfer | 269,041.99 | 174,000.00 | 95,041.99 | 64.7 |
| 46 | Change of Business name | - | 13,000.00 | - 13,000.00 | #DIV/0! |
| 47 | Impound Charges | 1,601,270.54 | 98,850.00 | 1,502,420.54 | 6.2 |
| 48 | Tender document sale | - | - | - | 0.0 |
| 49 | Sand Harvest fee | - | - | - | 0.0 |

| No | Revenue Stream | Annual Approved Targeted Revenue (Kshs.) | Nine Months Revenue for FY 2025/26 (Kshs.) | Variance (Kshs.) | % Collection of Revenue Against Annual Target |
|---|---|---|---|---|---|
| 50 | Other charges | - | 24,650.00 | - 24,650.00 | 0.0 |
| 51 | Clearance certificate | - | 375,000.00 | - 375,000.00 | 0.0 |
| 52 | Extension of lease | - | 215,000.00 | - 215,000.00 | 0.0 |
| 53 | Overpayment Recovery | - | 953,886.00 | - 953,886.00 | 0.0 |
| 54 | Pulping | - | 93,500.00 | - 93,500.00 | 0.0 |
| 55 | Certificate of compliance | - | 33,250.00 | - 33,250.00 | 0.0 |
| 56 | Noise pollution | 1,345,226.52 | 106,000.00 | 1,239,226.52 | 7.9 |
| 57 | Property Sub-division | - | - | - | 0.0 |
| 58 | Quarrying and Royalties | 2,831,460.56 | - | 2,831,460.56 | 0.0 |
| 59 | Registration of schools | 2,488,214.74 | - | 2,488,214.74 | 0.0 |
| 60 | Material testing | 2,397,495.79 | - | 2,397,495.79 | 0.0 |
| 61 | Way Leave Charges | | 1,253,100.00 | - 1,253,100.00 | 0.0 |
| | **Sub-Total** | **683,892,147.48** | **390,623,642.44** | 293,268,505.04 | 57.1 |
| F | **Facility Improvement Fund/Financing (FIF)** | | | | |
| 1 | SHIF | - | - | - | 0.0 |
| 2 | Defunct NHIF | - | - | - | 0.0 |
| | Sub-Total | - | - | - | 0.0 |
| G | **Appropriations in Aid** | | | | |
| 1 | Health and Sanitation | 1,393,562,696.00 | 831,134,802.21 | 562,427,893.79 | 59.6 |
| | **Sub-Total** | **1,393,562,696.00** | **831,134,802.21** | **562,427,893.79** | **59.6** |
| H | FUNDS | | - | - | 0.0 |
| | Trade loan | 3,435,064.00 | 3,435,064.00 | - | 100.0 |
| | Women Fund | 155,250.00 | 155,250.00 | - | 100.0 |
| | Disability | 26,511.00 | 26,511.00 | - | 100.0 |
| | Youth Fund | 25,992.00 | 25,992.00 | - | 100.0 |
| | Emergency Fund | 365,961.00 | 365,961.00 | - | 100.0 |
| | Education support Scheme Fund | 754,500.00 | 754,500.00 | - | 100.0 |
| | **Sub-Total** | **4,763,278.00** | **4,763,278.00** | - | 100.0 |
| | **Grand total** | **2,082,218,121** | **1,226,521,722** | | 58.9 |

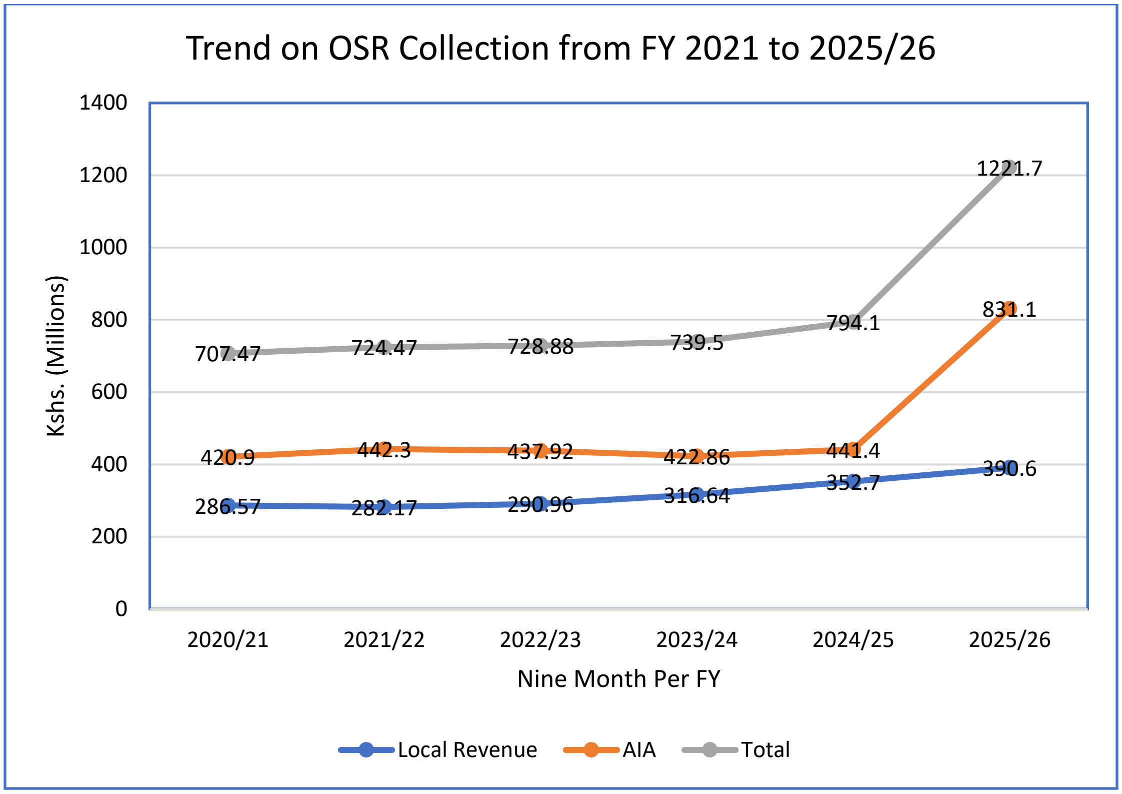
*Source County Treasury*

Although several revenue streams demonstrated commendable performance against annual targets, there remain notable disparities in overall revenue growth. The subsequent analysis will further explore the fluctuations in own-source revenue across the financial years, highlighting both areas of consistent improvement and segments that require strategic intervention to bolster future collections. Figure 1 and Table 8 provide a comprehensive overview of these trends, offering valuable insights into the evolving landscape of local revenue generation and the County's progress towards meeting its fiscal objectives.

**Own Source Revenue Growth**

The figure below shows the Trend in own-source revenue collection from FY 2020/21 to FY 2025/26 and Figure 1 analyses the growth of own source revenue for six Financial Years. This period reflects a dynamic revenue environment, with fluctuations attributable to both external economic factors and internal administrative reforms. The analysis in Table 3.2 builds on these trends, providing a detailed evaluation of the growth rates and collection patterns that have shaped the County's fiscal trajectory. By examining the data across six consecutive financial years, the report identifies key drivers behind revenue surges and shortfalls, thereby equipping stakeholders with the information necessary for targeted interventions and policy refinement. Such insights are especially pertinent as the County seeks to enhance its financial sustainability and optimize resource mobilization in the coming years.

**Figure 1: Trend in Own- Source Revenue Collection from FY 2020/21 to FY 2025/26**


Trend on OSR Collection from FY 2021 to 2025/26
Kshs. (Millions)
1400
1200
1000
800
600
400
200
0
707.47
724.47
728.88
739.5
794.1
1221.7
420.9
442.3
437.92
422.86
441.4
831.1
286.57
282.17
290.96
316.64
352.7
390.6
2020/21
2021/22
2022/23
2023/24
2024/25
2025/26
Nine Month Per FY
Local Revenue
AIA
Total

