

COUNTY GOVERNMENT OF KIRINYAGA



DEPARTMENT OF FINANCE & ECONOMIC PLANNING

First Quarter Budget Implementation Review

Report (BIRR)

(July- September)

FY 2023/24

County Treasury

Kirinyaga County

P.O. Box 260 – 10034

KUTUS, KENYA

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EXECUTIVE SUMMARY

This report shows performance in budget implementation by County Government entities for first quarter of 2023-24 FY. The report covers two major sections; the revenue analysis section and the expenditure analysis. In the revenue, the report details the total revenue collected for the first quarter in the revenue streams and classifications. This part also indicates the current status of revenue collection target for the quarter. The second part analyses both the recurrent and development expenditure by the County Government entities during the first three months of 2023-24 FY.

The County Government's total approved budget for 2023-24 FY amounts to KES 7,240,547,406 Recurrent allocation of KES 4,791,443,225 and Development allocation of KES 2,449,104,180. In the period under review, recurrent expenditure amounted to KES. 1,082,941,766 which represents 22.6 % of recurrent budget. Development expenditure for the period under review amounted to KES 206,407,487.

Own Source Revenue target for Financial Year 2023/24 is KES. 550,000,000. Revenue collected in the first quarter amounted to KES. 93,116,410. This represents 17% of total annual revenue target.

1. INTRODUCTION

Legal basis for preparation of quarterly reports

This report is prepared in accordance with section 166 (1) and 166 (4) of the Public Finance Management Act 2012. The act requires that, “An accounting officer for a county government entity shall prepare a report for each quarter of the financial year in respect of the entity”. Further, “not later than one month after the end of each quarter, the County Treasury shall—

- (a) Consolidate the quarterly reports and submit them to the county assembly;
- (b) Deliver copies to the Controller of Budget, National Treasury and the Commission on Revenue Allocation; and
- (c) Publish and publicize them.

2. REVENUE ANALYSIS

The approved resource envelope for Approved 2023/24 FY Kirinyaga County Budget amounts to KES. 7,240,547,406 which will be financed as per Table 2.1 below.

Table 2.1 Resource Envelop 2023/24FY

DESCRIPTION	APPROVED BUDGET FY 2023/2024
Equitable Share	5,420,217,528
Own Source Revenue	550,000,000
Allocation Financed by Grant from DANIDA to finance Universal Healthcare in Devolved System	7,738,500
World Bank (Finance Locally-Led Climate Program (FLLoCA) for County Climate Resilience Investment (CCRI) Grant	11,000,000
IDA (World Bank) Credit (Financing Locally- Led Climate Action (FLLoCA) Program – County Climate Resilience Investment Grant (CCRIG)	131,648,938
IDA- (World Bank)Credit National Agricultural and Rural Inclusive Growth Project (NARIGP) FY2022/23	144,370,399
IDA- (World Bank)Credit National Agricultural Value Chain Development Project (NAVCDP) FY2022/23	317,307,692
Sweden- Agriculture Sector Development Support Programme (ASDSP II)	900,970
Rolled over Funds	657,363,378
TOTAL REVENUES	7,240,547,406

Source: County Treasury

Own Source Revenue

The County has a projected own source revenue target of KES 550 Million in the FY 2023/24 Budget. During the first quarter period July-September the actual Own Source Revenue collected was KES 93,116,410. This indicates a performance of 17% on annual own source revenue targets. This first quarter performance indicates a 58% increase in collection from a similar period in 2022/23.

