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**SPECIAL ISSUE**

*Kenya Gazette Supplement No. 129 (Acts No. 9)*



REPUBLIC OF KENYA

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**KENYA GAZETTE SUPPLEMENT**

**ACTS, 2021**

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**NAIROBI, 30th June, 2021**

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**THE COUNTY ALLOCATION OF REVENUE ACT,  
2021**

**No. 9 of 2021**

*Date of Assent: 29th June, 2021*

*Date of Commencement: 14th July, 2021*

**ARRANGEMENT OF SECTIONS**

*Section*

- 1—Short title.
- 2—Interpretation.
- 3— Object.
- 4— Equitable allocation of county governments' share of revenue.
- 5— Budget Ceilings for recurrent expenditure.
- 6— Funding of transferred functions.
- 7— Report on actual transfers.
- 8— Books of accounts to reflect national government transfers.
- 9— Financial misconduct.
- 10— Applicable revenue-sharing formula.
- 11— Consequential amendment.

**FIRST SCHEDULE**

Allocation of Each County Governments' Equitable Share of Revenue Raised Nationally, Financial Year 2021/2022.

**SECOND SCHEDULE**

County Government Budget Ceilings of Recurrent Expenditure in Financial Year 2021/2022.

**THE COUNTY ALLOCATION OF REVENUE  
ACT, 2021**

**AN ACT of Parliament to provide for the equitable allocation of revenue raised nationally among the county governments for the 2021/2022 financial year; the responsibilities of national and county governments pursuant to such allocation; and for connected purposes**

**ENACTED** by Parliament of Kenya, as follows—

**1.** This Act may be cited as the County Allocation of Revenue Act, 2021. Short title.

**2.** In this Act —

Interpretation.

“Cabinet Secretary” means the Cabinet Secretary for the time being responsible for matters relating to finance; and

“revenue” has the meaning assigned to it under section 2 of the Commission on Revenue Allocation Act. No. 16 of 2011

**3.** The object of this Act is to—

Object.

(a) provide, pursuant to Article 218(1)(b) of the Constitution, for the allocation of an equitable share of revenue raised nationally among the county governments, in accordance with the resolution approved by Parliament under Article 217 of the Constitution for the financial year 2021/22; and

(b) facilitate the transfer of allocations made to counties under this Act from the Consolidated Fund to the respective County Revenue Funds.

**4.** (1) Each county governments’ equitable share of revenue raised nationally, on the basis of the revenue sharing formula approved by Parliament in accordance with Article 217 of the Constitution in respect of the financial year 2021/22 shall be as set out in Column H of the First Schedule. Equitable allocation of county governments’ share of revenue.

(2) Each county government’s allocation under subsection (1) shall be transferred to the respective County Revenue Fund, in accordance with a payment schedule approved by the Senate and published in the gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act, 2012.

No. 18 of 2012.

5. (1) The budget ceilings for recurrent expenditure for county governments for the financial year 2020/2021 shall be as set out in the Second Schedule. Budget ceilings for recurrent expenditure.

(2) The Controller of Budget shall approve withdrawals from the county revenue fund with respect to recurrent expenditure in accordance with the ceilings set out in the Second Schedule.

(3) The Controller of Budget shall not approve withdrawals from the county revenue fund to settle pending bills unless the county executive committee member responsible for finance has ascertained the amount of pending bills and transmitted supporting documents to the Controller of Budget.

6. (1) Where a county government has transferred functions to the national government pursuant to Article 187 of the Constitution, the county executive in consultation with the national government shall determine the cost of the transferred functions. Funding of transferred functions.

(2) The respective county assembly shall appropriate such monies as may be required for the transferred functions in accordance with the determination made under subsection (1) and the allocation shall not be less than the amount appropriated by the County Assembly in the preceding financial year.

(3) The monies appropriated under subsection (1), shall be transferred to the national government.

(4) The Cabinet Secretary shall prepare quarterly reports in respect of the expenditure of funds transferred to the national government under subsection (3).

(5) A report prepared under subsection (4) shall –

(a) contain information on the financial and non-financial performance of the entity; and

(b) be in the form prescribed by the Accounting Standards Board.

