COUNTY GOVERNMENT OF KIRINYAGA

DEPARTMENT OF FINANCE & ECONOMIC PLANNING

Nine-Month Budget Implementation Review Report

(July- March)

FY 2024/25

County Treasury

Kirinyaga County

P.O. Box 260 – 10034

KUTUS, KENYA

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EXECUTIVE SUMMARY

The 3rd Quarter Budget Implementation Review Report for Kirinyaga County for the period ending 31st March 2025 presents an overview of revenue performance, expenditure patterns for the FY 2024/25. The report is prepared in compliance with Section 166 of the Public Finance Management Act, 2012, which mandates county governments to prepare and submit quarterly financial reports.

The County's total approved budget for FY 2024/25 amounts to KES 7.926 billion, comprising KES 4.932 billion for recurrent expenditure and KES 2.994 billion for development programs. The Own Source Revenue (OSR) target was revised to KES 668 million, of which KES 540.71 million (representing 80.94%) had been mobilized by the end of the third quarter. Revenue streams such as Single Business Permits, Market Gate Fees, Parking Fees, Health User Fees, and Land Rates significantly contributed to this performance, with strong revenue growth of 14.4% compared to the same period in the previous financial year.

On the expenditure side, recurrent spending stood at KES 2.978 billion, representing an absorption rate of 60.4%. The County Health Services Department accounted for the largest share of recurrent expenditure at 43.5%, followed by the County Assembly (17.3%) and Finance and Economic Planning (13.3%). Development expenditure was KES 992.23 million, translating to an overall absorption rate of 33.1%. County Health Services led with a development absorption rate of 68.7%, followed by Sports, Culture, and Social Services at 64.9%, while sectors such as Agriculture, Lands, and Transport recorded lower absorption levels.

Key strategic development projects undertaken included the upgrading of Kimbimbi and Kianyaga Level 4 Hospitals, the development of Sagana Agro-industrial Park, and County Climate Change Fund activities. Major socio-economic programs such as Wezesha Kirinyaga and the Youth Empowerment Program were also implemented with notable expenditures. At the ward level, projects such as the Kiangai Water Project (Kiine Ward), ECDE classrooms (Gathigiriri Ward), and road maintenance works in Tebere, Kariti, and Kanyeki-ini Wards demonstrated targeted investments in local development.

Additionally, the County committed KES 41.76 million towards the settlement of pending bills, signaling improved financial discipline and accountability in supplier and contractor payments.

Despite delays in equitable share disbursements the County made commendable progress toward achieving its fiscal objectives for the year, with strong revenue growth, steady expenditure performance, and continued implementation of priority development programs.

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 County has a projected resource envelope target of Kshs 7.925 Billion in the FY 2024/25 Supplementary 1 Budget as illustrated in Table 2.1 below.

Table 2.1 Resource Envelop 2024/25FY

DESCRIPTION	APPROVED SUPPLEMENTARY BUDGET FY 2024/25
Equitable Share	5,449,273,298
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	6,834,000
Revenue	
Ordinary revenue	430,451,000
A-i-A in respect to County Health Services (Facility Improvement Fund)	218,000,000
(A-i-A) Revenue from Alcoholic Drinks licensing	14,549,000
(A-i-A)Revenue raised from Kamweti Agricultural Training Center	5,000,000
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
Allocation from National Government as Conditional Grant for Aggregated Industrial Parks Programme CAIPS	250,000,000
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	281,911,145

TOTAL REVENUES	7,925,714,395

Source: County Treasury

Own Source Revenue

As at 31st March 2025, the County had recorded significant progress in its Own Source Revenue (OSR) mobilization efforts for the Financial Year 2024/25. The County's revised revenue target following supplementary 1 budget was KES 668,000,000, against which a total of KES 540,710,176 had been collected. This represents an overall achievement rate of 80.94%. With three months remaining in the fiscal year, there is a strong possibility of either meeting or surpassing the annual collection target if the current trajectory continues.

