

2.5. Funds Released to the Counties

2.5.1 Funds Released from the Consolidated Fund to the Counties

In the first half of FY 2023/24, the Controller of Budget (COB) approved the transfer of Kshs.147.47 billion as the equitable share of revenue raised nationally from the Consolidated Fund to the various County Revenue Funds (CRFs) per Article 206 (4) of the Constitution. The transferred amount represented 37 per cent of the allocated equitable share of Kshs.385.42 billion. A detailed analysis of the released equitable share to each County is provided in chapter three.

2.5.2 Funds Released to the County Operational Accounts

The CoB authorised withdrawals of Kshs.174.63 billion from the County Revenue Funds to the County Operational Accounts comprised of Kshs.23.88 billion (13.7 per cent) for development expenditure and Kshs.150.75 billion (86.3 per cent) for recurrent expenditure, an improvement from the Kshs.150.14 billion authorised in a similar period in FY 2022/23. A detailed analysis of the funds released to each County is provided in chapter three.

2.6. Expenditure Analysis

The total expenditure by County governments in the first half of FY 2023/24 was Kshs.168.52 billion, representing an absorption rate of 30.2 per cent of the total annual County Governments' budget of Kshs.557.44 billion, an improvement from an absorption rate of 29.2 per cent reported in a similar period in FY 2022/23, where the total expenditure was Kshs.145.21 billion.

Recurrent expenditure was Kshs.143.72 billion, representing 40.6 per cent of the annual recurrent budget, a slight decline from 40.7 per cent reported in the first half of FY 2022/23. Development expenditure amounted to Kshs.24.81 billion, representing an absorption rate of 12.2 per cent and an improvement from 6.9 per cent attained in the first half of FY 2022/23 when total development expenditure was Kshs.11.66 billion. The analysis of expenditure by economic classification in the first half of FY 2023/24 is provided in Table 2.2.

Table 2.2: Expenditure by Major Economic Classification in the First Half of FY 2023/24

County	Recurrent Expenditure (Kshs.)			Development Expenditure (Kshs.)	Total Expenditure (Kshs.)
	Personnel Emoluments	Operations & Maintenance	Total Recurrent Expenditure		
	A	B	C=A+B	D	E=C+D
Baringo	3,831,353,394	519,956,414	4,351,309,808	376,579,524	4,727,889,332
Bomet	1,537,665,775	813,946,271	2,351,612,046	647,987,991	2,999,600,037
Bungoma	2,537,818,103	1,106,500,711	3,644,318,814	324,733,814	3,969,052,628
Busia	1,958,717,385	966,636,490	2,925,353,875	298,489,828	3,223,843,703
Elgeyo Marakwet	1,469,227,130	457,953,485	1,927,180,615	130,006,494	2,057,187,109
Embu	1,657,983,293	500,312,783	2,158,296,076	283,158,792	2,441,454,868
Garissa	2,064,630,661	531,746,005	2,596,376,666	804,726,661	3,401,103,327
Homa Bay	1,787,234,907	870,878,133	2,658,113,040	289,512,065	2,947,625,105
Isiolo	923,332,499	717,488,067	1,640,820,566	169,113,704	1,809,934,270
Kajiado	1,985,684,229	942,588,032	2,928,272,261	368,524,228	3,296,796,489
Kakamega	2,153,415,040	1,473,962,756	3,627,377,797	873,547,545	4,500,925,342
Kericho	1,502,208,587	676,876,868	2,179,085,455	222,794,015	2,401,879,470
Kiambu	3,689,405,575	1,642,493,118	5,331,898,693	838,682,140	6,170,580,833