(6) A report prepared under subsection (4) shall be submitted to the Senate, the Controller of Budget, the Auditor-General and the respective county assembly.

7. The National Treasury and Planning shall publish a monthly report on actual transfers of all allocations to county governments. Report on actual transfers.

**8.** (1) Each county treasury shall reflect all transfers by the national government to the county governments in its books of accounts.

Books of accounts to reflect national government transfers.

(2) The estimates of revenue of each county shall separately reflect the total equitable revenue share under section 4 of this Act transferred to the County Revenue Fund.

(3) A county treasury shall as part of its consolidated quarterly and annual reports required under the Public Finance Management Act, 2012 report on actual transfers received by the county government from the national government, up to the end of that quarter or year in the format prescribed by the Public Sector Accounting Standards Board or in the absence of a format prescribed by the Board, in the format prescribed by the National Treasury.

No. 18 of 2012.

**9.** Despite the provisions of any other law, any serious or persistent non-compliance with provisions of this Act constitutes an offence under the Public Finance Management Act, 2012.

Financial Misconduct.

**10.** For the avoidance of doubt the allocation of the equitable share of revenue to county governments under section 4 of this Act shall be in accordance with the third determination of the basis of the division of revenue among counties approved by Parliament pursuant to Article 217(7) of the Constitution.

Applicable revenue-sharing formula.

**11.** Section 130 of the Public Finance Management Act is amended by inserting the following new subsections immediately after subsection (2)—

Consequential amendment.  
No. 18 of 2012.

(3) In preparing the annual appropriation Bill under subsection (2), the county executive committee member responsible for finance shall include, in the allocation to the county assembly any unspent funds that had been appropriated to the county assembly in the immediate preceding financial year.

(4) Where an Appropriation Bill is passed before the beginning of the financial year to which it relates and does not contain unspent funds allocated to the county assembly in the immediate preceding financial year, the county executive committee member for finance shall prepare and submit to the

county assembly a Supplementary Appropriation Bill allocating the unspent funds.

(5) A Bill prepared under subsection (4) shall be introduced in the county assembly within two months of the commencement of the financial year.

(6) Failure by the county executive committee member for finance to prepare a Supplementary Appropriation Bill under subsection (4) shall constitute an additional indicator of a serious or persistent material breach under section 94.

**FIRST SCHEDULE (s. 4(1))**

**Allocation of Each County Governments' Equitable Share of Revenue Raised Nationally in the Financial year 2021/22**

No.	County	2020/2021		0.5(Allocation Ratio)		Equitable share** -0.5 allocation ratio)*(Formula***)		Total Equitable Share *** FY 2021/22	
		Column A	Column B	Column C	Column D	Column E	Column F		
		Allocation Ratio	Actual Allocations 2019/20- Allocation Factor	Allocation Ratio	0.5% county allocation	Allocation Ratio	Equitable share using formula	Column G	
								Column H= D+F	
1	Baringo	1.61	5,095,650,000	1.61	2,547,825,000	1.80	3,821,569,592	1.72	6,369,394,592
2	Bomet	1.74	5,507,100,000	1.74	2,753,550,000	1.86	3,937,549,118	1.81	6,691,099,118
3	Bungoma	2.81	8,893,650,000	2.81	4,446,825,000	2.93	6,212,610,192	2.88	10,659,435,192
4	Busia	1.90	6,013,500,000	1.90	3,006,750,000	1.97	4,165,412,009	1.94	7,172,162,009
5	Elgeyo/Marakwet	1.22	3,861,300,000	1.22	1,930,650,000	1.26	2,675,882,480	1.25	4,606,532,480
6	Embu	1.36	4,304,400,000	1.36	2,152,200,000	1.40	2,973,043,762	1.39	5,125,243,762
7	Garissa	2.22	7,026,300,000	2.22	3,513,150,000	2.08	4,414,062,254	2.14	7,927,212,254
8	Homa Bay	2.13	6,741,450,000	2.13	3,370,725,000	2.09	4,434,628,300	2.11	7,805,353,300
9	Isiolo	1.34	4,241,100,000	1.34	2,120,550,000	1.22	2,589,838,265	1.27	4,710,388,265
10	Kajiado	2.03	6,424,950,000	2.03	3,212,475,000	2.24	4,742,293,229	2.15	7,954,768,229
11	Kakamega	3.29	10,412,850,000	3.29	5,206,425,000	3.39	7,182,987,168	3.35	12,389,412,168
12	Kericho	1.70	5,380,500,000	1.70	2,690,250,000	1.77	3,740,414,924	1.74	6,430,664,924
13	Kiambu	2.98	9,431,700,000	2.98	4,715,850,000	3.31	7,001,675,720	3.17	11,717,525,720
14	Kilifi	3.30	10,444,500,000	3.30	5,222,250,000	3.03	6,419,342,941	3.15	11,641,592,941

