COUNTY GOVERNMENT OF KIRINYAGA

DEPARTMENT OF FINANCE & ECONOMIC PLANNING

First Quarter Budget Implementation Review Report

(July- September)

FY 2025/26

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 2025-26 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 2025-26 FY.

The approved total budget for FY 2025/26 amounts to KShs 8.0 billion, comprising KShs 5.16 billion (64.5%) for recurrent expenditure and KShs 2.84 billion (35.5%) for development programmes. The resource envelope is funded by an equitable share of KShs 6.15 billion which accounts for 76.9% of total financing. The County projects to raise KShs 454 million from Own Source Revenue (OSR) and KShs 310 million as Appropriations-in-Aid (A-i-A), together contributing 9.6% of total funding. Conditional grants and additional allocations from development partners—including the World Bank (KDSP II, NAVCDP, K-WASH), DANIDA, IFAD (ABDP), and the National Government (CAIPs, CHPs)—amount to KShs 1.05 billion (13.1%), while KShs 34.6 million represents rolled-over balances from FY 2024/25.

During the first quarter, the County realized Kshs 140.47 million in local revenue collections, equivalent to 18.4% of the annual target of Kshs 764 million. Within

this, Own Source Revenue (OSR) accounted for Kshs 48.7 million (10.6%), while Facility Improvement Fund (FIF) collections from health facilities contributed Kshs 91.76 million (30.1%). The top-performing revenue streams included Bus Park Fees, Produce Cess, and Market Gate Fees, though trade permits and cooperative audit fees underperformed due to timing factors.

On the expenditure side, total spending for the quarter amounted to Kshs 1.02 billion, comprising Kshs 802.19 million in recurrent expenditure and Kshs 220.19 million in development expenditure. This translates to an overall absorption rate of 15.5% for recurrent and 7.3% for development against annual allocations. Departments with the highest recurrent absorption included Finance and Economic Planning (29%), Environment and Water (27.1%), and Transport and Infrastructure (32.5%), largely driven by personnel costs and utilities.

Development expenditure during the quarter was relatively low, with only a few departments recording progress. Key development spending occurred in County Health Services (Kshs 93.3 million), Transport and Infrastructure (Kshs 85.7 million), and Environment, Water and Natural Resources (Kshs 40 million), supporting ongoing transport and infrastructure, water, and health projects.

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 2025/26 FY Kirinyaga County Budget amounts to Kshs 8,001,281,989 which will be financed as per Table 2.1 below.

Table 2.1 Resource Envelop 2025/26FY

DESCRIPTION	APPROVED BUDGET FY 2025/2026 KES
Equitable Share	6,151,661,892
Allocation of Roads Maintenance Fuel Levy Fund(RMLF) 2024/2025	127,631,589
Allocation Financed by Grant from DANIDA to finance Universal Healthcare in Devolved System	6,834,000
Revenue	
Ordinary revenue	454,000,000
A-i-A in respect to County Health Services (Facility Improvement Fund)	305,000,000
(A-i-A)Revenue raised from Kamweti Agricultural Training Center	5,000,000
International Fund for Agricultural Development (IFAD) Aquaculture Business Development Project (ABDP)	11,283,380
International Fund for Agricultural Development (IFAD) Aquaculture Business Development Project (ABDP) 2024/2025	13,779,259
IDA (World Bank)-Kenya Devolution Support Programme Grant (KDSP II) Level 1 Grant	37,500,000
IDA (World Bank)-Kenya Devolution Support Programme Grant (KDSP II) Level 1 Grant 2024/2025	37,500,000
IDA-(World Bank Credit)(Kenya Urban Support Project (KUSP) UDG 2024/2025	2,690,700
Allocation from National Government as Conditional Grant for Aggregated Industrial Parks Programme CAIPS 2024/2025	51,373,382
IDA- (World Bank)Credit National Agricultural Value Chain Development Project (NAVCDP)	231,250,000
IDA- (World Bank)Credit National Agricultural Value Chain Development Project (NAVCDP) FY2024/25	108,389,410
Allocation from the National Government for Community Health Promoters (CHPs) Project	56,049,816
IDA(World Bank) Credit Allocation for Kenya Water, Sanitation and Hygiene (K-WASH) Program 2024/2025	366,729,808
Rolled over Funds	34,608,753
TOTAL REVENUES	**8,001,281,989**

Source: County Treasury

Revenue Analysis By category

The total approved revenue for the Financial Year 2025/2026 amounts to KES 8.0 billion. This revenue comprises funds from the Equitable Share, Own Source Revenue (OSR), conditional grants, and rolled-over balances from the previous financial year.

