

COUNTY GOVERNMENT OF KIRINYAGA



DEPARTMENT OF FINANCE & ECONOMIC PLANNING

**Budget Implementation Review Report for Nine-
Months FY 2023/24
(July 2023- March 2024)**

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 the nine months 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 during the period under review in the revenue streams and classifications. This part also indicates the current status of revenue collection target for the period. The second part analyses both the recurrent and development expenditure by the County Government entities in nine months of 2023-24 FY.

The County Government's total approved budget for 2023-24 FY amounts to Kshs 7,240,547,406. Recurrent allocation of Kshs 4,791,443,225 and Development allocation of Kshs 2,449,104,180. In the period under review, recurrent expenditure amounted to Kshs. 3,389,233,963 which represents 70.7 % of recurrent budget. Development expenditure for the period under review amounted to Kshs. 774,550,034.

Own Source Revenue target for Financial Year 2023/24 is Kshs. 550,000,000. Revenue collected in the nine months amounted to Kshs. 472,817,832. This represents 86% 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 2023/24FY Kirinyaga County Budget amounts to Kshs. 7,240,547,406 which will be financed as per Table 2.1 below.

Table 2.1 Resource Envelope 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 Kshs 550 Million in the FY2023/24 Budget. During the nine months of 2023/24 actual Own Source Revenue collected was Kshs 472,817,832.00. This indicates a performance of 86% on annual own source revenue targets. This nine months performance indicates a 10% increase in collection from a similar period in 2022/23.

Table 2.2 Own Source Revenue by Stream

REVENUE SOURCE	ANNUAL TARGET	1ST QUARTER	2ND QUARTER	3RD QUARTER	TOTAL OSR
Single Business Permit	98,000,000	5,394,497.00	1,889,502.00	68,753,460.00	76,037,459.00
Market Gate Fee	40,000,000	8,523,200.00	7,228,530.00	7,782,590.00	23,534,320.00
Produce Cess	6,000,000	1,550,890.00	1,338,810.00	1,504,350.00	4,394,050.00
Weights & Measures	2,500,000	264,200.00	252,800.00	4,135,300.00	4,652,300.00
Stalls rent	2,500,000	190,200.00	115,300.00	2,795,660.00	3,101,160.00
Advertisement	13,000,000	1,377,000.00	509,360.00	12,517,000.00	14,403,360.00
Sublet Fees	3,000,000	553,000.00	144,000.00	1,772,000.00	2,469,000.00
cooperative audit	600,000	26,150.00	-	203,700.00	229,850.00
Bus Park	20,000,000	4,722,990.00	4,928,310.00	8,024,055.00	17,675,355.00
Street Parking	9,000,000	2,912,940.00	1,909,780.00	4,692,700.00	9,515,420.00
House rents	3,700,000	1,100,900.00	985,120.00	1,540,950.00	3,626,970.00
Land Administration	8,000,000	1,695,300.00	1,075,700.00	1,932,200.00	4,703,200.00
Property Rates	40,000,000	3,492,853.00	2,657,053.00	22,439,530.00	28,589,436.00
Building Plan Approvals	11,000,000	2,530,964.00	2,683,044.00	5,876,730.00	11,090,738.00
Fire Compliance			-	2,564,500.00	2,564,500.00
Conservancy Fee	11,000,000	886,520.00	510,360.00	8,368,370.00	9,765,250.00
Quarries cess	3,000,000	1,360,800.00	557,300.00	564,400.00	2,482,500.00
Group Registration	1,000,000	202,700.00	172,200.00	264,700.00	639,600.00
Liquor License	30,000,000	5,526,000.00	4,212,700.00	40,105,800.00	49,844,500.00
Veterinary Services	6,500,000	1,608,552.00	2,225,308.00	2,048,050.00	5,881,910.00

