

# **COUNTY GOVERNMENT OF LAIKIPIA**

**DEPARTMENT OF FINANCE, ECONOMIC PLANNING  
AND COUNTY DEVELOPMENT**

## **BUDGET IMPLEMENTATION REPORT**

**FINANCIAL YEAR 2024/2025**

The County Treasury  
Laikipia County Headquarters, P.O. Box 131-20321, Rumuruti  
[www.laikipia.go.ke](http://www.laikipia.go.ke)

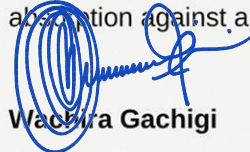
**SEPTEMBER 2025**

## FOREWORD

It is my pleasure to present the Budget Implementation Report for the Financial Year 2024/2025. This report provides a detailed review of the fiscal performance and project implementation status across all County Government departments and entities for the financial year ended 30th June 2025.

This report is prepared pursuant to Section 166 Sub-Section 4(a, b) of the Public Finance Management Act, 2012 and Section 118 of the PFM Act which requires the County Treasury to prepare a budget review paper detailing actual fiscal performance compared to budget appropriations.

During the review period, the County recorded notable achievements despite prevailing economic challenges. Own Source Revenue rose to KShs 1,239,504,563, a growth of 14.2% from KShs 1,085,142,997 in FY 2023/24. Total expenditure amounted to KShs 6,913,442,375 representing 85.5% absorption against a budget of KShs 8,084,926,047.



**Wachira Gachigi**

**County Executive Committee Member**

**FINANCE, ECONOMIC PLANNING AND COUNTY DEVELOPMENT**

## **INTRODUCTION**

This report provides information on the performance of own revenue sources, National Government transfers to the County Revenue Fund (CRF), and expenditure by departments for FY 2024/2025. It outlines the budget allocations and corresponding budget performance (absorption) for the period under review.

### **Legal Basis**

Prepared in compliance with Section 118 of the PFM Act, 2012 and Section 165(1) which requires the Receiver of Revenue to prepare an account of revenue collected, received and recovered during the financial year.

### **Fiscal Responsibility Principles**

Section 107 of the PFM Act requires: recurrent expenditure not to exceed total revenue; at least 30% development allocation; wages not exceeding 35% of revenue; borrowing only for development; and prudent fiscal risk management.

## OVERALL BUDGET OUTLOOK AND IMPLEMENTATION REPORT

The approved FY 2024/25 budget estimates amounted to KShs 8,084,926,047 comprising KShs 4,976,116,817 (61.55%) recurrent and KShs 3,108,809,230 (38.45%) development. The development allocation conforms with Section 107(2)(b) of the PFM Act.

**Table 1: FY 2024/25 Approved Budget Overview**

Category	Budget (KShs)	% of Total	PFM Threshold
Recurrent Expenditure	4,976,116,817	61.55%	< 70%
Development Expenditure	3,108,809,230	38.45%	> 30%
<b>Total Budget</b>	<b>8,084,926,047</b>	<b>100.00%</b>	

## OWN SOURCE REVENUE PERFORMANCE

### Overview

For the Financial Year 2024/2025, the County maintained an own-source revenue target of KShs 1,475,000,000. Total collections amounted to KShs 1,239,504,563 representing 84% realization. This performance represents a growth of KShs 154,361,566 (14.2%) from the KShs 1,085,142,997 collected in FY 2023/24, and a cumulative growth of 24.3% from KShs 997,324,350 in FY 2022/23.

The fiscal year was marked by a complex economic environment. Nationally, GDP grew by 4.7% in 2024, down from 5.6% in 2023, largely due to subdued construction, mining and manufacturing activity. However, agriculture, finance and real estate continued to support growth. These national trends directly influenced Laikipia's business environment and revenue collection capacity.

Key drivers of performance included improved uptake of automated cashless revenue collection systems, enhanced billing and compliance enforcement, and a resilient local economy supported by agriculture, trade and the service sectors. Challenges included delayed national transfers, climate-related disruptions, an outdated property valuation roll, and tax fatigue among small businesses.