Table 2.2 Own Source Revenue by Stream

REVENUE SOURCE	ANNUAL TARGET	JULY	AUGUST	SEPTEMBER	1ST QUARTER
Single Business Permit	98,000,000	2,465,712	2,069,405	859,380	5,394,497
Market Gate Fee	40,000,000	2,915,530	2,987,390	2,620,280	8,523,200
Produce Cess	6,000,000	623,220	521,250	406,420	1,550,890
Weights & Measures	2,500,000	118,600	84,200	61,400	264,200
market stalls	2,500,000	57,300	63,900	69,000	190,200
Bus Park	20,000,000	1,478,280	1,603,910	1,640,800	4,722,990
Street Parking	9,000,000	1,144,230	920,600	848,110	2,912,940
Land Administration	8,000,000	661,800	607,900	425,600	1,695,300
Property Rates	40,000,000	1,492,675	860,157	1,140,021	3,492,853
Building Plan Approvals	11,000,000	631,812	972,464	926,688	2,530,964
Advertisement	13,000,000	702,500	275,000	399,500	1,377,000
Sublet Fees	3,000,000	228,000	224,000	101,000	553,000
House rents	3,700,000	267,400	217,200	616,300	1,100,900
Conservancy Fee	11,000,000	361,650	281,330	243,540	886,520
Quarries cess	3,000,000	385,700	271,800	703,300	1,360,800
Group Registration	1,000,000	77,200	59,800	65,700	202,700
Liquor License	30,000,000	1,933,500	2,983,500	609,000	5,526,000
Veterinary Services	6,500,000	545,252	553,950	509,350	1,608,552
Kamweti ATC	5,000,000	167,551	150,867	119,626	438,044
Public Health Services	30,700,000	1,145,100	1,282,000	491,900	2,919,000
coffee licences	1,500,000	-	238,960	10,000	248,960
cooperative audit	600,000	26,150	-	-	26,150
Commission by payroll	3,000,000	236,000	235,000	268,709	739,709
Kerugoya Referral Hospital	147,000,000	14,734,518	14,984,672	5,739,193	35,458,383
Kimbimbi Hospital	27,000,000	1,335,179	1,325,456	1,529,559	4,190,194
Kianyaga Hospital	10,000,000	675,740	902,341	717,996	2,296,077
Sagana Hospital	10,000,000	764,718	685,632	529,000	1,979,350
dispensaries	7,000,000	-	-	927,037	927,037
TOTAL FY 2023/2024)	550,000,000	35,175,317	35,362,684	22,578,409	93,116,410