### Table 3.3: OSR Growth Trend from 2021/22 to 2025/26

| S/NO | A: LOCAL REVENUE TYPE/CENTRE | QTR 3 FY 2021-22 Actual OSR Collection (Ksh) | QTR 3 FY 2022-23 Actual OSR Collection (Ksh) | QTR 3 FY 2023/24 Actual OSR Collection (Ksh.) | QTR 3 FY 2024/25 Actual OSR Collection (Ksh.) | QTR 3 FY 2025/26 Actual OSR Collection (Kshs.) | FY 2021-22 OSR Growth Rate | FY 2022/23 OSR Growth Rate | FY 2023/24 OSR Growth Rate | Two Years Average Growth Rate |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Land Rates | 18,194,687 | 20,903,574 | 17,767,553 | 19,177,344 | 24,928,587 | 14.89% | -15.00% | 7.93% | -3.53% |
| 2 | Alcoholic Drinks Licenses | 4,414,000 | 5,047,050 | 7,370,600 | 6,583,050 | 6,545,600 | 14.34% | 46.04% | -10.69% | 17.68% |
| 3 | Single Business Permits | 60,839,150 | 58,904,615 | 70,277,420 | 70,707,058 | 69,664,250 | -3.18% | 19.31% | 0.61% | 9.96% |
| 4 | Application Fees | 2,878,550 | 2,649,750 | 3,899,400 | 3,190,000 | 2,678,000 | -7.95% | 47.16% | -18.19% | 14.48% |
| 5 | Renewal fees | 6,965,300 | 6,207,283 | 7,435,000 | 7,965,500 | 8,227,000 | -10.88% | 19.78% | 7.14% | 13.46% |
| 6 | Conservancy Fees | 10,106,770 | 9,644,800 | 12,009,932 | 12,398,828 | 12,125,382 | -4.57% | 24.52% | 3.24% | 13.88% |
| 7 | Fire Fighting | 16,589,390 | 16,462,900 | 19,776,100 | 20,480,150 | 19,798,100 | -0.76% | 20.13% | 3.56% | 11.84% |
| 8 | Advertisement Fees | 19,634,113 | 14,144,645 | 16,440,972 | 20,843,810 | 20,561,225 | -27.96% | 16.23% | 26.78% | 21.51% |
| 9 | Food Hygiene Licenses | 2,960,890 | 2,720,500 | 3,198,550 | 3,134,000 | 2,985,000 | -8.12% | 17.57% | -2.02% | 7.78% |
|  | Hire of Machinery |  | 14,200 |  |  | 25,000 | 0.00% | -100.00% | 0.00% | -50.00% |
| 10 | Change of User Fees | 26,500 | 14,200 | 70,530 | 98,000 | 94,000 | -46.42% | 396.69% | 38.95% | 217.82% |
| 11 | Car Parking Fees | 8,001,400 | 6,869,769 | 10,448,660 | 11,390,949 | 11,319,150 | -14.14% | 52.10% | 9.02% | 30.56% |
| 12 | Bodaboda Parking Fees | 1,142,020 | 1,004,500 | 2,675,500 | 672,500 | 832,500 | -12.04% | 166.35% | -74.86% | 45.74% |
| 13 | Burial Fees | 63,000 | 52,500 | 84,500 | 69,000 | 69,000 | -16.67% | 60.95% | -18.34% | 21.30% |
| 14 | House Rent | 7,970,700 | 6,685,400 | 6,565,700 | 5,818,000 | 6,685,036 | -16.13% | -1.79% | -11.39% | -6.59% |
| 15 | Stadium Hire | 59,000 | 31,000 | 40,000 | 66,500 | 24,500 | -47.46% | 29.03% | 66.25% | 47.64% |
| 16 | Plan Approval | 9,208,575 | 5,947,535 | 6,058,465 | 6,942,126 | 8,455,096 | -35.41% | 1.87% | 14.59% | 8.23% |
| 17 | Inspection Fee | 1,570,792 | 1,110,540 | 1,232,151 | 1,435,527 | 1,462,470 | -29.30% | 10.95% | 16.51% | 13.73% |
| 18 | Occupational Permits | - | - | 258,000 | 38,375 | 77,400 | 0.00% | 0.00% | -85.13% | -42.56% |
| 19 | Ground Fees | 2,376,013 | 2,385,382 | 2,794,621 | 2,928,634 | 2,294,334 | 0.39% | 17.16% | 4.80% | 10.98% |
| 20 | Market Fees | 27,263,809 | 19,618,220 | 26,680,610 | 31,068,450 | 26,119,655 | -28.04% | 36.00% | 16.45% | 26.22% |
| 21 | Enclosed Bus Park Fee | 45,853,150 | 46,102,759 | 45,802,650 | 50,031,661 | 50,371,800 | 0.54% | -0.65% | 9.23% | 4.29% |
| 22 | Slaughter house Fees | 2,566,314 | 2,250,650 | 2,479,450 | 2,388,450 | 2,145,850 | -12.30% | 10.17% | -3.67% | 3.25% |
| 23 | Plot Transfer | 318,000 | 210,000 | 111,000 | 234,000 | 174,000 | -33.96% | -47.14% | 110.81% | 31.83% |
| 24 | Change of Business Name | 40,500 | 23,000 | 21,000 | 16,500 | 13,000 | -43.21% | -8.70% | -21.43% | -15.06% |
| 25 | Impound Charges | 385,725 | 293,400 | 394,300 | 213,249 | 98,850 | -23.94% | 34.39% | -45.92% | -5.76% |
| 26 | Cess | 24,348,710 | 44,284,849 | 21,627,025 | 38,131,377 | 56,960,879 | 81.88% | -51.16% | 76.31% | 12.57% |
| 27 | Consolidated AIA | - | - | 18,883,930 |  |  |  | 0.00% | -100.00% | -50.00% |
| 28 | Market Stalls Rent | 1,072,300 | 1,430,200 | 1,956,132 | 1,172,300 | 932,500 | 33.38% | 36.77% | -40.07% | -1.65% |
| 29 | Stock Sales | 6,125,550 | 6,477,700 | 4,624,660 | 5,424,920 | 5,505,730 | 5.75% | -28.61% | 17.30% | -5.65% |
| 30 | Other Revenue sources | 1,197,180 | 9,475,641 | 5,660,545 | 11,716,843 | 19,587,505 | 691.50% | -40.26% | 106.99% | 33.36% |
| 31 | Mabanga AMC |  |  |  | 549,875 | 163,250 | 0.00% | 0.00% | 0.00% | 0.00% |
| 32 | Mabanga ATC |  |  |  | 15,927,061 | 27,936,978 | 0.00% | 0.00% | 0.00% | 0.00% |

| S/NO | A: LOCAL REVENUE TYPE/CENTRE | QTR 3 FY 2021-22 Actual OSR Collection (Ksh) | QTR 3 FY 2022-23 Actual OSR Collection (Ksh) | QTR 3 FY 2023/24 Actual OSR Collection (Ksh.) | QTR 3 FY 2024/25 Actual OSR Collection (Ksh.) | QTR 3 FY 2025/26 Actual OSR Collection (Kshs.) | FY 2021-22 OSR Growth Rate | FY 2022/23 OSR Growth Rate | FY 2023/24 OSR Growth Rate | Two Years Average Growth Rate |
|---|---|---|---|---|---|---|---|---|---|---|
| **33** | Livestock | | | | 1,887,826 | 1,762,015 | 0.00% | 0.00% | 0.00% | 0.00% |
| **34** | Cess Received in kind | | | 0 | | | 0.00% | 0.00% | 0.00% | 0.00% |
| | **TOTAL** | **282,172,088** | **290,966,562** | **316,644,956** | **352,701,863** | **390,623,642** | **3.12%** | **8.83%** | **11.39%** | **10.11%** |
| | **B – AIA** | | | | | | | | | |
| | **MINISTRY/REVENUE STREAMS** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2021/22** | **2022/23** | **2023/24** | **2024/25** |
| **1** | Agriculture, Livestock, Fisheries, and Co-operative Development | 18,020,967 | 19,854,760 | - | | | 10.18% | 0.00% | 0.00% | 0.00% |
| **2** | Tourism, Forestry, Environment and Natural Resource and Water | 39,600 | 94,600 | - | | | 138.89% | 0.00% | 0.00% | 0.00% |
| **3** | Roads and Public Works | - | - | - | | | | 0.00% | 0.00% | 0.00% |
| **4** | Health and Sanitation | 424,302,107 | 417,975,396 | 422,866,872 | 441,396,218 | 831,134,802 | -1.49% | 0.00% | 4.38% | 2.19% |
| **5** | Public Service Management | | | - | | | | | 0.00% | 0.00% |
| | **SUB-TOTAL AIA (B)** | **442,362,674** | **437,924,756** | **422,866,872** | **441,396,218** | **831,134,802** | -1.00% | -3.44% | 4.38% | 0.47% |
| | | | | | | | | | | |
| | **GRAND TOTAL A+B** | **724,534,762** | **728,891,318** | **739,511,828** | **794,098,081** | **1,221,758,445** | 0.60% | 1.46% | 7.38% | 4.42% |

*Source: County Treasury*

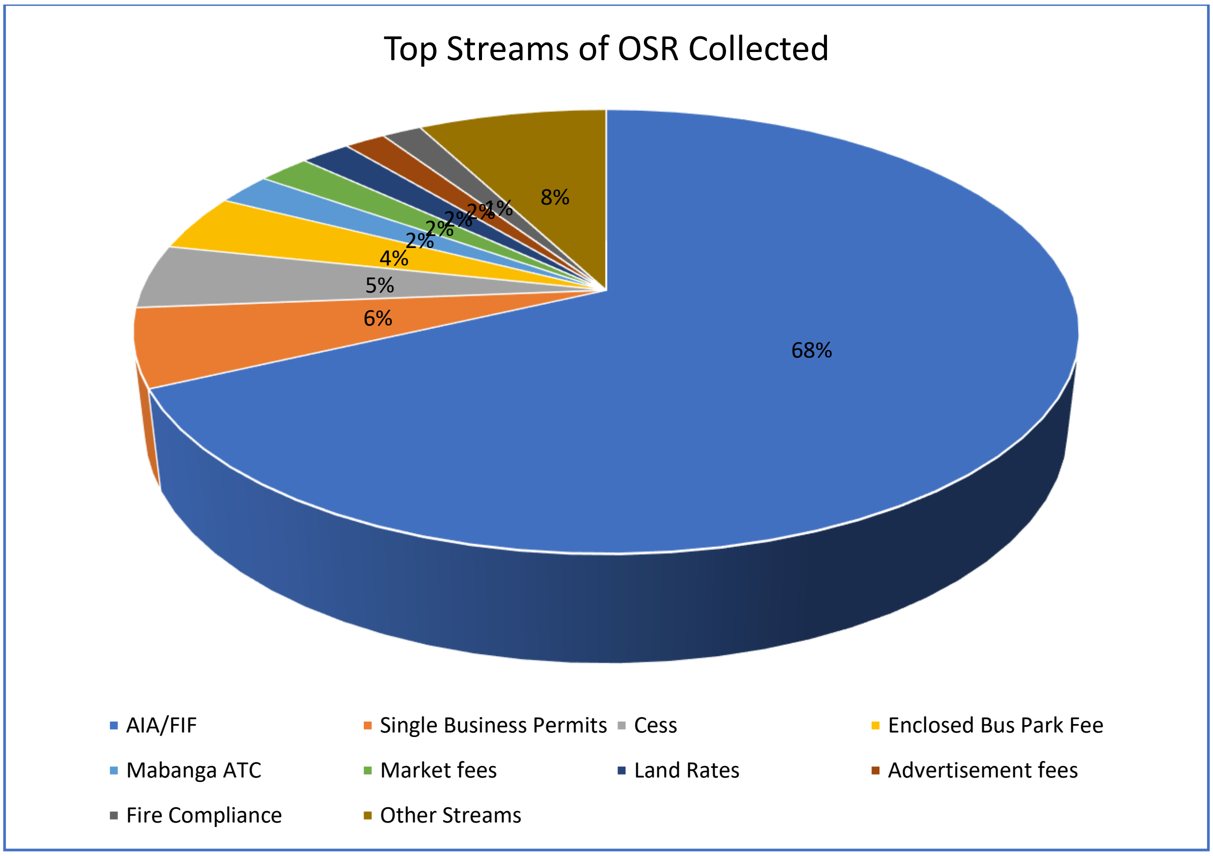
During the nine-month period of Financial Year 2025/26, the County achieved a total revenue generation of Kshs. 1.221 billion from multiple sources, encompassing both local collections and ordinary Appropriations-In-Aid (AIA). This amount marks an increase of 53.7 percent over the Kshs. 794.1 million collected in the corresponding period of FY 2024/25. Despite this commendable growth, the revenue collected represented 59 percent of the County's annual target. Additionally, these collections constituted 7.0 percent of the equitable revenue share disbursed to the County during the same period.

**Top streams of Own Source Revenue**

| REVENUE STREAM | ACTUAL OSR Realized AS AT 31st March 2026 (KSHS.) | % as per Total Revenue Collected |
|---|---|---|
| AIA/FIF | 831,134,802 | 68.03% |
| Single Business Permits | 69,664,250 | 5.70% |
| Cess | 56,960,879 | 4.66% |
| Enclosed Bus Park Fee | 50,371,800 | 4.12% |
| Mabanga ATC | 27,936,978 | 2.29% |
| Market fees | 26,119,655 | 2.14% |
| Land Rates | 24,928,587 | 2.04% |
| Advertisement fees | 20,561,225 | 1.68% |
| Fire Compliance | 19,798,100 | 1.62% |
| Other Streams | 94,282,168 | 7.72% |
| **Total Revenue Collected** | **1,221,758,445** | **100.00%** |

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

**Figure 2: Top Streams of Own Source Revenue in the 3rd Quarter of FY 2025/26**




***Source***: *County Treasury*

The highest revenue stream of Kshs.831.1million was from Health /Hospital - FIF, contributing to 68 per cent of the total OSR receipts.

