**COUNTY GOVERNMENT OF KIRINYAGA**

**DEPARTMENT OF FINANCE & ECONOMIC PLANNING**

**First Half Budget Implementation Review Report**

**(July- December)**

**FY 2024/25**

**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 half of 2024-25 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 half 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 six months of 2024-25 FY.

The County Government’s total approved budget for 2024-25 FY amounts to KES 8,079,166,940 Recurrent allocation of KES 5,050,287,399 and Development allocation of KES 3,028,879,541. In the period under review, recurrent expenditure amounted to KES 2,093,485,700 which represents 41.5 % of recurrent budget. Development expenditure for the period under review amounted to KES 641,361,489 which represents 21.2% of

Own source revenue for first half of 2024/25 has indicated a 28.6% growth from a similar period in 2023/24 to reach KES 247,866,331. Revenue generated by the County entities is categorized into Own Source amounting to KES 89,797,006.00 (22% of annual target), Facility Improvement Fund in the Health Sector amounting to KES 150,753,420.00 (75% of annual target). Other revenue includes money raised through Alcoholic Drinks licensing amounting to KES 3,328,000.00 (23% of annual target) and Kirinyaga Agricultural Training Center KES 3,332,873.00(13% of annual target).

# 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.

# REVENUE ANALYSIS

The approved resource envelope for Approved 2024/25 FY Kirinyaga County Budget amounts to KShs. 8,079,166,940 which will be financed as per Table 2.1 below.

Table 2.1 Resource Envelop 2024/25FY

|  |  |
| --- | --- |
| **DESCRIPTION** | **APPROVED BUDGET FY 2024/2025** |
| **KES** |
| Equitable Share | 5,633,619,143 |
| Allocation of Roads Maintenance Fuel Levy Fund(RMLF) | 194,894,333 |
| Delayed Exchequer June 2024 | 433,617,400 |
| Allocation Financed by Grant from DANIDA to finance Universal Healthcare in Devolved System | 6,532,500 |
| **Revenue** |  |
| Ordinary revenue | 410,451,000 |
| A-i-A in respect to County Health Services (Facility Improvement Fund) | 200,000,000 |
| (A-i-A) Revenue from Alcoholic Drinks licensing | 14,549,000 |
| (A-i-A)Revenue raised from Kamweti Agricultural Training Center | 25,000,000 |
| International Fund for Agricultural Development (IFAD) Aquaculture Business Development Project (ABDP) | 13,779,259 |
| IDA (World Bank)-Kenya Devolution Support Programme Grant (KDSP II) Level 1 Grant | 37,500,000 |
| IDA-(World Bank Credit)( Kenya Urban Support Project (KUSP) UDG | 35,000,000 |
| IDA- (World Bank)Credit National Agricultural Value Chain Development Project (NAVCDP) FY2022/23 | 151,515,152 |
| Allocation from the National Government for Community Health Promoters (CHPs) Project | 36,660,000 |
| IDA(World Bank) Credit Allocation for Kenya Water, Sanitation and Hygiene (K-WASH) Program | 366,729,808 |
| Rolled over Funds | 519,319,345 |
| **TOTAL REVENUES** | **8,079,166,940** |

*Source: County Treasury*

## Own Source Revenue

The County has a projected own source revenue target of KShs 650 Million in the FY 2024/25 Budget. During the first half July-December Own Source Revenue collected was KES 247,866,331.00 which is 38% of total own source revenue target. This is a revenue growth of 28.6% from similar period in 2023/24. This revenue is categorized into Own Source amounting to KES 89,797,006.00 (22% of annual target), Facility Improvement Fund in the Health Sector amounting to KES 150,753,420.00 (75% of annual target). Other revenue includes money raised through Alcoholic Drinks licensing amounting to KES 3,328,000.00 (23% of annual target) and Kirinyaga Agricultural Training Center KES 3,332,873.00(13% of annual target).