Source: County Treasury

Own Source Revenue Major Streams

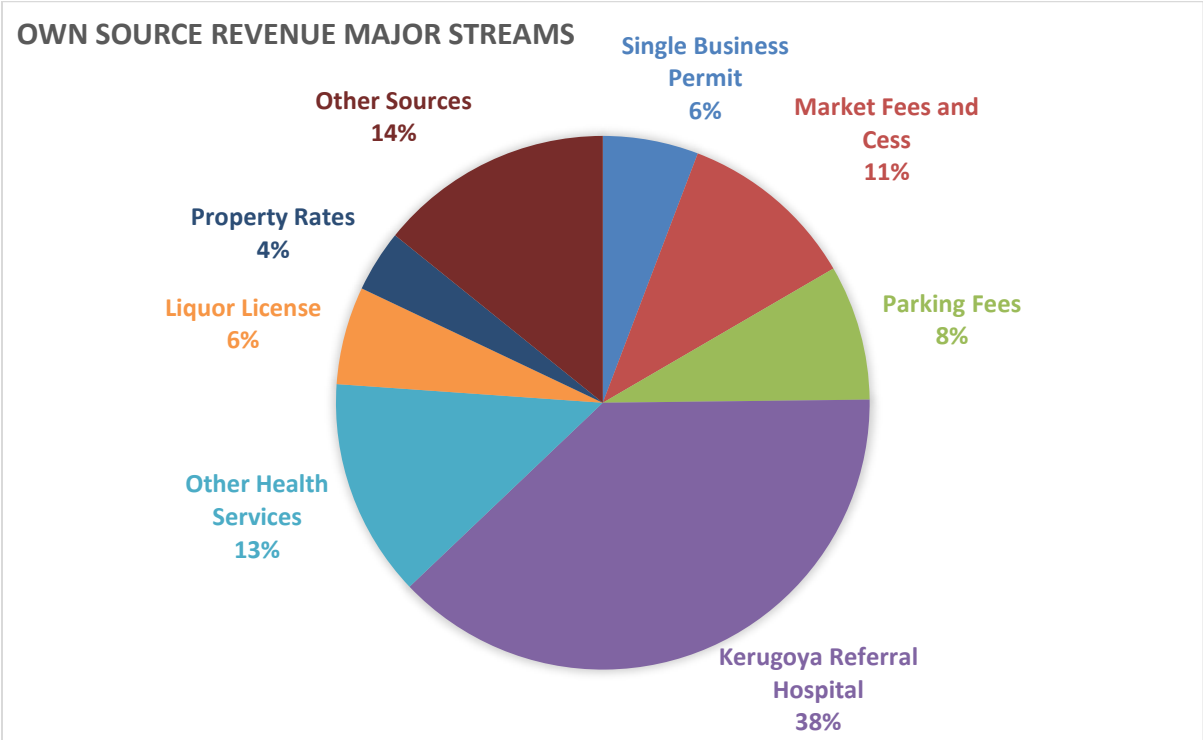


Figure 2.1 Own Source Revenue Major Streams

Revenue from health services sector amounted to 51% of total first quarter own source revenue. Kerugoya Referral Hospital with the biggest share at 38%.

First Quarter Own Source Revenue trend for previous Financial Years

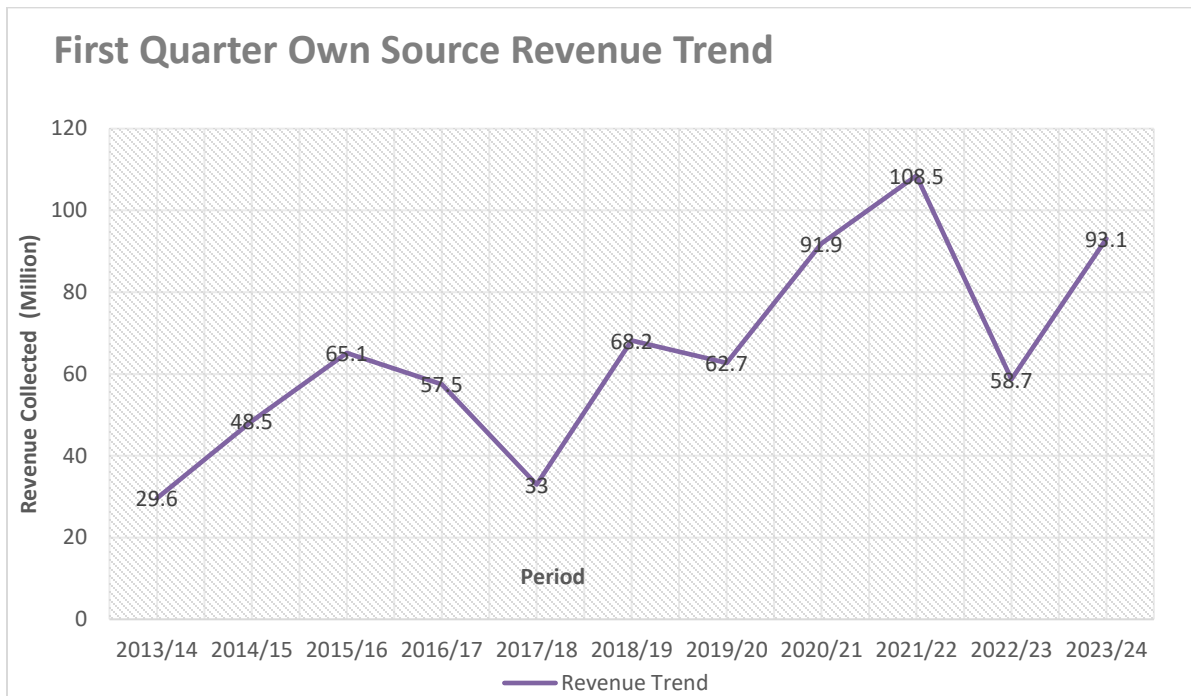


Figure 2.2 First Quarter Own Source Revenue Trend

Own Source Revenue performance for the first quarter of 2023/24FY indicated a 58% increase in collection from a similar period in 2022/23.

3. EXPENDITURE ANALYSIS

The County Government total approved 2023/24 FY budget amounts to KES. 7,240,547,406. This includes development allocation of KES. 2,449,104,180 and recurrent allocation of KES 4,791,443,225.