### Revenue Performance by Stream

**Table 2: Own Source Revenue Performance by Stream FY 2024/25**

Revenue Stream	Target (KShs)	Actual (KShs)	Variance (KShs)	% Realiz.	Remarks
Cess	157,500,000	110,252,596	47,247,404	70%	Farm produce, quarrying, livestock, slaughter
Land Rates	135,000,000	61,488,862	73,511,138	46%	Delayed valuation roll update
Single/Business Permits	123,000,000	86,598,873	36,401,127	70%	Annual permits, penalties, arrears
Property Rent	36,500,000	26,374,108	10,125,892	72%	Lease renewal delays, non-payment
Parking Fees	103,500,000	75,646,010	27,853,990	73%	Street, bus park, clamping, sticker
Market Fees	16,000,000	13,977,614	2,022,386	87%	Entry fees and shop rents
Advertising	30,000,000	18,965,405	11,034,595	63%	Billboard and branding fees
Hospital Fees	602,500,000	695,623,383	(93,123,383)	115%	Improved billing, increased uptake
Public Health Service Fees	22,100,000	11,598,116	10,501,884	52%	Underutilization of services
Physical Planning & Dev.	64,000,000	25,029,624	38,970,376	39%	Low construction, weak compliance
Hire of County Assets	600,000	405,518	194,482	68%	Stadium, halls, library services
Conservancy Administration	40,000,000	18,553,987	21,446,013	46%	Reduced tourist activity
Admin Control Fees & Charges	84,600,000	52,857,642	31,742,358	62%	Liquor, weights, fire, applications
Sale of Assets	10,000,000	6,093,492	3,906,508	61%	Tender documents and disposals
Park Fees	17,600,000	17,729,958	(129,958)	101%	Near target; weather/tourism trends
Fines, Penalties & Forfeitures	2,000,000	413,484	1,586,516	21%	Resolved through compliance
Education Fees	30,100,000	17,895,890	12,204,110	59%	VTC fees across 8 centres

<b>Total OSR</b>	<b>1,475,000,000</b>	<b>1,239,504,563</b>	<b>235,495,437</b>	<b>84%</b>	
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## Three-Year Revenue Trend Comparison

**Table 3: Own Source Revenue Comparison FY 2022/23 to FY 2024/25**

Revenue Stream	FY 2022/23 (KShs)	FY 2023/24 (KShs)	FY 2024/25 (KShs)	YoY Growth
Cess	88,941,991	107,337,872	110,252,596	2.7%
Land Rates	74,410,569	53,136,498	61,488,862	15.7%
Single/Business Permits	96,016,847	88,139,887	86,598,873	-1.7%
Property Rent	27,253,392	22,550,048	26,374,108	16.9%
Parking Fees	66,967,727	67,973,831	75,646,010	11.3%
Market Fees	8,011,696	11,825,589	13,977,614	18.2%
Advertising	19,406,369	26,126,921	18,965,405	-27.4%
Hospital Fees	467,253,034	560,402,055	695,623,383	24.1%
Public Health Service Fees	16,968,809	15,756,203	11,598,116	-26.4%
Physical Planning & Dev.	21,971,406	35,281,479	25,029,624	-29.0%
Hire of County Assets	341,020	307,500	405,518	31.9%
Conservancy Admin.	22,473,794	29,328,761	18,553,987	-36.7%
Admin Control Fees	62,905,628	36,847,113	52,857,642	43.4%
Park Fees	13,185,498	12,866,885	17,729,958	37.8%
Fines & Forfeitures	831,570	646,355	413,484	-36.0%
Education Fees	10,385,000	16,616,000	17,895,890	7.7%
Sale of Assets	-	-	6,093,492	New
<b>Total OSR</b>	<b>997,324,350</b>	<b>1,085,142,997</b>	<b>1,239,504,563</b>	<b>14.2%</b>

## Commentary on Own Source Revenue Performance

### Top Performing Streams

**Hospital Fees (KShs 695.6M, 115% of target):** The single largest revenue stream, hospital fees exceeded target by KShs 93.1 million. This was driven by improved billing systems at Nanyuki Teaching and Referral Hospital (KShs 310.8M) and Nyahururu Teaching and Referral Hospital (KShs 298.8M), reinforced cash receipting controls, and increased utilization of health facilities. Hospital fees have grown by 48.8% over two years from KShs 467.3M in FY 2022/23, confirming the health sector as the county's dominant revenue generator at 56.1% of total OSR.