Table 2.2 Own Source Revenue by Stream

| **DEPARTMENT (1)** | **REVENUE SOURCE (2)** | **ANNUAL TARGET (3)** | **1ST QUARTER (4)** | **OCTOBER (5)** | **2ND QUARTER(5)** | **OSR MOBILIZED AS AT 2ND QUARTER 2024/2025(6)** | **% MOBILIZED (7)** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **OWN SOURCE REVENUE** | | | | | | | |
| TRADE | Single Business Permit | 130,000,000.00 | 4,983,444.00 |  | 1,076,968.00 | 6,060,412.00 | 5% |
| TRADE | Market Gate Fee | 36,000,000.00 | 8,640,092.00 |  | 7,157,843.00 | 15,797,935.00 | 44% |
| TRADE | Produce Cess | 6,000,000.00 | 1,478,011.00 |  | 1,522,820.00 | 3,000,831.00 | 50% |
| TRADE | Weights & Measures | 6,000,000.00 | 339,013.00 |  | 99,400.00 | 438,413.00 | 7% |
| TRADE | Stalls rent | 5,000,000.00 | 834,000.00 |  | 1,150,700.00 | 1,984,700.00 | 40% |
| TRADE | Advertisement | 25,000,000.00 | 2,327,500.00 |  | 1,273,500.00 | 3,601,000.00 | 14% |
| TRADE | Sublet Fees | 4,000,000.00 | - |  | - | - | 0% |
| TRADE | cooperative audit | 500,000.00 | 39,900.00 |  | 4,200.00 | 44,100.00 | 9% |
| TRANSPORT | Bus Park | 30,000,000.00 | 6,028,500.00 |  | 5,484,550.00 | 11,513,050.00 | 38% |
| TRANSPORT | Street Parking | 18,000,000.00 | 3,004,352.00 |  | 2,224,160.00 | 5,228,512.00 | 29% |
| TRANSPORT | House rents | 4,451,000.00 | 1,054,400.00 |  | 696,600.00 | 1,751,000.00 | 39% |
| LANDS | Land Administration | 10,000,000.00 | 1,529,200.00 |  | 1,239,300.00 | 2,768,500.00 | 28% |
| LANDS | Property Rates | 35,000,000.00 | 3,203,243.00 |  | 2,382,952.00 | 5,586,195.00 | 16% |
| LANDS | Building Plan Approvals | 20,000,000.00 | 6,946,450.00 |  | 4,958,450.00 | 11,904,900.00 | 60% |
| LANDS | Fire Compliance | 5,000,000.00 | 362,500.00 |  | 43,500.00 | 406,000.00 | 8% |
| ENVIRONMENT | Conservancy Fee | 14,000,000.00 | 1,132,580.00 |  | 471,920.00 | 1,604,500.00 | 11% |
| ENVIRONMENT | Quarries cess | 5,000,000.00 | 365,000.00 |  | 339,300.00 | 704,300.00 | 14% |
| GENDER | Group Registration | 1,000,000.00 | 156,000.00 |  | 90,400.00 | 246,400.00 | 25% |
| AGRICULTURE | Veterinary Services | 10,000,000.00 | 1,605,370.00 |  | 1,905,240.00 | 3,510,610.00 | 35% |
| AGRICULTURE | coffee licences | 500,000.00 | 10,100.00 |  | 361,200.00 | 371,300.00 | 74% |
| ADMINSTRATION | Commission by payroll | 3,000,000.00 | 762,153.00 |  | 726,895.00 | 1,489,048.00 | 50% |
| HEALTH | Public Health Services | 42,000,000.00 | 2,360,900.00 |  | 2,924,400.00 | 5,285,300.00 | 13% |
| FINANCE | OTHER SOURCES |  |  |  | 6,500,000.00 | 6,500,000.00 |  |
| **SUB -TOTAL I** | | **410,451,000.00** | **47,162,708.00** |  | **42,634,298.00** | **89,797,006.00** | **22%** |
| **FACILITY IMPROVEMENT FUND** | | | | | | | |
| HEALTH | Kerugoya Referral Hospital | 148,000,000.00 | 49,018,969.00 |  | 53,258,816.00 | 102,277,785.00 | 69% |
| HEALTH | Kimbimbi Hospital | 25,000,000.00 | 5,860,144.00 |  | 14,060,830.00 | 19,920,974.00 | 80% |
| HEALTH | Kianyaga Hospital | 10,000,000.00 | 2,657,506.00 |  | 6,408,549.00 | 9,066,055.00 | 91% |
| HEALTH | Sagana Hospital | 9,500,000.00 | 2,063,800.00 |  | 4,835,274.00 | 6,899,074.00 | 73% |
| HEALTH | dispensaries | 7,500,000.00 | 1,929,530.00 |  | 10,660,002.00 | 12,589,532.00 | 168% |
| **SUB -TOTAL II** | | **200,000,000** | **61,529,949** |  | **89,223,471** | **150,753,420** | **75%** |
| OTHER FUNDS | | | | | | | |
| SPORTS&CULTURE | (A-i-A) Revenue Alcoholic Drinks licensing | 14,549,000.00 | 1,119,000.00 |  | 2,427,000.00 | 3,328,000.00 | 23% |
| AGRICULTURE | (A-i-A)Revenue Kamweti Training Center | 25,000,000.00 | 388,093.00 |  | 3,381,812.00 | 3,332,873.00 | 13% |
| **SUB TOTAL III** | | **39,549,000.00** | **1,507,093.00** |  | **5,808,812.00** | **7,315,905.00** | **18%** |
| **GRAND TOTAL FY 2024/2025)** | | **650,000,000** | **110,199,750** |  | **137,666,581** | **247,866,331** | **38%** |

*Source: County Treasury*

**First Half Own Source Revenue trend for previous Financial Years**

Figure 2.2 First Half Own Source Revenue Trend

Own Source Revenue performance for the first Half of 2024/25FY indicated 28.6% growth in revenue collection from a similar period in 2023/24.