The Equitable Share from the National Government remains the main source of revenue, projected at KES 6.15 billion, accounting for 76.9 percent of the total resource envelope.

The County targets to mobilize Own Source Revenue (OSR) amounting to KES 454 million, representing 5.7 percent of the total budget. This includes collections from trade licenses, property rates, cess, and other county levies. Additionally, Appropriations-in-Aid (A-i-A) are projected at KES 310 million, comprising KES 305 million from the Facility Improvement Fund (FIF) and KES 5 million from Kamweti Agricultural Training Centre. Together, these internal revenues constitute 9.6 percent of the total funding.

Conditional Grants and Additional Allocations from the National Government and development partners are estimated at KES 1.05 billion, representing 13.1 percent of total revenues. These include support from the World Bank, DANIDA, IFAD, and the National Government, earmarked for programmes such as the Kenya Devolution Support Programme (KDSP II), National Agricultural Value Chain Development Project (NAVCDP), Kenya Water, Sanitation and Hygiene (K-WASH), County Aggregation and Industrial Parks (CAIPs), and Community Health Promoters (CHPs) project. These grants are instrumental in supporting key county flagship projects in agriculture, water, health, and industrial development.

Lastly, rolled-over funds from the FY 2024/25 amount to KES 34.6 million, representing 0.4 percent of the total revenue and is committed to ongoing development projects whose implementation spilled over into the current financial year.

Table 2.2: Resource Envelop by Category

Revenue Source	Amount	Proportion
Equitable Share	6,151,661,892	76.9%
Ordinary revenue	454,000,000	5.7%
A-I-A (Facility Improvement Fund)	305,000,000	3.8%
A-I-A (Kamweti Agricultural Training Center)	5,000,000	0.1%
Additional Allocations	1,051,011,344	13.1%
Rolled Over funds From 2024_25FY	34,608,753	0.4%
Total	**8,001,281,989**	**100.0%**