No.	County	2020/2021			0.5(Allocation Ratio)		Equitable share**0.5 allocation ratio)*(Formula**)		Total Equitable Share *** FY 2021/22	
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H=	
		Allocation Ratio	Actual Allocations 2019/20- Allocation Factor	Allocation Ratio	0.5% county allocation	Allocation Ratio	Equitable share using formula	Allocation Ratio	Total Equitable share	
15	Kirinyaga	1.34	4,241,100,000	1.34	2,120,550,000	1.45	3,075,627,952	1.40	5,196,177,952	
16	Kisi	2.46	7,785,900,000	2.46	3,892,950,000	2.36	5,001,324,509	2.40	8,894,274,509	
17	Kisumu	2.16	6,836,400,000	2.16	3,418,200,000	2.18	4,607,939,240	2.17	8,026,139,240	
18	Kitui	2.79	8,830,350,000	2.79	4,415,175,000	2.82	5,978,795,413	2.81	10,393,970,413	
19	Kwale	2.46	7,785,900,000	2.46	3,892,950,000	2.06	4,372,635,516	2.23	8,265,585,516	
20	Laikipia	1.32	4,177,800,000	1.32	2,088,900,000	1.44	3,047,365,679	1.39	5,136,265,679	
21	Lamu	0.82	2,595,300,000	0.82	1,297,650,000	0.85	1,807,999,643	0.84	3,105,649,643	
22	Machakos	2.45	7,754,250,000	2.45	3,877,125,000	2.50	5,285,179,232	2.48	9,162,304,232	
23	Makueni	2.34	7,406,100,000	2.34	3,703,050,000	2.09	4,429,733,562	2.20	8,132,783,562	
24	Mandera	3.23	10,222,950,000	3.23	5,111,475,000	2.87	6,078,907,598	3.02	11,190,382,598	
25	Marsabit	2.14	6,773,100,000	2.14	3,386,550,000	1.84	3,890,454,032	1.97	7,277,004,032	
26	Meru	2.54	8,039,100,000	2.54	4,019,550,000	2.59	5,474,307,338	2.57	9,493,857,338	
27	Migori	2.14	6,773,100,000	2.14	3,386,550,000	2.18	4,618,470,448	2.16	8,005,020,448	
28	Mombasa	2.23	7,057,950,000	2.23	3,528,975,000	1.91	4,038,379,061	2.05	7,567,354,061	
29	Murang'a	1.99	6,298,350,000	1.99	3,149,175,000	1.90	4,030,980,855	1.94	7,180,155,855	
30	Nairobi City	5.03	15,919,950,000	5.03	7,959,975,000	5.33	11,289,702,414	5.20	19,249,677,414	
31	Nakuru	3.31	10,476,150,000	3.31	5,238,075,000	3.68	7,788,041,323	3.52	13,026,116,323	
32	Nandi	1.69	5,348,850,000	1.69	2,674,425,000	2.04	4,316,444,041	1.89	6,990,869,041	
33	Narok	2.54	8,039,100,000	2.54	4,019,550,000	2.28	4,825,239,456	2.39	8,844,789,456	