# EXPENDITURE ANALYSIS

The County Government total approved 2024/25 FY budget amounts to KShs. 8,079,166,940. This includes development allocation of KShs. 3,028,879,541 and recurrent allocation of Kshs 5,050,287,399.

**2024/25 FY Approved Budget Estimates**

Table 3.1 Approved Budget Estimates 2024/25

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **VOTE** | **ENTITY** | ***Approved Budget 2024/25FY Recurrent*** | ***Approved Budget 2024/25FY Development*** | **TOTAL** |
| 3961 | County Assembly | 705,609,542 | 146,842,040 | 852,451,582 |
| 3962 | County Executive | 522,064,569 | 6,000,000 | 528,064,569 |
| 3963 | Finance and Economic Planning | 660,640,863 | 145,764,035 | 806,404,898 |
| 3964 | Agriculture, Livestock and Fisheries | 212,609,148 | 219,453,971 | 432,063,119 |
| 3965 | Environment, Water and Natural Resources | 135,882,799 | 644,625,766 | 780,508,565 |
| 3966 | Education | 391,844,905 | 65,831,052 | 457,675,957 |
| 3967 | County Health Services | 2,180,798,509 | 570,565,236 | 2,751,363,745 |
| 3968 | Lands, Housing and Urban Development | 34,468,028 | 108,530,548 | 142,998,576 |
| 3969 | Transport and Infrastructure | 77,153,368 | 591,960,863 | 669,114,231 |
| 3970 | Trade, Co-operatives, Tourism Industrialization and Enterprise Development | 48,339,441 | 407,353,872 | 455,693,313 |
| 3971 | Gender and Youth | 43,668,210 | 77,571,020 | 121,239,230 |
| 3972 | Sports, Culture and Social Services | 37,208,017 | 44,381,138 | 81,589,155 |
|  | **TOTAL** | **5,050,287,399** | **3,028,879,541** | **8,079,166,940** |

*Source: County Treasury*

## Recurrent Expenditure

Total recurrent expenditure for first half of 2024/25 FY amounted to KES. 2,093,485,700 which represents 11.6% of the total recurrent budget. The major contributor to the first half expenditure is the County Health services sector. Total first half recurrent expenditure for this sector amounts to KES 965,621,536. This indicates a 46.1% of the total first half recurrent expenditure in the county. This also represents a 44.3% expenditure against total approved recurrent expenditure for this sector. Other high contributors to first quarter recurrent expenditure includes; Finance and economic Planning 15.6%, County Assembly 12.8%.

**First Half Recurrent Expenditure per Department 2024/25 FY**

Table 3.2 Recurrent Expenditure first Half 2024/25

|  |  |  |  |
| --- | --- | --- | --- |
| **VOTE** | **ENTITY** | ***Budget 2024/25 FY Recurrent*** | ***2nd Quarter Expenditure 2024/25 FY*** |
| 3961 | County Assembly | 705,609,542 | 268,786,909 |
| 3962 | County Executive | 522,064,569 | 189,459,974 |
| 3963 | Finance and Economic Planning | 660,640,863 | 326,558,979 |
| 3964 | Agriculture, Livestock and Fisheries | 212,609,148 | 108,586,262 |
| 3965 | Environment, Water and Natural Resources | 135,882,799 | 59,062,639 |
| 3966 | Education | 391,844,905 | 99,873,376 |
| 3967 | County Health Services | 2,180,798,509 | 965,621,536 |
| 3968 | Lands, Housing and Urban Development | 34,468,028 | 6,141,776 |
| 3969 | Transport and Infrastructure | 77,153,368 | 31,979,605 |
| 3970 | Trade, Co-operatives, Tourism Industrialization and Enterprise Development | 48,339,441 | 14,866,445 |
| 3971 | Gender and Youth | 43,668,210 | 9,175,868 |
| 3972 | Sports, Culture and Social Services | 37,208,017 | 13,372,332 |
|  | **TOTAL** | **5,050,287,399** | **2,093,485,700** |

*Source: County Treasury*

Figure 3.1 Recurrent Absorption Rates First Half 2024/25

Recurrent budget absorption for the first half was high in Agriculture, Finance and economic planning, health sector, environment, water, natural resources energy and climate change.