Source: County Treasury

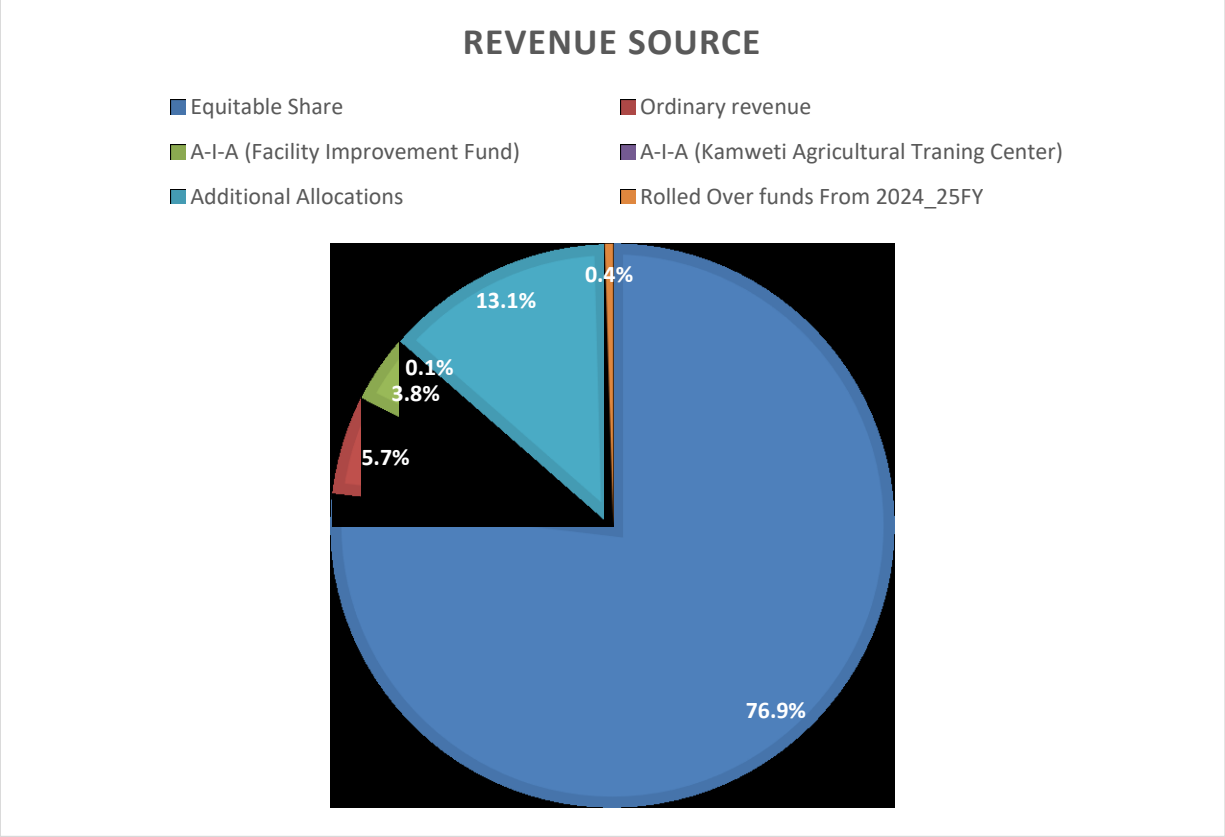

Figure 2.1 Resource Envelop by category

Revenue Performance

The County's total Own Source Revenue (OSR) and A-I-A target for FY 2025/26 stood at KES 764 million, comprising KES 459 million from ordinary OSR streams and KES 305 million from Facility Improvement Fund (FIF) under the Department of Health.

By the end of the first quarter, the County had realized KES 140.47 million, translating to 18.4 percent of the annual target. This represents a moderate performance against the ideal quarterly target of 25 percent.

Own Source Revenue (OSR)

Cumulative OSR collections as at 30th September 2025 stood at KES 48.71 million, equivalent to 10.6 percent of the annual OSR target of KES 459 million.

Top-performing revenue streams included; Bus Park Fees (29.5%), Produce Cess (23.2%) and Market Gate Fees (20.5%)

However, Single Business Permits (5.1%), Weights & Measures (4.1%), and Cooperative Audit Fees (0.8%) recorded low performance due to timing of renewals.

Appropriations-in-Aid (Facility Improvement Fund – FIF)

The Facility Improvement Fund (FIF), which constitutes revenues collected by health facilities, achieved a total of KES 91.76 million against an annual target of KES 305 million, representing a performance of 30.1 percent.

Table 2.3: Facility Improvement Fund performance

	Health Facility	Annual Target (KES)	Q1 Collection (KES)	% Performance
1	Kerugoya County Referral Hospital	222,000,000	31,716,575	14.3%
2	Kimbimbi Hospital	35,000,000	7,506,268	21.4%
3	Kianyaga Hospital	20,000,000	5,014,487	25.1%
4	Sagana Hospital	9,500,000	4,664,717	49.1%
5	Dispensaries	18,500,000	42,855,779	231.7%
	Total	**305,000,000**	**91,757,824**	**30.1%**

Table 2.4 First Quarter Revenue Performance by Category 2025_26

Revenue Category	Annual Target (KES)	Actual Collection (KES)	Performance
Own Source Revenue (OSR)	459,000,000	48,709,749	10.6%
Facility Improvement Fund (A-I-A)	305,000,000	91,757,824	30.1%
Total Local Revenue	**764,000,000**	**140,467,573**	**18.4%**