### 3.1.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs. 8.8 billion from the CRF account during the reporting period which comprised Kshs.7.3 billion (81 per cent) for recurrent programmes, and 1.5 billion for development programmes, 115 million for special purpose Accounts and grant of ksh 685 million. Analysis of the recurrent exchequers released in the Third quarter of FY 2025/26 indicates that Kshs. 8.87 billion was released as equitable share, Ksh 7.3 billion on recurrent and Ksh.1.5 billion on development.

### 3.1.4 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs. 831.1 million as FIF, which was 59.6 per cent of the annual target of Kshs.1.393 billion. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023
This strong performance in Facility Improvement Financing (FIF) highlights the effectiveness of ongoing automation efforts and underscores the County's commitment to strengthening internal revenue generation mechanisms. Moving forward, sustained improvements in revenue collection and prudent management of funds will be essential, particularly as the County seeks to balance the need for timely salary payments—supported by the short-term facility from Kenya Commercial Bank—with the overall fiscal discipline required to meet both recurrent and development expenditure targets.

### 3.1.5 Borrowing by the County

To ensure timely salary payments and prevent any delays, the County has established a short-term financing arrangement with the Kenya Commercial Bank, Bungoma Branch. This facility is specifically designed to bridge funding gaps that may arise and to maintain the regular payment of salaries to county staff. As of March 31, 2025, the outstanding balance on this short-term facility amounted to Kshs. 940,844,751 million. However, no borrowing has been done in the current financial year. This borrowing mechanism has played a crucial role in sustaining the county's payroll commitments during periods of cash flow constraints.

Looking ahead, the County will focus on reinforcing fiscal sustainability by enhancing its internal revenue mobilization strategies and streamlining expenditure management. Efforts will be directed toward optimizing the utilization of both recurrent and development funds, while also strengthening oversight mechanisms to ensure transparency and accountability in resource allocation. By prioritizing timely disbursement of funds and efficient project implementation, the County aims to mitigate the impact of funding delays and revenue shortfalls, thereby supporting the achievement of its budgetary and service delivery objectives in the upcoming fiscal periods.

### 3.1.6 County Expenditure Review

**Overall Performance of Expenditures**

The total budget for the FY 2025/26 was Kshs 17.43 billion comprising of Kshs. 5.54 billion Development (32%) and Kshs 11.88 billion recurrent (68%) expenditure. The total actual expenditure in the 3rd quarter of FY 2025/26 was Kshs.7.56 billion which was 43.4 % of the total budget of Kshs. 17.43 billion.

Several factors contributed to this under-spending. Primarily, there were delays in the disbursement of the equitable share from the national government. Additionally, the county experienced low ordinary revenue collection, which further constrained available funds. Furthermore, the absorption of development projects funded by grants from development partners was low, mainly due to late disbursement of these funds to the County by various donors.

Despite these challenges, the County made concerted efforts to prioritise essential services and maintain fiscal discipline throughout the period. Expenditure patterns reflected a stronger focus on meeting recurrent obligations, while development outlays lagged behind targets due to the aforementioned delays and funding constraints. As a result, the utilization rates of spending remaining below expectations. This performance underscores the ongoing need for improved revenue mobilization, more timely disbursement of funds, and enhanced project implementation strategies to ensure that budgetary objectives are fully achieved.

**Table 3.4: Expenditure by Major Economic Classification for Nine Months of FY 2025/26**

| Department | Compensation to Employees | Operations and Maintenance | Total Recurrent Expenditure | Development Expenditure | Total Expenditure |
|---|---|---|---|---|---|
| Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development | | 44,305,964 | 44,305,964 | 339,111,283 | 383,417,247 |
| Health and Sanitation | | 102,938,136 | 102,938,136 | 9,040,743 | 111,978,879 |
| Roads, Public Works, And Transport | | 16,470,311 | 16,470,311 | 235,496,833 | 251,967,144 |
| Environment, Tourism and Climate Change | | 270,730,456 | 270,730,456 | 138,375,630 | 409,106,086 |
| Water and Natural Resource | | 23,708,294 | 23,708,294 | 32,746,382 | 56,454,676 |
| Education and Vocational Training | | 48,883,661 | 48,883,661 | 27,237,709 | 76,121,370 |
| Trade | | 9,637,915 | 9,637,915 | 65,919,763 | 75,557,678 |
| Energy | | 35,265,340 | 35,265,340 | - | 35,265,340 |
| Industry | | - | - | 55,212,282 | 55,212,282 |
| Lands, Urban, Physical Planning, | | 7,972,163 | 7,972,163 | | 7,972,163 |
| Housing | | 59,864,052 | 59,864,052 | 175,182,608 | 235,046,660 |
| Bungoma Municipality | 24,338,043 | 13,313,200 | 37,651,243 | 16,997,804 | 54,649,047 |
| Kimilili Municipality | 23,910,197 | - | 23,910,197 | 13,261,438 | 37,171,635 |
| Finance And Economic Planning | | 269,198,286 | 269,198,286 | 35,244,628 | 304,442,914 |
| Public Administration | | 277,220,326 | 277,220,326 | 6,950,000 | 284,170,326 |
| Office of The County Secretary | 5,516,443,507 | 16,213,216 | 5,532,656,723 | | 5,532,656,723 |
| Office of the County Attorney | - | 9,484,970 | 9,484,970 | | 9,484,970 |
| Office of The Governor and Deputy Governor | - | 123,218,590 | 123,218,590 | | 123,218,590 |
| Gender and Culture | - | 27,237,393 | 27,237,393 | | 27,237,393 |
| Youth and Sports | - | 13,714,102 | 13,714,102 | 2,949,483 | 16,663,585 |
| County Public Service Board | - | 15,558,459 | 15,558,459 | | 15,558,459 |
| County Assembly | 432,910,489 | 187,992,701 | 620,903,190 | 1,551,358 | 622,454,548 |
| **Grand Total** | **5,997,602,236** | **1,572,927,535** | **7,570,529,771** | **1,155,277,944** | **8,725,807,715** |

***Source: County Treasury***

The analysis of departmental expenditure for the Nine months of FY 2025/26 reveals significant variations in spending across ministries and departments. The Finance and Economic Planning department recorded the highest expenditure in absolute terms of Kshs. 315.6 million, The Public Administration minus salaries which was moved to County Secretaries office, spent Kshs. 278 million. This was followed by Roads and Public Works, which spent Kshs. 251 million.

A review of cumulative expenditure across economic classifications during the period shows that Kshs. 5.99 billion was allocated to Personnel Emoluments. Operations and Maintenance accounted for Kshs. 1.57 billion, and Development activities expended Kshs. 1.15 billion. This breakdown offers a clear picture of how resources were distributed among the main expenditure categories, highlighting the county's priorities in personnel, operational needs, and development initiatives.

## Table 3.5: County Budget Allocation, Expenditure and Absorption Rate for Nine Months of FY 2025/26

| VOTE TITLE | Recurrent Expenditure Q3 FY 2025/2026 | | | | Development Expenditure Q3 FY 2025/2026 | | | | Total ExpenditureQ3 FY 2025/26 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Target | Actual | Variance | BER % | Target | Actual | Variance | BER % | Target | Actual | Variance | BER % |
| Agriculture, Livestock, Fisheries, and Co-op Development | 68,864,588 | 44,305,964 | -24,558,624 | 64% | 668,936,378 | 339,111,283 | -329,825,095 | 51% | 737,800,966 | 383,417,247 | -354,383,719 | 52% |
| Education and Vocational Training Centers | 149,214,330 | 48,883,661 | -100,330,669 | 33% | 147,397,986 | 27,237,709 | -120,160,277 | 18% | 296,612,316 | 76,121,370 | -220,490,946 | 26% |
| Health | 225,290,685 | 102,938,136 | -122,352,549 | 46% | 169,143,801 | 9,040,743 | -160,103,058 | 5% | 394,434,486 | 111,978,879 | -282,455,607 | 28% |
| Hospital Facilities | 1,200,585,267 | 0 | -1,200,585,267 | 0% | 50,000,000 | - | -50,000,000 | 0% | 1,250,585,267 | 0 | -1,250,585,267 | 0% |
| Sanitation | 368,943 | 0 | -368,943 | 0% | 0 | - | 0 | 0% | 368,943 | 0 | -368,943 | 0% |
| Roads and Public Works | 48,210,573 | 16,470,311 | -31,740,262 | 34% | 1,325,332,478 | 235,496,832 | -1,089,835,646 | 18% | 1,373,543,051 | 251,967,143 | -1,121,575,908 | 18% |
| Trade | 24,766,263 | 9,637,915 | -15,128,348 | 39% | 156,128,492 | 65,919,763 | -90,208,729 | 42% | 180,894,755 | 75,557,678 | -105,337,077 | 42% |
| Trade Loan | 3,435,064 | 0 | -3,435,064 | 0% | 0 | - | 0 | 0% | 3,435,064 | 0 | -3,435,064 | 0% |
| Energy | 38,458,822 | 35265340 | -3,193,482 | 92% | 9,372,408 | - | -9,372,408 | 0% | 47,831,230 | 35,265,340 | -12,565,890 | 74% |
| Industrialization | 12,608,357 | 0 | -12,608,357 | 0% | 204,706,886 | 55,212,282 | -149,494,604 | 27% | 217,315,243 | 55,212,282 | -162,102,961 | 25% |
| Lands, Urban and Physical Planning | 24,701,170 | 7,972,163 | -16,729,007 | 32% | 47,895,000 | - | -47,895,000 | 0% | 72,596,170 | 7,972,163 | -64,624,007 | 11% |
| Housing | 69,428,198 | 59,864,052 | -9,564,146 | 86% | 360,937,200 | 175,182,608 | -185,754,592 | 49% | 430,365,398 | 235,046,660 | -195,318,738 | 55% |
| Bungoma Municipality | 41,553,099 | 37,651,243 | -3,901,856 | 91% | 100,783,414 | 16,997,804 | -83,785,610 | 17% | 142,336,513 | 54,649,047 | -87,687,466 | 38% |
| Kimilili Municipality | 46,442,260 | 23,910,197 | -22,532,063 | 51% | 67,239,549 | 13,261,438 | -53,978,111 | 20% | 113,681,809 | 37,171,635 | -76,510,174 | 33% |
| Tourism and Environment | 429,389,891 | 270,730,456 | -158,659,435 | 63% | 631,169,149 | 138,375,630 | -492,793,519 | 22% | 1,060,559,040 | 409,106,086 | -651,452,954 | 39% |

