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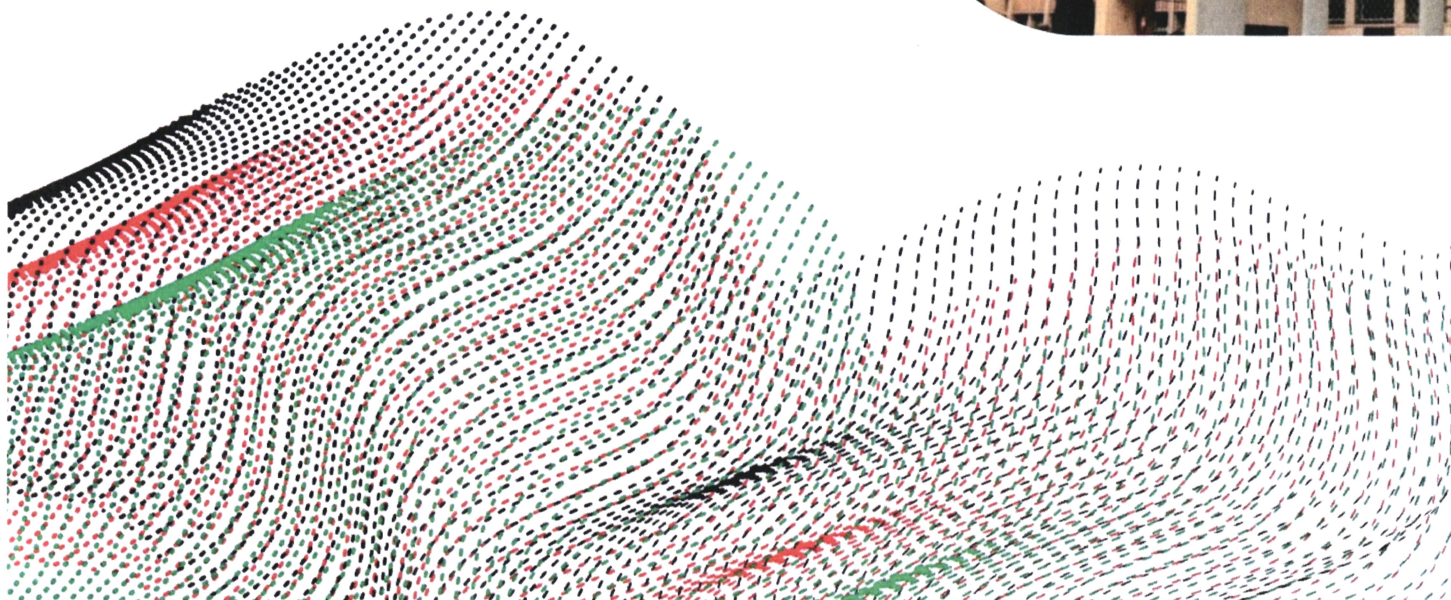
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CLERK AT THE TABLE	Mr. Abdurahman

COUNTY FISCAL PERFORMANCE MEASUREMENT

A Data Driven Approach

2026

Popular Version



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EXECUTIVE SUMMARY

County governments in Kenya are constitutionally mandated to deliver services effectively and efficiently. However, the lack of a standardized scientific performance measurement tool has hindered consistent evaluation of county-level fiscal and development outcomes. To address this, the Parliamentary Budget Office has developed the County Fiscal Performance Measurement Index (CFPMI), a standard, data-driven, and transparent tool grounded on the Constitution, Public Finance Management (PFM) Act, and the County Governments Act and relevant regulations. The CFPMI evaluates the 47 counties using seven indicators: total budget implementation, development expenditure, own-source revenue (OSR), county wage and benefits, pending obligations, County assembly expenditure ceiling, and audit outcomes. Data was sourced from the Office of Auditor General (OAG), and Kenya National Bureau of Statistics (KNBS), for the Financial Year (FY) 2023/24 and 2024/25. The tool uses min-max normalization and weighting techniques in the computation of the composite score grading counties into five tiers, that is; A, B, C, D, and E. Findings show systemic weaknesses in county performance. In FY 2023/24, 4.3% of counties scored a “B”, 76.6% a “C” and 21.3% a “D” with average county score of 0.469. By 2024/25, modest improvement was recorded with mean score rising to 0.471, and distribution shifting to 6.4% “B”, 74.5% a “C”. and 19.2% a “D”. Similarly, in FY 2024/25, disaggregated analysis showed mixed performance across several fiscal indicators compared to FY 2023/24. The overall average CFPMI scores varied across key dimensions, with budget implementation slightly increasing to 0.557 from 0.523, county assembly expenditure ceiling worsening to 0.611 from 0.655, development expenditure declining to 0.373 from 0.447, OSR increasing to 0.473 from 0.400, and wages and benefits management declining to 0.434 from 0.441. However, pending obligations remained unchanged at about 0.338, indicating persistent liquidity challenges and arrears management issues. Audit outcomes scored 0.508. The CFPMI, therefore, provides a much-needed, evidence-based tool for guiding resource allocation, identifying performance gaps, and strengthening public financial management across Kenya’s devolved system. Institutionalizing performance-based monitoring is recommended, with the integration of CFPMI into county performance monitoring framework with CFPMI outcome published annually for public transparency and accountability.

Preface

The establishment of the 47 County Governments in Kenya, in 2010, heralded the decentralization of both decision-making power and resources to the county level. Subsequently, Article 96 of the Constitution provides that the Senate shall represent counties and serve to protect their interests and that of their governments. Additionally, the Senate determines the allocation of national revenue among counties, and exercises oversight over national revenue allocated to the county governments. To do this, the Senate requires a standard and objective tool that can be used to facilitate this role.

The development of the County Fiscal Performance Measurement Index (CFPMI) marks a critical step towards enhancing the effectiveness and accountability of county governments. As county governments continue to play a vital role in the realization of devolution, there is an increasing need for transparent, reliable, and scientific tools that can measure their performance across key indicators and the extent to which they have implemented key legislations including the Public Finance Management Act and its attendant regulations. This publication contains the County Fiscal Performance Measurement Index (CFPMI), a comprehensive tool designed to assess and benchmark the fiscal performance of all the 47 counties in Kenya.

The conclusion of this process marks the culmination of significant efforts by the Parliamentary Budget Office (PBO) in providing this much needed tool, the CFPMI, which will not only empower the Senate to exercise its oversight role more effectively but also assist county governments in identifying areas of strength and pinpointing key challenges that require targeted interventions through benchmarking and peer learning.

The CFPMI framework is scientific, data-driven and grounded in the principles of public finance management. It is designed to provide a clear picture of county-level performance. It measures county governments fidelity to the ideals of public finance management including their budget implementation efficiency, development expenditures, expenditure on wages and benefits, own-source revenue outturn, adherence to the County Assemblies' ceilings, pending obligations and audit outcomes.

This tool is particularly aligned with the principles of public finance and fiscal responsibility principles outlined in the Constitution of Kenya 2010, the Public Finance Management Act, the County Governments Act and attendant regulations. By focusing on these fiscal principles, the CFPMI seeks to ensure that counties are not only meeting their financial obligations but also prioritizing investments in development, while ensuring efficiency in expenditure and promoting fiscal sustainability.

I commend the Senate for the commitment to strengthen devolution through effective oversight, and I am certain that this CFPMI would be facilitatory in that regard, to ensure that counties are performing optimally, in service delivery to the citizenry.

Mr. Jeremiah M. Nyegenye, CBS
Clerk of the Senate/Secretary, Parliamentary Service Commission

Foreword by the Director, PBO

Article I(3) of the Constitution provides that executive and legislative powers at the county level are vested in the County Executive and County assembly, respectively and ensuring that county governments adhere to the fiscal responsibility principles as outlined in Section 107 of the PFM Act, 2012 which emphasize prudent and transparent management of public resources so that county governments operate within sustainable financial frameworks.

Over the years, analysis of Auditor-General reports and Controller of Budget reports reveal non-compliance with Constitutional and statutory requirements on fiscal responsibility principles and other key financial guidelines on the preparation of financial reports.

Therefore, the advent of this scientific measurement tool which is evidence-based analysis will provide a clear picture of how counties are performing in terms of resource utilization and service delivery and offer more insights to the oversight bodies, specifically the Senate role as provided under Article 96 of the Constitution, and how county governments adhere to the fiscal responsibility principles with a view to enhancing transparency and accountability at the sub-national level, hence requiring the need for full implementation of the fiscal responsibility principles.

The County fiscal performance measurement index (CFPMI) is a data-driven tool which is based on seven (7) key indicators; County pending obligations, development and recurrent expenditure, expenditure on wages and benefits, County assembly spending, Budget implementation efficiency, Own source revenue, and Audit opinions while relying on publicly available data collated from the reports of the Controller of Budget (COB), and Office of the Auditor General (OAG).

Further, the County fiscal performance measurement index aims to enhance transparency, guide equitable resource allocation, identify development gaps, and support evidence-based policy planning in areas requiring specific policy interventions. Importantly, the findings in this report will provide the Senate with reliable information to monitor the progress of county governments and strengthening accountability across all levels of devolved governance to enhance checks that will guarantee and ensure that the procedures for budget prioritization do not pose a risk to effective fiscal policies.

FA. (Dr.) Martin M. Masinde, OGW

Director, Parliamentary Budget Office

Acknowledgement

This County Performance Measurement Index (CPMI) has been developed under the overall guidance of the FA. (Dr.) Martin M. Masinde, OGW, the Director, Parliamentary Budget Office (PBO), assisted by Ms. Lucy Makara, the Senior Deputy Director, Parliamentary Budget Office. Special gratitude goes to the Clerk of the Senate/Secretary, Parliamentary Service Commission (PSC), Mr. Jeremiah M. Nyegenye, CBS, for the administrative and logistical support during the production of this work, ably assisted by Mr. Mohamed Ali MBS, Deputy Clerk of the Senate and Ms. Eunice Gichangi, MBS, Deputy Clerk of the Senate.

The core team working on the production of this publication comprised of the following staff of the Parliamentary Budget Office:

1. Mr. Josephat Motonu
2. Dr. Evans Kiganda
3. Ms. Amran Yunis
4. Mr. Abdirahman Gorod
5. CPA Kennedy Owuoth
6. Mr. Joseph Lekisima
7. CPA Cyrille Mutali

The team also appreciates the logistical support provided by Mr. Jackson Kabwoya from the Office of the Director, PBO.

I.0 INTRODUCTION

The promulgation of the Constitution of Kenya, 2010 marked a transformative shift in the country's governance structure, introducing a devolved system of government aimed at promoting equitable development, enhancing service delivery and bringing services and government closer to the people. The constitution establishes governments which are distinct and interdependent at the national and county levels. The legal framework underpinning devolution is further elaborated in various statutes, including the County Governments Act, 2012 and the Public Finance Management (PFM) Act, 2012, which together define the roles, responsibilities, and financial management obligations of county governments.

County governments play a critical role in delivering services at the sub-national level, particularly in sectors such as health, early childhood development education, and agriculture, county planning and trade, culture and entertainment, county transport and public works, among others in accordance with the Fourth Schedule of the Constitution of Kenya, 2010. However, they continue to face challenges such as persistent pending obligations, underutilization of approved budgets, and increased expenditures in wages and benefits.