Table 2.5 Own Source Revenue by Stream

	OWN SOURCE REVENUE MOBILIZATION REPORT 2024/2025 FY					
DEPARTMENT (A)	**REVENUE SOURCE (B)**	**BUDGET ANNUAL TARGET (C)**	**JULY (D)**	**AUGUST (E)**	**SEPTEMBER (F)**	**OSR MOBILIZED AS AT 30TH SEPTEMBER 2025 (G)**
TRADE	Single Business Permit	105,000,000	2,932,832	1,105,894	1,368,333	5,407,059
TRADE	Market Gate Fee	31,000,000	1,959,077	1,932,543	2,468,990	6,360,610
TRADE	Produce Cess	7,000,000	388,280	432,721	804,980	1,625,981
TRADE	Weights & Measures	6,000,000	153,200	58,600	34,400	246,200
TRADE	Stalls rent	5,500,000	344,500	235,100	170,700	750,300
TRADE	Advertisement	31,000,000	839,000	478,000	891,500	2,208,500
TRADE	cooperative audit	500,000	-	-	3,850	3,850
TRANSPORT	Bus Park	31,000,000	2,464,600	3,636,300	3,040,660	9,141,560
TRANSPORT	Street Parking	24,549,000	831,670	724,990	1,325,850	2,882,510
TRANSPORT	House rents	6,051,000	538,100	133,500	159,400	831,000
LANDS	Land Administration	10,000,000	492,300	547,500	519,000	1,558,800
LANDS	Property Rates	34,000,000	1,388,370	1,021,568	1,101,725	3,511,663
LANDS	Building Plan Approvals	30,000,000	1,400,468	1,839,605	2,870,770	6,110,843
TRANSPORT	Fire Compliance	6,000,000	140,000	49,000	72,500	261,500
ENVIRONMENT	Conservancy Fee	14,500,000	422,100	195,180	271,470	888,750
ENVIRONMENT	Quarries cess	3,000,000	111,300	124,400	142,300.00	378,000
GENDER	Group Registration	800,000	27,200	37,400	9,600	74,200
AGRICULTURE	Veterinary Services	7,500,000	533,650	546,250	548,650	1,628,550
AGRICULTURE	coffee licenses	600,000	132,000	8,600	231,260	371,860
ADMINSTRATION	Commission by payroll	3,000,000	114,387	-	-	114,387
HEALTH	Public Health Services	42,000,000	1,220,200	870,100	786,100	2,876,400
SPORTS&CULTURE	(A-i-A)Alcoholic Drinks licensing	52,000,000	647,000	104,000	115,000	866,000
AGRICULTURE	(A-i-A)Kamweti Training Center	8,000,000	158,445	392,872	59,909	611,226
FINANCE	OTHER SOURCES	-	-	-		-
SUB -TOTAL I		**459,000,000**	**17,238,679**	**14,474,123**	**16,996,947**	**48,709,749**
TARGET VARIANCE (-)						
FACILITY IMPROVEMENT FUND						
HEALTH	Kerugoya Referral Hospital	222,000,000	8,314,278	16,061,9156	7,340,381	31,716,5745
HEALTH	Kimbimbi Hospital	35,000,000	2,852,218	1,931,710	2,722,340	7,506,268
HEALTH	Kianyaga Hospital	20,000,000	2,804,471	768,099	1,441,916	5,014,487
HEALTH	Sagana Hospital	9,500,000	1,730,439	1,410,151	1,524,126	4,664,717
HEALTH	dispensaries	18,500,000	10,922,370	13,367,367	18,566,041	42,855,779
SUB -TOTAL II		**305,000,000**	**26,623,776**	**33,539,243**	**31,594,804**	**91,757,824**
TARGET VARIANCE (+)						
GRAND TOTAL FY (2025/2026)		**764,000,000**	**43,862,455**	**48,013,366**	**48,591,752**	**140,467,573**