2023/24 FY Approved Budget Estimates

Table 3.1 Approved Budget Estimates 2023/24

VOTE	ENTITY	Approved Budget 2023/24FY Recurrent	Approved Budget 2023/24FY Development	TOTAL
3961	County Assembly	673,319,674	85,229,460	758,549,134
3962	County Executive	496,023,805	-	496,023,805
3963	Finance and Economic Planning	573,091,610	126,000,000	699,091,610
3964	Agriculture, Livestock and Fisheries	217,978,626	524,997,954	742,976,580
3965	Environment, Water and Natural Resources	119,489,239	293,492,271	412,981,510
3966	Education	356,633,405	50,900,000	407,533,405
3967	County Health Services	2,116,489,802	605,258,331	2,721,748,133
3968	Lands, Housing and Urban Development	33,968,028	56,433,333	90,401,361
3969	Transport and Infrastructure	74,733,368	348,422,832	423,156,200
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	47,839,441	285,700,000	333,539,441
3971	Gender and Youth	43,668,210	51,150,000	94,818,210
3972	Sports, Culture and Social Services	38,208,017	21,520,000	59,728,017
	TOTAL	4,791,443,225	2,449,104,180	7,240,547,406

Source: County Treasury

Recurrent Expenditure

Total recurrent expenditure for first quarter of 2023/24 FY amounted to KShs. 1,082,941,766 which represents 22.6% of the total recurrent budget estimates. The major contributor to the first quarter expenditure is the County Health services sector. Total first quarter recurrent expenditure for this sector amounts to KShs. 443,931,996. This indicates a 41% of the total first quarter recurrent expenditure in the county. This also represents a 21% expenditure against total approved recurrent expenditure for this sector. Other high contributors to first quarter recurrent expenditure includes; Finance and economic Planning 18.3%, County Assembly 17.5%.

First Quarter Recurrent Expenditure per Department 2023/24 FY

Table 3.2 Recurrent Expenditure first quarter 2023/24

VOTE	ENTITY	Budget 2023/24 FY Recurrent	First Quarter Expenditure 2023/24 FY
3961	County Assembly	673,319,674	189,728,554
3962	County Executive	496,023,805	91,579,239
3963	Finance and Economic Planning	573,091,610	198,672,966
3964	Agriculture, Livestock and Fisheries	217,978,626	48,089,896
3965	Environment, Water and Natural Resources	119,489,239	31,128,300
3966	Education	356,633,405	33,655,489
3967	County Health Services	2,116,489,802	443,931,996
3968	Lands, Housing and Urban Development	33,968,028	2,962,293
3969	Transport and Infrastructure	74,733,368	17,561,666
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	47,839,441	8,558,499
3971	Gender and Youth	43,668,210	9,665,878
3972	Sports, Culture and Social Services	38,208,017	7,406,990
	TOTAL	4,791,443,225	1,082,941,766