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REVENUE SOURCE	ANNUAL TARGET	1ST QUARTER	2ND QUARTER	3RD QUARTER	TOTAL OSR
Kamweti ATC	5,000,000	438,044	2,677,647	963,973	4,079,664
coffee licences	1,500,000	248,960	13,400	1,900	264,260
Commission by payroll	3,000,000	739,709	780,349	776,058	2,296,116
Public Health Services	30,700,000	2,919,000	2,730,000	27,695,300	33,344,300.00
Kerugoya Referral Hospital	147,000,000	35,458,383	51,284,059	35,969,353	122,711,795
Kimbimbi Hospital	27,000,000	4,190,194	4,086,686	12,734,773	21,011,653
Kianyaga Hospital	10,000,000	2,296,077	2,384,079	2,200,359	6,880,515
Sagana Hospital	10,000,000	1,979,350	2,240,878	1,881,386	6,101,614
dispensaries	7,000,000	927,037	-	-	927,037
TOTAL FY 2023/2024)	550,000,000	93,116,410	99,592,275	280,109,147	472,817,832

Source: County Treasury

Nine months Own Source Revenue Trend

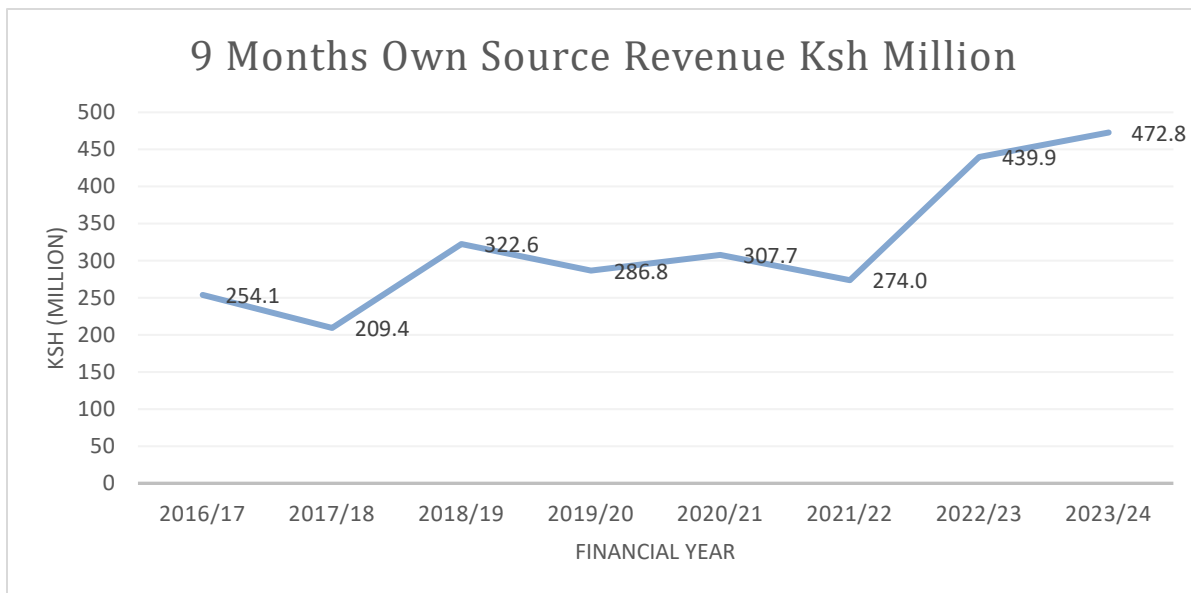


Figure 2.1 Nine months Own Source Revenue Trend

Own Source Revenue for the nine months has indicated an upward growth especially from 2017/18 FY. This years growth has grown by 10% from a similar period in the previous year.

Disbursements from Equitable Share

Disbursements from Equitable Share follows an approved disbursement schedule. Amounts to be disbursed are on monthly bases before 15th of every month. Table 2.3 shows disbursement of equitable share for the nine months of 2023/24. It is identified from the disbursement dates that there is a significant delay in receiving disbursements. During the nine-month period, the county has only received disbursements for six months. This has contributed to delays in meeting Government’s financial obligations.

Table 2.3 Equitable Share disbursements

Date Funds Reflected on CRF	Amount	Month Attributed as per Disbursement Schedule
27th July 2023	460,718,490.00	Jul-23
30th August 2023	433,617,402.00	Aug-23
27th September 2023	460,718,490.00	Sep-23
15th October 2023	433,617,402.00	Oct-23
27th December 2023	460,718,490.00	Nov-23

29th January 2024	433,617,403.00	Dec-23
19th February 2024	460,718,490.00	Jan-24
TOTAL	3,143,726,167.00	

Source: County Treasury

3. EXPENDITURE ANALYSIS

The County Government total approved 2023/24FY budget amounts to Kshs. 7,240,547,406. This includes development allocation of Kshs. 2,449,104,180 and recurrent allocation of Kshs 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 nine months of 2023/24FY amounted to Kshs. 3,389,233,963 which represents 70.7% of the total recurrent budget estimates. The major contributor to the nine months expenditure is the County Health services sector. Total nine months recurrent expenditure for this sector amounts to Kshs. 1,508,879,110. This indicates a 44.5% of the total nine months recurrent expenditure in the county. This also represents a 71.3% absorption rate for this sector.