Source: County Treasury

First Quarter Own Source Revenue trend for previous Financial Years

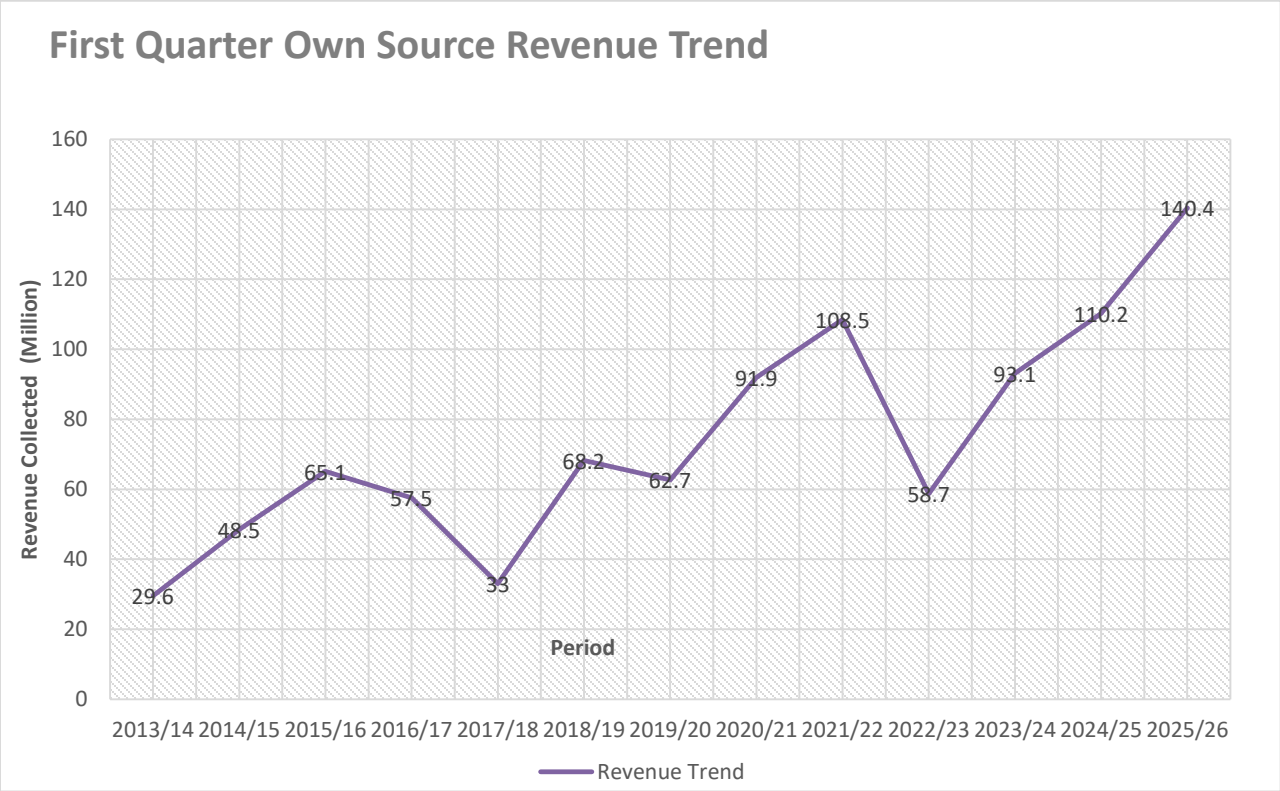

Figure 2.2 First Quarter Own Source Revenue Trend

Own Source Revenue performance for the first quarter of FY 2025/26 indicated 27.4% increase in collection from a similar period in FY 2024/25.

3. EXPENDITURE ANALYSIS

The County Government total approved FY 2025/26 budget amounts to Kshs. 8,001,281,989. This includes development allocation of Kshs. 2,837,383,026 and recurrent allocation of Kshs 5,163,898,963.

FY 2025/26 Approved Budget Estimates

Table 3.1 Approved Budget Estimates FY 2025-26

VOTE	ENTITY	*Approved Budget 2025/26FY Recurrent*	*Approved Budget 2025/26FY Development*	TOTAL
3961	County Assembly	717,134,062	193,792,334	910,926,396
3962	County Executive	443,552,508	7,500,000	451,052,508
3963	Finance and Economic Planning	714,343,157	208,000,000	922,343,157
3964	Agriculture, Livestock and Fisheries	210,816,156	421,602,049	632,418,205
3965	Environment, Water and Natural Resources	141,269,239	484,238,188	625,507,427
3966	Education	320,603,405	35,843,165	356,446,570
3967	County Health Services	2,338,377,075	560,376,472	2,898,753,547
3968	Lands, Housing and Urban Development	34,143,028	69,890,700	104,033,728
3969	Transport and Infrastructure	122,139,665	619,927,551	742,067,216
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	43,794,441	111,573,382	155,367,823
3971	Gender and Youth	42,318,210	105,619,700	147,937,910
3972	Sports, Culture and Social Services	35,408,017	19,019,485	54,427,502
	TOTAL	**5,163,898,963**	**2,837,383,026**	**8,001,281,989**

Source: County Treasury

Recurrent Expenditure

During the first quarter of FY 2025/26 the County Government spent a total of KES 802.19 million on recurrent out of the annual allocation of KES 5.16 billion, representing an overall absorption rate of 15.5 percent.

First Quarter Recurrent Expenditure per Department 2025/26 FY

Table 3.2 Recurrent Expenditure first quarter 2025/26

VOTE	ENTITY	*Budget 2025/26 FY Recurrent*	*1st Quarter Expenditure 2025/26 FY*	*% Proportion of total Quarter Expenditure*	*Absorption*
3961	County Assembly	717,134,062	97,123,487	12.1%	13.5%
3962	County Executive	443,552,508	63,461,066	7.9%	14.3%
3963	Finance and Economic Planning	714,343,157	207,444,632	25.9%	29.0%
3964	Agriculture, Livestock and Fisheries	210,816,156	40,781,307	5.1%	19.3%
3965	Environment, Water and Natural Resources	141,269,239	38,257,402	4.8%	27.1%
3966	Education	320,603,405	33,390,387	4.2%	10.4%
3967	County Health Services	2,338,377,075	261,010,986	32.5%	11.2%
3968	Lands, Housing and Urban Development	34,143,028	1,752,111	0.2%	5.1%
3969	Transport and Infrastructure	122,139,665	39,746,950	5.0%	32.5%
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	43,794,441	2,930,634	0.4%	6.7%
3971	Gender and Youth	42,318,210	10,651,026	1.3%	25.2%
3972	Sports, Culture and Social Services	35,408,017	5,643,095	0.7%	15.9%
	TOTAL	**5,163,898,963**	**802,193,083**	100.0%	15.5%