The County's OSR is categorized into several broad sectors including Trade, Health, Agriculture, Lands and Physical Planning, Transport, and others. Trade Department contributed the largest share of revenue. Within Trade, Single Business Permit collection achieved KES 65,252,727 against a target of KES 130,000,000, translating to an achievement rate of 50.19%. Market Gate Fees, another major stream under Trade, registered KES 23,200,744 against a target of KES 37,000,000, achieving 62.70% of its target. Other streams such as Produce Cess and Stalls Rent reported moderate performances, attaining 61.27% and 65.86% achievement rates respectively.

The Health Department emerged as one of the strongest performing sectors. Collections from User Fees and Facility Improvement Funds formed a significant proportion of the overall revenue, contributing approximately 17% of the cumulative collections.

The Agriculture Department recorded moderate performance in its revenue streams. Produce Cess achieved collections of KES 4,288,781 against a target of KES 7,000,000, achieving 61.27%.

In terms of quarterly trends, revenue mobilization was strongest in the third quarter (January–March 2025). In March alone, Single Business Permit collections spiked with KES 41,796,440 collected, accounting for over 64% of that stream's total third-quarter collection. This rise is attributed to intensified enforcement activities as well as compliance among businesses to renew licenses. Similarly, Market Gate Fees saw solid monthly inflows during the third quarter, culminating in a quarter total of KES 7,402,809.

On cumulative achievement across major revenue streams, the top five contributors were Single Business Permits (12.06% of total cumulative revenue), Market Gate Fees (4.29%), Parking Fees, Health User Fees, and Land Rates/Plot Rents. Combined, these streams contributed a considerable proportion of the KES 540.71 million.

Table 2.2 Own Source Revenue by Stream

DEPARTMENT	REVENUE SOURCE	SUPPLEMENTARY BUDGET ANNUAL TARGET	1ST QUARTER	2ND QUARTER	3RD QUARTER	OSR MOBILIZED AS AT 31ST MARCH 2025
OWN SOURCE REVENUE						
TRADE	Single Business Permit	130,000,000	4,983,444	1,076,968	59,192,315	65,252,727
TRADE	Market Gate Fee	37,000,000	8,640,092	7,157,843	7,402,809	23,200,744
TRADE	Produce Cess	7,000,000	1,478,011	1,522,820	1,287,950	4,288,781
TRADE	Weights & Measures	6,000,000	339,013	99,400	3,248,400	3,686,813
TRADE	Stalls rent	5,500,000	834,000	1,150,700	1,637,500	3,622,200
TRADE	Advertisement	30,000,000	2,327,500	1,273,500	11,317,000	14,918,000
	Sublet Fees					-
TRADE	cooperative audit	500,000	39,900	4,200	267,750	311,850
TRANSPORT	Bus Park	30,000,000	6,028,500	5,484,550	5,824,250	17,337,300
TRANSPORT	Street Parking	23,000,000	3,004,352	2,224,160	11,690,195	16,918,707
TRANSPORT	House rents	4,451,000	1,054,400	696,600	910,700	2,661,700
LANDS	Land Administration	10,000,000	1,529,200	1,239,300	1,785,100	4,553,600
LANDS	Property Rates	35,000,000	3,203,243	2,382,952	21,149,786	26,735,981
LANDS	Building Plan Approvals	30,000,000	6,946,450	4,958,450	5,778,365	17,683,265
LANDS	Fire Compliance	6,000,000	362,500	43,500	3,556,000	3,962,000
ENVIRONMENT	Conservancy Fee	14,500,000	1,132,580	471,920	6,848,110	8,452,610
ENVIRONMENT	Quarries cess	5,000,000	365,000	339,300	285,400	989,700
GENDER	Group Registration	1,000,000	156,000	90,400	126,600	373,000
AGRICULTURE	Veterinary Services	10,000,000	1,605,370	1,905,240	1,691,310	5,201,920
AGRICULTURE	coffee licences	500,000	10,100	361,200	88,500	459,800
ADMINSTRATION	Commission by payroll	3,000,000	762,153	726,895	792,690	2,281,738