No.	County	2020/2021		0.5(Allocation Ratio)		Equitable share** -0.5 allocation ratio*(Formula***)		Total Equitable Share *** FY 2021/22	
		Column A	Column B	Column C	Column D	Column E	Column F		
		Allocation Ratio	Actual Allocations 2019/20- Allocation Factor	Allocation Ratio	0.5% county allocation	Allocation Ratio	Equitable share using formula	Column G	
								Column H= D+F	
34	Nyamira	1.52	4,810,800,000	1.52	2,405,400,000	1.29	2,729,940,036	1.39	5,135,340,036
35	Nyandarua	1.54	4,874,100,000	1.54	2,437,050,000	1.53	3,233,394,228	1.53	5,670,444,228
36	Nyeri	1.71	5,412,150,000	1.71	2,706,075,000	1.66	3,522,653,555	1.68	6,228,728,555
37	Samburu	1.46	4,620,900,000	1.46	2,310,450,000	1.45	3,060,896,037	1.45	5,371,346,037
38	Siaya	1.83	5,791,950,000	1.83	2,895,975,000	1.92	4,070,532,531	1.88	6,966,507,531
39	Taita/Taveta	1.34	4,241,100,000	1.34	2,120,550,000	1.29	2,721,624,698	1.31	4,842,174,698
40	Tana River	1.85	5,855,250,000	1.85	2,927,625,000	1.70	3,600,783,765	1.76	6,528,408,765
41	Tharaka-Nithi	1.24	3,924,600,000	1.24	1,962,300,000	1.06	2,251,898,593	1.14	4,214,198,593
42	Trans Nzoia	1.82	5,760,300,000	1.82	2,880,150,000	2.03	4,306,007,670	1.94	7,186,157,670
43	Turkana	3.33	10,539,450,000	3.33	5,269,725,000	3.47	7,339,580,994	3.41	12,609,305,994
44	Uasin Gishu	2.00	6,330,000,000	2.00	3,165,000,000	2.32	4,903,858,318	2.18	8,068,858,318
45	Vihiga	1.47	4,652,550,000	1.47	2,326,275,000	1.29	2,741,081,827	1.37	5,067,356,827
46	Wajir	2.70	8,545,500,000	2.70	4,272,750,000	2.46	5,201,976,151	2.56	9,474,726,151
47	West Pokot	1.58	5,000,700,000	1.58	2,500,350,000	1.79	3,796,934,329	1.70	6,297,284,329
	<b>Total</b>	<b>100</b>	<b>316,500,000,000</b>	<b>100</b>	<b>158,250,000,000</b>	<b>100</b>	<b>211,750,000,000</b>	<b>100</b>	<b>370,000,000,000</b>

\*This refers to the Shareable Revenue allocated to counties in the financial year 2019/ 20 of Ksh. 316.5 billion. Thus, the allocation to county governments under this component is one half of the equitable share allocated to county governments in FY 2019/20 amounting to Ksh. 158. 25 billion.

\*\* This is the equitable share of revenues raised nationally allocated to county governments in FY 2021/22 amounting to Ksh. 370 billion. Once you net out one-half of the amounts of Allocation Ratio or Ksh.158.25 billion from the Equitable share of Ksh. 370 billion, the resulting balance of Ksh. 211.75 billion shall be allocated among county governments using the Formula.

\*\*\* Formula=  $0.18 * \text{Population Index} + 0.17 * \text{Health Index} + 0.10 * \text{Agriculture Index} + 0.05 * \text{Urban Index} + 0.14 * \text{Poverty Index} + 0.08 * \text{Land Area Index} + 0.08 * \text{Roads Index} + 0.20 * \text{Basic Share Index}$

\*\*\*\* Total Equitable Share or county Allocation =  $0.5 (\text{Allocation Ratio}) + ((\text{Equitable Share} - (0.5 \text{ Allocation Ratio})) * (\text{Formula}))$