Source: County Treasury

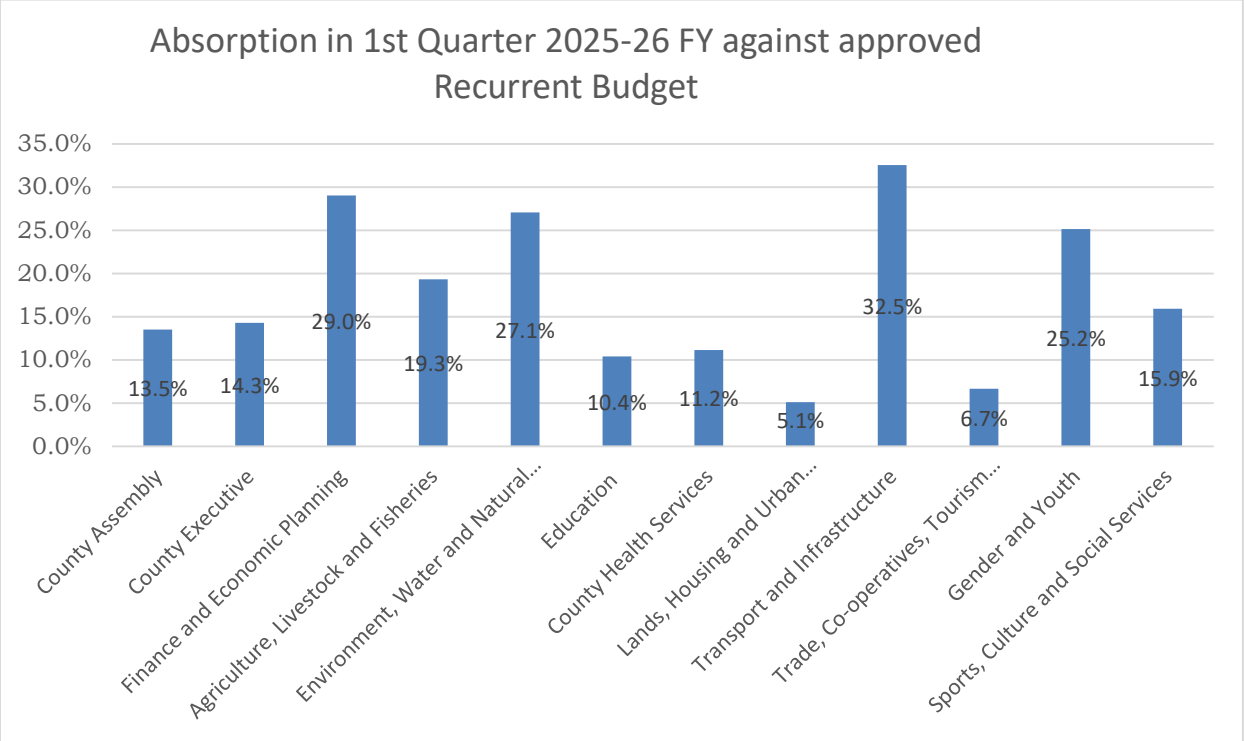

Figure 3.1 Recurrent Absorption Rates First Quarter 2025/26

Recurrent budget absorption for the first quarter was high in Department of Transport and Infrastructure 32.5 percent, having utilized KES 39.69 million from an approved KES 122.14 million budget. Expenditure was dominated by consolidated payments of electricity and water utilities.

Comparison between expenditures in first quarter for 2024/25 FY and 2025/26 FY

Table 3.3 Comparison Recurrent Expenditure for 2024/25 and 2025/26

ENTITY	Q1 Recurrent Expenditure 2024/25	Q1 Recurrent Expenditure 2025/26
County Assembly	86,631,216	97,123,487
County Executive	47,523,987	63,461,066
Finance and Economic Planning	114,878,774	207,444,632
Agriculture, Livestock and Fisheries	36,554,720	40,781,307
Environment, Water and Natural Resources	29,759,729	38,257,402
Education	31,020,989	33,390,387
County Health Services	218,225,682	261,010,986
Lands, Housing and Urban Development	1,242,395	1,752,111
Transport and Infrastructure	6,892,078	39,746,950

Trade, Co-operatives, Tourism Industrialization and Enterprise Development	4,085,353	2,930,634
Gender and Youth	7,734,873	10,651,026
Sports, Culture and Social Services	2,924,233	5,643,095
TOTAL	**587,474,029**	**802,193,083**

Source: County Treasury

Recurrent expenditure for first quarter of 2025/26 is at 802.19 Million compared to 587.4 in 2024/25 FY. This indicates a 36.5% increase in absorption.

Development Expenditure

Development expenditure for the period under review amounted to Kshs. 220,186,996. Majority of the entities had no development expenditure for the period under review.

