

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF BOMET

COUNTY TREASURY

**BUDGET IMPLEMENTATION REPORT
FOR FINANCIAL YEAR 2024/2025 (Q3)**

APRIL 2025

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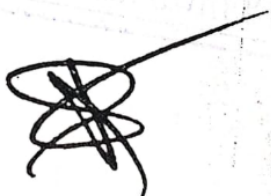
PREFACE

The Third Quarter Report meets the County's requirement under Section 166 of the Public Finance Management Act (PFMA) to prepare and publish quarterly budget implementation reports. In accordance with the Act, the report includes both financial and non-financial information.

This is the third report for the 2024/2025 financial year and outlines departmental budget performance at the start of the third quarter. It presents both overall and departmental-level performance, with details on revenue, expenditure, and capital projects. The information is organized by program and sub-program in line with the approved budget estimates.

For FY 2024/2025, the County's approved budget totaled Kshs. 9.78 billion, comprising Kshs. 6.5 billion for recurrent expenditure and Kshs. 3.2 billion for development expenditure. During the reporting period, the County spent Kshs. 872.8 million on recurrent programs and Kshs. 78.8 million on development activities, representing an overall absorption rate of 10%.

I encourage stakeholders to review this report thoroughly and take the necessary steps to promote transparency and accountability in the use of public resources, as required by the Constitution and the PFMA, 2012. Such efforts will provide meaningful feedback to improve service delivery and support the County Government in achieving its development goals.


CPA Kōsa Unepn'getich,
CECM-Finance, Economic Planning and ICT



Abbreviations

CRF	Consolidated Revenue Fund
FY	Financial Year
ICT	Information Communication and Technology
KUSP	Kenya Urban Support Programme Kshs Kenya Shillings
HSSF	Health Sector Services Fund
Kfw	German- Green climate fund
WASH	Water Sanitation and Hygiene

Overview of the FY 2024/25 Budget

1. The County's approved budget for FY 2024/25 amounted to **Kshs. 9.78 billion**, consisting of **Kshs. 3.23 billion (33%)** for development programs and **Kshs. 6.54 billion (67%)** for recurrent programs.
2. To finance the budget, the County projected receipts as follows:
 - **Kshs. 8.49 billion (86.7%)** comprising:
 - Kshs. 7.25 billion from the equitable share of nationally raised revenue,
 - Kshs. 455.7 million from own-source revenue, and
 - Kshs. 785.6 million as a cash balance carried forward from FY 2023/24.
 - **Kshs. 238.7 million (2.0%)** in conditional grants, which include:
 - Kshs. 163.6 million from the Road Maintenance Fuel Levy (KRB),
 - Kshs. 60 million for Community Health Promoters, and
 - Kshs. 950,000 from the Conditional Allocation for Libraries.
 - **Kshs. 1.048 billion (11%)** from conditional allocations to County Governments through loans and grants from development partners, comprising:
 - Primary Healthcare in Devolved Context – Kshs. 8.4 million
 - Kenya Urban Support Programme (KUSP) – UIG – Kshs. 35 million
 - IDA Kenya Urban Development Grant (UDG) – Kshs. 18.2 million
 - KDSP (Level 1) – Kshs. 37.5 million
 - KDSP (Level 1 Grant) B/F – Recurrent – Kshs. 3.3 million
 - WASH – Health & Water (DIG DEEP) – Kshs. 80 million
 - Kenya Water, Sanitation and Hygiene (K-WASH) Program – Kshs. 197.9 million
 - Nutrition International – Kshs. 15 million
 - HSSF Danida – Kshs. 20.05 million
 - IDA Kenya/Climate Change Resilience Investment (CCRI) – BAL C/F – Kshs. 65 million
 - IDA Kenya/CCRI – KfW – Kshs. 85 million
 - IDA Kenya/CCRI – Kshs. 130.1 million

- IDA Kenya/Climate Change Institutional Support (CCIS) – Kshs. 11 million
- Fertilizer Subsidy Program – Kshs. 131.6 million
- Agriculture Sector Development Support Programme (ASDSP) – Kshs. 1.7 million
- Livestock Value Chain Support Project – Grants – Kshs. 57.2 million
- IDA World Bank – Value Chain NAVCDP – Kshs. 151.5 million

3. In the third quarter of FY 2024/25, the County received:

- **Kshs. 1.151 billion** from the equitable share of nationally raised revenue,
- **Kshs. 11.9 million** as own-source revenue, and
- **Kshs. 106,820** as a cash balance carried forward from FY 2023/24.