DEPARTMENT	REVENUE SOURCE	SUPPLEMENTARY BUDGET ANNUAL TARGET	1ST QUARTER	2ND QUARTER	3RD QUARTER	OSR MOBILIZED AS AT 31ST MARCH 2025
HEALTH	Public Health Services	42,000,000	2,360,900	2,924,400	22,017,600	27,302,900
FINANCE	OTHER SOURCES	-	-	6,500,000	1,870,400	8,370,400
SPORTS&CULTURE	Liqour licensing		-	-	-	-
SUB -TOTAL I		**430,451,000**	**47,162,708**	**42,634,298**	**168,768,730**	**258,565,736**
FACILITY IMPROVEMENT FUND						
HEALTH	Kerugoya Referral Hospital	158,000,000	47,308,515	53,258,816	60,436,583	161,003,914
HEALTH	Kimbimbi Hospital	28,000,000	6,706,648	14,060,830	9,130,773	29,898,251
HEALTH	Kianyaga Hospital	15,000,000	2,657,506	5,227,807	12,952,682	20,837,995
HEALTH	Sagana Hospital	9,500,000	2,063,800	4,309,319	5,073,907	11,447,026
HEALTH	dispensaries	7,500,000	1,929,530	11,565,435	5,481,110	18,976,075
SUB -TOTAL II		**218,000,000**	**60,665,999**	**88,422,207**	**93,075,055**	**242,163,261**
OTHER FUNDS						
SPORTS&CULTURE	(A-i-A)Alcoholic Drinks licensing	14,549,000	1,119,000	2,427,000	32,217,000	35,763,000
AGRICULTURE	(A-i-A)Kamweti Traning Center	5,000,000	388,093	3,381,812	448,274	4,218,179
SUB TOTAL III		**19,549,000**	**1,507,093**	**5,808,812**	**32,665,274**	**39,981,179**
GRAND TOTAL FY 2024/2025)		**668,000,000**	**109,335,800**	**136,865,317**	**294,509,059**	**540,710,176**

Source: County Treasury

9 Months Own Source Revenue trend for previous Financial Years

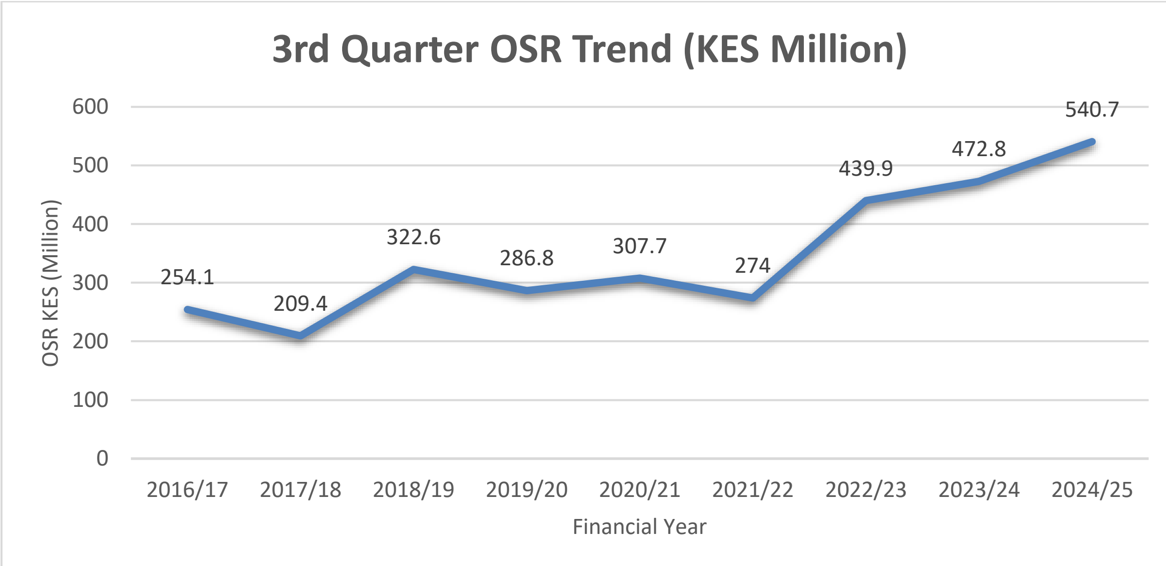

Figure 2.1 9 Months Own Source Revenue Trend

Own Source Revenue performance for the Nine months of 2024/25FY indicated 14.4% growth in revenue collection from a similar period in 2023/24.