**SECOND SCHEDULE**  
(s.5(1))

<b>Schedule II: County Government Budget Ceilings on Recurrent Expenditure in Financial Year 2021/2022</b> (Figures are in Kenya Shillings)						
No.	County	County Assembly Ceilings		County Executive Ceilings		
		FY 2020/21	FY 2021/22	FY 2020/21	FY 2021/22	FY 2021/22
1	Baringo	687,926,864	746,019,020	569,787,017	569,787,017	569,787,017
2	Bomet	606,321,526	648,066,449	552,531,315	552,531,315	552,531,315
3	Bungoma	852,697,315	890,983,497	621,554,119	621,554,119	621,554,119
4	Busia	738,972,659	801,409,679	587,042,718	587,042,718	587,042,718
5	Elgeyo/Marakwet	572,974,781	593,254,972	535,275,615	535,275,615	535,275,615
6	Embu	580,057,624	595,875,448	535,275,615	535,275,615	535,275,615
7	Garissa	758,771,695	829,101,968	569,787,017	569,787,017	569,787,017
8	Homa Bay	852,232,576	931,868,578	604,298,418	604,298,418	604,298,418
9	Isiolo	421,383,160	448,252,685	463,713,275	463,713,275	463,713,275
10	Kajiado	666,147,523	765,404,524	527,830,690	527,830,690	527,830,690
11	Kakamega	1,066,936,774	1,189,967,209	673,321,221	673,321,221	673,321,221
12	Kericho	692,058,978	728,813,928	569,787,017	569,787,017	569,787,017
13	Kiambu	1,085,527,936	1,206,180,907	673,321,221	673,321,221	673,321,221
14	Kilifi	756,635,440	797,062,541	587,042,718	587,042,718	587,042,718
15	Kirinyaga	569,393,333	634,065,925	522,925,302	522,925,302	522,925,302
16	Kisii	919,508,597	990,572,876	621,554,119	621,554,119	621,554,119
17	Kisumu	701,921,494	745,033,801	587,042,718	587,042,718	587,042,718
18	Kitui	836,025,472	886,616,229	604,298,418	604,298,418	604,298,418
19	Kwale	591,895,413	618,445,792	535,275,615	535,275,615	535,275,615

**Schedule II: County Government Budget Ceilings on Recurrent Expenditure in Financial Year 2021/2022**  
(Figures are in Kenya Shillings)

No.	County	County Assembly Ceilings	County Executive Ceilings
20	Laikipia	452,388,054	470,108,195
21	Lamu	405,697,936	418,152,304
22	Machakos	841,145,156	907,790,391
23	Makueni	703,984,829	756,641,539
24	Mandera	726,834,897	811,048,184
25	Marsabit	640,182,991	715,654,362
26	Meru	914,997,229	988,437,598
27	Migori	836,834,225	863,486,098
28	Mombasa	658,609,194	679,254,392
29	Murang'a	735,143,240	761,307,014
30	Nairobi City	1,409,977,879	1,545,872,087
31	Nakuru	983,219,236	1,049,146,986
32	Nandi	649,760,252	669,452,972
33	Narok	709,598,198	769,346,518
34	Nyamira	596,107,510	612,444,433
35	Nyandarua	633,970,935	664,643,697
36	Nyeri	676,085,232	717,305,285
37	Samburu	490,297,034	518,009,214
38	Siaya	666,308,584	686,651,724
39	Taita/Taveta	601,130,595	631,282,421
40	Tana River	486,497,243	588,396,752
41	Tharaka -Nithi	423,104,928	455,222,064
42	Trans Nzoia	628,139,110	676,650,593

<b>Schedule II: County Government Budget Ceilings on Recurrent Expenditure in Financial Year 2021/2022</b> (Figures are in Kenya Shillings)				
<b>No.</b>	<b>County</b>	<b>County Assembly Ceilings</b>		<b>County Executive Ceilings</b>
<b>43</b>	Turkana	767,192,392	821,950,164	569,787,017
<b>44</b>	Uasin Gishu	686,014,946	707,791,808	569,787,017
<b>45</b>	Vihiga	621,955,167	659,609,764	552,531,315
<b>46</b>	Wajir	760,194,403	853,341,593	560,610,046
<b>47</b>	West Pokot	584,824,909	610,173,508	535,275,615
	<b>Total</b>	<b>33,247,585,463</b>	<b>35,656,167,687</b>	<b>26,708,080,067</b>