| VOTE TITLE | Recurrent Expenditure Q3 FY 2025/2026 | | | | Development Expenditure Q3 FY 2025/2026 | | | | Total ExpenditureQ3 FY 2025/26 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Target** | **Actual** | **Variance** | **BER %** | **Target** | **Actual** | **Variance** | **BER %** | **Target** | **Actual** | **Variance** | **BER %** |
| **Water and Natural Resources** | 44,519,692 | 23,708,294 | -20,811,398 | 53% | 711,022,927 | 32,746,382 | -678,276,545 | 5% | 755,542,619 | 56,454,676 | -699,087,943 | 7% |
| **Gender, Culture** | 39,832,524 | 27,237,393 | -12,595,131 | 68% | 0 | - | 0 | 0% | 39,832,524 | 27,237,393 | -12,595,131 | 68% |
| **Women Fund** | 0 | 0 | 0 | 0% | 90,881 | - | -90,881 | 0% | 90,881 | 0 | -90,881 | 0% |
| **Disability Fund** | 0 | 0 | 0 | 0% | 90,881 | - | -90,881 | 0% | 90,881 | 0 | -90,881 | 0% |
| **Youth and Sports** | 29,428,582 | 13,714,102 | -15,714,480 | 47% | 16,635,949 | 2,949,483 | -13,686,466 | 18% | 46,064,531 | 16,663,585 | -29,400,946 | 36% |
| **Youth Fund** | 25,992 | 0 | -25,992 | 0% | 0 | - | 0 | 0% | 25,992 | 0 | -25,992 | 0% |
| **Finance and Economic Planning** | 443,347,931 | 269,198,286 | -174,149,645 | 61% | 203,721,461 | 35,244,628 | -168,476,833 | 17% | 647,069,392 | 304,442,914 | -342,626,478 | 47% |
| **Public Service Management and Administration** | 453,883,944 | 277,220,326 | -176,663,618 | 61% | 353,723,504 | 6,950,000 | -346,773,504 | 2% | 807,607,448 | 284,170,326 | -523,437,122 | 35% |
| **Sub County Administration** | 8,472,553 | 0 | -8,472,553 | 0% | 0 | - | 0 | 0% | 8,472,553 | 0 | -8,472,553 | 0% |
| **Office of the County Secretary** | 7,144,268,940 | 5,542,141,693 | -1,602,127,247 | 78% | 0 | - | 0 | 0% | 7,144,268,940 | 5,542,141,693 | -1,602,127,247 | 78% |
| **Governor's Office** | 192,283,354 | 99,614,774 | -92,668,580 | 52% | 0 | - | 0 | 0% | 192,283,354 | 99,614,774 | -92,668,580 | 52% |
| **Deputy Governor's Office** | 35,608,450 | 23,603,816 | -12,004,634 | 66% | 0 | - | 0 | 0% | 35,608,450 | 23,603,816 | -12,004,634 | 66% |
| **County Public Service Board** | 39,603,816 | 15,558,459 | -24,045,357 | 39% | 3,800,000 | - | -3,800,000 | 0% | 43,403,816 | 15,558,459 | -27,845,357 | 36% |
| **County Assembly** | 1,074,221,694 | 620,903,190 | -453,318,504 | 58% | 316,248,601 | 1,551,358 | -314,697,243 | 0% | 1,390,470,295 | 622,454,548 | -768,015,747 | 45% |
| **Ward Based Projects** | 0 | 0 | 0 | 0% | 0 | - | 0 | 0% | 0 | 0 | 0 | 0% |

| VOTE TITLE | Recurrent Expenditure Q3 FY 2025/2026 | | | | Development Expenditure Q3 FY 2025/2026 | | | | Total ExpenditureQ3 FY 2025/26 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Target | Actual | Variance | BER % | Target | Actual | Variance | BER % | Target | Actual | Variance | BER % |
| **Grand Total** | **11,888,814,982** | **7,570,529,771** | **-4,318,285,211** | 64% | **5,544,376,945** | **1,155,277,943** | **-4,389,099,002** | **21%** | 17,433,191,938 | 8,725,807,714 | -8,707,384,213 | 50% |

*Source: County Treasury*

Analysis of development expenditure as a proportion of approved budget shows that a number of departments had an absorption rate of BELOW 50% expenditure on development during the review period. The Department of Agriculture had an absorption of 51%, Housing was at 49% and Trade had an absorption rate of 42%.

### 3.1.7 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs. 5.56 billion on employee compensation and Kshs.1.38 billion on operations and maintenance, 1.15 billion was spent on development during the reporting period. Similarly, the County Assembly spent Kshs.432 million on employee compensation, Kshs. 187.9 million on operations and maintenance, and 1.5 million on development activities, as shown in Table 3.6.

Table 3.6: **Summary of Budget and Expenditure by Economic Classification**

| Expenditure Classification | Budget (Kshs.) | | | Expenditure (Kshs.) | | | Absorption (%) of Total Expenditure | | |
|---|---|---|---|---|---|---|---|---|---|
| | County Executive | County Assembly | Total | County Executive | County Assembly | Total | County Executive | County Assembly | Total |
| Total Recurrent | 10,814,593,300 | 1,074,221,694 | 11,888,814,994 | 6,949,626,581 | 620,903,190 | 7,570,529,771 | 80% | 7% | 87% |
| Compensation to Employees | 7,046,492,495 | 525,036,835 | 7,571,529,330 | 5,564,691,747 | 432,910,489 | 5,997,602,236 | 64% | 5% | 69% |
| Operations and Maintenance | 3,768,100,805 | 549,184,859 | 4,317,285,664 | 1,384,934,834 | 187,992,701 | 1,572,927,535 | 16% | 2% | 18% |
| Development Expenditure | 5,228,128,344 | 316,248,600 | 5,544,376,944 | 1,153,726,585 | 1,551,358 | 1,155,277,943 | 13% | 0% | 13% |
| **Total** | **16,042,721,644** | **1,390,470,294** | **17,433,191,938** | **8,103,353,166** | **622,454,548** | **8,725,807,714** | 93% | 7% | 100% |

***Source***: *County Treasury*

### 3.1.8 Recurrent Expenditure

During the reporting period, the County spent a total of Kshs.7.57 billion on recurrent activities. This amount accounts for 87 percent of the overall expenditure, signifying a substantial allocation toward recurrent operations within the county government. When compared to the county government’s Annual Budget, this expenditure represents 43.4 percent, highlighting the prominence of recurrent spending in fiscal management.

The recurrent expenditure is divided into two main categories: Personnel Emoluments and Operations and Maintenance (O&M). Out of the total recurrent allocation of Kshs.11.8 billion, Kshs.7.57 billion was allocated to Personnel Emoluments, which includes salaries, wages, and other employee-related costs. Additionally, Kshs.4.31 billion was allocated to Operations and Maintenance, covering the costs necessary for sustaining day-to-day activities and the upkeep of county facilities.

These expenditures on Personnel Emoluments and Operations and Maintenance reflect the county’s commitment to sustaining essential public services and administrative functions throughout the financial year. The prioritization of recurrent activities is further demonstrated by their significant share within the total budget, underscoring the county’s focus on maintaining workforce stability and ensuring the smooth operation of government services. As the analysis shifts toward sitting allowances for Members of the County Assembly (MCAs), it is evident that strategic resource allocation remains central to the county’s fiscal planning and governance, with careful monitoring of budget absorption rates across various expenditure categories.

### 3.1.9 Expenditure on Employees' Compensation

In the nine months of FY 2025/26, expenditure on employee compensation was Kshs.5.56 billion for the County Executive and Kshs. 432.9 million for the County Assembly, thus 73 per cent and 5.7 percent respectively of the annual wage bill target. This expenditure represented an increase from Kshs.4.5 billion reported in a similar period in FY 2024/25.

This expenditure pattern in compensation and allowances underscores the county's commitment to fulfilling statutory obligations for personnel costs while also ensuring the effective functioning of legislative operations. As the analysis transitions to development expenditure, it becomes evident that, despite meeting recurrent obligations, the county must balance these with strategic investments in development initiatives. The subsequent section provides an in-depth review of how resources were allocated and spent on development projects across ministries and departments throughout FY 2024/25, offering insight into both the fiscal discipline exercised and the challenges encountered in achieving optimal budget absorption and implementation outcomes.

### 3.1.10 Development Expenditure

This expenditure highlights the county's prioritization of development initiatives within the overall budget framework. Table 3.7 details the allocation, actual expenditure, and absorption rates for each ministry and department for the nine months of FY 2024/25, providing a comprehensive overview of how resources were distributed and utilized across both recurrent and development categories. The data offers valuable insight into fiscal discipline and the effectiveness of budget implementation at the departmental level.

The total development Expenditure in the nine months of FY 2025/26 amounted to Kshs 1.15 billion against a budget of 17.43 billion representing 7 percent of the total budget and 21 percent of the development allocation for the same period.

According to Section 107(b) of the Public Finance Management Act, 2012, county governments are required to allocate at least 30 percent of their budgets to development expenditure over the medium term. While the county government complied with this requirement in the approved budget, allocating the mandated 30 percent to development, the actual spending fell short of the target. Actual development expenditure represented only 7 percent of the total budget, indicating that spending was below the intended threshold despite the budgetary provision.

This variance highlights a gap between budgeted allocations and actual disbursements towards development, underscoring the need for enhanced efficiency and effectiveness in budget execution to ensure that development objectives are met in accordance with statutory guidelines. FY 2025/26, the County incurred Kshs. 1.15 billion on development programmes, rep- resenting an decrease of 41.2 per cent compared to a similar period of FY 2024/25 when the County spent Kshs.1.63 billion. The table below summarises development projects with the highest expenditure in the reporting period.