County	Recurrent Expenditure (Kshs.)			Development Expenditure (Kshs.)	Total Expenditure (Kshs.)
	Personnel Emoluments	Operations & Maintenance	Total Recurrent Expenditure		
	A	B	C=A+B	D	E=C+D
Kilifi	2,147,648,830	2,255,573,062	4,403,221,892	940,128,519	5,343,350,411
Kirinyaga	979,026,737	742,380,794	1,721,407,531	267,461,987	1,988,869,518
Kisii	2,945,147,271	781,713,012	3,726,860,283	151,929,456	3,878,789,738
Kisumu	2,278,582,092	704,933,993	2,983,516,084	401,625,893	3,385,141,977
Kitui	2,964,744,478	1,664,428,599	4,629,173,077	1,053,954,083	5,683,127,160
Kwale	1,657,353,153	1,024,850,126	2,682,203,279	1,095,525,855	3,777,729,135
Laikipia	1,312,826,116	502,425,907	1,815,252,023	535,338,958	2,350,590,981
Lamu	809,094,774	335,494,187	1,144,588,961	141,617,575	1,286,206,536
Machakos	3,302,695,025	487,715,828	3,790,410,853	209,144,308	3,999,555,161
Makueni	1,606,464,532	872,042,003	2,478,506,535	251,148,916	2,729,655,451
Mandera	2,229,529,508	1,129,404,372	3,358,933,880	755,949,330	4,114,883,210
Marsabit	1,738,020,558	688,869,037	2,426,889,595	937,002,970	3,363,892,565
Meru	1,875,554,670	1,388,385,504	3,263,940,173	359,542,358	3,623,482,531
Migori	1,777,726,331	1,340,775,028	3,118,501,359	518,410,635	3,636,911,995
Mombasa	3,210,507,249	527,633,762	3,738,141,011	208,127,755	3,946,268,766
Murang'a	2,138,098,386	917,039,607	3,055,137,993	308,016,607	3,363,154,600
Nairobi City	7,494,051,602	2,856,102,047	10,350,153,648	461,497,508	10,811,651,156
Nakuru	3,633,777,831	1,952,432,152	5,586,209,983	1,462,888,213	7,049,098,196
Nandi	1,917,410,443	1,138,040,434	3,055,450,877	355,526,969	3,410,977,846
Narok	1,675,675,308	1,772,310,861	3,447,986,169	2,396,496,170	5,844,482,339
Nyamira	1,667,981,235	551,374,773	2,219,356,008	351,359,996	2,570,716,004
Nyandarua	1,380,573,387	926,340,804	2,306,914,191	197,058,809	2,503,973,000
Nyeri	1,789,792,135	622,600,785	2,412,392,920	185,343,593	2,597,736,513
Samburu	1,063,225,096	779,151,924	1,842,377,020	139,795,662	1,982,172,682
Siaya	1,507,492,303	1,004,269,266	2,511,761,569	609,084,251	3,120,845,820
Taita Taveta	1,457,914,607	494,939,513	1,952,854,120	101,650,772	2,054,504,892
Tana River	981,733,675	1,007,330,941	1,989,064,616	469,509,140	2,458,573,756
Tharaka Nithi	1,292,739,671	472,358,703	1,765,098,374	296,815,983	2,061,914,356
Trans Nzoia	1,823,565,265	678,595,612	2,502,160,876	524,028,908	3,026,189,784
Turkana	3,033,037,954	1,729,059,693	4,762,097,647	1,283,186,465	6,045,284,112
Uasin Gishu	2,250,060,715	971,301,026	3,221,361,741	860,708,301	4,082,070,042

County	Recurrent Expenditure (Kshs.)			Development Expenditure (Kshs.)	Total Expenditure (Kshs.)
	Personnel Emoluments	Operations & Maintenance	Total Recurrent Expenditure		
	A	B	C=A+B	D	E=C+D
Vihiga	1,369,312,322	598,703,204	1,968,015,526	397,636,602	2,365,652,128
Wajir	2,249,635,098	822,022,442	3,071,657,540	751,230,771	3,822,888,311
West Pokot	1,471,073,124	624,063,586	2,095,136,710	200,059,994	2,295,196,705
Total	98,130,748,061	45,586,001,717	143,716,749,778	24,806,660,114	168,523,409,892

Source: OCoB and County Treasuries

A review of cumulative expenditure by economic classification showed that Kshs.98.13 billion (58.2 per cent) was spent on Personnel Emoluments, Kshs.45.59 billion (27.1 per cent) on Operations and Maintenance, and Kshs.24.81 billion (14.7 per cent) on Development Expenditure.

2.6.1 Development Expenditure

The County governments spent Kshs.24.81 billion on development activities, representing an absorption rate of 12.2 per cent of the annual development budget of Kshs.203.11 billion, which increased from an absorption rate of 6.9 per cent reported in the first half of FY 2022/23 when development expenditure was Kshs.11.66 billion. Analysis of County budget allocations, expenditures and absorption rate in the period under review is provided in Table 2.3.