I.1 Objective

The County Performance Measurement Index (CPMI) was developed by the Parliamentary Budget Office to provide a standardized, objective, and transparent tool for assessing county governments' adherence to fiscal responsibility principles. The CPMI consolidates key public finance indicators into a composite index, enabling evidence-based oversight and promoting accountability, benchmarking, and peer learning among counties.

I.2 Indicator Measurement

The performance indicators of budget implementation efficiency, development expenditure, county expenditure on wages and benefits, county assembly expenditure ceiling, own-source revenue (OSR), pending obligations, audit outcomes, and actual county personnel emolument were measured as;

- a) Budget implementation efficiency:** The actual total budget of a county implemented as a ratio of the approved total budget.
- b) Development expenditure:** Actual County development expenditure was obtained and a ratio of actual development expenditure to actual total implemented county budget computed. A threshold of at least 30 percent of county government's actual

total budget allocated to development taken into account as guided by Section 107 (2b) of the PFM Act.

- c) County assembly expenditure ceiling:** Actual County Assembly ceiling as a ratio of total revenue or twice county assembly emoluments. The threshold of expenditures not exceeding seven per cent of the total revenues of the county government or twice the county assembly personnel emoluments of that county assembly, whichever is lower as guided by PFM (County Governments) Regulation 25 (1)(f).
- d) Own-source revenue (OSR):** A ratio of actual OSR to target OSR
- e) Expenditure on wages and benefits:** A ratio of actual expenditure on wages and benefits to total revenue with a threshold of utmost 35 percent as guided by PFM Act and PFM (County Governments) Regulation 25 (1)(b).
- f) Audit Report:** The Auditor-General's opinion on the county executive and assembly.
- g) Pending obligations:** County total pending bills as a ratio of total pending bills for all counties.

These indicators span the entire public finance cycle - from planning (CIDPs and ADPs) to budgeting and implementation - offering a comprehensive view of county-level fiscal performance. The CPMI provides a granular, locally tailored assessment, supporting results-oriented governance and improved county accountability.

1.3 Data Source

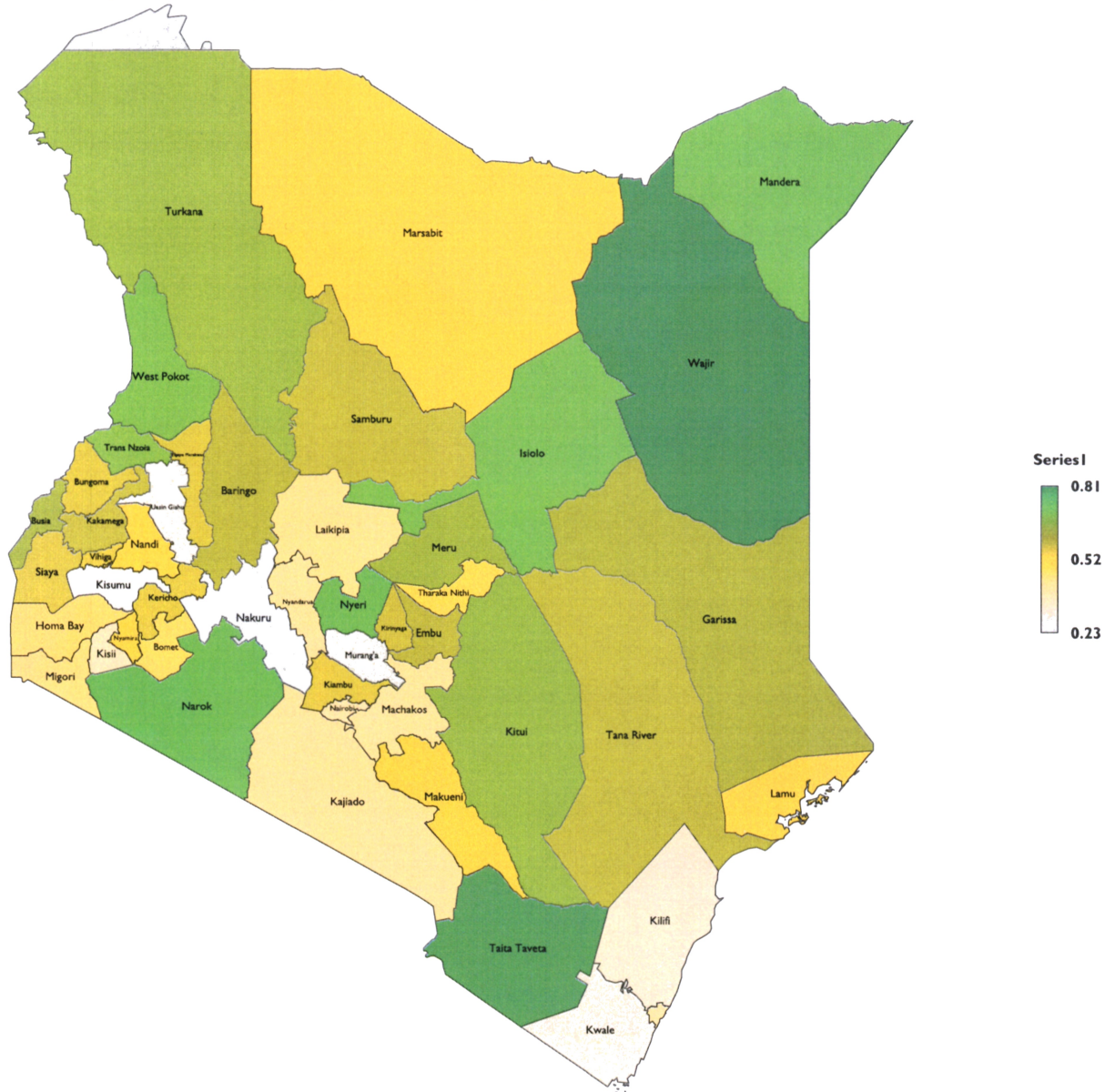
Financial year data used in the measurement of county performance was obtained from the Office of Auditor General (OAG) and Office of the Controller of Budget (OCoB) reports for the Financial Years 2023/2024 and 2024/25, and the Kenya National Bureau of Statistics (KNBS).

2.0 COUNTY PERFORMANCE

2.1 Budget Implementation Performance

This section examines the budget implementation performance of counties in Kenya by assessing the ratio of actual expenditure to the approved budget. A benchmark of 100% or 1.00 signifies full absorption, indicating optimal execution of the allocated budget. Figure 1 and 2 portrays indexed colour variations and plots the performance of counties based on their budget implementation levels, providing a visual representation of counties.

Figure 1: County Comparison - Budget Implementation Index for FY 2023/2024



The map displays the following counties and their approximate color-coding based on the 'Series1' scale:

- Turkana:** Dark Green (0.82)
- Marsabit:** Green (0.75)
- Mandera:** Light Green (0.65)
- Wajir:** Light Green (0.65)
- Garissa:** Yellow-Green (0.55)
- Tana River:** Yellow (0.45)
- Kilifi:** Yellow (0.45)
- Kwale:** Light Yellow (0.35)
- Taita/Taveta:** Yellow (0.45)
- Makueni:** Yellow (0.45)
- Kitui:** Green (0.75)
- Nyeri:** Green (0.75)
- Murang'a:** Yellow (0.45)
- Embu:** Yellow (0.45)
- Tharaka Nithi:** Yellow (0.45)
- Meru:** Yellow (0.45)
- Lakkipia:** Green (0.75)
- Samburu:** Yellow (0.45)
- Isiolo:** Yellow (0.45)
- Baringo:** Yellow (0.45)
- Nakuru:** Light Yellow (0.35)
- Nyandarua:** Light Yellow (0.35)
- Narok:** Green (0.75)
- Migori:** Yellow (0.45)
- Kisumu:** Yellow (0.45)
- Bomet:** Yellow (0.45)
- Kisii:** Yellow (0.45)
- Homa Bay:** Yellow (0.45)
- Siaya:** Yellow (0.45)
- Bururi:** Yellow (0.45)
- Kakamega:** Yellow (0.45)
- Bungoma:** Yellow (0.45)
- Trans Nzoia:** Yellow (0.45)
- West Pokot:** Green (0.75)
- North Horr:** Light Yellow (0.35)

County Fiscal Performance Measurement for 2023/24 and 2024/25

2.2 Expenditure on Development

According to Section 107(2)(b) of the Public Finance Management (PFM) Act, county governments in Kenya are required to allocate at least 30% of their total budgets to development expenditure. This requirement is intended to ensure that a significant portion of county resources is directed toward projects and programs that foster sustainable economic growth and improve service delivery. However, the data reveals that many counties are falling short of this threshold, with only a few surpassing the 30% mark. The figure 3 and 4 illustrates the index of development expenditure against the total county budgets, with the values indexed to show varying levels of compliance with the 30% threshold as required by the Public Finance Management (PFM) Act, CAP 412A.