This is a 42% decrease in expenditure compared to a similar period in 2024/25FY. The low absorption is attributed in part by challenges faced in migration to the newly established Electronic Government Procurement (E-GP)

Table 3.4 First Quarter Development Expenditure by Department FY 2025/26

VOTE	ENTITY	*Approved Budget 2024/25FY Development*	*1st Quarter Expenditure 2024/25 FY*	*Absorption*
3961	County Assembly	146,842,040	-	0.0%
3962	County Executive	6,000,000	-	0.0%
3963	Finance and Economic Planning	145,764,035	1,200,110	0.8%
3964	Agriculture, Livestock and Fisheries	219,453,971	-	0.0%
3965	Environment, Water and Natural Resources	644,625,766	40,000,000	6.2%
3966	Education	65,831,052	-	0.0%
3967	County Health Services	570,565,236	93,303,180	16.4%
3968	Lands, Housing and Urban Development	108,530,548	-	0.0%
3969	Transport and Infrastructure	591,960,863	85,683,706	14.5%
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	407,353,872	-	0.0%
3971	Gender and Youth	77,571,020	-	0.0%
3972	Sports, Culture and Social Services	44,381,138	-	0.0%

	TOTAL	**3,028,879,541**	**220,186,996**	**7.3%**

Source: County Treasury

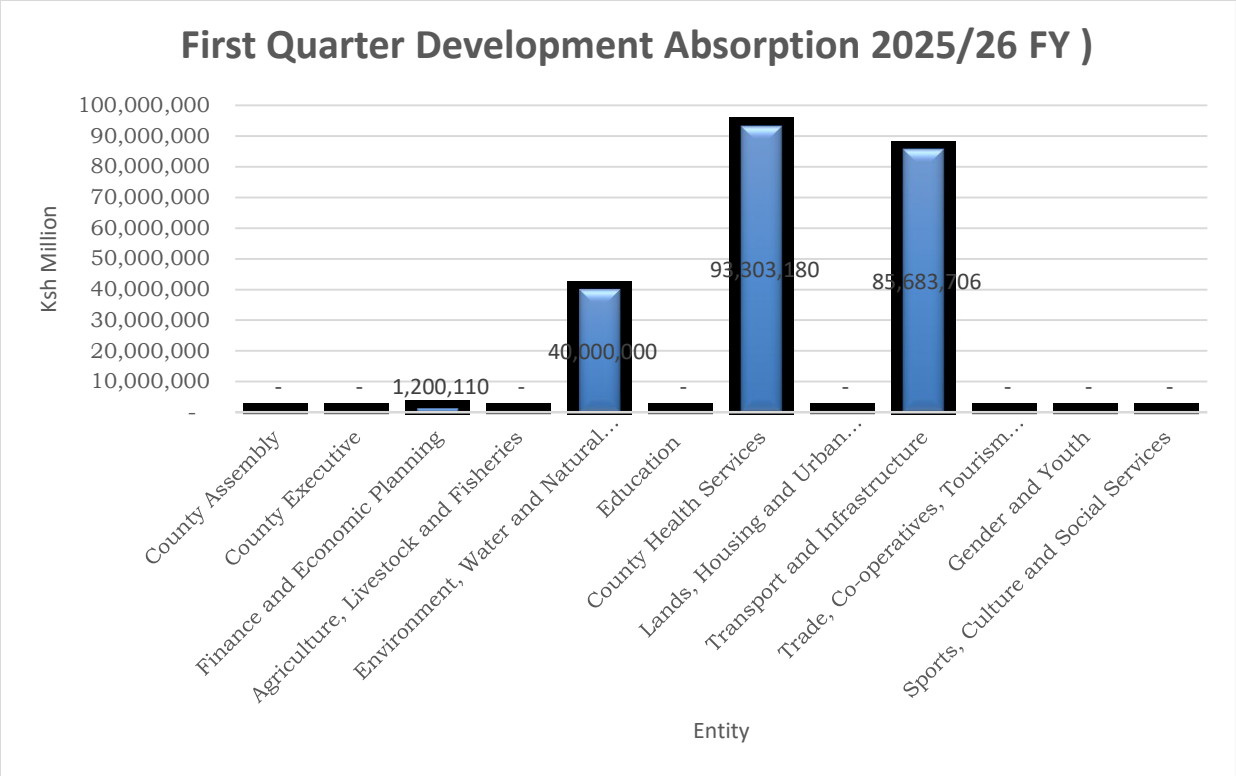

Figure 3.2 First Quarter Development expenditure by Department FY2025/26

Comparison on Development Expenditure for 2024/25FY and 2025/26FY

Table 3.5 Development Expenditure for 2024/25 and 2025/26

VOTE	ENTITY	Q1 Development Expenditure 2024-25 FY	Q1 Development Expenditure 2025-26 FY
3961	County Assembly	-	-
3962	County Executive	-	-
3963	Finance and Economic Planning	-	1,200,110
3964	Agriculture, Livestock and Fisheries	-	-
3965	Environment, Water and Natural Resources	163,291,006	40,000,000
3966	Education	13,169,736	-
3967	County Health Services	7,860,776	93,303,180
3968	Lands, Housing and Urban Development	10,888,000	-
3969	Transport and Infrastructure	96,196,832	85,683,706