Table 2.3: County Budget Allocation, Expenditure and Absorption Rate for the First Half of FY 2023/24

County	Budget Estimates (Kshs. Million)			Expenditure (Kshs. Million)			Rec. Absorption Rate (%)	Dev. Absorption Rate (%)	Overall Absorption Rate (%)
	Rec	Dev	Total	Rec	Dev	Total			
	A	B	C=A+B	D	E	F=D+E			
Baringo	5,095.54	4,450.05	9,545.59	4,351.31	376.58	4,727.89	85.4	8.5	49.5
Bomet	6,134.31	2,386.79	8,521.10	2,351.61	647.99	2,999.60	38.3	27.1	35.2
Bungoma	9,827.06	5,643.04	15,470.10	3,644.32	324.73	3,969.05	37.1	5.8	25.7
Busia	5,971.15	2,571.45	8,542.60	2,925.35	298.49	3,223.84	49.0	11.6	37.7
Elgeyo/Marakwet	3,829.82	3,327.82	7,157.64	1,927.18	130.01	2,057.19	50.3	3.9	28.7
Embu	5,228.18	2,533.94	7,762.13	2,158.30	283.16	2,441.45	41.3	11.2	31.5
Garissa	6,630.15	3,727.00	10,357.15	2,596.38	804.73	3,401.10	39.2	21.6	32.8
Homa Bay	7,719.30	3,978.79	11,698.09	2,658.11	289.51	2,947.63	34.4	7.3	25.2
Isiolo	4,012.49	1,736.32	5,748.81	1,640.82	169.11	1,809.93	40.9	9.7	31.5
Kajiado	7,312.33	4,247.43	11,559.76	2,928.27	368.52	3,296.80	40.0	8.7	28.5
Kakamega	11,368.04	6,320.79	17,688.83	3,627.38	873.55	4,500.93	31.9	13.8	25.4
Kericho	5,965.67	2,939.97	8,905.63	2,179.09	222.79	2,401.88	36.5	7.6	27.0
Kiambu	14,299.84	7,271.52	21,571.36	5,331.90	838.68	6,170.58	37.3	11.5	28.6
Kilifi	10,609.90	8,126.41	18,736.30	4,403.22	940.13	5,343.35	41.5	11.6	28.5
Kirinyaga	4,791.44	2,449.10	7,240.55	1,721.41	267.46	1,988.87	35.9	10.9	27.5
Kisii	8,659.49	5,150.22	13,809.71	3,726.86	151.93	3,878.79	43.0	2.9	28.1
Kisumu	9,155.40	4,457.73	13,613.13	2,983.52	401.63	3,385.14	32.6	9.0	24.9
Kitui	8,864.51	5,124.27	13,988.78	4,629.17	1,053.95	5,683.13	52.2	20.6	40.6
Kwale	7,733.65	7,251.09	14,984.74	2,682.20	1,095.53	3,777.73	34.7	15.1	25.2
Laikipia	4,871.93	2,374.75	7,246.68	1,815.25	535.34	2,350.59	37.3	22.5	32.4
Lamu	2,686.17	1,900.74	4,586.91	1,144.59	141.62	1,286.21	42.6	7.5	28.0
Machakos	10,666.60	5,908.68	16,575.28	3,790.41	209.14	3,999.56	35.5	3.5	24.1