Source: County Treasury

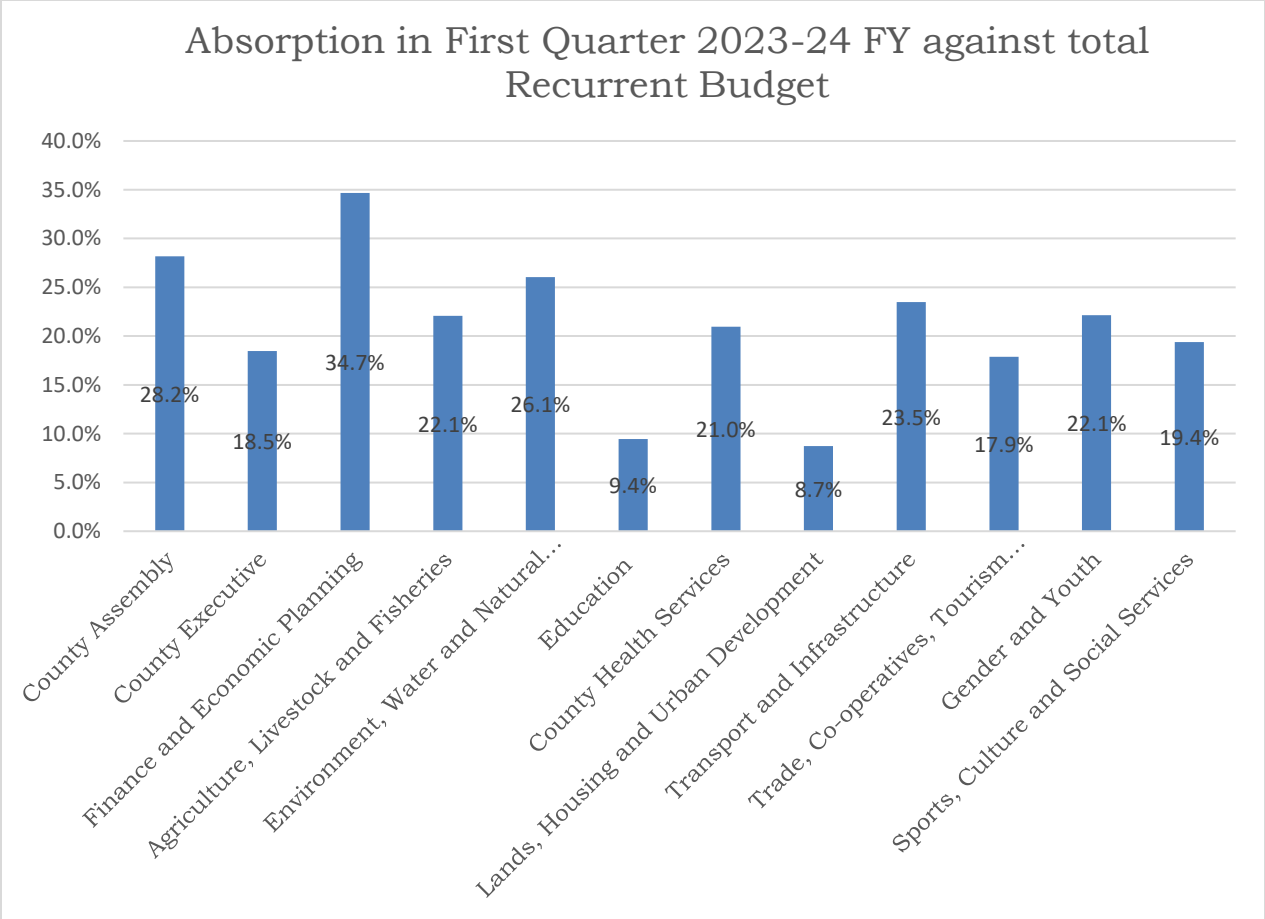


Figure 3.1 Recurrent Absorption Rates First Quarter 2023/24

Recurrent budget absorption for the first quarter was high in Finance and economic planning at 34.7%, County Assembly at 28.2%.

Comparison between expenditures in first quarter for 2023/24 FY and 2022/23 FY

Table 3.3 Comparison Recurrent Expenditure for 2023/24 and 2022/23

ENTITY	First Quarter Recurrent Expenditure 2023-24 FY	First Quarter Expenditure 2022-23
County Assembly	189,728,554	120,902,026
County Executive	91,579,239	43,095,179
Finance and Economic Planning	198,672,966	19,038,149
Agriculture, Livestock and Fisheries	48,089,896	15,594,149
Environment, Water and Natural Resources	31,128,300	14,980,972
Education	33,655,489	18,375,129
County Health Services	443,931,996	193,499,952
Lands, Housing and Urban Development	2,962,293	5,803,530
Transport and Infrastructure	17,561,666	13,386,229
Trade, Co-operatives, Tourism Industrialization and Enterprise Development	8,558,499	3,109,812
Gender and Youth	9,665,878	3,025,509
Sports, Culture and Social Services	7,406,990	1,843,105
TOTAL	1,082,941,766	452,653,741

Source: County Treasury

Recurrent expenditure for first quarter of 2023/24 is at 1.08 Billion, an absorption performance of 22.6% of total recurrent budget. This indicates a 58% increase in absorption from a similar period in 2022/23.

Development Expenditure

Development expenditure for the period under review amounted to Kshs. 206,407,487. This is a 20% decrease in expenditure compared to a similar period in 2022/23FY which recorded development expenditure amounting to Kshs 248,100,228.