Figure 3: County Comparison - Development Expenditure Index FY 2023/2024

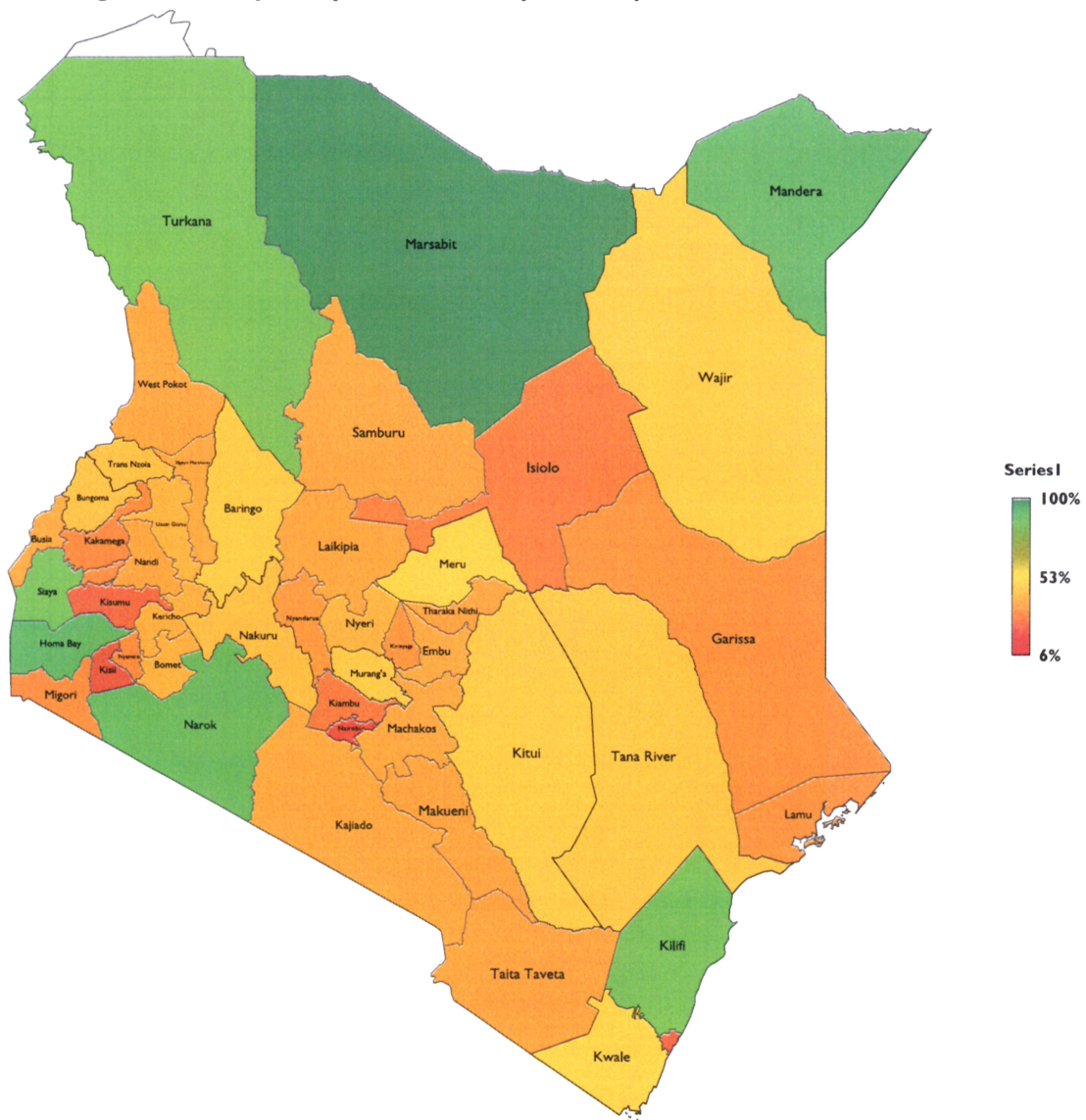
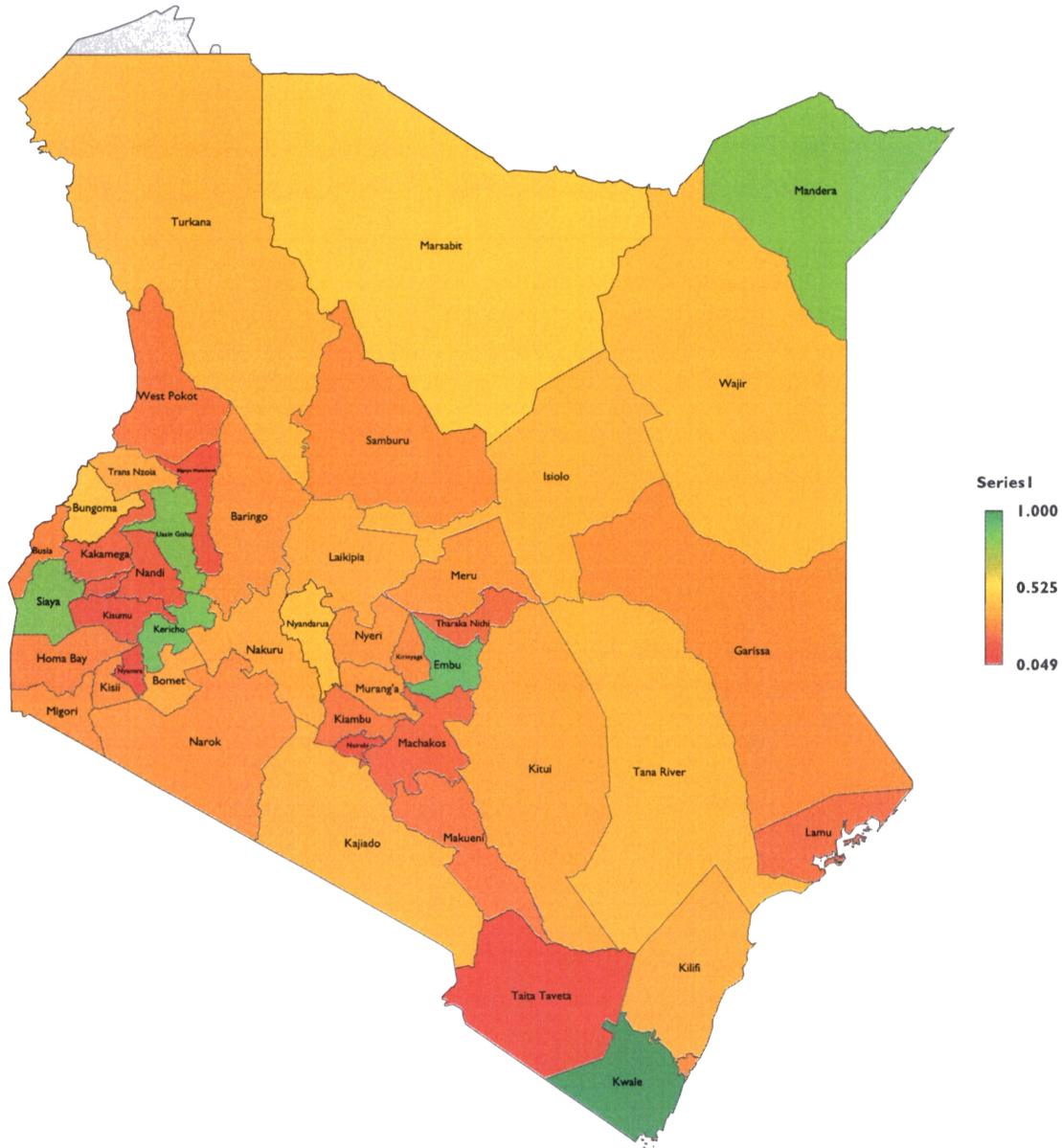


Figure 4: County Comparison - Development Expenditure Index FY 2024/2025



COUNTY NO.	COUNTY	FY 2023/24 %	FY 2023/24 CFPMI	FY 2024/25 %	FY 2024/25 CFPMI	COUNTY NO.	COUNTY	FY 2023/24 %	FY 2023/24 CFPMI	FY 2024/25 %	FY 2024/25 CFPMI
001	Mombasa	16%	0.21	20%	0.29	025	Samburu	24%	0.38	21%	0.31
002	Kwale	29%	0.51	44%	1.00	026	Trans Nzoia	27%	0.45	24%	0.36
003	Kilifi	33%	0.88	24%	0.38	027	Uasin Gishu	25%	0.41	31%	0.81
004	Tana River	28%	0.48	26%	0.41	028	Elgeyo/Marakwet	24%	0.38	14%	0.17
005	Lamu	22%	0.35	17%	0.23	029	Nandi	23%	0.36	15%	0.19
006	Taita Taveta	23%	0.36	8%	0.05	030	Baringo	28%	0.49	22%	0.33
007	Garissa	22%	0.34	21%	0.31	031	Laikipia	23%	0.37	24%	0.37
008	Wajir	29%	0.51	26%	0.42	032	Nakuru	26%	0.45	24%	0.38
009	Mandera	34%	0.91	31%	0.82	033	Narok	34%	0.92	22%	0.33
010	Marsabit	39%	1.00	29%	0.47	034	Kajiado	23%	0.38	25%	0.40
011	Isiolo	19%	0.29	25%	0.40	035	Kericho	24%	0.40	33%	0.85
012	Meru	30%	0.52	22%	0.33	036	Bomet	24%	0.40	25%	0.38
013	Tharaka Nithi	23%	0.37	16%	0.21	037	Kakamega	20%	0.30	16%	0.21
014	Embu	24%	0.39	38%	0.92	038	Vihiga	20%	0.31	15%	0.18
015	Kitui	28%	0.49	23%	0.36	039	Bungoma	27%	0.45	27%	0.44
016	Machakos	23%	0.37	16%	0.21	040	Busia	23%	0.37	19%	0.27
017	Makueni	23%	0.37	18%	0.24	041	Siaya	31%	0.86	31%	0.81
018	Nyandarua	22%	0.35	28%	0.45	042	Kisumu	16%	0.21	14%	0.18
019	Nyeri	25%	0.42	22%	0.33	043	Homa Bay	35%	0.93	20%	0.29
020	Kirinyaga	22%	0.34	20%	0.29	044	Migori	20%	0.31	21%	0.32
021	Murang'a	28%	0.49	22%	0.34	045	Kisii	13%	0.14	21%	0.32
022	Kiambu	18%	0.26	17%	0.24	046	Nyamira	20%	0.30	11%	0.12
023	Turkana	30%	0.84	26%	0.41	047	Nairobi	10%	0.06	13%	0.15
024	West Pokot	23%	0.36	18%	0.26						

2.3 OSR Performance

Effective generation of Own Source Revenue (OSR) is a critical indicator of county financial independence, enabling counties to fund local development priorities while reducing over-reliance on national government transfers. OSR performance is measured by comparing actual revenue collections against annual targets, with a ratio of 100% or above indicating optimal performance. Figure 5 and 6 applies indexation to the OSR performance ratios.