**Market Fees (KShs 14.0M, 87% of target):** Strong performance driven by consistent collection of entry fees (KShs 12.1M) and shop rents (KShs 1.8M). The 18.2% year-on-year growth reflects improved market infrastructure and enforcement.

**Park Fees (KShs 17.7M, 101% of target):** Slightly exceeded target, reflecting resilient tourism despite broader economic headwinds. Park fees grew 37.8% year-on-year, benefiting from improved marketing of Laikipia's conservancies.

### Moderate Performers

**Parking Fees (KShs 75.6M, 73%):** Collections came from street parking (KShs 23.5M), enclosed bus park (KShs 38.3M), monthly stickers (KShs 8.0M), reserved parking (KShs 2.9M) and clamping fees (KShs 4.1M). While 73% of target, the 11.3% year-on-year growth indicates improving collection efficiency.

**Cess (KShs 110.3M, 70%):** The second-largest non-hospital stream comprised quarrying cess (KShs 54.8M), farm produce (KShs 24.8M), slaughter fees (KShs 17.6M), and livestock cess (KShs 13.1M). Weak enforcement at entry points and under-declaration of goods constrained performance.

**Single/Business Permits (KShs 86.6M, 70%):** Collections included annual permit fees (KShs 83.5M), penalties (KShs 2.5M), and arrears (KShs 0.6M). The stream has declined for two consecutive years from KShs 96.0M in FY 2022/23, reflecting economic pressures on small businesses.

Property Rent (KShs 26.4M, 72%): County housing rents recovered 16.9% year-on-year, though lease renewal delays and non-payment by tenants remain challenges. Revenue in arrears for property rent stood at KShs 12.9 million as at 30th June 2025.

Administration Control Fees (KShs 52.9M, 62%): Comprises liquor licenses (KShs 26.9M), plot subdivision (KShs 8.8M), application fees (KShs 6.4M), fire services (KShs 5.6M), plot transfer (KShs 2.3M), and other charges. The 43.4% year-on-year growth was notable despite inefficient collection systems.

### **Significantly Underperforming Streams**

Land Rates (KShs 61.5M, 46%): The most significant shortfall at KShs 73.5M below target. The absence of an updated property valuation roll and lack of current land records severely limit collection capacity. Revenue in arrears for land rates stood at KShs 729.0 million as at 30th June 2025, with 50% of arrears aged between 2–3 years. Finalization of the harmonized valuation roll is the single most impactful reform the county can undertake.

Physical Planning and Development (KShs 25.0M, 39%): Reflects a slowdown in development approvals and reduced construction activity. Building plans approval (KShs 14.8M) was the largest component, followed by building inspection (KShs 4.5M) and building preparation fees (KShs 2.5M).

Conservancy Administration (KShs 18.6M, 46%): Comprises garbage dumping fees (KShs 18.5M) and public toilet charges. The 36.7% decline from the prior year signals reduced economic activity or enforcement gaps.

Public Health Service Fees (KShs 11.6M, 52%): Includes public health permits (KShs 10.9M), burial fees (KShs 0.5M) and sanitation inspections (KShs 0.2M). Underutilization of services contributed to the shortfall.

Fines, Penalties and Forfeitures (KShs 0.4M, 21%): The worst-performing stream. Many infractions were resolved through compliance without full penalties being imposed. Only KShs 337K in impounding fees and KShs 76K in court fines were collected.