Disbursements from Equitable Share

During the FY 2024/25 Equitable Share was revised in Supplementary 1 of 2024/25 to reflect revisions in the Division of Revenue (Amemndment) Act 2024. The DoR revised sharable revenue to counties from Ksh 400.1 Billion to Kshs 387.4 Billion. This resulted in equitable share of KES 5,449,273,298.

Disbursements from Equitable Share is based on an approved disbursement schedule. Amounts are required to be disbursed on monthly basis by 15th of every month. As at 31st January, total equitable share received amounted to KES 3.131 Billion, a performance rate of 57.4%. However, there are delays in disbursements, which affects budget implementation.

Table 2.3 Equitable Share disbursement 2024/25

Date Funds Reflected on CRF	Amount	Month to which the disbursement relates
26th July 2024	433,617,400	June 2024
24th September 2024	460,718,490	July 2024
17th October 2024	433,617,402	August 2024
14th November 2024	460,718,490	September 2024

18th November 2024	433,617,402	October 2024
16th December 2024	9,588,404	CARA July-Oct disbursement top-up
16th December 2024	463,188,230	November 2024
23rd January 2025	435,941,864	December 2024
February		
March		
TOTAL	**3,131,007,682**	

Source: County Treasury

3. EXPENDITURE ANALYSIS

The County Government total approved 2024/25 FY budget amounts to KShs. 7,925,714,395. This includes development allocation of KShs. 2,994,123,017 and recurrent allocation of Kshs 4,931,591,378.

2024/25 FY Approved Budget Estimates

Table 3.1 Approved Budget Estimates 2024/25

VOTE	ENTITY	*Approved Budget 2024/25FY Recurrent(Sup.1)*	*Approved Budget 2024/25FY Development (Sup.1)*	TOTAL
3961	County Assembly	676,637,101	130,855,694	807,492,795
3962	County Executive	516,214,569	6,000,000	522,214,569
3963	Finance and Economic Planning	652,443,592	144,184,035	796,627,627
3964	Agriculture, Livestock and Fisheries	211,926,648	218,713,971	430,640,619
3965	Environment, Water and Natural Resources	140,222,799	630,034,988	770,257,787
3966	Education	312,514,905	52,531,052	365,045,957
3967	County Health Services	2,190,327,259	379,362,036	2,569,689,295
3968	Lands, Housing and Urban Development	34,143,028	100,630,548	134,773,576
3969	Transport and Infrastructure	76,668,368	613,004,663	689,673,031
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	43,794,441	613,253,872	657,048,313

3971	Gender and Youth	41,290,651	73,521,020	114,811,671
3972	Sports, Culture and Social Services	35,408,017	32,031,138	67,439,155
	TOTAL	**4,931,591,378**	**2,994,123,017**	**7,925,714,395**