Figure 5: OSR Analysis of Counties for the FY 2023/2024

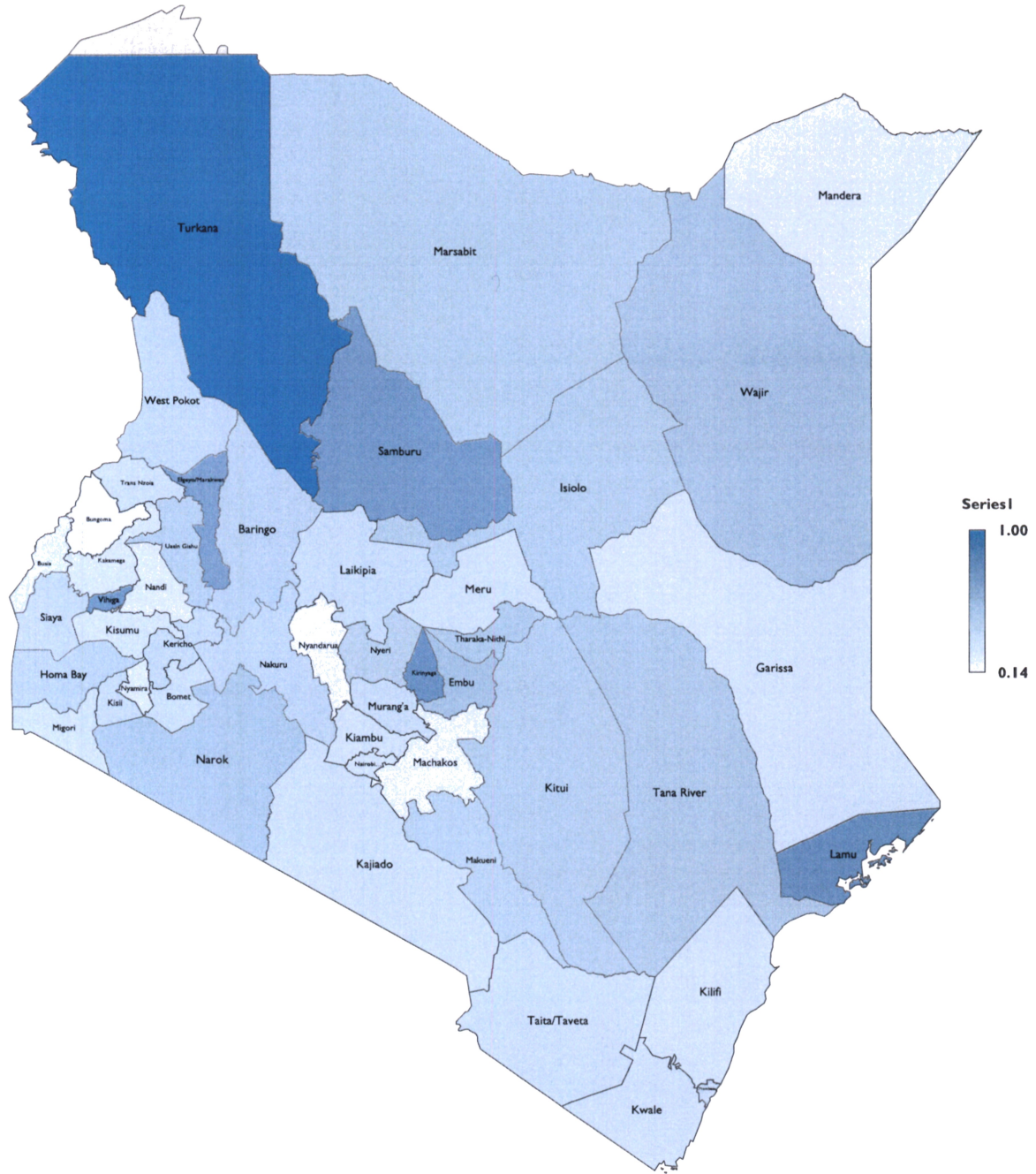
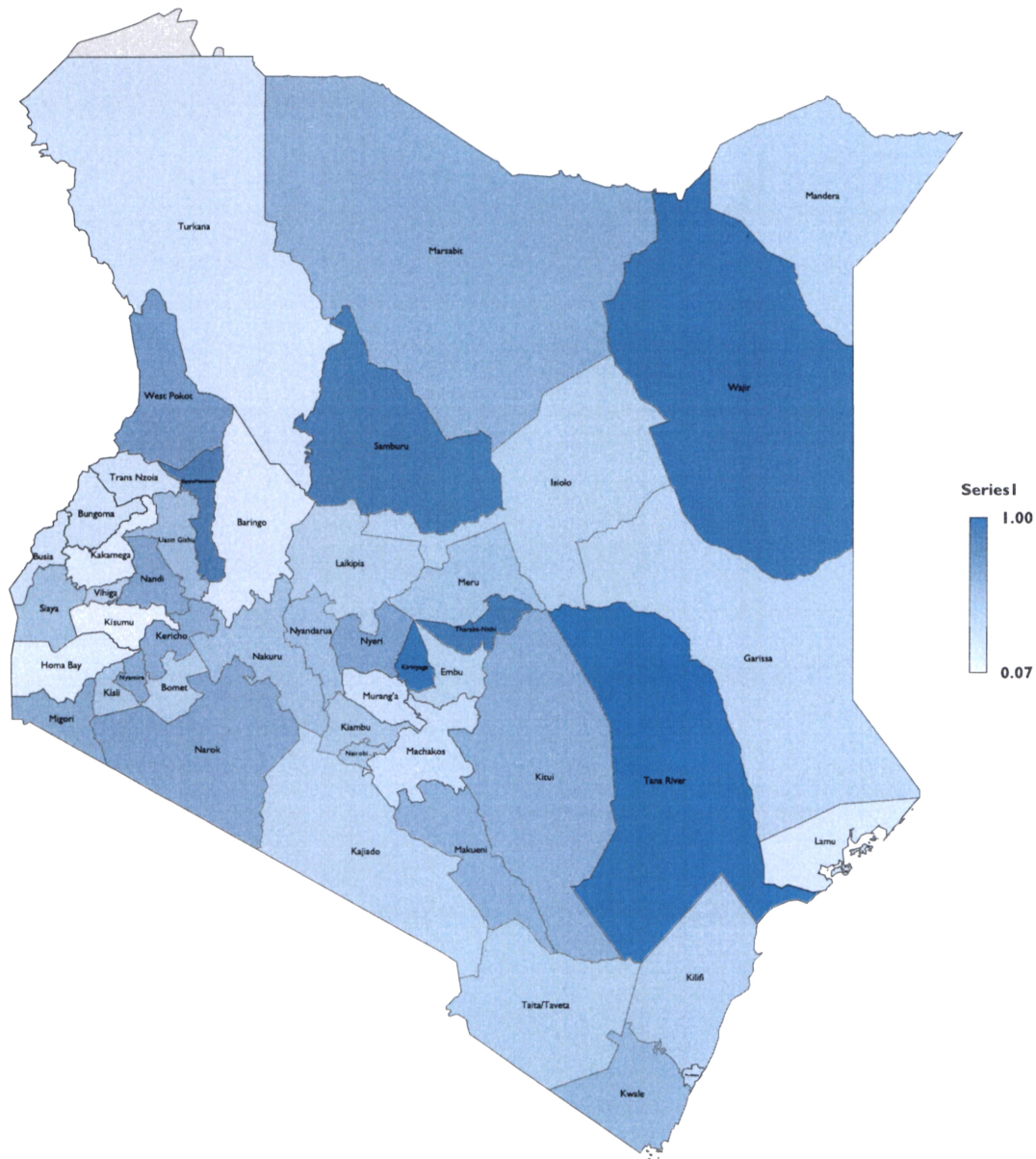


Figure 6: OSR Analysis of Counties for the FY 2024/2025



COUNTY NO.	COUNTY	FY 2023/24		FY 2024/25		COUNTY NO.	COUNTY	FY 2023/24		FY 2024/25	
		%	CFPMI	%	CFPMI			%	CFPMI	%	CFPMI
001	Mombasa	76%	0.36	51%	0.31	025	Samburu	109%	0.71	111%	0.90
002	Kwale	71%	0.33	82%	0.55	026	Trans Nzoia	73%	0.34	42%	0.23
003	Kilifi	67%	0.31	67%	0.43	027	Uasin Gishu	89%	0.45	75%	0.49
004	Tana River	93%	0.47	133%	1.00	028	Elgeyo/Marakwet	103%	0.69	103%	0.87
005	Lamu	119%	0.74	36%	0.19	029	Nandi	55%	0.22	91%	0.62
006	Taita/Taveta	74%	0.35	64%	0.41	030	Baringo	84%	0.41	34%	0.17
007	Garissa	64%	0.28	59%	0.37	031	Laikipia	74%	0.34	62%	0.39
008	Wajir	99%	0.51	122%	0.95	032	Nakuru	81%	0.39	75%	0.49
009	Mandera	51%	0.20	61%	0.38	033	Narok	95%	0.49	93%	0.63
010	Marsabit	88%	0.44	86%	0.58	034	Kajiado	69%	0.32	59%	0.37
011	Isiolo	90%	0.45	62%	0.39	035	Kericho	78%	0.38	88%	0.59
012	Meru	67%	0.30	72%	0.47	036	Bomet	72%	0.33	61%	0.38
013	Tharaka Nithi	93%	0.47	110%	0.90	037	Kakamega	61%	0.27	25%	0.11
014	Embu	100%	0.51	59%	0.37	038	Vihiga	112%	0.72	56%	0.34
015	Kitui	88%	0.44	87%	0.59	039	Bungoma	42%	0.14	40%	0.22
016	Machakos	46%	0.17	49%	0.29	040	Busia	55%	0.22	39%	0.21
017	Makueni	84%	0.41	88%	0.59	041	Siaya	80%	0.39	73%	0.47
018	Nyandarua	42%	0.14	77%	0.51	042	Kisumu	66%	0.30	20%	0.07
019	Nyeri	83%	0.41	96%	0.65	043	Homa Bay	86%	0.43	27%	0.12
020	Kirinyaga	118%	0.74	127%	0.97	044	Migori	70%	0.32	86%	0.58
021	Murang'a	72%	0.33	46%	0.27	045	Kisii	77%	0.36	65%	0.42
022	Kiambu	66%	0.29	70%	0.45	046	Nyamira	54%	0.22	87%	0.59
023	Turkana	200%	1.00	42%	0.23	047	Nairobi	64%	0.29	69%	0.45
024	West Pokot	81%	0.39	100%	0.69						

2.4 Audit Opinion

The audit opinions issued by the Office of the Auditor-General provide an essential measure of financial accountability and compliance with public finance as enshrined in law. An audit opinion - classified as unqualified, qualified, adverse, or disclaimer - reflects the Auditor-General's level of confidence in the accuracy and reliability of a county's financial statements. For the reporting period under review, a majority of counties received **qualified audit opinions**, indicating the presence of some material issues or inconsistencies that require corrective measures. Figure 7 highlights the distribution of audit opinions across all 47 counties, providing insights into their fiscal governance and accountability levels.

Figure 7: County Executive and Assembly Audit Opinions

 Mombasa 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED UNQUALIFIED	 Kwale 2023/24 CE CA 2024/25 CE CA	QUALIFIED UNQUALIFIED QUALIFIED UNQUALIFIED	 Kilifi 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED
 Tana River 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED ADVERSE QUALIFIED	 Lamu 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED	 Taita/Taveta 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED UNQUALIFIED
 Garissa 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED	 Wajir 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED	 Mandera 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED
 Marsabit 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED	 Isiolo 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED	 Meru 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED
 Tharaka-Nithi 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED	 Embu 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED UNQUALIFIED	 Kitui 2023/24 CE CA 2024/25 CE CA	QUALIFIED UNQUALIFIED QUALIFIED UNQUALIFIED
 Kitui 2023/24 CE CA 2024/25 CE CA	QUALIFIED UNQUALIFIED QUALIFIED UNQUALIFIED	 Machakos 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED UNQUALIFIED		

- » **Unqualified Opinion** – The financial statements are free from any material errors and omissions.
- » **Qualified Opinion** – There are major exceptions to the accounting rules but overall financial statements are fairly presented.
- » **Adverse Opinion** – The accounts are mostly correct, but there are pervasive issues in the financial reports.
- » **Disclaimer of Opinion** – The Auditor cannot form an opinion due to insufficient information.