Table 3.4 First Quarter Development Expenditure by Department 2023/24FY

VOTE	ENTITY	Approved Budget 2023/24FY Development	First Quarter Development Expenditure 2023/24 FY
3961	County Assembly	85,229,460	-
3962	County Executive	-	-
3963	Finance and Economic Planning	126,000,000	30,000,000
3964	Agriculture, Livestock and Fisheries	524,997,954	27,156,162
3965	Environment, Water and Natural Resources	293,492,271	-
3966	Education	50,900,000	655,000
3967	County Health Services	605,258,331	69,659,337
3968	Lands, Housing and Urban Development	56,433,333	3,205,475
3969	Transport and Infrastructure	348,422,832	75,731,513
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	285,700,000	-
3971	Gender and Youth	51,150,000	-
3972	Sports, Culture and Social Services	21,520,000	-
	TOTAL	2,449,104,180	206,407,487

Source: County Treasury

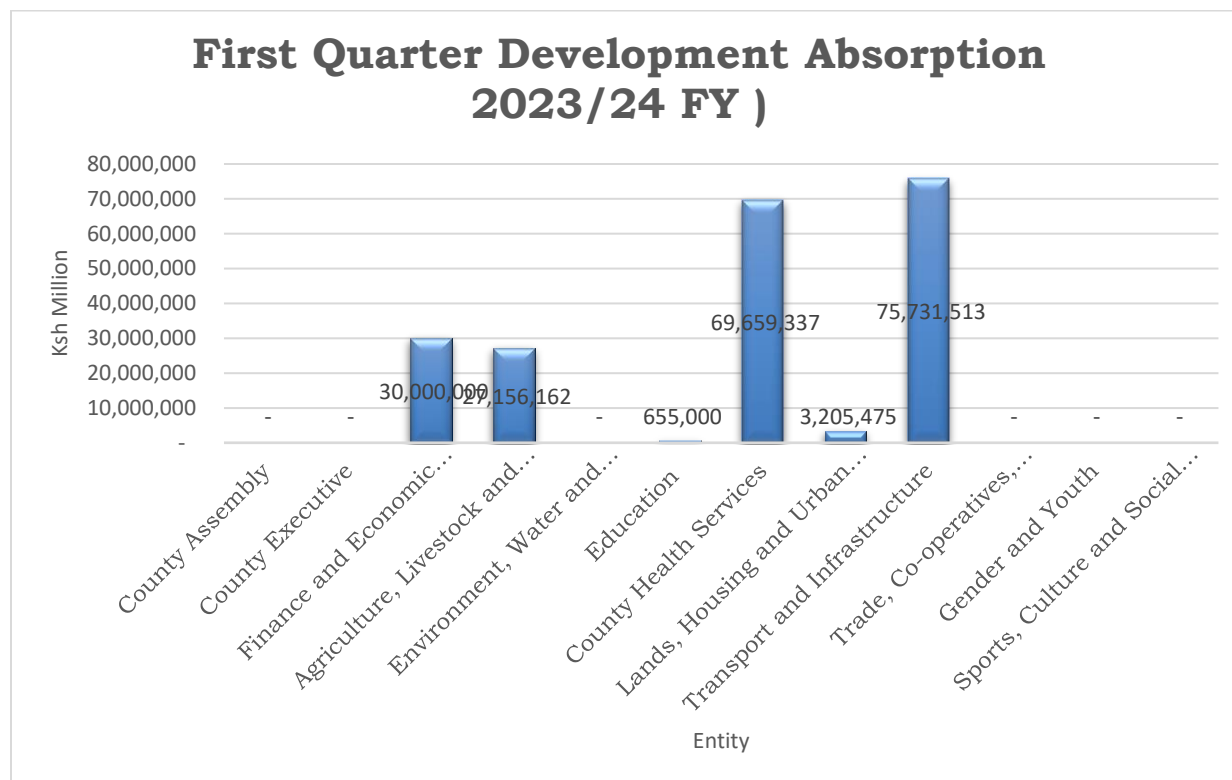


Figure 3.2 First Quarter Development expenditure by Department 2023/24FY

Comparison on Development Expenditure for 2023-24 and 2022-23FY

Table 3.5 Development Expenditure for 2023-24 and 2022-23

VOTE	ENTITY	First Quarter Development Expenditure 2023-24 FY	First Quarter Development Expenditure 2022-23 FY
3961	County Assembly	-	27,204,083
3962	County Executive	-	41,919,922
3963	Finance and Economic Planning	30,000,000	-
3964	Agriculture, Livestock and Fisheries	27,156,162	27,156,162
3965	Environment, Water and Natural Resources	-	-
3966	Education	655,000	-
3967	County Health Services	69,659,337	96,397,433
3968	Lands, Housing and Urban Development	3,205,475	-
3969	Transport and Infrastructure	75,731,513	55,422,628