### **Revenue in Arrears**

Total revenue in arrears as at 30th June 2025 stood at KShs 741,913,471, comprising KShs 729,036,257 in land rates and KShs 12,877,214 in property rent. Of the land rate arrears, 50% (KShs 364.5M) is aged between 2–3 years, 30% (KShs 218.7M) between 1–2 years, and 20% (KShs 145.8M) less than one year. Demand notices and invoices have been issued, but recovery remains constrained by the outdated valuation roll.

### **Disbursements**

Total disbursements from the Receiver of Revenue during FY 2024/25 amounted to KShs 1,237,744,655, comprising KShs 542,197,209 to the County Revenue Fund, KShs 695,135,937 to Health Facilities (FIF collections) and KShs 411,510 in bank charges. Cash and cash equivalents at year-end stood at KShs 1,759,907.

## TOTAL COUNTY REVENUE PERFORMANCE

**Table 4: Total County Revenue Performance FY 2024/25**

Revenue Source	FY 2023/24 Actual	FY 2024/25 Target	FY 2024/25 Actual	% Achieved	% Growth
Opening Balance CRF	103,993,511	145,840,622	145,840,622	100%	40.3%
Equitable Share	4,929,586,810	5,387,034,732	5,387,035,309	100%	9.3%
Own Source Revenue	1,086,832,796	1,475,000,000	1,238,456,419	84%	14.0%
Conditional Grants	133,917,782	642,542,051	189,677,749	30%	41.6%
Opening Bal. Eq. Share	0	428,659,722	428,659,722	100%	-
Insurance Recovery	0	5,848,920	5,848,920	100%	-
<b>Total Revenues</b>	<b>6,260,760,541</b>	<b>8,084,926,047</b>	<b>7,395,518,741</b>	<b>91%</b>	<b>18.1%</b>

## COUNTY EXPENDITURE PERFORMANCE

Total expenditure in FY 2024/25 was KShs 6,913,442,375 (85.5% absorption), up 18.3% from KShs 5,845,823,279 in FY 2023/24. Recurrent expenditure stood at KShs 4,842,678,523 (97%) and development at KShs 2,070,763,852 (66.6%).

### Expenditure by Recurrent and Development

**Table 5: County Expenditure Performance (Recurrent and Development)**

Category	Actual 2023/24	Budget 2024/25	Actual 2024/25	% Perf.	% Growth
Recurrent - Executive	3,958,321,656	4,483,522,705	4,281,349,417	95%	8.2%
Recurrent - Assembly	521,628,505	492,594,112	561,329,106	114%	7.6%
<b>Sub Total Recurrent</b>	<b>4,479,950,161</b>	<b>4,976,116,817</b>	<b>4,842,678,523</b>	<b>97%</b>	<b>8%</b>
Development - Executive	1,302,019,601	3,030,858,299	2,037,462,841	67.2%	56.5%
Development - Assembly	63,853,517	77,950,931	33,301,011	42.7%	-47.8%
<b>Sub Total Development</b>	<b>1,365,873,118</b>	<b>3,108,809,230</b>	<b>2,070,763,852</b>	<b>66.6%</b>	<b>51.6%</b>
<b>Total Expenditure</b>	<b>5,845,823,279</b>	<b>8,084,926,047</b>	<b>6,913,442,375</b>	<b>85.5%</b>	<b>18.3%</b>

### Departmental Expenditure Performance

**Table 6: Departmental Expenditure Performance FY 2024/25**

No.	Department	Budget (KShs)	Actual (KShs)	Variance (KShs)	% Performance
1	County Coordination, Administration, ICT and Public Service	3,817,043,894	3,712,648,284	-104,395,610	97.3%
2	Finance, Economic Planning and County Development	871,360,428	787,746,806	-83,613,622	90.4%
3	Health Services	1,035,112,786	945,201,470	-89,911,316	91.3%
4	Agriculture, Livestock and Fisheries	305,246,775	106,583,587	-198,663,188	34.9%
5	Infrastructure, Public Works, Housing and Energy	751,501,219	354,364,867	-397,136,352	47.2%
6	Education, Gender, Culture and Social Services	161,835,998	140,145,075	-21,690,923	86.6%
7	Trade, Tourism and Enterprise Development	180,074,786	98,109,473	-81,965,313	54.5%
8	Water, Environment and Natural Resources	264,090,239	159,912,695	-104,177,544	60.6%
9	Nanyuki Municipality	119,214,879	7,100,000	-112,114,879	6.0%
10	Rumuruti Municipality	7,000,000	7,000,000	0	100.0%
11	Nyahururu Municipality	2,000,000	0	-2,000,000	0.0%
12	County Assembly	570,545,043	594,630,117	24,085,074	104.2%
	<b>GRAND TOTAL</b>	<b>8,084,926,047</b>	<b>6,913,442,375</b>	<b>-1,171,483,672</b>	<b>85.5%</b>