Nine months Recurrent Expenditure per Department 2023/24 FY

Table 3.2 Recurrent Expenditure Nine Months 2023/24

VOTE	ENTITY	Budget 2023/24 FY Recurrent	Nine Months Expenditure 2023/24 FY
3961	County Assembly	673,319,674	499,886,339
3962	County Executive	496,023,805	317,424,413
3963	Finance and Economic Planning	573,091,610	355,591,948
3964	Agriculture, Livestock and Fisheries	217,978,626	159,545,431
3965	Environment, Water and Natural Resources	119,489,239	86,459,086
3966	Education	356,633,405	315,181,321
3967	County Health Services	2,116,489,802	1,508,879,110
3968	Lands, Housing and Urban Development	33,968,028	11,089,845
3969	Transport and Infrastructure	74,733,368	55,009,328
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	47,839,441	28,442,796
3971	Gender and Youth	43,668,210	21,957,935
3972	Sports, Culture and Social Services	38,208,017	29,766,411
	TOTAL	4,791,443,225	3,389,233,963

Source: County Treasury

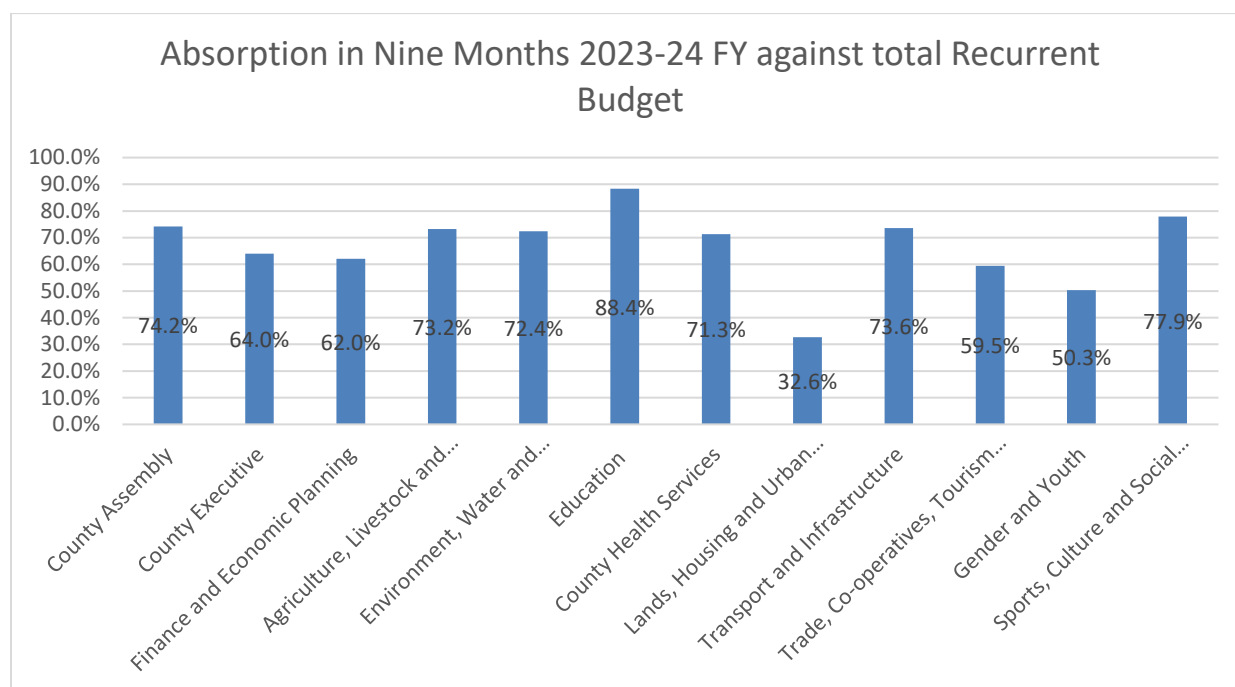


Figure 3.1 Recurrent Absorption Rates Nine months 2023/24

Recurrent budget absorption for the nine months was highest in Education at 88.4%, Sports, culture and social services at 77.9%.