VOTE	ENTITY	First Quarter Development Expenditure 2023-24 FY	First Quarter Development Expenditure 2022-23 FY
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	-	-
3971	Gender and Youth	-	-
3972	Sports, Culture and Social Services	-	-
	TOTAL	206,407,487.00	248,100,228

Source: County Treasury

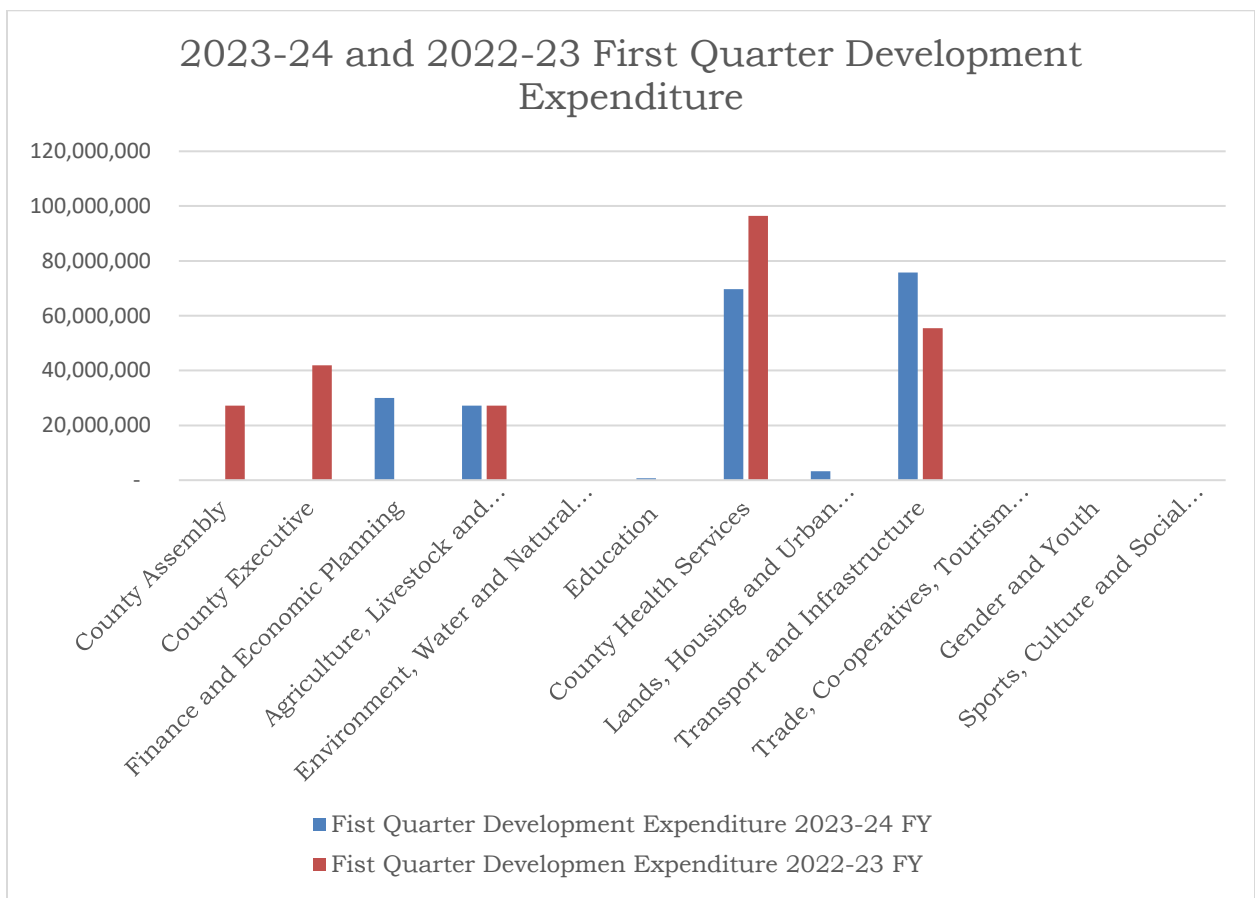


Figure 3.3 Development Expenditure First Quarter 2023-24 and 2022-23