**Comparison between expenditures in first half for 2023/24 FY and 2024/25 FY**

Table 3.3 Comparison Recurrent Expenditure for 2023/24 and 2024/25

|  |  |  |
| --- | --- | --- |
| **ENTITY** | **Q2 Recurrent Expenditure 2023-24 FY** | **Q2 Recurrent Expenditure 2024-25** |
| County Assembly | 327,522,492 | 268,786,909 |
| County Executive | 231,259,872 | 189,459,974 |
| Finance and Economic Planning | 279,377,556 | 326,558,979 |
| Agriculture, Livestock and Fisheries | 100,147,531 | 108,586,262 |
| Environment, Water and Natural Resources | 53,684,456 | 59,062,639 |
| Education | 173,781,205 | 99,873,376 |
| County Health Services | 1,060,249,849 | 965,621,536 |
| Lands, Housing and Urban Development | 14,054,450 | 6,141,776 |
| Transport and Infrastructure | 37,203,693 | 31,979,605 |
| Trade, Co-operatives, Tourism Industrialization and Enterprise Development | 20,936,889 | 14,866,445 |
| Gender and Youth | 15,513,163 | 9,175,868 |
| Sports, Culture and Social Services | 10,613,304 | 13,372,332 |
| **TOTAL** | **2,324,344,460.00** | **2,093,485,699.99** |

*Source: County Treasury*

Recurrent expenditure for first half of 2024/25 is at KES 2093 Million, an absorption performance of 41.5% of total recurrent budget. This indicates a 11% decrease in absorption from a similar period in 2023/24.

## Development Expenditure

Development expenditure for the period under review amounted to KES 641,361,489, an absorption rate of 21.2% of total development budget. This is a 29.6% increase in expenditure compared to a similar period in 2023/24FY which recorded development expenditure amounting to KES 494,953,422.00.

Table 3.4 First Half Development Expenditure by Department 2024/25FY

|  |  |  |  |
| --- | --- | --- | --- |
| **VOTE** | **ENTITY** | ***Approved Budget 2024/25FY Development*** | ***2nd Quarter Expenditure 2024/25 FY*** |
| 3961 | County Assembly | 146,842,040 | 29,152,218 |
| 3962 | County Executive | 6,000,000 | - |
| 3963 | Finance and Economic Planning | 145,764,035 | - |
| 3964 | Agriculture, Livestock and Fisheries | 219,453,971 | 23,233,175 |
| 3965 | Environment, Water and Natural Resources | 644,625,766 | 167,202,397 |
| 3966 | Education | 65,831,052 | 19,046,186 |
| 3967 | County Health Services | 570,565,236 | 134,280,259 |
| 3968 | Lands, Housing and Urban Development | 108,530,548 | 21,072,846 |
| 3969 | Transport and Infrastructure | 591,960,863 | 154,407,188 |
| 3970 | Trade, Co-operatives, Tourism Industrialization and Enterprise Development | 407,353,872 | 63,827,255 |
| 3971 | Gender and Youth | 77,571,020 | 9,510,827 |
| 3972 | Sports, Culture and Social Services | 44,381,138 | 19,629,138 |
|  | **TOTAL** | **3,028,879,541** | **641,361,489** |

*Source: County Treasury*

Figure 3.2 First Half Development absorption rate by Department 2024/25FY

Sports culture and social services department leads with development absorption at 44.2%. Other sectors with high absorption rate are Education at 28.9%, Transport and Infrastructure at 26.1%.

**Comparison on Development Expenditure for 2023-24 and 2024-25FY**

Table 3.5 Development Expenditure for 2023-24 and 2024-25

|  |  |  |  |
| --- | --- | --- | --- |
| **VOTE** | **ENTITY** | **2nd Quarter Development Expenditure 2023-24 FY** | **2nd Quarter Development Expenditure 2024-25 FY** |
| 3961 | County Assembly | - | 29,152,218 |
| 3962 | County Executive | - | - |
| 3963 | Finance and Economic Planning | 69,990,000 | - |
| 3964 | Agriculture, Livestock and Fisheries | 34,754,252 | 23,233,175 |
| 3965 | Environment, Water and Natural Resources | 1,999,996 | 167,202,397 |
| 3966 | Education | 28,990,250 | 19,046,186 |
| 3967 | County Health Services | 153,957,891 | 134,280,259 |
| 3968 | Lands, Housing and Urban Development | 12,263,107 | 21,072,846 |
| 3969 | Transport and Infrastructure | 139,035,786 | 154,407,188 |
| 3970 | Trade, Co-operatives, Tourism Industrialization and Enterprise Development | 53,962,140 | 63,827,255 |
| 3971 | Gender and Youth | - | 9,510,827 |
| 3972 | Sports, Culture and Social Services | - | 19,629,138 |
|  | **TOTAL** | **494,953,422.00** | **641,361,489** |

Source: County Treasury

Development expenditure in the first half of 2024/25 has shown an increase of KES 146,408,067 (29.6%) from a similar period during 2023/24.

Figure 3.3 Development Expenditure First Half 2023-24 and 2024-25