Source: County Treasury

Recurrent Expenditure

As at the end of the third quarter of FY 2024/25, Kirinyaga County had utilized KES 2.978 billion out of a total approved recurrent budget of KES 4.932 billion, translating to an overall absorption rate of 60.4%. The County Health Services department accounted for the largest share of expenditure at 43.5%, spending KES 1.295 billion out of an allocation of KES 2.19 billion, with an absorption rate of 59.1%. The County Assembly followed, representing 17.3% of the total third-quarter expenditure, achieving a relatively high absorption rate of 76.1%. Finance and Economic Planning was the third-highest spender at 13.3% of the total, with a moderate absorption rate of 60.9%. County Executive operations utilized 9.5% of the total third-quarter expenditure but recorded a lower absorption rate of 55.0%. Meanwhile, Agriculture, Livestock, and Fisheries accounted for 5.1% of the total expenditure with a strong absorption rate of 71.5%. Other sectors such as Environment, Water and Natural Resources (3.1%), Education (4.6%), Transport and Infrastructure (1.3%), and Trade and Cooperatives (0.6%) showed lower expenditure shares, with varied absorption levels ranging from 32.7% to 65.2%. Overall, while the County demonstrated relatively good expenditure progress in major sectors like Health and Agriculture, several sectors such as Lands, Housing, and Urban Development, with an absorption rate of only 32.7%, and Education, at 43.5%, indicate underutilization.

First Half Recurrent Expenditure per Department 2024/25 FY

Table 3.2 Recurrent Expenditure Nine Months 2024/25

VOTE	**ENTITY**	***Approved Budget 2024/25FY Recurrent(Sup. 1)***	***3rd Quarter Expenditure 2024/25 FY***	% Share of Total 3rd Quarter Expenditure	Absorption Rate
3961	County Assembly	676,637,101	515,114,484	17.3%	76.1%
3962	County Executive	516,214,569	283,983,612	9.5%	55.0%
3963	Finance and Economic Planning	652,443,592	397,214,246	13.3%	60.9%
3964	Agriculture, Livestock and Fisheries	211,926,648	151,579,404	5.1%	71.5%
3965	Environment, Water and Natural Resources	140,222,799	91,371,240	3.1%	65.2%
3966	Education	312,514,905	135,990,893	4.6%	43.5%
3967	County Health Services	2,190,327,259	1,294,728,079	43.5%	59.1%
3968	Lands, Housing and Urban Development	34,143,028	11,164,472	0.4%	32.7%
3969	Transport and Infrastructure	76,668,368	39,328,591	1.3%	51.3%
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	43,794,441	19,256,034	0.6%	44.0%
3971	Gender and Youth	41,290,651	19,975,784	0.7%	48.4%
3972	Sports, Culture and Social Services	35,408,017	18,095,483	0.6%	51.1%
	TOTAL	**4,931,591,378**	**2,977,802,320**	100.0%	60.4%