3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	63,827,255	-
3971	Gender and Youth	3,637,020	-
3972	Sports, Culture and Social Services	19,629,138	-
	TOTAL	**378,499,763**	**220,186,996**

Source: County Treasury

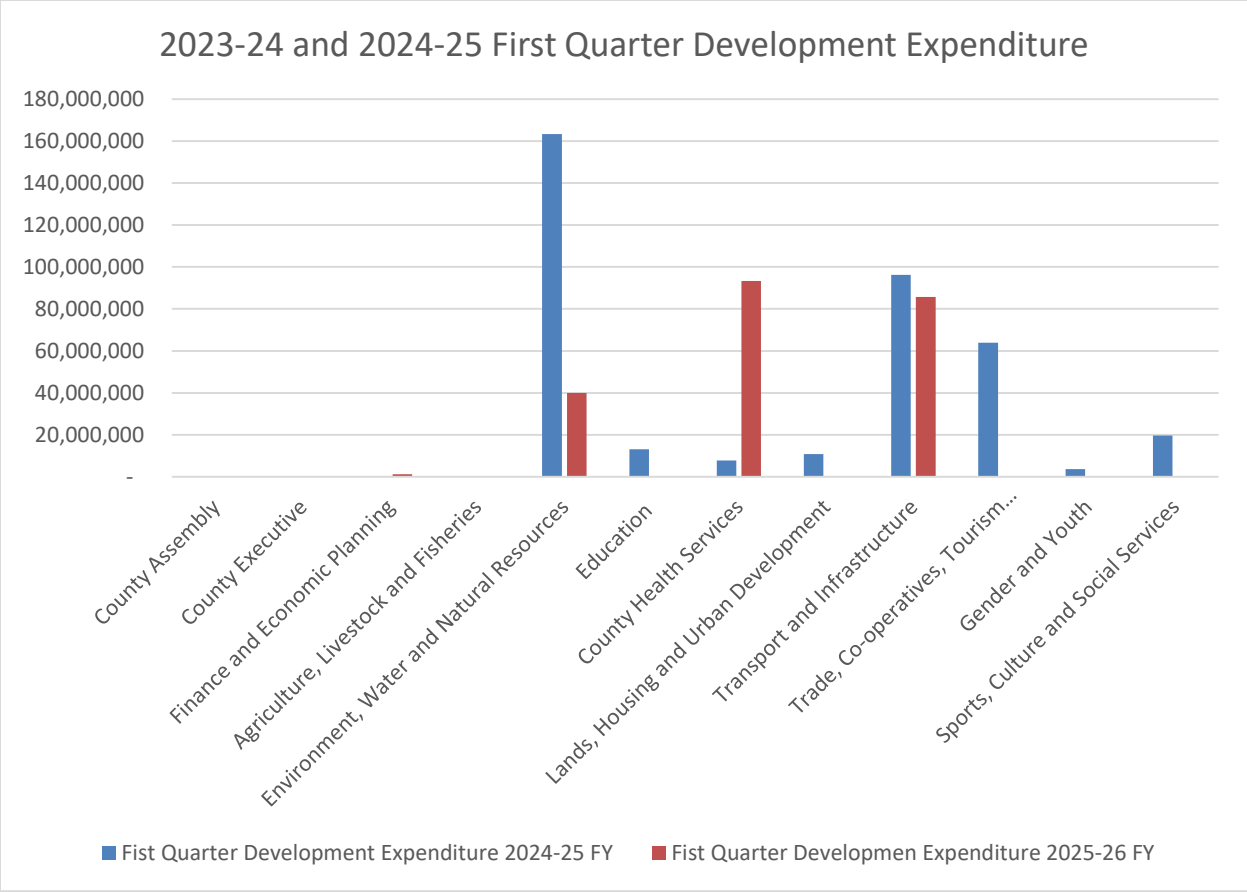

Figure 3.3 Development Expenditure First Quarter 2024/25 and 2025/26