### Fiscal Responsibility Compliance

Recurrent expenditure of KShs 4,842,678,523 was 65% of total revenue — within PFM threshold.

Development allocation at 38% of total budget exceeded the 30% minimum.

Wage bill of KShs 3,574,637,742 consumed 48% of total revenue — above the 35% threshold.

No debt was incurred, in compliance with Section 107(d) of the PFM Act.

Pending bills totalled KShs 1,408,514,734 at year-end.

## DEPARTMENTAL BUDGET IMPLEMENTATION ANALYSIS

### 1. County Coordination, Administration, ICT and Public Service

Responsible for general administration, decentralized services, ICT and e-government, human resource management, public participation, enforcement and disaster risk reduction, and intergovernmental relations.

#### Financial Performance Report

Approved budget: KShs 3,802,763,994 recurrent and KShs 14,279,900 development, totalling KShs 3,817,043,894.

Actual expenditure: KShs 3,698,654,708 recurrent and KShs 13,993,576 development, totalling KShs 3,712,648,284 (97.3% absorption).

#### Non-Financial Performance Report

##### *County Coordination, Administration, ICT and Public Service – Non-Financial KPIs FY 2024/25*

Key Output	KPI	Target	Actual	Variance	Remarks
Decentralized services	Level of operationalization	100%	100%	NIL	Continuous process
Town management committees	Level of operationalization	100%	75%	25%	Nyahururu yet to get Board
E-government system	% functionality level	80%	60%	20%	Progressive implementation
ICT infrastructure	% completion	100%	95%	5%	System functional
Staff remuneration	% annual remuneration	100%	90%	10%	June salary partly paid
Staff insurance	% of staff insured	100%	90%	10%	Biodata missing for some
Pension scheme	% on pension	100%	98%	2%	Processing ongoing
Public participation	Proportion of citizens	65%	52%	13%	Continuous process
Complaints resolved	Proportion solved	91%	60%	31%	Sensitization needed

### 2. Finance, Economic Planning and County Development

Handles county treasury operations, accounting, budget management, internal audit, supply chain management, economic planning, M&E, revenue management, and assets/fleet management.

#### Financial Performance Report

Approved budget: KShs 243,499,121 recurrent and KShs 627,861,307 development, totalling KShs 871,360,428.

Actual expenditure: KShs 210,333,344 recurrent and KShs 577,413,462 development, totalling KShs 787,746,806 (90.4% absorption).

#### Non-Financial Performance Report

##### *Finance, Economic Planning and County Development – Non-Financial KPIs FY 2024/25*

Key Output	KPI	Target	Actual	Variance	Remarks
Procurement plan	Level of implementation	100%	100%	0	Done
IFMIS Hub	No. of operational hubs	1	1	0	Achieved
Financial reports	No. of reports	5	5	0	All delivered
Budget output papers	No. formulated	4	4	0	CBROP, CFSP, PBB finalized

Internal audit	No. of reports	25	9	16	9 audits in Q4
Fixed assets verification	Level of verification	70%	42%	58%	Multi-agency ongoing
M&E reports	Level of formulation	100%	100%	0	Reports finalized

### 3. Health Services

Oversees health service delivery including curative, preventive and promotive services, facility operations, staffing, and medical supplies through AIA and leasing programmes.

#### Financial Performance Report

Approved budget: KShs 206,703,920 recurrent and KShs 828,408,866 development, totalling KShs 1,035,112,786.