Source: County Treasury

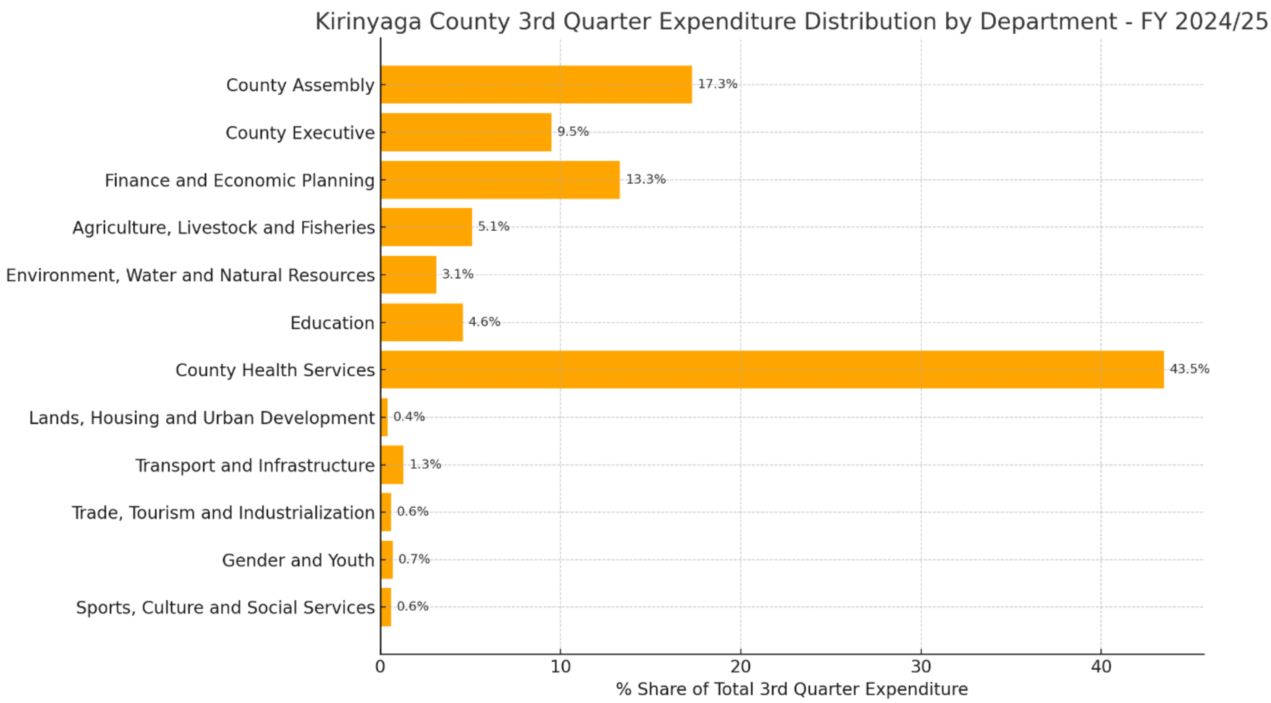

Figure 2: 3rd Quarter Expenditure Distribution

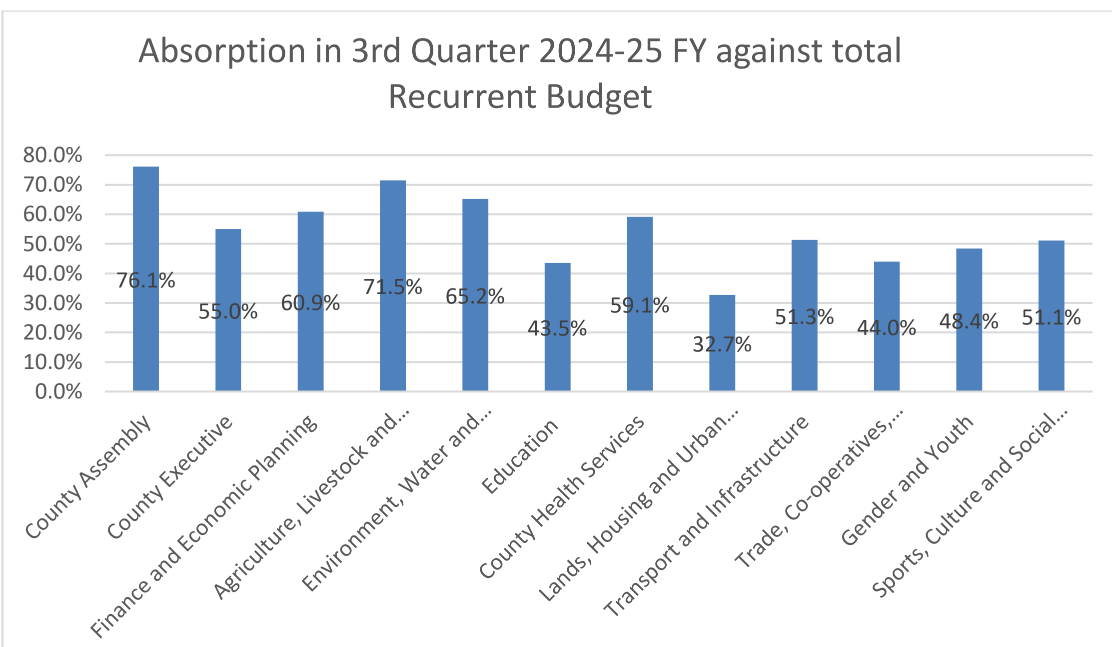

Figure 3.3 Recurrent Absorption Rates Nine-Months 2024/25

Development Expenditure

As at the end of the third quarter of FY 2024/25, Kirinyaga County had spent KES 992.23 million out of a total approved development budget of KES 2.994 billion, resulting in an overall development budget absorption rate of 33.1%. County Health Services recorded the highest development expenditure, absorbing 68.7% of its allocation by utilizing KES 260.73 million out of a budget of KES 379.36 million, indicating strong performance in health sector project implementation. Sports, Culture and Social Services followed closely with an absorption rate of 64.9%, spending KES 20.79 million out of KES 32.03 million. Gender and Youth also performed relatively well, with a 49.7% absorption rate. In contrast, departments like the County Executive registered 0% absorption, with no development expenditure recorded against a budget of KES 6 million, signaling serious implementation delays. Other key sectors such as Environment, Water and Natural Resources and Transport and Infrastructure absorbed 33.6% and 29.6% of their