**Table 3.7 List of Development Sub Programmes with the Highest Expenditure**

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | Absorption Rate (%) |
|---|---|---|---|
| | **Development Estimates** | **Development Expenditure** | **Development Expenditure** |
| **AGRICULTURE, LIVESTOCK, FISHERIES, IRRIGATION AND COOPERATIVES DEVELOPMENT** | | | |
| **Programme Name 1: General Administration, Planning and Support Services** | | | |
| **Agriculture and Irrigation** | | | |
| **Programme 2: Crop Development and Management** | | | |
| Crop Production and Productivity | 184,500,000 | 184,500,000 | 100% |
| Pending bill | 9,424,980 | 5,557,966 | 59% |
| National Agricultural Value Chain Development Programme (NAVCDP) | 237,235,252 | 147,916,317 | 62% |
| Ward Based Projects | 113,740,000 | 750,000 | 1% |
| **Sub Total** | **544,900,232** | **338,724,283** | 62% |
| **Programme 7: Cooperatives Development and Management** | | | |
| Cooperative input and infrastructural/financial support services | 9,112,726 | 387,000 | |
| **Sub Total** | **19,227,085** | **387,000** | 2% |
| **HEALTH AND SANITATION** | | | |
| **GENERAL ADMINISTRATION, PLANNING AND SUPPORT SERVICES** | | | |
| S.P.2: Construction and maintenance of buildings | 169,143,801 | 9,040,743 | 5% |
| **ROADS, PUBLIC WORKS, AND TRANSPORT** | | | |
| Programme 2: Transport Infrastructure Development and Management | 283,263,826 | 170,335,767 | 60% |
| Roads, Bridges and Drainage works | 1,042,068,652 | 65,161,066 | 6% |
| **Total Expenditure of Programme 2** | **1,325,332,478** | **235,496,833** | 18% |
| **TOURISM, ENVIRONMENT, WATER, NATURAL RESOURCES AND CLIMATE CHANGE.** | | | |
| **Environment, Tourism and Climate Change** | | | |
| **Programme3: climate change coordination and management** | | | |
| Sp. Climate change resilience investment grant | 590,169,149 | 138,375,630 | 23% |
| **Water and Natural Resource** | | | |
| SP. Borehole development | 33,392,019 | 11,605,700 | 35% |
| Ward based projects | 119,070,000 | 11,052,132 | 9% |
| Pending bills water projects | 29,560,908 | 10,088,550 | 34% |
| EDUCATION | | | |
| **Programme 2: Early Childhood Education Development** | | | |
| SP6 : Infrastructure development | 60,990,000 | 15,958,612 | 26% |
| Pending bills | 29,627,986 | 11,279,098 | 38% |
| **Total Expenditure programme 2:** | **90,617,986** | **27,237,709** | 30% |
| **Programme 3: Education Support Programme** | | | |
| **TRADE, ENERGY, AND INDUSTRIALIZATION** | | | |
| **TRADE** | | | |
| **Programme 3: Market Infrastructure Development and Management** | | | |
| SP 3.1. Market Infrastructure | 88,060,152 | 59,265,593 | |
| SP 3.3. Supplier Credit | 13,308,340 | 6,654,170 | 50% |
| **Total Expenditure of Programme 3** | **156,128,492** | **65,919,763** | 42% |
| **Programme 2: Industrial Investment and Development** | | | |
| SP 2. 1. Industrial Development | 204,706,886 | 55,212,282 | 27% |
| **Total Expenditure of Programme 2** | **204,706,886** | **55,212,282** | 27% |
| **LANDS, URBAN, PHYSICAL PLANNING, HOUSING AND MUNICIPALITIES** | | | |
| **HOUSING** | | | |
| **Programme 2 Housing development and management** | | | |
| SP 2: Housing Infrastructural Development | 60,322,930 | 60,158,702 | 100% |
| SP 3: Housing Financing Services | 300,614,270 | 115,023,906 | 38% |
| Total Expenditure for Vote - | **360,937,200** | **175,182,608** | 49% |
| **BUNGOMA MUNICIPALITY** | | | |
| **Programme III**: Urban Infrastructure Development and Management | | | |
| SP 3.2: infrastructure and civil works | 45,712,910 | 16,997,804 | 37% |
| ***Programme III Total*** | **100,783,415** | **16,997,804** | 17% |
| **KIMILILI MUNICIPALITY** | | | |
| **Programme 2: Urban Infrastructure Development and management** | | | |
| Infrastructure. Housing and public works | 67,239,549 | 13,261,438 | 20% |
| **Total Programme 2** | **67,239,549** | **13,261,438** | 20% |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | Absorption Rate (%) |
|---|---|---|---|
| | Development Estimates | Development Expenditure | Development Expenditure |
| **FINANCE AND ECONOMIC PLANNING** | | | |
| **Programme 4: Service Delivery and Organizational transformation** | | | |
| SP 4.9: Emergency Fund | 100,365,961 | 10,244,628 | 10% |
| ICT Development | 28,355,500 | 25,000,000 | 88% |
| **Total Expenditure of Vote -------** | **203,721,461** | **35,244,628** | **17%** |
| PUBLIC ADMINISTRATION | | | |
| **Programme 2: Governance and public relations** | **352,500,000** | **6,950,000** | 2% |
| SP 4: Kenya Devolution Support Programme II | 352,500,000 | 6,950,000 | 2% |
| **Total Expenditure for Vote** | **353,723,504** | **6,950,000** | 2% |
| **GENDER, CULTURE, YOUTH AND SPORTS** | | | |
| YOUTH AND SPORTS | | | |
| **PROGRAMME 5: Youth Talent Development and management** | | | |
| Ward Based Projects | 3,780,000 | 2,949,483 | 78% |
| **Subtotal** | **7,635,949** | **2,949,483** | 39% |
| COUNTY PUBLIC SERVICE BOARD | | | |
| **Grand Total** | **5,228,128,344** | **1,153,726,587** | **22%** |

*Source: County Treasury*

### 3.1.11 Review of MCA Sitting Allowances

The County Assembly spent Kshs 45.3 million on committee sitting allowances for the MCAs and the Speaker against the annual budget allocation of Kshs 51 million. The average monthly sitting allowance was Kshs 59,950 per MCA. The County Assembly has established 24 Committees.
Table 3.8 shows the budgetary allocation and expenditure on MCAs and Speakers' sitting allowances for the nine months in FY 2025/26.

**Table 3.8: MCAs Budget Allocation, Expenditure and Absorption Rate in Nine months of FY 2025/26**

| | | | | | | |
|---|---|---|---|---|---|---|
| | Budget | | Expenditure | Absorption | No. of MCA's | Average monthly sitting allowance per MCA |
| County | (Kshs.) | | (Kshs.) | (%) | | (Kshs.) |
| | A | | B | C=B/A*100 | D | E=B/D/3 |
| Bungoma | 51,352,000 | | 45,322,900 | 88.2 | 63 | 79.93 |

***Source:*** *County Treasury*

### 3.1.12 Pending Bills as of 30th June 2025

A pending bill refers to a financial obligation that remains unsettled at the close of a financial year. This situation typically arises when an entity does not pay for goods and services that have been properly procured, delivered, or rendered by the end of the financial year.
Section 94 (1) (a) of the Public Finance Management (PFM) Act, 2012, stipulates that the failure of a State organ or a public entity to make timely payments may serve as an indicator of a serious material breach or a persistent material breach of the measures established under the Act. In addition, Article 225 of the Constitution, in conjunction with Section 96 of the PFM Act, empowers the County Executive Committee Member (CECM) for Finance to halt the transfer of funds to Departments and Agencies that are found to be in breach.
There are material arrears in statutory and other financial obligations, highlighting concerns over financial management and compliance. These arrears include unremitted statutory deductions such as PAYE, NHIF, NSSF, and pension contributions, as well as pending bills owed to suppliers and service providers. As of the end of 2024/25 financial year, the county had pending bills 4.9 billion. Of this amount, Kshs.2.9 billion is attributed to recurrent expenditure, while Kshs.2.0 billion consists of development-related pending bills.
The accumulation of such obligations—especially statutory deductions—poses significant legal and operational risks, potentially attracting penalties and affecting service delivery within the county. However, the Bungoma Executive has an action plan of clearing the pending bills.

| County Executive | | | County Assembly | | | |
|---|---|---|---|---|---|---|
| Recurrent (Kshs.) | Development (Kshs.) | Sub Total (Kshs.) | Recurrent (Kshs.) | Development (Kshs.) | Sub Total (Kshs.) | Grand Total (Kshs.) |
| 2,910,711,821 | 2,062,462,087 | 4,973,173,908 | 16,282,957 | 0 | 16,282,957 | 4,989,456,865 |

To ensure that pending bills do not accumulate, several mechanisms have been put in place by the County Executive Committee Member (CECM) for Finance as recommended by the committee:

- Departments should have proper internal control measures to ensure that proper procedures are followed in contracting for goods and services to avoid claims that lack supporting documentation.
- Timely procurement requisitions to avoid the last-minute rush at the closure of the financial year. Therefore, work plans should be prepared in such a way that most works, goods, and services are procured in the first two quarters of the financial year.
- Departments to make a follow up on works, goods and services procured to ensure the same are completed and delivered within the stipulated contract timeframe to avoid payments spilling in the subsequent financial years.
- Clarity on what qualifies to be a pending bill to avoid overstating the overall county pending bills which hinders proper planning and execution of planned projects for the subsequent years.
- The county treasury to sensitize the implementers on what pending bills are and their implications. The national treasury uses a 90-day in unpaid bills as the basis of definition of a pending bill.

### 3.1.13 County Emergency Fund and County-Established Funds

Section 110 of the Public Finance Management (PFM) Act, 2012, provides for the establishment of an Emergency Fund. This fund is intended to enable counties to respond promptly to emergencies as they arise. Additionally, Section 116 of the same Act empowers County governments to create other public funds, provided they secure approval from both the County Executive Committee and the County Assembly. These legal provisions ensure that counties have the necessary mechanisms to manage finances for both urgent and planned purposes.

For the financial year 2025/26, the County has allocated Kshs.130 million to various county-established funds. This allocation represents 0.8 percent of the County's overall budget. The following section, Table 3.9, presents a summary of the budget allocations to each established fund as well as their respective performance during the reporting period.