Actual expenditure: KShs 191,139,660 recurrent and KShs 754,061,810 development, totalling KShs 945,201,470 (91.3% absorption).

### 4. Agriculture, Livestock and Fisheries

Promotes crop development, livestock resource management, veterinary services, fisheries, value chain development, and climate-smart agriculture.

#### Financial Performance Report

Approved budget: KShs 16,000,000 recurrent and KShs 289,246,775 development, totalling KShs 305,246,775.

Actual expenditure: KShs 15,627,349 recurrent and KShs 90,956,238 development, totalling KShs 106,583,587 (34.9% absorption).

#### Non-Financial Performance Report

##### *Agriculture, Livestock and Fisheries – Non-Financial KPIs FY 2024/25*

Key Output	KPI	Target	Actual	Variance	Remarks
Soil sampling	No. of samples tested	200	180	20	Ongoing in wards
Fruit tree seedlings	No. distributed	1,500	1,400	100	Procurement pending
Climate smart agriculture	Farmers onboarded	200	160	40	Promoting CSA
Livestock vaccinations	Animals vaccinated	1,000	700	300	FMD, LSD vaccination
Disease surveillance	No. of reports	500	300	200	Reports compiled
Dam aquaculture	Fingerlings stocked	300,000	100,000	200,000	Ongoing
Extension services	Farmers reached	200	130	70	Continues

### 5. Infrastructure, Public Works, Housing and Energy

Handles physical planning, housing, public works, roads network, mechanization, and renewable energy including streetlighting.

#### Financial Performance Report

Approved budget: KShs 37,000,000 recurrent and KShs 714,501,219 development, totalling KShs 751,501,219.

Actual expenditure: KShs 33,194,127 recurrent and KShs 321,170,740 development, totalling KShs 354,364,867 (47.2% absorption).

## Non-Financial Performance Report

### Infrastructure, Public Works, Housing and Energy – Non-Financial KPIs FY 2024/25

Key Output	KPI	Target	Actual	Variance	Remarks
County spatial plan	Level of completion	90%	95%	Exceeded	Notice of completion
GIS lab	Level of implementation	100%	95%	5%	FAO partnership
Roads to gravel	Km upgraded	400km	20km	380km	Leasing program
Road maintenance	% maintained	70%	20%	50%	Awaiting procurement
Streetlight bills	Monthly bills paid	12	2	10	Jul-Aug paid
Building inspection	% inspected	100%	100%	0	All attended

## 6. Education, Gender, Culture and Social Services

Manages vocational training, ECDE, bursary programmes, school infrastructure, sports and social protection.

### Financial Performance Report

Approved budget: KShs 106,145,670 recurrent and KShs 55,590,328 development, totalling KShs 161,835,998.

Actual expenditure: KShs 102,728,092 recurrent and KShs 37,416,983 development, totalling KShs 140,145,075 (86.6% absorption).

### Non-Financial Performance Report

#### Education, Gender, Culture and Social Services – Non-Financial KPIs FY 2024/25

Key Output	KPI	Target	Actual	Variance	Remarks
VTC units	No. developed	10	10	0	Commenced Q3
ECDE centres	No. upgraded	15	12	3	Works ongoing
Bursary beneficiaries	Students supported	13,780	Disbursed	-	Bursary disbursed
Sports tournaments	No. held	4	1	3	KICOSCA held

## 7. Trade, Tourism and Enterprise Development

Promotes market infrastructure, trade facilitation, tourism, cooperative development, enterprise fund, and MSME training.

### Financial Performance Report

Approved budget: KShs 13,410,000 recurrent and KShs 166,664,786 development, totalling KShs 180,074,786.

Actual expenditure: KShs 13,025,496 recurrent and KShs 85,083,977 development, totalling KShs 98,109,473 (54.5% absorption).