 Makueni 2023/24 CE CA 2024/25 CE CA	 	 	 Nyandarua 2023/24 CE CA 2024/25 CE CA	 	 	 Nyeri 2023/24 CE CA 2024/25 CE CA	
 Kirinyaga 2023/24 CE CA 2024/25 CE CA	 	 	 Murang'a 2023/24 CE CA 2024/25 CE CA	 	 	 Kiambu 2023/24 CE CA 2024/25 CE CA	
 Turkana 2023/24 CE CA 2024/25 CE CA	 	 	 West Pokot 2023/24 CE CA 2024/25 CE CA	 	 	 Samburu 2023/24 CE CA 2024/25 CE CA	
 Trans Nzoia 2023/24 CE CA 2024/25 CE CA	 	 	 Uasin Gishu 2023/24 CE CA 2024/25 CE CA	 	 	 Elgeyo/Marakwet 2023/24 CE CA 2024/25 CE CA	
 Nandi 2023/24 CE CA 2024/25 CE CA	 	 	 Baringo 2023/24 CE CA 2024/25 CE CA	 	 	 Laikipia 2023/24 CE CA 2024/25 CE CA	
 Nakuru 2023/24 CE CA 2024/25 CE CA	 	 	 Narok 2023/24 CE CA 2024/25 CE CA	 	 	 Kajiado 2023/24 CE CA 2024/25 CE CA	
 Kericho 2023/24 CE CA 2024/25 CE CA	 	 	 Bomet 2023/24 CE CA 2024/25 CE CA	 	 	 Kakamega 2023/24 CE CA 2024/25 CE CA	
 Vihiga 2023/24 CE CA 2024/25 CE CA	 	 	 Bungoma 2023/24 CE CA 2024/25 CE CA	 	 	 	

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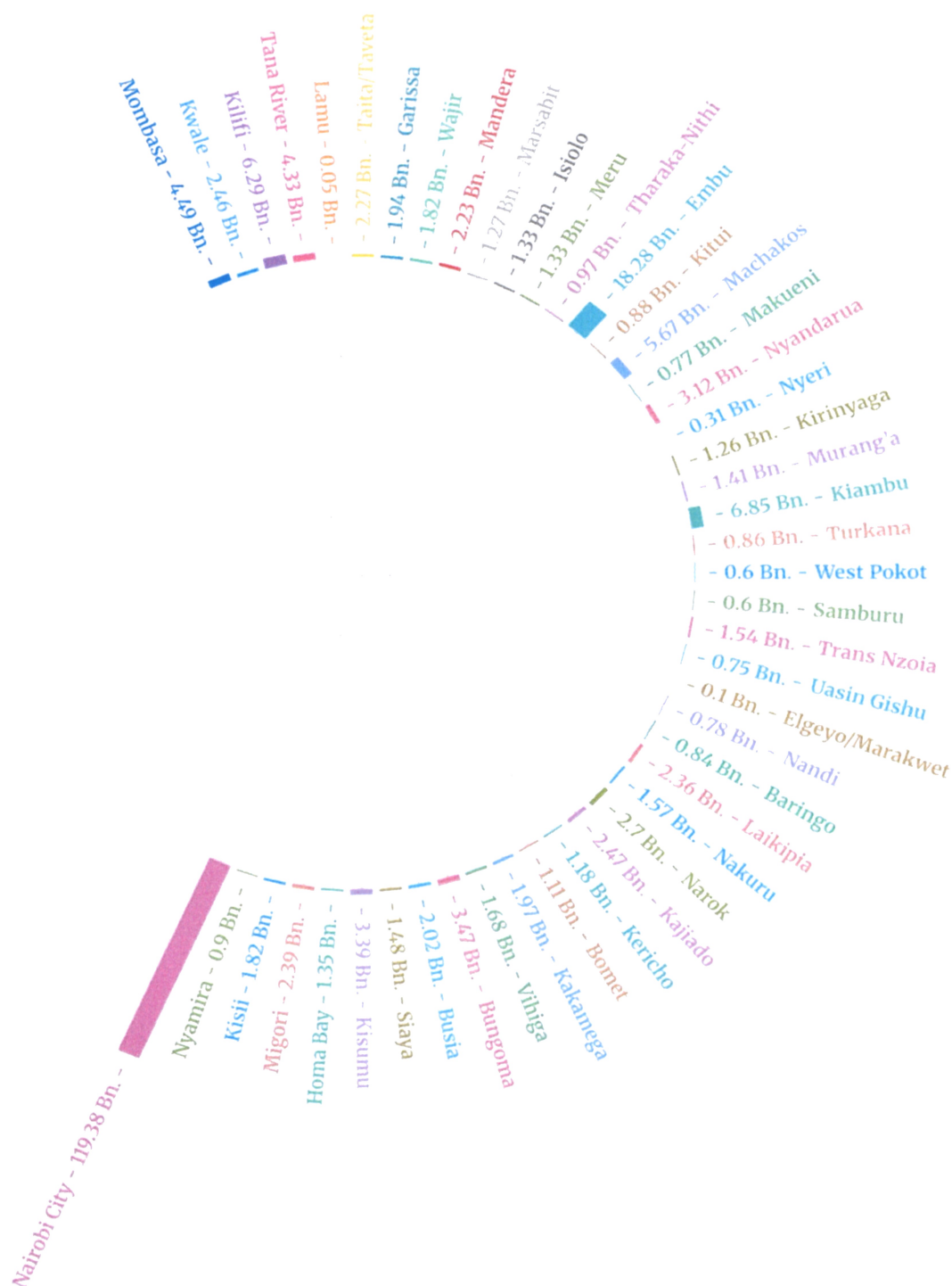
 Busia 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED	 Siaya 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED	 Kisumu 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED
 Homa Bay 2023/24 CE CA 2024/25 CE CA	QUALIFIED ADVERSE QUALIFIED UNQUALIFIED	 Migori 2023/24 CE CA 2024/25 CE CA	QUALIFIED ADVERSE QUALIFIED QUALIFIED	 Kisii 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED
 Nyamira 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED	 Nairobi City 2023/24 CE CA 2024/25 CE CA	QUALIFIED QUALIFIED QUALIFIED QUALIFIED		

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- » **Adverse Opinion** – The accounts are mostly correct, but there are pervasive issues in the financial reports.
- » **Disclaimer of Opinion** – The Auditor cannot form an opinion due to insufficient information.

2.5 Pending Obligations

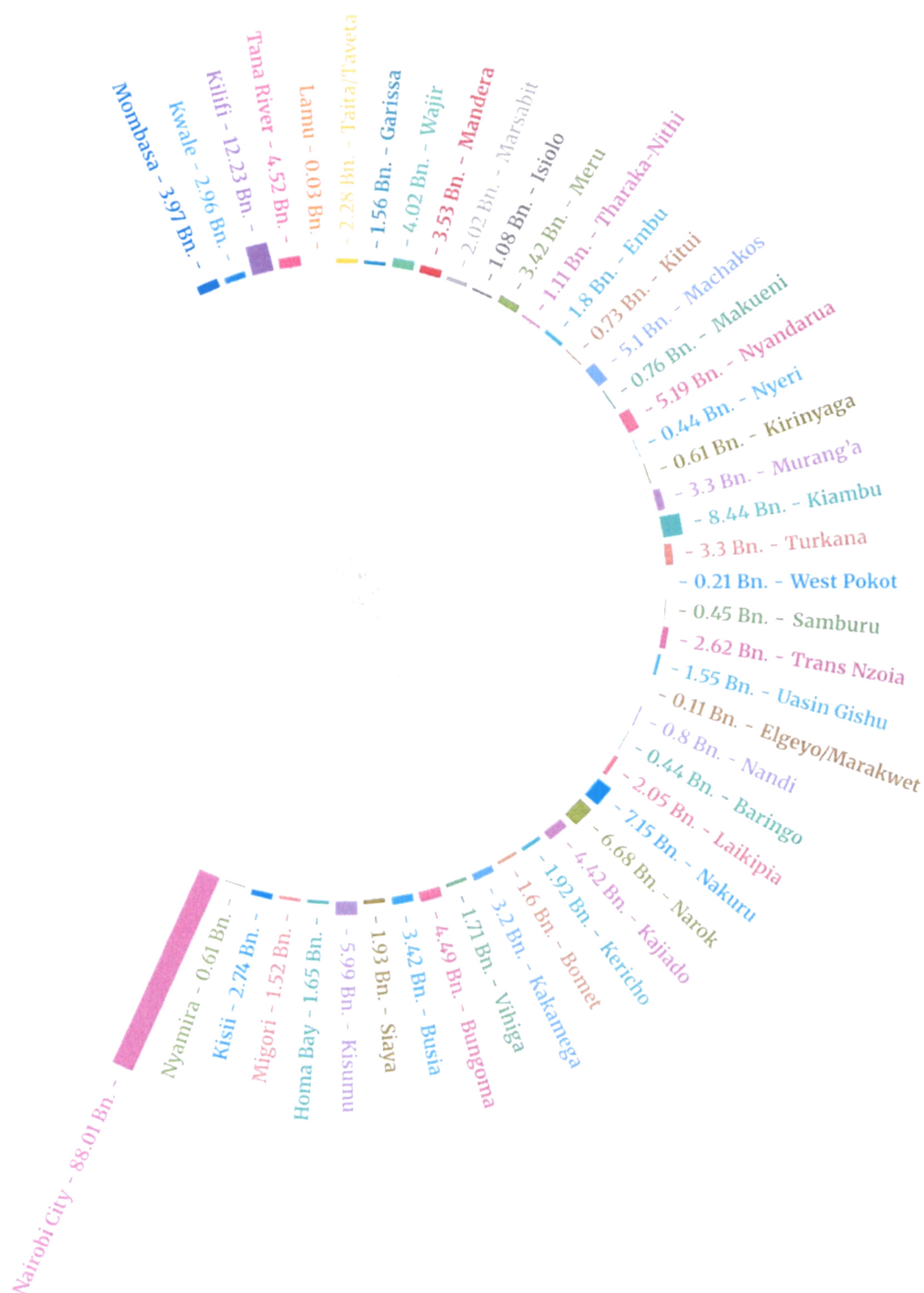
Pending bills remain a critical challenge in county public finance management, reflecting gaps in budget execution, revenue collection, and expenditure planning. As of 30 June 2024, counties collectively held pending obligations amounting to **Kshs. 226.61 billion**, posing significant fiscal risks and undermining service delivery.

Figure 8: Pending Obligations for the FY 2023/24



As of 30 June 2025, pending obligations stood at **Kshs. 217.68 billion** as seen in figure 9. In order to achieve sustainable financial health, counties must prioritize timely settlement of obligations, enforce commitment control systems and strengthen budget credibility to prevent further accumulation of arrears.

Figure 9: Pending Obligations for the FY 2024/25



2.6 Expenditure on Wages and Benefits

Under Section 107(2)(c) of the Public Finance Management (PFM) Act and Regulation 25(b), county governments are required to ensure that expenditure on wages and benefits does not exceed 35% of their total revenue. This fiscal rule is designed to safeguard sufficient resources for development projects and essential service delivery. The figure below visually depicts the extent to which counties have complied with this requirement, based on the CPMI computed, distinguishing those that have maintained wage expenditures within the stipulated threshold from those that have exceeded it.

Figure 10 and 11 highlights disparities in fiscal discipline across counties and underscores the need for enhanced expenditure management in counties with higher wage burdens.