Comparison between expenditures in nine months for 2023/24 FY and 2022/23 FY

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

ENTITY	Nine Months Recurrent Expenditure 2023-24 FY	Nine Months Recurrent Expenditure 2022-23
County Assembly	499,886,339	436,726,681
County Executive	317,424,413	243,279,135
Finance and Economic Planning	355,591,948	271,385,624
Agriculture, Livestock and Fisheries	159,545,431	134,555,442
Environment, Water and Natural Resources	86,459,086	64,934,824
Education	315,181,321	267,740,241
County Health Services	1,508,879,110	1,282,339,345
Lands, Housing and Urban Development	11,089,845	13,312,691
Transport and Infrastructure	55,009,328	53,220,277

Trade, Co-operatives, Tourism Industrialization and Enterprise Development	28,442,796	21,926,699
Gender and Youth	21,957,935	19,465,499
Sports, Culture and Social Services	29,766,411	11,475,486
TOTAL	3,389,233,963.05	2,820,361,944.00

Source: County Treasury

Recurrent expenditure for nine months of 2023/24 has increased by 20% from a similar period in 2022/23FY.

Development Expenditure

Development expenditure for the period under review amounted to Kshs. 774,550,034. This represents 31.6% absorption rate. This is a 17% increase in expenditure compared to a similar period in 2022/23FY which recorded development expenditure amounting to Kshs 660,644,174.

Table 3.4 Nine months Development Expenditure by Department 2023/24FY

VOTE	ENTITY	Approved Budget 2023/24FY Development	Nine-Months Expenditure 2023/24 FY
3961	County Assembly	85,229,460	-
3962	County Executive	-	-
3963	Finance and Economic Planning	126,000,000	69,990,000
3964	Agriculture, Livestock and Fisheries	524,997,954	229,573,978
3965	Environment, Water and Natural Resources	293,492,271	1,999,996
3966	Education	50,900,000	2,957,800
3967	County Health Services	605,258,331	168,744,995
3968	Lands, Housing and Urban Development	56,433,333	11,455,307
3969	Transport and Infrastructure	348,422,832	167,577,167
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	285,700,000	111,866,440
3971	Gender and Youth	51,150,000	10,384,350
3972	Sports, Culture and Social Services	21,520,000	-
	TOTAL	2,449,104,180	774,550,034