### Non-Financial Performance Report

#### Trade, Tourism and Enterprise Development – Non-Financial KPIs FY 2024/25

Key Output	KPI	Target	Actual	Variance	Remarks
Markets constructed	No. of markets	9	4	5	Budget constraints
Market stalls	No. constructed	28	34	-6	Exceeded target
MSMEs trained	No. of MSMEs	120	130	-10	KEBS training

Co-op fund loans	Amount disbursed	KSh 30M	KSh 20.5M	KSh 9.5M	Late applications
Tourist sites	No. rehabilitated	4	1	3	Zipline at procurement

## 8. Water, Environment and Natural Resources

Ensures clean water provision, sanitation, solid waste management, wildlife conflict mitigation, natural resources, climate adaptation, and drought response.

### Financial Performance Report

Approved budget: KShs 17,000,000 recurrent and KShs 247,090,239 development, totalling KShs 264,090,239.

Actual expenditure: KShs 12,546,640 recurrent and KShs 147,366,055 development, totalling KShs 159,912,695 (60.6% absorption).

### Non-Financial Performance Report

#### Water, Environment and Natural Resources – Non-Financial KPIs FY 2024/25

Key Output	KPI	Target	Actual	Variance	Remarks
Clean water access	% households served	20%	18%	2%	Procurement resolved Q3
Solid waste	Tonnage collected	150	120	30	Equipment stabilized
Electric fence (HWC)	Km installed	30	25	5	Weather improved
Tree planting	Hectares	150,000	140,000	10,000	High community uptake
Pasture reseeding	Hectares	5,000	4,800	200	Rains normalized

## 9. Nanyuki Municipality

Manages urban development, service delivery and infrastructure within Nanyuki town.

### Financial Performance Report

Approved budget: KShs 37,000,000 recurrent and KShs 82,214,879 development, totalling KShs 119,214,879.

Actual expenditure: KShs 2,100,000 recurrent and KShs 5,000,000 development, totalling KShs 7,100,000 (6.0% absorption).

## 10. Rumuruti Municipality

Manages urban development and service delivery within Rumuruti town, the county headquarters.

### Financial Performance Report

Approved budget: KShs 2,000,000 recurrent and KShs 5,000,000 development, totalling KShs 7,000,000.

Actual expenditure: KShs 2,000,000 recurrent and KShs 5,000,000 development, totalling KShs 7,000,000 (100.0% absorption).

## 11. Nyahururu Municipality

Responsible for urban development within Nyahururu town. Board yet to be constituted.

### Financial Performance Report

Approved budget: KShs 2,000,000 recurrent and KShs 0 development, totalling KShs 2,000,000.

Actual expenditure: KShs 0 recurrent and KShs 0 development, totalling KShs 0 (0.0% absorption).

## 12. County Assembly

Exercises legislative authority, oversight and representation functions.

### **Financial Performance Report**

Approved budget: KShs 492,594,112 recurrent and KShs 77,950,931 development, totalling KShs 570,545,043.

Actual expenditure: KShs 561,329,106 recurrent and KShs 33,301,011 development, totalling KShs 594,630,117 (104.2% absorption).

## PENDING BILL ANALYSIS

The County's outstanding pending bills as at 30th June 2025 amounted to **KShs 1,866,398,063**, comprising KShs 999,656,589 (53.6%) in development pending bills and KShs 866,741,474 (46.4%) in recurrent pending bills. The accumulation reflects procurement delays, cash-flow constraints and multi-year project-completion timelines. Annual budget allocations will continue to prioritise clearance of these obligations.

**Table 3.236: Pending Bills in Laikipia County as at 30 June 2025**

Outstanding Pending Bills	As at 1 Jul 2024 (KShs.)		Paid in FY 2024/25 (KShs.)		Incurred in FY 2024/25 (KShs.)		Outstanding 30 Jun 2025 (KShs.)		
	Executive	Assembly	Executive	Assembly	Executive	Assembly	Executive	Assembly	Total
<b>Development</b>	907,863,298	–	480,954,373	–	572,747,664	–	999,656,589	–	<b>999,656,589</b>
<b>Recurrent</b>	777,745,365	52,721,287	406,592,896	42,329,715	485,197,433	–	856,349,902	10,391,572	<b>866,741,474</b>
<b>Total</b>	<b>1,685,608,663</b>	<b>52,721,287</b>	<b>887,547,269</b>	<b>42,329,715</b>	<b>1,057,945,097</b>	<b>–</b>	<b>1,856,006,491</b>	<b>10,391,572</b>	<b>1,866,398,063</b>