**Table 3.9: Performance of County Established Funds in the Nine months for FY 2025/26**

| S/No. | Name of the Fund | Approved Budget Allocation in FY 2025/26 (Kshs.) | Exchequer Issues (Kshs.) | Actual Expenditure (Kshs.) |
|---|---|---|---|---|
| | Trade Loan | 20,000,000 | - | - |

| S/No. | Name of the Fund | Approved Budget Allocation in FY 2025/26 (Kshs.) | Exchequer Issues (Kshs.) | Actual Expenditure (Kshs.) |
|---|---|---|---|---|
| | Disability Fund | 5,125,000 | - | - |
| | Women Fund | 5,125,000 | - | - |
| | Emergency Fund | 100,000,000 | 2,889,000 | - |
| **Total** | | **130,250,000** | **2,889,000** | **-** |

**Source**: *County Treasury*

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

Table 3.10 Summaries the budget execution by programmes and sub-programmes in the 3rd quarter of FY 2025/26

**BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES REPORT AS OF 31ST MARCH 2025 (FY 2025/26)**

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| **AGRICULTURE, LIVESTOCK, FISHERIES, IRRIGATION AND COOPERATIVES DEVELOPMENT** | | | | | | |
| **Programme Name 1: General Administration, Planning and Support Services** | | | | | | |
| **Agriculture and Irrigation** | | | | | | |
| Administrative and Support Services | 20,767,465 | | 20,018,815.65 | | 96% | |
| Policy, Legal and regulatory framework | 210,500 | | 210,500 | | 100% | |
| Planning and Financial Management | 35,990 | | 35,990 | | 100% | |
| Sector Coordination | 1,133,480 | | 1,133,480 | | 100% | |
| Leadership and Governance | 1,521,560 | | 1,521,560 | | 100% | |
| International. National and County Celebrations | 2,062,500 | | 2,062,500 | | 100% | |
| **Livestock, Fisheries and Veterinary** | | | | | | |
| Administrative and Support Services | 8,230,509 | | 8,169,999 | | 99% | |
| Policy, Legal and regulatory framework | 2,925,460 | | 2,925,460 | | 100% | |
| Leadership and Governance | 485,360 | | | | 0% | |
| International. National and County Celebrations | 732,945 | | | | 0% | |
| **Cooperative development** | | | | | | |
| Administrative and Support Services | 12,133,289 | | 8,227,659 | | 68% | |
| Policy, Legal and regulatory framework | 1,560,390 | | | | 0% | |
| Leadership and Governance | 817,600 | | | | 0% | |
| International. National and County Celebrations | 206,800 | | | | 0% | |
| **Sub Total** | **52,823,848** | - | **44,305,964** | - | 84% | |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| **Programme 2: Crop Development and Management** | | | | | | |
| Crop extension and training services | 1,734,000 | | | | 0% | |
| Crop Production and Productivity | | 184,500,000 | | 184,500,000 | | 100% |
| Agricultural soil and water management | 330,000 | | | | 0% | |
| Agribusiness, Marketing and information management | 104,000 | | | | 0% | |
| Pending bill | | 9,424,980 | | 5,557,966 | | 59% |
| National Agricultural Value Chain Development Programme (NAVCDP) | | 237,235,252 | | 147,916,317 | | 62% |
| Ward Based Projects | | 113,740,000 | | 750,000 | | 1% |
| **Sub Total** | **2,168,000** | **544,900,232** | - | **338,724,283** | 0% | 62% |
| **Programme 3: Livestock Development and Management** | | | | | | |
| Livestock Production and Productivity (Dairy, Beef, Poultry, Honey, Goat, Sheep, Pig, Rabbit) | | 6,461,397 | | - | | |
| Disease and Vector Control | 3,600,000 | | | | 0% | |
| Animal Breeding | 1,200,000 | | | | 0% | |
| Food Safety And Quality Control | 448,629 | | | | 0% | |
| Grants | | 94,202,157 | | | | 0% |
| **Sub Total** | **5,248,629** | **100,663,554** | | | 0% | 0% |
| **Programme 5: Fisheries Development and Management** | | | | | | |
| Fisheries Production and Productivity | 1,738,563 | | | | 0% | |
| **Sub Total** | **1,738,563** | | | | 0% | |
| **Programme 6: Agricultural Institutions Development and Management** | | | | | | |
| Development and Management of Mabanga Agricultural Training Centre (ATC) | | 2,629,507 | | | | 0% |
| Development and Management of Mabanga Agricultural Mechanization Centre (AMC) | | 1,516,000 | | | | 0% |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| Development and Management of Chwele Fish Farm (CFF) | 4,180,000 | | | | 0% | |
| **Sub Total** | **4,180,000** | **4,145,507** | | | 0% | 0% |
| **Programme 7: Cooperatives Development and Management** | | | | | | |
| Cooperative registration services | 1,014,600 | | | | 0% | |
| Cooperative governance, advisory and training services | 50,765 | | | | 0% | |
| Co-operative audit services | 834,000 | | | | 0% | |
| Cooperative input and infrastructural/financial support services | 806,193 | 9,112,726 | | 387,000 | 0% | |
| Pending bill | | 10,114,359 | | | | 0% |
| **Sub Total** | **2,705,558** | **19,227,085** | | **387,000** | 0% | 2% |
| **Totals** | **68,864,598** | **668,936,378** | **44,305,964** | **339,111,283** | 64% | 51% |
| | | | | | | |
| **HEALTH AND SANITATION** | | | | | | |
| **GENERAL ADMINISTRATION, PLANNING AND SUPPORT SERVICES** | | | | | | |
| S.P.1: Healthcare workers and Human Resource Management | - | | | | | |
| Capacity building / Trainings | 5,500,000 | | 3,538,927.30 | | 64% | 0% |
| S.P.2: Construction and maintenance of buildings | | 169,143,801 | | 9,040,743 | | 5% |
| S.P.3: Health Products and Technologies | 3,779,407 | | | | 0% | |
| S.P.4: Leadership and governance | 500,000 | | | | 0% | |
| S.P.5: Health Sector Planning budgeting and coordination services | 1,000,000 | | | | 0% | |
| S.P.6: Health Outreach and Support Services | 500,000 | | | | 0% | |
| Sanitation Recurrent | 368,943 | | 223,125 | | 60% | |
| Specialised Materials & Services | 69,469,322 | | | | | |
| **Sub-programme total** | **81,117,672** | **169,143,801** | **3,762,052** | **9,040,743** | 5% | 5% |
| | | | | | | |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| **PROG. 2: CURATIVE AND REHABILITATIVE HEALTH SERVICES** | | | | | | |
| S.P.10: Primary Health Care | 143,531,956 | | 99,176,084 | | 69% | |
| S.P.11: Hospital Level Services | 1,200,585,267 | 50,000,000 | | | 0% | 0% |
| **Sub-programme Total** | **1,344,117,223** | **50,000,000** | **99,176,084** | - | 7% | 0% |
| **PREVENTIVE AND PROMOTIVE HEALTH SERVICES** | | | | | | |
| S.P.20: Gender mainstreaming | 1,010,000 | | | | 0% | |
| **Sub-programme Total** | **1,010,000** | | | | 0% | |
| **GRAND TOTAL** | **1,426,244,895** | **219,143,801** | **102,938,136** | **9,040,743** | 7% | 4% |
| | | | | | | |
| **ROADS, PUBLIC WORKS, AND TRANSPORT** | | | | | | |
| Programme 1: General Administration, Planning, and Support Services | 1,298,320 | | | | 0% | |
| | 24,627,892 | | 10,424,003.00 | | 42% | |
| | 8,723,289 | | | | 0% | |
| **Total Expenditure of Programme 1** | **34,649,501** | | **10,424,003** | | 30% | |
| Programme 2: Transport Infrastructure Development and Management | | 283,263,826 | | 170,335,767 | | 60% |
| | 8,628,984 | 1,042,068,652 | 6,046,308 | 65,161,066 | 70% | 6% |
| **Total Expenditure of Programme 2** | **8,628,984** | **1,325,332,478** | **6,046,308** | **235,496,833** | 70% | 18% |
| Programme 3: Building Standards and Quality Assurance | 3,042,088 | | | | 0% | |
| **Total Expenditure of Programme 3** | **3,042,088** | | | | 0% | |
| Programme 4: Public and Transport Safety | | | | | | |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| SP4.1: Fire Risk Management | 945,000 | | | | 0% | |
| SP4.2: Transport Safety | 945,000 | | | | 0% | |
| **Total Expenditure of Programme 4** | **1,890,000** | | | | 0% | |
| **Total Expenditure of Vote** | **48,210,573** | **1,325,332,478** | **16,470,311** | **235,496,833** | 34% | 18% |
| | | | | | | |
| **TOURISM, ENVIRONMENT, WATER, NATURAL RESOURCES AND CLIMATE CHANGE.** | | | | | | |
| **Environment, Tourism and Climate Change** | | | | | | |
| **Programme 1: General Administration Planning and support Services** | | | | | | |
| Sp. Planning and support services | 12,436,507 | | 2,877,460 | | 23% | |
| **Total Expenditure of Programme 1** | **12,436,507** | | **2,877,460** | | 23% | |
| **Programme 2: Protection and conservation of the environment** | | | | | | |
| SP. Waste management and control | 416,953,383 | | 267,852,996 | | 64% | |
| **Total Expenditure of Programme 2** | **416,953,383** | - | **267,852,996** | - | 64% | |
| **Programme3: climate change coordination and management** | | | | | | |
| Sp. Climate change resilience investment grant | | 590,169,149 | | 138,375,630 | | 23% |
| SP. Climate change institutional support grant | | 41,000,000 | - | | 0% | |
| **Total Expenditure of Programme 3** | - | **631,169,149** | - | **138,375,630** | 0% | 22% |
| **Sub Totals tourism** | **429,389,890** | **631,169,149** | **270,730,456** | **138,375,630** | 63% | 22% |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| **Water and Natural Resource** | | | | | | |
| Programme 1: General Administration Planning and support Services | | | | | | |
| SP. Delustering process BWASCO | 30,000,000 | - | 15,000,000 | | 50% | |
| Sp. Planning and support services | 14,519,692 | 19,000,000 | 8,708,294 | | 60% | |
| **Total Expenditure of Programme 1** | **44,519,692** | **19,000,000** | **23,708,294** | - | 53% | |
| Programme 2: Water and Sanitation development and management | | | | | | |
| SP. Borehole development | | 33,392,019 | | 11,605,700 | | 35% |
| SP. KOICA counterpart funding | | 10,000,000 | | | 0% | |
| KOICA Grant | | 500,000,000 | | | | 0% |
| Ward based projects | | 119,070,000 | | 11,052,132 | | 9% |
| Pending bills water projects | | 29,560,908 | | 10,088,550 | | 34% |
| SP. Water dams and pans development | - | | | | | |
| **Total Expenditure of Programme 2** | - | **692,022,927** | - | **32,746,382** | 0% | 5% |
| **Sub Total Water** | **44,519,692** | **711,022,927** | **23,708,294** | **32,746,382** | 53% | 5% |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| **Grand Totals** | **473,909,582** | **1,342,192,076** | **294,438,751** | **171,122,011** | 62% | 13% |
| | | | | | | |
| EDUCATION | | | | | | |
| **Programme 1: Policy, Planning and General administration** | | | | | | |
| SP 2: Policy formulation | 1,000,000 | | | | 0% | |
| SP3: Administration and support services | 8,206,932 | | 7,749,367 | | 94% | |
| Sp4: Capacity building and stakeholders forum | 783,000 | | | | 0% | |
| Sp5: Planning and financial management | 3,000,000 | | | | 0% | |
| Pending bills | 31,807,884 | | | | 0% | |
| **Total Expenditure programme 1:** | **44,797,816** | | **7,749,367** | | 17% | |
| **Programme 2: Early Childhood Education Development** | | | | | | |
| SP5: Provision of capitation for ECDE | 7,184,123 | | | | 0% | |
| SP6 : Infrastructure development | 25,932,391 | 60,990,000 | | 15,958,612 | | 26% |
| Pending bills | | 29,627,986 | | 11,279,098 | | 38% |
| **Total Expenditure programme 2:** | **33,116,514** | **90,617,986** | | **27,237,709** | 0% | 30% |
| **Programme 3: Education Support Programme** | | | | | | |
| Sp5: School Feeding Programme | 40,000,000 | | 14,632,704 | | 37% | |
| **Total Expenditure programme 3:** | **40,000,000** | | **14,632,704** | | 37% | |
| **Programme 4: VTC General administration Planning and Policy Formulation** | | | | | | |
| SP3: Administration and support services | 3,300,000 | | 1,426,390 | | 43% | |
| SP4: Capacity building for VTC instructors | 3,000,000 | | | | 0% | |
| **Total Expenditure programme 4:** | **6,300,000** | | **1,426,390** | | 23% | |
| **Programme 5: Vocational Education and Training** | | | | | | |
| Sp1: Tuition support grant | 25,000,000 | | 25,075,200 | | 100% | |
| Sp3: Construction and Renovation of VTC Infrastructure | | 56,780,000 | | | | 0% |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| **Total Expenditure programme 5:** | **25,000,000** | **56,780,000** | **25,075,200** | | 100% | 0% |
| **TOTAL** | **149,214,330** | **147,397,986** | **48,883,661** | **27,237,709** | **33%** | **18%** |
| **TRADE, ENERGY, AND INDUSTRIALIZATION** | | | | | | |
| **TRADE** | | | | | | |
| **Programme 1: General Administration and Support Services** | | | | | | |
| SP 3. Administrative Services | 11,498,720 | | 7,505,841.60 | | 65% | |
| SP 4. Purchase of office ICT equipment | 550,000 | | | | 0% | |
| SP 5. Planning and Financial Management | 1,583,952 | | | | 0% | |
| SP 6. Policy and legal framework | 3,000,000 | | | | 0% | |
| SP 7. Pending Bills | 5,960,526 | | 2,132,073 | | 36% | |
| **Total Expenditure of Programme 1** | **22,593,198** | | **9,637,915** | | 43% | |
| **Programme 2: Trade and Enterprise Development** | | | | | | |
| SP. 1. Fair trade practices and Consumer Protection | 734,055 | | | | 0% | |
| SP 2. Business Development Services- Trade fairs/exhibitions | 1,439,010 | | | | 0% | |
| SP 2. 1. Business Loan | 3,435,064 | | | | 0% | |
| **Total Expenditure of Programme 2** | **5,608,129** | | | | 0% | |
| **Programme 3: Market Infrastructure Development and Management** | | | | | | |
| SP 3.1. Market Infrastructure | | 88,060,152 | | 59,265,593 | | |
| SP 3.2. Ward Based Projects | | 54,760,000 | | | | 0% |
| SP 3.3. Supplier Credit | | 13,308,340 | | 6,654,170 | | 50% |
| **Total Expenditure of Programme 3** | | **156,128,492** | | **65,919,763** | | 42% |
| **Total Expenditure** | **28,201,327** | **156,128,492** | **9,637,915** | **65,919,763** | 34% | 42% |
| **ENERGY** | | | | | | |
| **Programme 1: General Administration and Support Services** | | | | | | |