Source: County Treasury

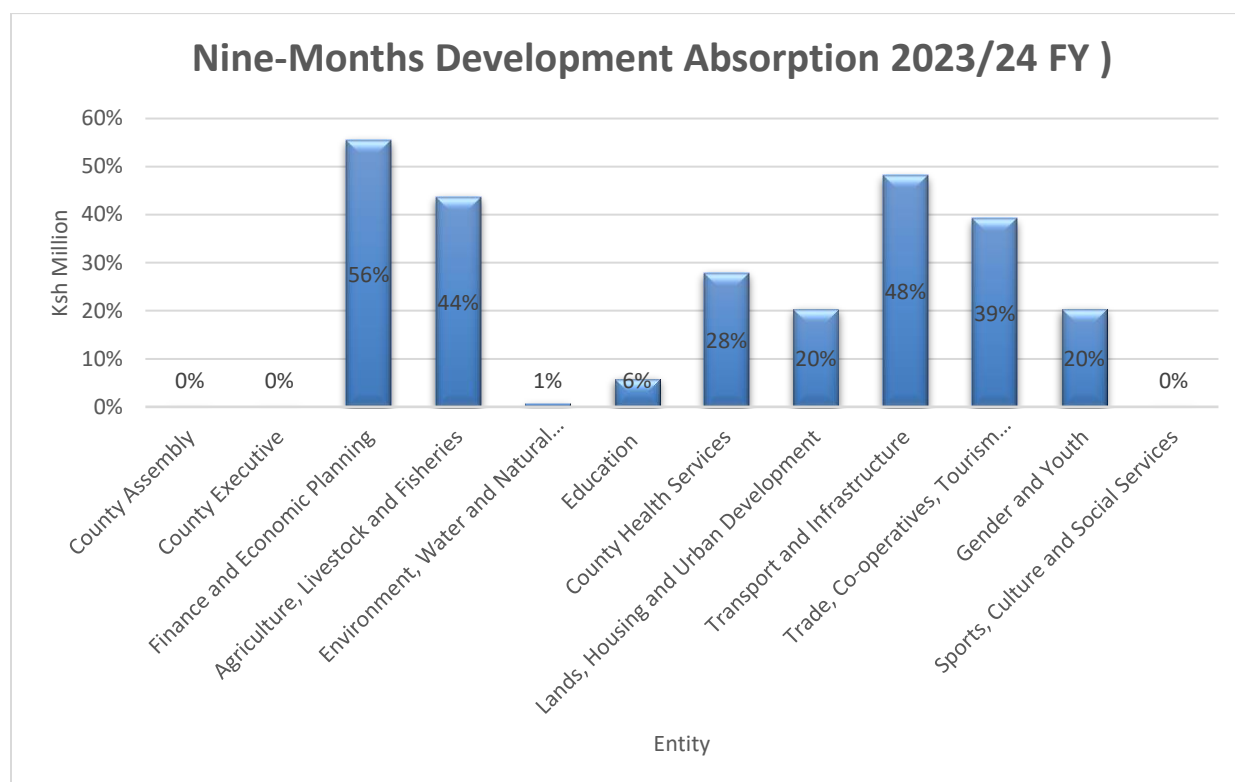


Figure 3.2 Nine months Development expenditure by Department 2023/24FY

Departments with high absorption rates are Finance and Economic Planning 56%, Transport and Infrastructure at 48%, Agriculture, Livestock and Fisheries 44%, Trade, cooperatives at 39%.

Key Projects funded in the nine months of 2023/24

Table 3.5 Key Development Projects funded in nine months 2023/24

Department	Project Description	Amount
Agriculture, Livestock, Veterinary and Fisheries	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP)	4,261,826
Agriculture, Livestock, Veterinary and Fisheries	IDA (World Bank) credit National Agricultural Value Chain Development Project (NAVCDP)	195,165,690
Trade, Cooperatives, Tourism	Development of Sagana Agro-industrial park (EPZ & CAIPS), feasibility studies, Branding, Marketing and other Infrastructures.	111,866,440

Transport and Infrastructure	Access roads rehabilitation Road Maintenance Levy Fund (RMLF)	75,877,630
	Installation of paving blocks in various towns	33,801,674
	Construction Of Wanguru Town Parking Spaces, Street Roads, Walkways And Associated Works.	14,996,059
Ward-Based projects		40,860,089
Pending Bills		40,000,000

Source: County Treasury

Pending Bills Settlement

In 2023/24FY approved expenditure towards settlement of pending bills amounted to Ksh 173,781,289 which is Ksh. 78,781,289 in recurrent and Ksh 95,000,000 in development. Total payments made during the nine months amounted to Ksh. 40,000,000 in development pending bills.

Nine months Expenditure by Category

Table 3.6 below show total nine months expenditure by category. Expenditure towards personnel emoluments accounted for 45% of total nine months expenditure.

Table 3.6 Expenditure by category

Description	FY Approved Budget 2023/24	Nine months Expenditure
<i>Personnel emoluments</i>	2,937,951,992.00	1,869,580,379.00
<i>Operations and Maintenance</i>	1,853,491,233.00	1,519,653,584.05
Recurrent	4,791,443,225.00	3,389,233,963.05
Development	2,449,104,181.00	774,550,033.73
Total	7,240,547,406.00	4,163,783,996.78

Source: County Treasury

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

Table 3.7 Development Expenditure for 2023-24 and 2022-23

VOTE	ENTITY	Nine Months Development Expenditure 2023-24 FY	Nine Months Development Expenditure 2022-23 FY
3961	County Assembly	-	36,988,169
3962	County Executive	-	108,797,019
3963	Finance and Economic Planning	69,990,000	1,376,000
3964	Agriculture, Livestock and Fisheries	229,573,978	27,156,162
3965	Environment, Water and Natural Resources	1,999,996	23,453,679
3966	Education	2,957,800	-
3967	County Health Services	168,744,995	268,323,268
3968	Lands, Housing and Urban Development	11,455,307	4,200,000
3969	Transport and Infrastructure	167,577,167	186,595,763
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	111,866,440	1,455,350
3971	Gender and Youth	10,384,350	2,298,764
3972	Sports, Culture and Social Services	-	-
	TOTAL	774,550,033.73	660,644,174

Source: County Treasury

Nine months development expenditure for 2023/24 improved by 17% from a similar period in 2022/23.