Figure 10: County Comparison on Expenditure on Wages and Benefits for the FY 2023/24

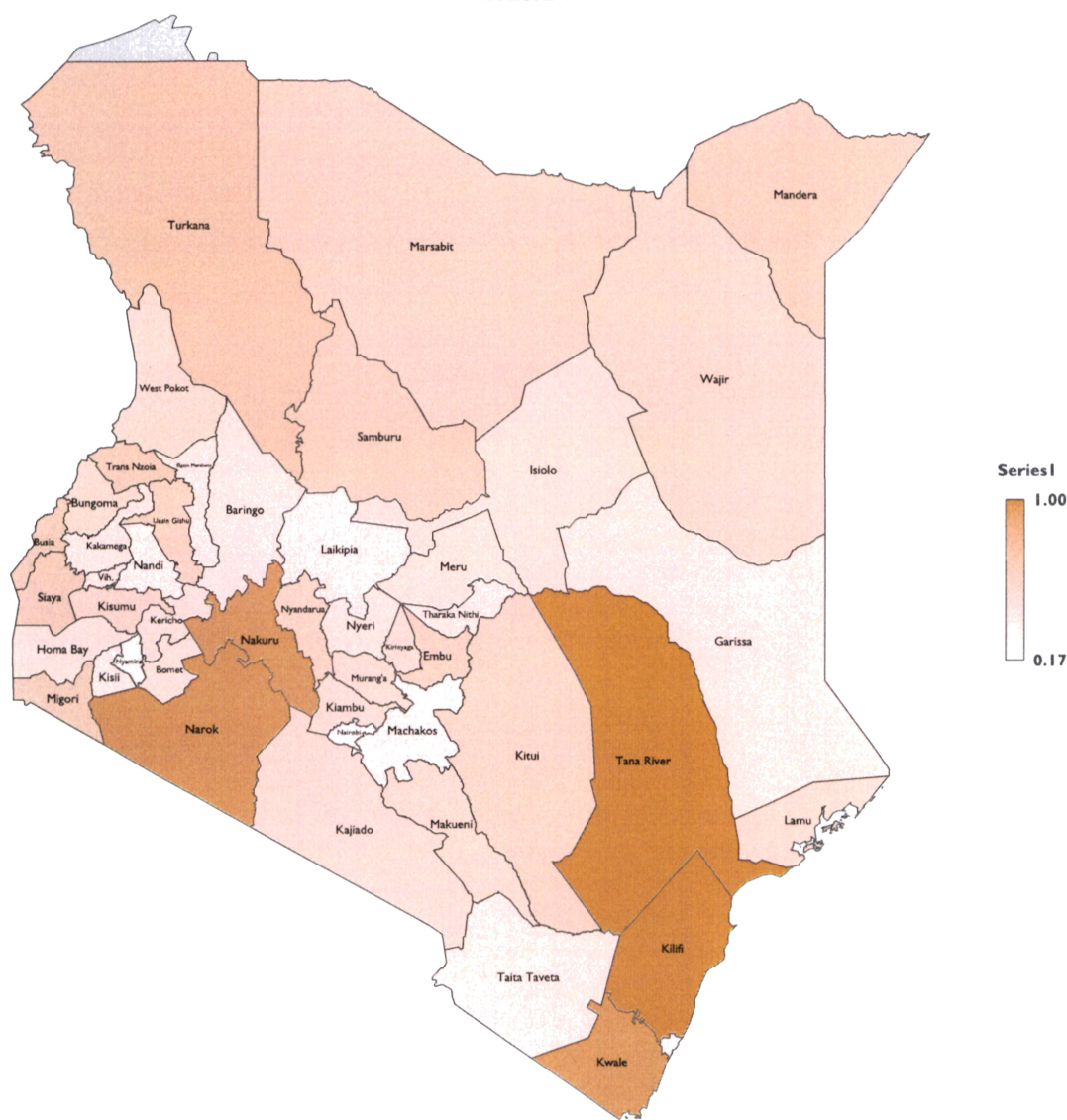
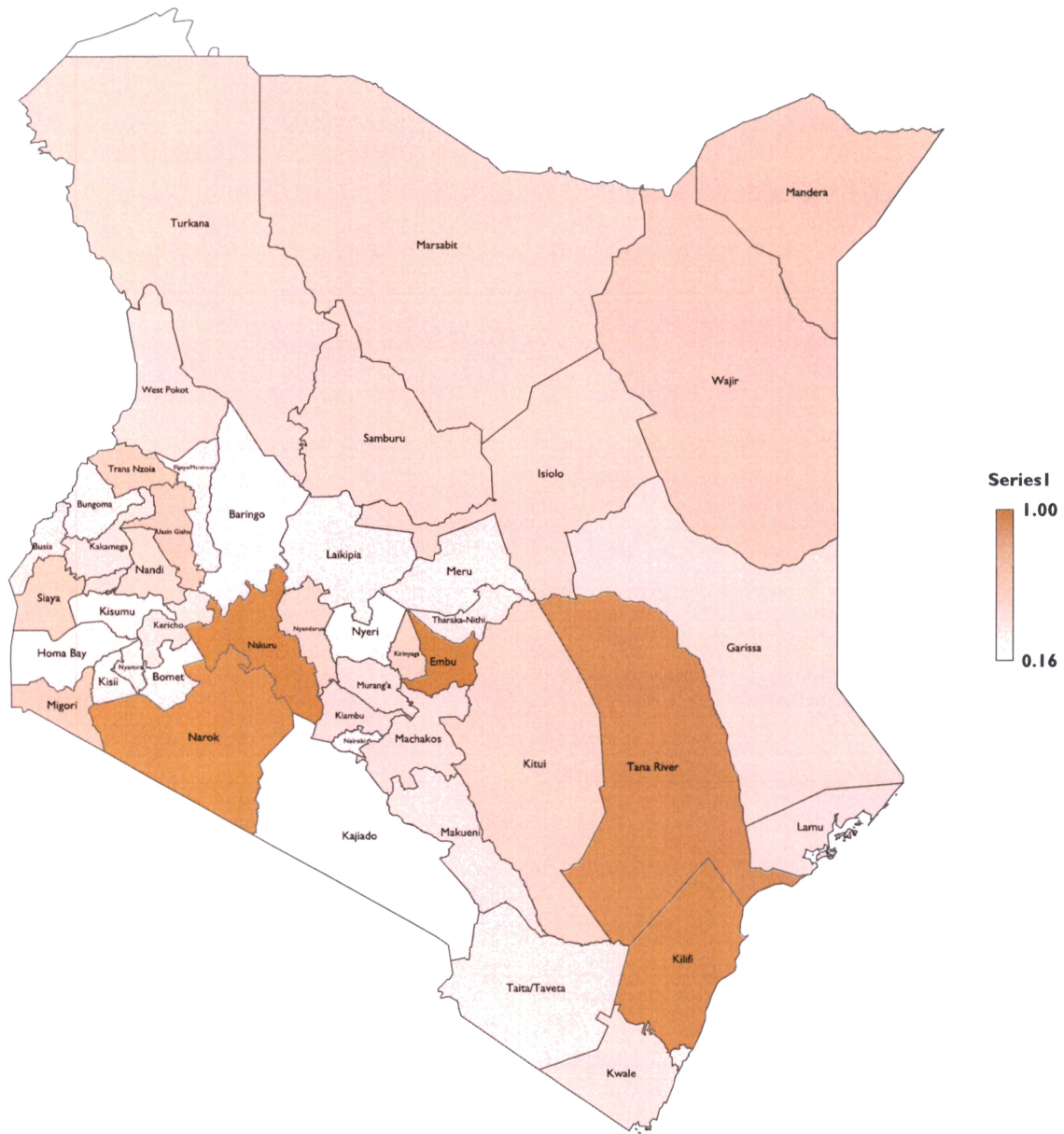


Figure 11: County Comparison on Expenditure on Wages and Benefits for the FY 2024/25



COUNTY NO.	COUNTY	FY 2023/24		FY 2024/25		COUNTY NO.	COUNTY	FY 2023/24		FY 2024/25	
		%	CFPMI	%	CPMI			%	CPMI	%	CFPMI
001	Mombasa	52%	0.24	52%	0.31	025	Samburu	39%	0.51	45%	0.44
002	Kwale	33%	0.92	49%	0.36	026	Trans Nzoia	38%	0.52	38%	0.57
003	Kilifi	29%	1.00	33%	0.96	027	Uasin Gishu	40%	0.48	38%	0.56
004	Tana River	29%	0.99	33%	0.95	028	Elgeyo/Marakwet	50%	0.27	53%	0.29
005	Lamu	43%	0.42	49%	0.36	029	Nandi	51%	0.25	45%	0.44
006	Taita/Taveta	49%	0.30	52%	0.31	030	Baringo	48%	0.31	56%	0.24
007	Garissa	48%	0.31	48%	0.37	031	Laikipia	50%	0.27	53%	0.28
008	Wajir	42%	0.44	41%	0.51	032	Nakuru	34%	0.91	31%	0.98
009	Mandera	38%	0.51	40%	0.53	033	Narok	33%	0.92	33%	0.96
010	Marsabit	41%	0.47	44%	0.45	034	Kajiado	44%	0.40	60%	0.16
011	Isiolo	46%	0.36	44%	0.45	035	Kericho	47%	0.34	51%	0.33
012	Meru	46%	0.35	53%	0.29	036	Bomet	47%	0.34	55%	0.25
013	Tharaka-Nithi	49%	0.29	52%	0.30	037	Kakamega	49%	0.30	50%	0.35
014	Embu	40%	0.49	30%	1.00	038	Vihiga	49%	0.30	47%	0.40
015	Kitui	40%	0.47	43%	0.48	039	Bungoma	43%	0.42	53%	0.29
016	Machakos	52%	0.23	47%	0.40	040	Busia	37%	0.54	51%	0.33
017	Makueni	43%	0.42	50%	0.34	041	Siaya	37%	0.54	40%	0.53
018	Nyandarua	41%	0.46	43%	0.47	042	Kisumu	42%	0.44	54%	0.27
019	Nyeri	47%	0.33	57%	0.22	043	Homa Bay	46%	0.35	55%	0.26
020	Kirinyaga	44%	0.39	43%	0.48	044	Migori	38%	0.52	38%	0.57
021	Murang'a	44%	0.40	49%	0.37	045	Kisii	51%	0.26	54%	0.27
022	Kiambu	44%	0.39	47%	0.39	046	Nyamira	54%	0.19	53%	0.29
023	Turkana	35%	0.58	46%	0.43	047	Nairobi	55%	0.17	56%	0.24
024	West Pokot	44%	0.41	47%	0.40						

2.7 Compliance to County Assembly Ceiling

To promote fiscal responsibility, PFM County Governments (CG) Regulation 25(f) sets a ceiling on county assembly expenditure, stipulating that the approved expenditures of a county assembly shall not exceed seven (7%) per cent of the total county revenues or twice the personnel emoluments of the assembly, whichever is lower. Maintaining this ratio at a low and sustainable level is critical for ensuring financial balance and prioritizing development-focused spending. Figure 12 and 13 applies the CPMI indexation and highlights how counties adhere to this requirement, offering clear insights into their budgetary discipline and governance efficiency.