budgets respectively, while Finance and Economic Planning achieved 29.0%. Agriculture, Livestock, and Fisheries had the lowest development budget absorption among major spending sectors at only 16.1%, pointing to slow project rollout in the agricultural docket.

Table 3.3 Nine Months Development Expenditure by Department 2024/25FY

VOTE	**ENTITY**	***Approved Budget 2024/25FY Development (Sup.1)***	***3rd Quarter Development Expenditure 2024/25 FY***	Absorption Rate
3961	County Assembly	130,855,694	29,152,218	22.3%
3962	County Executive	6,000,000	-	0.0%
3963	Finance and Economic Planning	144,184,035	41,757,743	29.0%
3964	Agriculture, Livestock and Fisheries	218,713,971	35,228,108	16.1%
3965	Environment, Water and Natural Resources	630,034,988	211,758,346	33.6%
3966	Education	52,531,052	19,046,186	36.3%
3967	County Health Services	379,362,036	260,728,902	68.7%

3968	Lands, Housing and Urban Development	100,630,548	25,558,256	25.4%
3969	Transport and Infrastructure	613,004,663	181,683,789	29.6%
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	613,253,872	130,024,722	21.2%
3971	Gender and Youth	73,521,020	36,510,827	49.7%
3972	Sports, Culture and Social Services	32,031,138	20,785,638	64.9%
	TOTAL	**2,994,123,017**	**992,234,734**	**33.1%**