| SP 1. Human Resource Development and Management | 210,000 | | | | 0% | |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| SP 2. Administrative Services | 2,658,753 | | 1,265,340 | | 48% | |
| SP 3. Planning and financial management | 590,063 | | | | 0% | |
| SP 4. Policy and legal framework | 1,000,000 | | | | 0% | |
| SP. 5 Electricity Connectivity and maintenance | 34,000,000 | | 34,000,000 | | 100% | |
| **Total Expenditure of Programme 1** | **38,458,816** | - | **35,265,340** | - | 92% | |
| **Programme 2: Energy Infrastructure Development and Management** | | | | | | |
| SP 2. 1. Energy access | | 9,372,408 | | | | 0% |
| **Total Expenditure of Programme 2** | | **9,372,408** | | | | 0% |
| **Total Expenditure** | **38,458,816** | **9,372,408** | **35,265,340** | | 92% | 0% |
| **INDUSTRY** | | | | | | |
| **Programme 1: General Administration and Support Services** | | | | | | |
| SP 3. Administrative Services | 8,816,901 | | | | 0% | |
| SP 4. Planning and Financial Management | 2,291,456 | | | | 0% | |
| SP. 5 Policy and Legal Framework | 1,500,000 | | | | 0% | |
| **Total Expenditure of Programme 1** | **12,608,357** | | | | 0% | |
| **Programme 2: Industrial Investment and Development** | | | | | | |
| SP 2. 1. Industrial Development | | 204,706,886 | | 55,212,282 | | 27% |
| **Total Expenditure of Programme 2** | - | **204,706,886** | - | **55,212,282** | | 27% |
| **Total Expenditure** | **12,608,357** | **204,706,886** | **0** | **55,212,282** | 0% | 27% |
| | | | | | | |
| **LANDS, URBAN, PHYSICAL PLANNING, HOUSING AND MUNICIPALITIES** | | | | | | |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| Programme 1: General Administration, Planning and Support services | | | | | | |
| Administrative and support services | 15,249,659 | | 7,972,163 | | 52% | |
| Capacity Building | 1,656,400 | | | | 0% | |
| Planning and Financial Management | 2,482,200 | | | | 0% | |
| Policy and legal framework | 1,112,911 | | | | 0% | |
| Operationalization of Municipalities | 4,200,000 | | | | 0% | |
| Land registration | | | | | 0% | |
| **Total Expenditure of Programme 1** | **24,701,170** | | **7,972,163** | | 32% | |
| **Programme 2: Land Development and Management** | | | | | | |
| SP 2: Land acquisition | | 8,000,000 | | - | | 0% |
| Supplier Credit | | 21,235,000 | | | | 0% |
| Ward Based Project | | 18,660,000 | | - | | 0% |
| **Total Expenditure of Programme 2** | | **47,895,000** | | - | | 0% |
| **Total Expenditure of Vote 4918-01** | **24,701,170** | **47,895,000** | **7,972,163** | - | 32% | 0% |
| **HOUSING** | | | | | | |
| **Programme 1 General Administration, Planning and Support services** | | | | | | |
| SP 2: Administrative Services | 8,033,698 | | 4,790,492 | | 60% | |
| SP 3: Capacity Building | 1,037,200 | | | | 0% | |
| SP 4: Planning and Financial Management | 940,800 | | | | 0% | |
| SP 5: Policy and Legal Framework | 1,416,500 | | | | 0% | |
| SP 6: Sector Coordination | 500,000 | | | | 0% | |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| SP.7 KISIP Co-funding –Adminstrative | 57,500,000 | | 55,073,560 | | 96% | |
| Total Expenditure of Programme 1 | **69,428,198** | | **59,864,052** | | 86% | |
| **Programme 2 Housing development and management** | | | | | | |
| SP 2: Housing Infrastructural Development | | 60,322,930 | | 60,158,702 | | 100% |
| SP 3: Housing Financing Services | | 300,614,270 | | 115,023,906 | | 38% |
| Total Expenditure of Programme 2 | - | **360,937,200** | - | **175,182,608** | | 49% |
| Total Expenditure for Vote - | **69,428,198** | **360,937,200** | **59,864,052** | **175,182,608** | 86% | 49% |
| **BUNGOMA MUNICIPALITY** | | | | | | |
| **Programme I**: Urban Economy, General Administration, Planning and Support services | | | | | | |
| SP 1.1: Salaries and Personnel Emoluments | 25,948,370 | | 24,338,043 | | 94% | |
| SP 1.3: General Administration and Support Services | 15,604,729 | | 13,313,200 | | 85% | |
| ***Programme I Total*** | **41,553,099** | | **37,651,243** | | 91% | |
| **Programme III**: Urban Infrastructure Development and Management | | | | | | |
| SP 3.1: Urban Transport and Infrastructure Development | | 55,070,505 | | | | 0% |
| SP 3.2: infrastructure and civil works | | 45,712,910 | | 16,997,804 | | 37% |
| ***Programme III Total*** | | **100,783,415** | | **16,997,804** | | 17% |
| **Total Expenditure for Vote** | **41,553,099** | **100,783,415** | **37,651,243** | **16,997,804** | 91% | 17% |
| **KIMILILI MUNICIPALITY** | | | | | | |
| **Programme 1: Urban Governance** | | | | | | |
| SP1: General Adm planning and support services (Inclusive of salary) | 24,502,934 | | 23,910,197 | | 98% | |
| SP2: Human resource | 21,939,326 | | | | 0% | |
| **Total Expenditure of Programme 1** | **46,442,260** | | **23,910,197** | | 51% | |
| **Programme 2: Urban Infrastructure Development and management** | | | | | | |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| Infrastructure. Housing and public works | | 67,239,549 | | 13,261,438 | | 20% |
| **Total Programme 2** | | **67,239,549** | | **13,261,438** | | 20% |
| **Total Expenditure of Vote 4918-05** | **46,442,260** | **67,239,549** | **23,910,197** | **13,261,438** | 51% | 20% |
| **FINANCE AND ECONOMIC PLANNING** | | | | | | |
| **Programme 1: General Administration, Planning and Support Services** | | | | | | |
| SP 1.2: Administration Services | 210,592,751 | | 159,072,022 | | 76% | |
| SP 1.3 Public Participation and dissemination of financial documents | 15,412,662 | | 7,203,074 | | 47% | |
| **Total Expenditure of Programme 1** | **226,005,413** | | **166,275,097** | | 74% | |
| **Programme 2: County Planning Management** | | | | | | |
| SP 2.1: Economic Policy and County Planning Services | 18,850,802 | | 10,019,560 | | 53% | |
| Sub Programme 2.2: Budgeting | 32,681,701 | | 17,980,285 | | 55% | |
| SP 2.3: Monitoring and Evaluation | 7,785,507 | | 1,968,624 | | 25% | |
| SP 2.4 Statistics | 9,500,000 | | | | 0% | |
| **Total Expenditure of Programme 2** | **68,818,010** | | **29,968,468** | | 44% | |
| **Programme 3: County Financial Service Management** | | | | | | |
| SP 3.1: Revenue Mobilization | 29,561,606 | | 12,244,672 | | 41% | |
| SP3.2: Accounting Services | 15,951,952 | | 9,737,201 | | 61% | |
| SP 3.3: Audit Services | 18,773,695 | | 8,555,265 | | 46% | |
| SP 3.4: Supply Chain Services | 22,688,809 | | 7,967,880 | | 35% | |
| **Total Expenditure of Programme 3** | **86,976,062** | | **38,505,018** | | 44% | |
| **Programme 4: Service Delivery and Organizational transformation** | | | | | | |
| SP 4.2: Special Coordination Unit | 61,548,446 | | 32,926,960 | | 53% | |
| SP 4.9: Emergency Fund | | 100,365,961 | | 10,244,628 | | 10% |
| ICT Development | | 28,355,500 | 1,522,743 | 25,000,000 | | 88% |
| Health Management System | | | | | | |
| Other infrastructure civil works | | 75,000,000 | | | | 0% |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| **Total Expenditure of Programme 4** | **61,548,446** | **203,721,461** | **34,449,703** | **35,244,628** | **56%** | **17%** |
| **Total Expenditure of Vote -------** | **443,347,931** | **203,721,461** | **269,198,286** | **35,244,628** | **61%** | **17%** |
| **PUBLIC ADMINISTRATION** | | | | | | |
| **Public service Management and Administration** | | | | | | |
| **Programme 1: General Administration, Planning and Support Services** | **356,453,770** | **1,223,504** | **263,582,726** | | 74% | 0% |
| SP 1: Administration services | 61,017,590 | 1,223,504 | 30,701,431.40 | | 50% | 0% |
| SP 2: Human resource management and development | 7,000,000 | | | | 0% | |
| SP 3: Security and cleaning services | 60,436,180 | | 22,881,295 | | 38% | |
| SP 4: Medical insurance | 220,000,000 | | 210,000,000 | | 95% | |
| SP 5: Information Communication Technology | 8,000,000 | | | | 0% | |
| **Programme 2: Governance and public relations** | **92,237,537** | **352,500,000** | **13,637,600** | **6,950,000** | 15% | 2% |
| SP 1: Civic education | 4,000,000 | | | | 0% | |
| SP 2: Public participation | 1,000,000 | | | | 0% | |
| SP 3: Commemoration of National events | 9,000,000 | | | | 0% | |
| SP 4: Kenya Devolution Support Programme II | 73,237,537 | 352,500,000 | 13,637,600 | 6,950,000 | | 2% |
| SP 5: Co funding - Kenya Devolution Support Programme II | 5,000,000 | | | | 0% | |
| **Programme 3: Public Service Management** | **13,665,190** | | | | 0% | |
| SP 1: Organizational transformation | 13,665,190 | | | | 0% | |
| **Total Expenditure for Vote** | **462,356,497** | **353,723,504** | **277,220,326** | **6,950,000** | 60% | 2% |
| | | | | | | |
| **Office of the County Secretary and County Attorney** | | | | | | |
| **Programme 1: General Administration, Planning and Support Services** | **7,068,586,436** | - | **5,532,656,723** | - | 78% | |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| SP 1: Employee Compensation | 7,041,886,436 | | 5,516,443,507 | | 78% | |
| Administrative Expenses | 21,700,000 | | 15,973,116 | | 74% | |
| SP 2: Human resource management and development | 4,000,000 | | | | 0% | |
| SP 3: Records management and development | 1,000,000 | | 240,100 | | 24% | |
| **Total Expenditure for Vote** | **7,068,586,436** | - | **5,532,656,723** | - | 78% | |
| | | | | | | |
| **Office of the County Attorney** | | | | | | |
| **Programme 1: General Administration, Planning and Support Services** | **75,682,504** | | **9,484,970** | | 13% | 0% |
| SP 1: Administration services | 18,406,008 | | 5,404,384 | | 29% | |
| SP 2: Pending Bills | 48,776,496 | | 4,080,586 | | 8% | 0% |
| SP 4: Legal services | 8,500,000 | | | | 0% | |
| **Total Expenditure for Vote** | **75,682,504** | | **9,484,970** | | 13% | 0% |
| | | | | | | |
| **OFFICE OF THE GOVERNOR AND DEPUTY GOVERNOR** | | | | | | |
| **Programme 1: General administration, planning and support services** | **139,577,490** | | **123,218,590** | | 88% | |
| SP 2: Operation and maintenance | 87,367,490 | | 83,608,385.30 | | 96% | |
| Sp3: Training and Development | 5,030,000 | | | | 0% | |
| Sp4: Transport and Logistics | 23,680,000 | | 16,729,003 | | 71% | |
| Sp4: Deputy Governor | 23,500,000 | | 22,881,201 | | 97% | |
| **Programme 2: Governance and public relations** | **88,314,314** | | | | 0% | |
| SP 1: Stakeholder Engagement | 35,608,450 | | | | 0% | |
| SP 2: Special Programme | 15,227,501 | | | | 0% | |
| Sp3: pending bill | 30,478,363 | | | | 0% | |
| Sp4: Service Delivery Unit | 7,000,000 | | | | 0% | |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| **Total Expenditure for Vote** | **227,891,804** | | **123,218,590** | | **54%** | |
| **GENDER, CULTURE, YOUTH AND SPORTS** | | | | | | |
| **GENDER AND CULTURE** | | | | | | |
| **Programme 1: 1 General Administration, planning and support services** | | | | | | |
| Staff training | 1,800,000 | | 556,018 | | 31% | |
| Utilities | 200,000 | | | | 0% | |
| Catering items | 869,850 | | 435,600 | | 50% | |
| Stationery | 600,000 | | | | 0% | |
| Fuel, maintenance, insurance | 500,000 | | 250,000 | | 50% | |
| Administrative service management (boards and Committees, travel costs, catering services, others) | 5,212,851 | | 1,923,875 | | 37% | |
| **Subtotal** | **9,182,701** | | **3,165,493** | | 34% | |
| **Programme 2 Cultural Development and Management** | | | | | | |
| Participate in KICOSCA and EALSCA games | 24,087,062 | | 20,871,900 | | 87% | |
| Uniforms - KICOSCA | 4,000,000 | | 3,200,000 | | 80% | |
| Other Infrastructure | 181,768 | | | | | 0% |
| **Subtotal** | **28,268,830** | | **24,071,900** | | 85% | 0% |
| **Programme 3: Gender Equality And Empowerment Of Vulnerable Groups** | | | | | | |
| Gender based violence response programs (16 days of activism against women) | 525,000 | | | | 0% | |
| International Children's Day | 756,000 | | | | 0% | |
| Mark and celebrate international Womens Day | 575,000 | | | | 0% | |
| Mark and celebrate international Disability day | 525,000 | | | | 0% | |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| Women Empowerment Fund | | 90,881 | | | | 0% |
| Disability Empowerment Fund | | 90,881 | | | | 0% |
| **Subtotal** | **2,381,000** | **181,761** | | | 0% | 0% |
| **Totals** | **39,832,531** | **181,761** | **27,237,393** | | 68% | 0% |
| **YOUTH AND SPORTS** | | | | | | |
| **PROGRAMME 2: General Administration Planning and support Services** | | | | | | |
| staff training | 525,000 | | 119,600 | | 23% | |
| Utility for office operations | 84,000 | | | | 0% | |
| Catering items | 3,290,000 | | 2,399,795 | | 73% | |
| Fuel, insurance and Maintenance | 300,000 | | 300,000 | | 100% | |
| Stationery | 630,000 | | 630,000 | | 100% | |
| Administrative service management (boards and Committees, travel costs, travel (catering services, other recurrent) | 12,954,382 | 9,000,000 | 10,264,707 | - | 47% | |
| **Subtotal** | **17,783,382** | **9,000,000** | **13,714,102** | | 77% | |
| **PROGRAMME 5: SPORTS TALENT DEVELOPMENT AND MANAGEMENT** | | | | | | |
| Participate in KYISA games | 4,795,200 | | | | 0% | |
| Support to county sports Clubs | 925,000 | | | | 0% | |
| | | | | | | |
| **Subtotal** | **5,720,200** | | | | 0% | |
| **PROGRAMME 5: Youth Talent Development and management** | | | | | | |
| Mark youth week | 3,665,000 | | | | 0% | |
| Marathon organised | 2,200,000 | | | | 0% | |
| Youth career empowerment seminars | 60,000 | | | | 0% | |
| Ward Based Projects | | 3,780,000 | | 2,949,483 | | 78% |
| Youth Empowerment fund | 25,992 | | | | 0% | |