Figure 12: County Assembly Ceiling Compliance for FY 2023/24

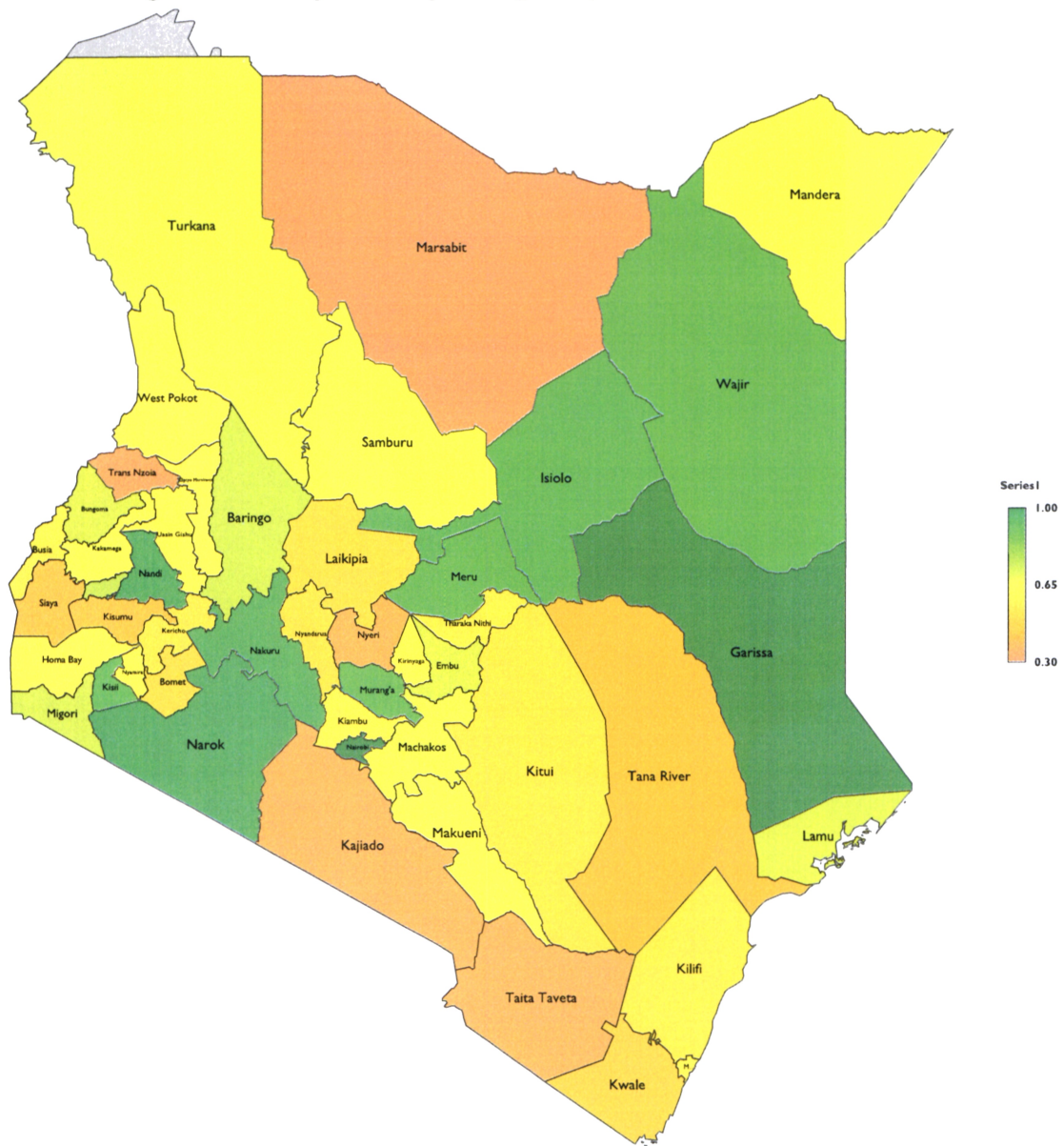
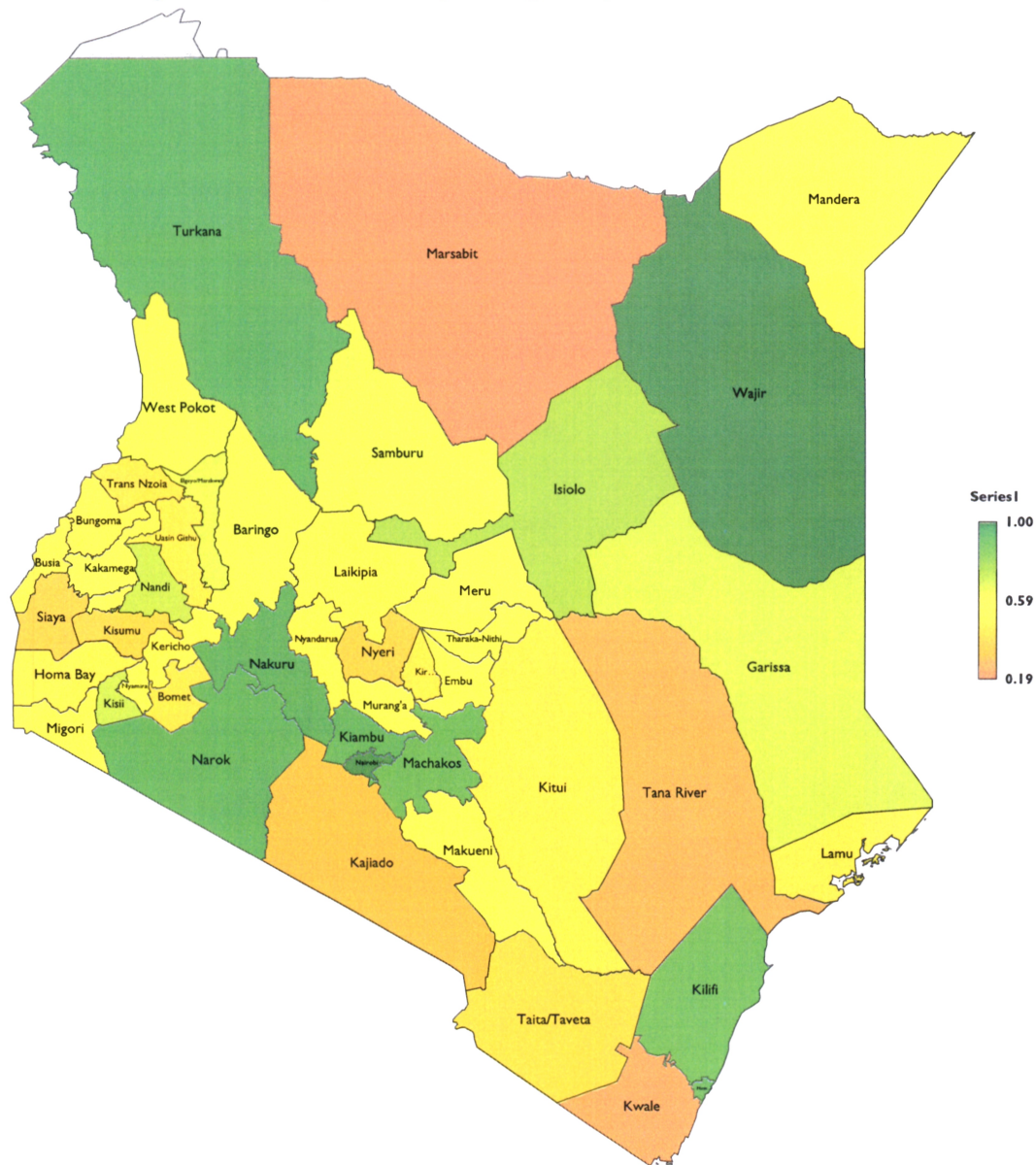


Figure 13: County Assembly Ceiling Compliance for FY 2024/25



COUNTY NO.	COUNTY	FY 2023/24 %	CFPMI	FY 2024/25 %	CFPMI	COUNTY NO.	COUNTY	FY 2023/24 %	CFPMI	FY 2024/25 %	CFPMI
001	Mombasa	57%	0.59	6%	0.95	025	Samburu	61%	0.66	9%	0.63
002	Kwale	52%	0.48	12%	0.23	026	Trans Nzoia	44%	0.33	8%	0.48
003	Kilifi	56%	0.57	7%	0.92	027	Uasin Gishu	59%	0.62	8%	0.49
004	Tana River	50%	0.43	12%	0.28	028	Elgeyo/Marakwet	60%	0.63	11%	0.66
005	Lamu	64%	0.70	11%	0.51	029	Nandi	100%	0.97	9%	0.71
006	Taita/Taveta	47%	0.37	12%	0.44	030	Baringo	65%	0.73	11%	0.63
007	Garissa	100%	1.00	10%	0.67	031	Laikipia	54%	0.53	9%	0.53
008	Wajir	100%	0.93	7%	1.00	032	Nakuru	100%	0.96	5%	0.97
009	Mandera	62%	0.67	7%	0.58	033	Narok	100%	0.98	6%	0.95
010	Marsabit	44%	0.30	13%	0.19	034	Kajiado	41%	0.37	10%	0.32
011	Isiolo	100%	0.95	11%	0.75	035	Kericho	56%	0.57	14%	0.55
012	Meru	100%	0.93	10%	0.58	036	Bomet	54%	0.53	13%	0.48
013	Tharaka-Nithi	56%	0.57	8%	0.61	037	Kakamega	61%	0.66	9%	0.60
014	Embu	63%	0.69	13%	0.59	038	Vihiga	66%	0.74	11%	0.59
015	Kitui	56%	0.56	8%	0.50	039	Bungoma	63%	0.70	9%	0.53
016	Machakos	62%	0.68	7%	0.92	040	Busia	57%	0.58	11%	0.53
017	Makueni	60%	0.64	9%	0.60	041	Siaya	50%	0.44	11%	0.39
018	Nyandarua	55%	0.56	15%	0.53	042	Kisumu	51%	0.46	10%	0.41
019	Nyeri	48%	0.38	8%	0.40	043	Homa Bay	58%	0.61	9%	0.50
020	Kirinyaga	60%	0.64	12%	0.50	044	Migori	64%	0.71	10%	0.56
021	Murang'a	100%	0.92	9%	0.60	045	Kisii	100%	0.92	10%	0.71
022	Kiambu	57%	0.59	6%	0.95	046	Nyamira	59%	0.62	10%	0.61
023	Turkana	62%	0.68	7%	0.96	047	Nairobi	100%	1.00	5%	1.00
024	West Pokot	59%	0.63	11%	0.63						

3.0 OVERALL RANKING

Based on the CPMI data, counties are classified into five main categories: Excellent, Very Good, Good, Average and Below Average. This is based on their overall composite scores across key public finance indicators.

In the 2023/24 financial year, two (2) counties (Narok and Turkana) achieved a very good rating, demonstrating strong performance in critical areas such as development expenditure, own source revenue, and adherence to fiscal discipline. A majority of counties, twenty-nine (29) in total, fall within the good category, indicating relatively stable performance with moderate strengths in specific areas such as audit compliance, county assembly expenditure control, and wage management. Sixteen (16) counties are classified as average, reflecting challenges such as low budget absorption, weak own-source revenue mobilization, or high pending bills, which undermine overall fiscal performance. This distribution suggests that while most counties are performing fairly well, there is a significant gap between the highest and lowest performers, highlighting the need for targeted fiscal reforms and capacity-building initiatives to uplift the average counties to at least the good performance level.