County	Budget Estimates (Kshs. Million)			Expenditure (Kshs. Million)			Rec. Absorption Rate (%)	Dev. Absorption Rate (%)	Overall Absorption Rate (%)
	Rec	Dev	Total	Rec	Dev	Total			
	A	B	C=A+B	D	E	F=D+E			
Makueni	7,615.83	3,554.48	11,170.32	2,478.51	251.15	2,729.66	32.5	7.1	24.4
Mandera	7,970.53	5,043.69	13,014.22	3,358.93	755.95	4,114.88	42.1	15.0	31.6
Marsabit	5,100.31	4,324.34	9,424.65	2,426.89	937.00	3,363.89	47.6	21.7	35.7
Meru	8,225.46	3,676.35	11,901.81	3,263.94	359.54	3,623.48	39.7	9.8	30.4
Migori	7,318.03	4,339.01	11,657.04	3,118.50	518.41	3,636.91	42.6	11.9	31.2
Mombasa	9,274.50	5,425.50	14,700.00	3,738.14	208.13	3,946.27	40.3	3.8	26.8
Murang'a	7,176.92	3,582.05	10,758.97	3,055.14	308.02	3,363.15	42.6	8.6	31.3
Nairobi City	28,315.60	14,014.65	42,330.25	10,350.15	461.50	10,811.65	36.6	3.3	25.5
Nakuru	13,037.54	10,046.78	23,084.32	5,586.21	1,462.89	7,049.10	42.8	14.6	30.5
Nandi	6,199.20	3,164.11	9,363.32	3,055.45	355.53	3,410.98	49.3	11.2	36.4
Narok	10,421.74	4,573.33	14,995.06	3,447.99	2,396.50	5,844.48	33.1	52.4	39.0
Nyamira	4,983.93	2,369.72	7,353.64	2,219.36	351.36	2,570.72	44.5	14.8	35.0
Nyandarua	5,401.57	2,810.89	8,212.46	2,306.91	197.06	2,503.97	42.7	7.0	30.5
Nyeri	6,185.38	2,878.71	9,064.08	2,412.39	185.34	2,597.74	39.0	6.4	28.7
Samburu	4,729.21	2,695.73	7,424.94	1,842.38	139.80	1,982.17	39.0	5.2	26.7
Siaya	5,828.86	4,713.27	10,542.13	2,511.76	609.08	3,120.85	43.1	12.9	29.6
Taita/Taveta	4,973.94	2,328.02	7,301.96	1,952.85	101.65	2,054.50	39.3	4.4	28.1
Tana River	5,215.04	3,654.46	8,869.50	1,989.06	469.51	2,458.57	38.1	12.8	27.7
Tharaka -Nithi	3,801.15	2,521.03	6,322.19	1,765.10	296.82	2,061.91	46.4	11.8	32.6
Trans Nzoia	5,831.24	4,420.86	10,252.11	2,502.16	524.03	3,026.19	42.9	11.9	29.5
Turkana	10,168.88	6,928.19	17,097.07	4,762.10	1,283.19	6,045.28	46.8	18.5	35.4
Uasin Gishu	7,057.15	3,190.16	10,247.31	3,221.36	860.71	4,082.07	45.6	27.0	39.8
Vihiga	4,392.52	2,414.55	6,807.08	1,968.02	397.64	2,365.65	44.8	16.5	34.8
Wajir	8,252.43	4,271.17	12,523.60	3,071.66	751.23	3,822.89	37.2	17.6	30.5
West Pokot	5,422.92	2,292.05	7,714.97	2,095.14	200.06	2,295.20	38.6	8.7	29.7
Total	354,332.85	203,111.01	557,443.86	143,716.75	24,806.66	168,523.41	40.6	12.2	30.2

Source: OCoB and County Treasuries

The analysis of development expenditure shows that counties with the lowest absorption rates were Kisii at 2.9 per cent, Nairobi City at 3.3 per cent, and Machakos at 3.5 per cent. Counties with the highest proportion of development expenditure to the approved annual development budget were; - Narok at 52.4 per cent, Bomet at 27.1 per cent and Uasin Gishu at 27 per cent. An analysis of the development expenditure implemented by Counties is provided in chapter three.

2.6.2 Recurrent Expenditure

The Counties spent an aggregate of Kshs.143.72 billion or 85.3 per cent of the total expenditure on recurrent activities. This expenditure represented 40.6 per cent of the annual County government's budget for recurrent activities and was a slight decline from 40.7 per cent recorded in a similar period of the FY 2022/23 when expenditure stood at Kshs.133.55 billion.

The recurrent expenditure comprised Kshs.98.13 billion (68.3 per cent) on Personnel Emoluments and Kshs.45.59 billion (31.7 per cent) on Operations and Maintenance (O&M) expenditure. An analysis of the recurrent expenditure by Counties is provided in chapter three.

2.6.3 Review of MCA Sitting Allowances

The County Assemblies spent Kshs.703.62 million on MCA's Sitting allowances against an approved budget