Source: County Treasury

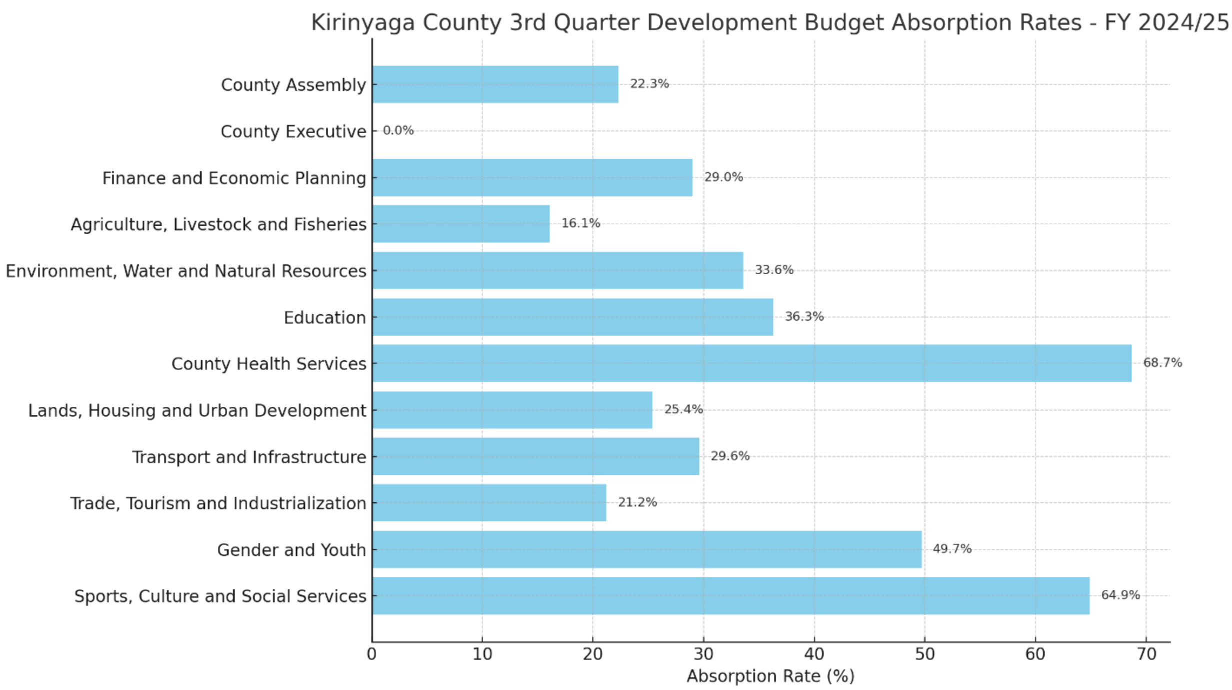

Figure 4: 3rd Quarter Development Budget Absorption Rates

Strategic Development Expenditure

Upgrading of Kimbimbi Level 4 Hospital incurred KES 87.97 million, and the Upgrading of Kianyaga Level 4 Hospital absorbed about KES 63.31 million, indicating continued major investments in upgrading the County's health infrastructure.

Other substantial expenditures included the Development of the Sagana Agro-industrial Park (EPZ) with a total of KES 54.13 million spent by the third quarter, highlighting strategic investments aimed at boosting industrialization and value addition in agriculture. The County Climate Change Fund (CCCF) development project utilized KES 40 million, reinforcing climate adaptation efforts at the local level.

Several socio-economic initiatives also featured prominently. The Youth Empowerment Program (revolving fund) accounted for KES 25.50 million, and Wezesha Kirinyaga agricultural support interventions absorbed KES 24.73 million, demonstrating a deliberate focus on promoting youth employment and agricultural productivity.

Infrastructure projects also stood out: Completion of the 220-bed Kerugoya Medical Complex used KES 23.63 million and KES 16.80 million across different phases. Several road improvement projects, particularly in Gichugu, Mwea, and Kirinyaga Central sub-counties, had individual expenditures ranging between KES 11 million and KES 22 million, indicating significant efforts towards enhancing rural access infrastructure.

In the water sector, payments for the supply and delivery of water pipes under Various Wards amounted to KES 21.75 million, reflecting County investments aimed at improving water distribution networks.

At the Ward Level notable projects were implemented; In Kiine Ward, Kiangai Water Project incurred an expenditure of KES 6,999,195, focusing on improving water infrastructure for local residents. In Mutira Ward, a substantial expenditure of KES 3,081,717 was recorded for micro-tunneling and purchase of pipes to enhance water service delivery.

In Ngariama Ward, two notable activities were financed. The purchase of fuel for public works in Ngariama cost KES 3,000,000, while an additional KES 2,997,000 was used for the purchase of mekos (gas cookers) for women, reflecting efforts to support community empowerment.

In Wamumu Ward, KES 2,499,490 was spent on the proposed construction of Kiandegwa Social Hall, aimed at enhancing community social infrastructure. Tebere Ward registered an expenditure of KES 2,000,000 for fuel for road maintenance, supporting rural access initiatives.

Similarly, in Kanyeki-ini Ward and Kariti Ward, expenditures of KES 2,000,000 each were used for fuel purchases to support grading and murraming of local roads. In Murinduko Ward, an expenditure of KES 1,999,654.50 was incurred for the purchase and installation of culverts, aimed at improving drainage and road usability. In addition, in Gathigiriri Ward, KES 1,997,410 was spent on the proposed construction of one Early Childhood Development (ECDE) classroom block, boosting access to early education facilities.

Settlement of Pending Bills

By the third quarter, KES 41.76 million had been spent on settling audited pending bills in development re-affirming the County's ongoing commitment to clearing pending bills and improving financial credibility with suppliers and contractors.