**Table 3.237: County of Laikipia Pending Bill Ageing Analysis as at 30 June 2025**

Category	Under One Year	1–2 Years	2–3 Years	Over 3 Years	Total
Development Pending Bills	20,588,000	86,106,047	483,789,122	409,173,420	<b>999,656,589</b>
Recurrent – Goods & Services	3,820,415	183,147,854	398,900,007	92,789,155	<b>678,657,431</b>
Recurrent – Salary Arrears & Statutory	188,084,043	–	–	–	<b>188,084,043</b>
<b>Sub-Total Recurrent</b>	<b>191,904,458</b>	<b>183,147,854</b>	<b>398,900,007</b>	<b>92,789,155</b>	<b>866,741,474</b>
<b>Total Pending Bills</b>	<b>212,492,458</b>	<b>269,253,901</b>	<b>882,689,129</b>	<b>501,962,575</b>	<b>1,866,398,063</b>
<b>% of Total</b>	<b>11%</b>	<b>14%</b>	<b>47%</b>	<b>27%</b>	<b>100%</b>

### Commentary on Pending Bills

**Development Pending Bills (KShs 999.7M):** The largest category, concentrated in the 2–3 year band (KShs 483.8M, 48%) and over-3-year band (KShs 409.2M, 41%). These relate to infrastructure, public works and health-facility contracts where work has been certified but payment withheld pending allocation. Opening balances stood at KShs 907.9M with KShs 480.9M cleared during the year and KShs 572.7M in new bills incurred.

**Recurrent – Goods & Services (KShs 678.7M):** Primarily aged in the 2–3 year band (KShs 398.9M, 59%), reflecting accumulated invoices in health commodities, utilities and operational supplies. KShs 406.6M (Executive) and KShs 42.3M (Assembly) were settled during FY 2024/25.

**Recurrent – Salary Arrears & Statutory Deductions (KShs 188.1M):** Entirely within the under-one-year band, comprising June 2025 salary arrears and unremitted statutory deductions (NHIF, NSSF, PAYE). These are being fast-tracked for clearance in Q1 FY 2025/26.

**Ageing Profile:** 47% of total pending bills (KShs 882.7M) fall in the 2–3 year band, signalling structural cash-flow gaps in prior financial years. The County Treasury will implement a structured clearance plan with dedicated provisions in annual budgets until all obligations are fully settled.

## **CHALLENGES EXPERIENCED AND RECOMMENDATIONS**

### **1. Non-Remittance of Conditional Grants**

Only 30% of targeted conditional grants received. The County Treasury will enhance tracking of conditional grants to ensure stable cash flows.

### **2. Under-Performance of Own Source Revenue**

OSR achieved 84% with a shortfall of KShs 235.5M. Key constraints include the outdated valuation roll (land rates at 46%), low construction activity (physical planning at 39%), and reduced conservancy fees (46%). The Revenue Board will prioritize automation, valuation roll update, and targeted enforcement.

### **3. High Wage Bill**

Wage bill at 48% of total revenue exceeds the 35% PFM threshold. Organizational structure review and staffing rationalization are ongoing.

### **4. Low Development Expenditure Absorption**

Development absorption at 66.6%, with Agriculture (31.4%), Infrastructure (45.0%), and Nanyuki Municipality (6.1%) particularly weak. Procurement delays and insufficient cash flows were the primary causes.

### **5. Pending Bills**

Accumulated pending bills of KShs 1,408,514,734 strain fiscal performance. Annual allocations will continue to prioritize clearance.

### **6. Revenue Arrears**

Outstanding revenue arrears of KShs 741.9M (land rates KShs 729.0M, property rent KShs 12.9M) constrain the county's fiscal position. Demand notices issued; valuation roll finalization is critical for improved collections.