| Programme/Sub Programme | Gross Approved Estimates FY 2025/26 (Kshs.) | | Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.) | | Absorption Rate (%) | |
|---|---|---|---|---|---|---|
| | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure | Recurrent Expenditure | Development Expenditure |
| Supplier Credit | | 3,855,949 | | | | |
| **Subtotal** | **5,950,992** | **7,635,949** | | **2,949,483** | 0% | 39% |
| **Totals** | **29,454,574** | **16,635,949** | **13,714,102** | **2,949,483** | 47% | 18% |
| **COUNTY PUBLIC SERVICE BOARD** | | | | | | |
| **Programme 1: 1 General Administration, planning and support services** | | | | | | |
| SP 1. 1 Administrative services | 17,679,368 | | 15,558,459 | | 88% | |
| SP1.2 Construction of 1 Storey Administrative Block | | 3,800,000 | | | | 0% |
| **Total Expenditure of Programme 1** | **17,679,368** | **3,800,000** | **15,558,459** | | 88% | 0% |
| **Programme 2: (*Human Resource Management and Develpment*)** | | | | | | |
| SP 2. 1 Human Resource Management | 12,298,356 | | | | 0% | |
| SP 2. 2. Human Resource Development | 3,560,232 | | | | 0% | |
| **Total Expenditure of Programme 2** | **15,858,588** | | | | 0% | |
| **Programme 3: Governance and National Values** | | | | | | |
| SP 3. 1Quality Assurance | 2,163,463 | | | | 0% | |
| SP 3. 2 ethics governors and national | 3,902,399 | | | | 0% | |
| **Total Expediture of programme 3** | **6,065,862** | | | | 0% | |
| **Total Expenditure of Vote -------** | **39,603,818** | **3,800,000** | **15,558,459** | | 39% | 0% |
| **Grand Total** | **10,814,593,300** | **5,228,128,344** | **6,949,626,582** | **1,153,726,587** | **64%** | **22%** |

***Source***: *County Treasury*

### 3.1.15 Key Observations and Recommendations

The following are challenges which hampered effective budget implementation.

- Own-source revenue underperformed at Kshs.1.2 billion against an annual target of Kshs.2.07 billion, representing 58.9 per cent of the yearly target.
- Low absorption of development funds which was at Kshs. 1.15 billion thus 21% of the target development allocation.
- High level of pending bills, which amounted to Kshs.4.9 billion as of 30th June 2025.

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

1. The County should develop and implement strategies to enhance its own-source revenue performance to ensure the approved budget is fully financed.
2. The County leadership should address the pending bills situation to ensure genuine bills are paid promptly in the respective financial year.
3. The County should identify and address issues causing delays in implementing development programmes and projects.