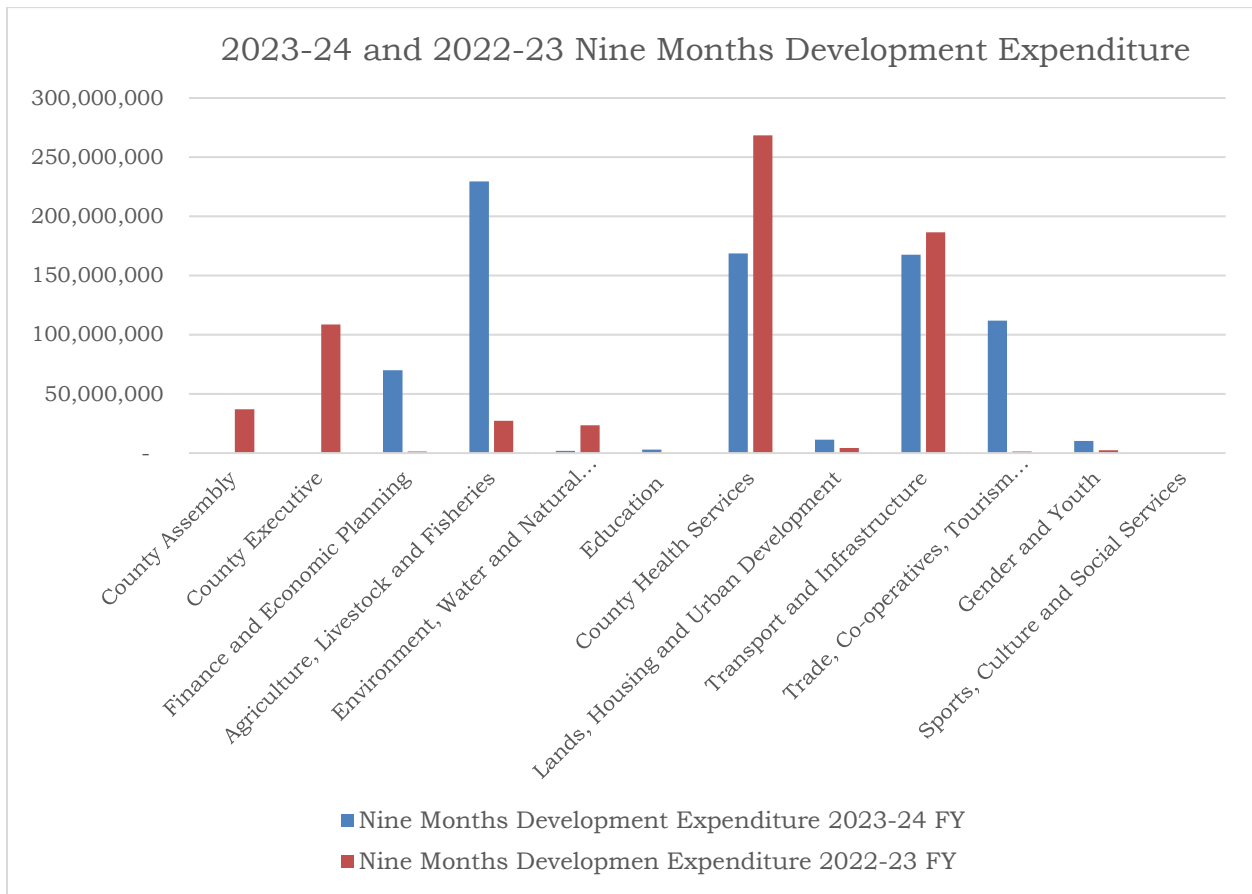


Figure 3.3 Development Expenditure for Nine-Months of 2023-24 and 2022-23