No.	County	CFPMI								Position
		Total Budget	Development Expenditure	OSR	Wages	Pending Obligations	Audit opinion	County Assembly expenditure	Overall	
1	Mombasa	0.392	0.211	0.361	0.238	0.334	0.375	0.593	0.358	45
2	Kwale	0.299	0.507	0.330	0.924	0.334	1.000	0.482	0.554	5
3	Kilifi	0.321	0.885	0.305	1.000	0.329	0.375	0.566	0.540	7
4	Tana River	0.588	0.480	0.473	0.994	0.331	0.375	0.434	0.525	10
5	Lamu	0.518	0.346	0.742	0.420	0.661	0.375	0.702	0.537	8
6	Taita/Taveta	0.794	0.363	0.349	0.295	0.335	0.375	0.368	0.411	36
7	Garissa	0.610	0.340	0.283	0.309	0.336	0.375	1.000	0.465	27
8	Wajir	0.807	0.506	0.508	0.440	0.336	0.375	0.935	0.558	4

No.	County	CFPMI								Position
		Total Budget	Development Expenditure	OSR	Wages	Pending Obligations	Audit opinion	County Assembly expenditure	Overall	
9	Mandera	0.709	0.909	0.199	0.515	0.335	0.375	0.669	0.530	9
10	Marsabit	0.496	1.000	0.440	0.471	0.338	0.375	0.302	0.489	20
11	Isiolo	0.710	0.285	0.450	0.363	0.338	0.375	0.949	0.496	18
12	Meru	0.638	0.517	0.301	0.354	0.338	0.375	0.928	0.493	19
13	Tharaka-Nithi	0.473	0.366	0.468	0.287	0.341	0.375	0.574	0.412	35
14	Embu	0.590	0.391	0.514	0.489	0.315	0.375	0.694	0.481	23
15	Kitui	0.660	0.492	0.441	0.472	0.342	1.000	0.559	0.567	3
16	Machakos	0.391	0.372	0.166	0.226	0.329	0.375	0.678	0.363	44
17	Makueni	0.531	0.365	0.414	0.417	0.343	0.375	0.641	0.441	29
18	Nyandarua	0.391	0.348	0.140	0.463	0.333	0.375	0.556	0.372	41
19	Nyeri	0.733	0.418	0.409	0.329	0.359	0.375	0.380	0.429	32
20	Kirinyaga	0.571	0.343	0.741	0.392	0.339	0.375	0.638	0.486	22
21	Murang'a	0.267	0.487	0.334	0.401	0.338	0.375	0.922	0.446	28
22	Kiambu	0.554	0.256	0.293	0.393	0.328	0.375	0.593	0.399	38
23	Turkana	0.651	0.844	1.000	0.580	0.342	1.000	0.679	0.728	1
24	West Pokot	0.694	0.364	0.390	0.409	0.346	1.000	0.630	0.548	6
25	Samburu	0.581	0.384	0.713	0.508	0.346	0.375	0.661	0.510	15
26	Trans Nzoia	0.682	0.449	0.342	0.517	0.337	1.000	0.329	0.522	11
27	Uasin Gishu	0.275	0.412	0.445	0.484	0.343	0.375	0.617	0.422	34
28	Elgeyo/Marakwet	0.562	0.379	0.693	0.274	0.410	0.375	0.632	0.475	25
29	Nandi	0.497	0.363	0.225	0.247	0.343	0.375	0.974	0.432	31
30	Baringo	0.599	0.493	0.413	0.306	0.342	0.375	0.731	0.466	26
31	Laikipia	0.404	0.371	0.345	0.266	0.335	0.375	0.533	0.375	40
32	Nakuru	0.229	0.446	0.391	0.906	0.337	0.375	0.965	0.521	12

No.	County	CFPMI								Position
		Total Budget	Development Expenditure	OSR	Wages	Pending Obligations	Audit opinion	County Assembly expenditure	Overall	
33	Narok	0.737	0.916	0.485	0.918	0.334	0.375	0.977	0.677	2
34	Kajiado	0.393	0.375	0.316	0.404	0.334	0.375	0.366	0.366	42
35	Kericho	0.556	0.396	0.375	0.344	0.339	1.000	0.572	0.512	14
36	Bomet	0.459	0.398	0.334	0.343	0.340	1.000	0.532	0.487	21
37	Kakamega	0.582	0.301	0.265	0.296	0.336	0.375	0.664	0.403	37
38	Vihiga	0.551	0.308	0.720	0.300	0.337	0.375	0.741	0.476	24
39	Bungoma	0.561	0.451	0.142	0.419	0.332	1.000	0.699	0.515	13
40	Busia	0.628	0.370	0.225	0.540	0.335	0.375	0.581	0.436	30
41	Siaya	0.564	0.858	0.388	0.544	0.337	0.375	0.439	0.501	16
42	Kisumu	0.256	0.211	0.297	0.442	0.333	0.375	0.455	0.338	46
43	Homa Bay	0.446	0.925	0.427	0.350	0.338	0.375	0.610	0.496	17
44	Migori	0.429	0.306	0.323	0.516	0.335	0.375	0.714	0.428	33
45	Kisii	0.343	0.137	0.364	0.262	0.336	0.375	0.922	0.391	39
46	Nyamira	0.501	0.302	0.220	0.187	0.341	0.375	0.622	0.364	43
47	Nairobi City	0.377	0.061	0.285	0.166	0.000	0.375	1.000	0.324	47

In the 2024/25 financial year, overall CFPMI results indicate significant shifts in county fiscal performance compared to FY 2023/24, reflecting both improvements in fiscal discipline and persistent challenges in certain counties. Embu which was in the “C” category led the counties with an overall CFPMI of 0.689, followed by Narok and Wajir. This expanded the number of high performing counties from two (2) in 2023/24 to three (3) in 2024/25.

Overall, the FY 2024/25 results reflect a gradual but positive trend towards improved fiscal prudence. Thirty-five (35) counties achieved the “C” grade suggesting that targeted capacity-building efforts and stronger budget execution measures are beginning to yield tangible results across the county system. Despite that, some counties remain unchanged signalling persistent structural, governance, and resource management constraints that continue to undermine fiscal discipline.

No.	County	CFPMI								Position
		Total Budget	Development Expenditure	OSR	Wages	Pending Obligations	Audit Opinion	County Assembly Expenditure	Overall	
1	Mombasa	0.589	0.286	0.309	0.311	0.334	1.000	0.948	0.540	7
2	Kwale	0.263	1.000	0.548	0.359	0.337	1.000	0.229	0.534	10
3	Kilifi	0.575	0.375	0.430	0.958	0.319	0.375	0.918	0.564	5
4	Tana River	0.542	0.411	1.000	0.948	0.333	0.375	0.280	0.556	6
5	Lamu	0.548	0.226	0.193	0.357	0.527	0.375	0.507	0.390	41
6	Taita/Taveta	0.596	0.049	0.410	0.311	0.340	1.000	0.440	0.449	27
7	Garissa	0.591	0.309	0.367	0.373	0.343	0.375	0.673	0.433	31
8	Wajir	0.642	0.420	0.951	0.513	0.334	0.375	1.000	0.605	3
9	Mandera	0.624	0.815	0.380	0.526	0.335	0.375	0.578	0.519	12
10	Marsabit	0.667	0.470	0.580	0.449	0.341	0.375	0.189	0.439	29
11	Isiolo	0.440	0.397	0.389	0.448	0.346	0.375	0.754	0.450	26

No.	County	CFPMI								Position
		Total Budget	Development Expenditure	OSR	Wages	Pending Obligations	Audit Opinion	County Assembly Expenditure	Overall	
12	Meru	0.441	0.329	0.469	0.290	0.336	0.375	0.581	0.403	38
13	Tharaka-Nithi	0.558	0.214	0.899	0.302	0.346	0.375	0.612	0.472	25
14	Embu	0.601	0.916	0.371	1.000	0.342	1.000	0.593	0.689	1
15	Kitui	0.740	0.360	0.586	0.477	0.349	1.000	0.503	0.574	4
16	Machakos	0.454	0.211	0.287	0.397	0.332	1.000	0.918	0.514	14
17	Makueni	0.630	0.242	0.591	0.342	0.349	1.000	0.603	0.537	8
18	Nyandarua	0.286	0.448	0.507	0.469	0.331	0.375	0.534	0.421	32
19	Nyeri	0.703	0.332	0.654	0.215	0.353	0.375	0.404	0.434	30
20	Kirinyaga	0.640	0.288	0.975	0.481	0.351	0.375	0.498	0.515	13
21	Murang'a	0.661	0.337	0.266	0.371	0.336	0.375	0.598	0.420	33
22	Kiambu	0.582	0.241	0.451	0.394	0.325	0.375	0.951	0.474	23
23	Turkana	0.823	0.411	0.234	0.425	0.336	0.375	0.956	0.509	16
24	West Pokot	0.740	0.257	0.686	0.402	0.357	0.375	0.634	0.493	20
25	Samburu	0.580	0.307	0.903	0.439	0.353	0.375	0.632	0.513	15
26	Trans Nzoia	0.724	0.362	0.235	0.567	0.338	1.000	0.477	0.529	11
27	Uasin Gishu	0.443	0.813	0.492	0.562	0.343	0.375	0.494	0.503	17
28	Elgeyo/Marakwet	0.602	0.171	0.868	0.287	0.359	0.375	0.657	0.474	24
29	Nandi	0.643	0.186	0.620	0.437	0.349	0.375	0.711	0.474	22
30	Baringo	0.626	0.328	0.172	0.242	0.353	0.375	0.630	0.390	42
31	Laikipia	0.647	0.365	0.393	0.282	0.341	0.375	0.534	0.419	34
32	Nakuru	0.228	0.379	0.491	0.982	0.328	0.375	0.970	0.536	9
33	Narok	0.677	0.330	0.633	0.960	0.328	0.375	0.953	0.608	2
34	Kajiado	0.156	0.401	0.371	0.159	0.333	1.000	0.324	0.392	40

No.	County	CFPMI								Position
		Total Budget	Development Expenditure	OSR	Wages	Pending Obligations	Audit Opinion	County Assembly Expenditure	Overall	
35	Kericho	0.473	0.849	0.591	0.331	0.341	0.375	0.545	0.501	19
36	Bomet	0.469	0.382	0.382	0.251	0.343	0.375	0.479	0.383	44
37	Kakamega	0.520	0.210	0.106	0.352	0.336	0.375	0.603	0.358	46
38	Vihiga	0.688	0.182	0.343	0.396	0.342	0.375	0.589	0.417	35
39	Bungoma	0.602	0.439	0.218	0.291	0.333	0.375	0.525	0.398	39
40	Busia	0.483	0.272	0.209	0.328	0.336	0.375	0.532	0.362	45
41	Siaya	0.587	0.814	0.473	0.534	0.341	0.375	0.390	0.502	18
42	Kisumu	0.365	0.176	0.068	0.272	0.330	0.375	0.411	0.285	47
43	Homa Bay	0.590	0.289	0.116	0.257	0.342	1.000	0.504	0.443	28
44	Migori	0.696	0.319	0.581	0.571	0.343	0.375	0.563	0.493	21
45	Kisii	0.424	0.320	0.416	0.268	0.338	0.375	0.705	0.406	37
46	Nyamira	0.528	0.122	0.586	0.289	0.351	0.375	0.608	0.409	36
47	Nairobi City	0.501	0.149	0.448	0.237	0.000	0.375	1.000	0.387	43