The total funds available for budget implementation during the period amounted to Ksh 1.181 billion, as shown in Table 1.

Total Available Revenues For FY2024/25

COUNTY REVENUE RESOURCE ENVELOPE	APPROVED BUDGET ESTIMATES FOR FY2024/2025
Equitable share	7,015,121,755
Local Revenue	255,750,929
Locally Generated AIA	227,000,000
Balances Brought Forward -2023/2024	885,500,694
Conditional Grants from National Government Revenue	259,967,163
Conditional allocations to County Governments from Loans and Grants from Development Partners	1,188,360,017
Total	9,831,700,558

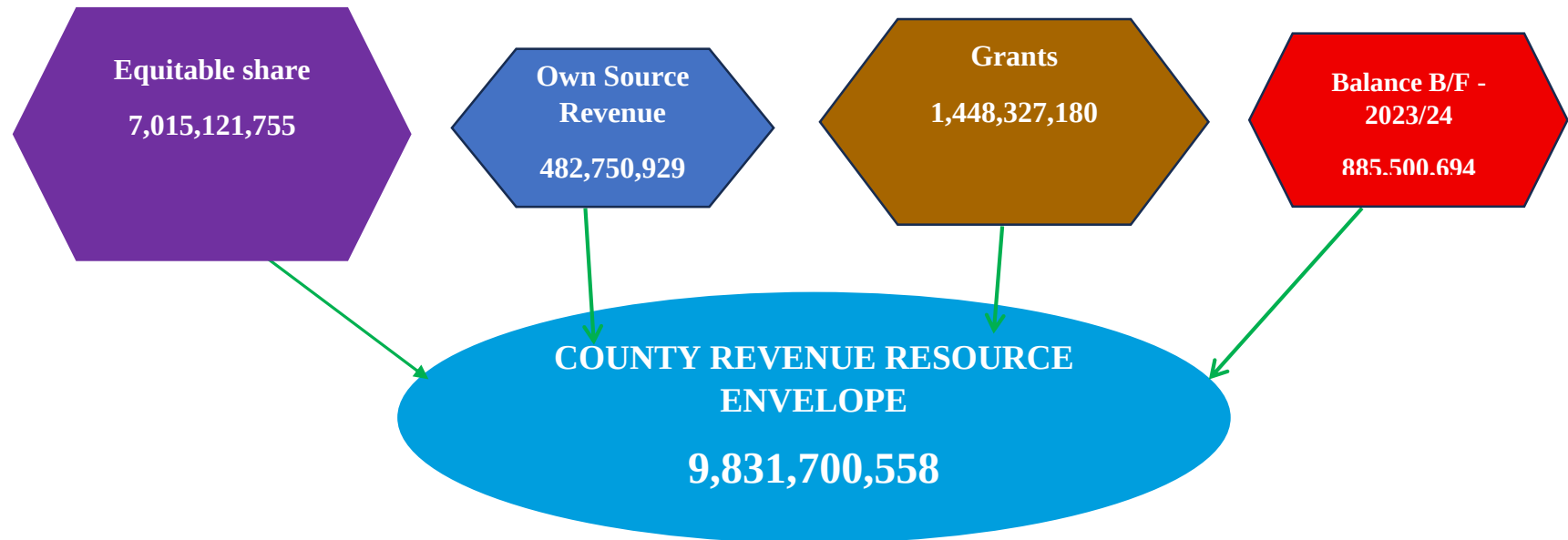


Table 1: Bomet County Revenue Performance of FY 2024/2025 (Ksh.)

RESOURCE ENVELOPE			
COUNTY REVENUE	APPROVED ESTIMATES FOR FY2024/2025	ACTUAL RECEIPTS (Kshs.)	As Percentage of Annual Budget Allocation (%)
Equitable share +Local Revenue+ Balance C/F	8,492,503,177		
Equitable share	7,251,128,230	1,157,494,959	16%
Local Revenue	455,750,929	83,774,500	18%
Balance C/F- Executive	628,800,000		
Balance c/f County Contribution to FloCCA	60,000,000		
Balance C/F- Assembly- Hansard Equipment and furniture	96,824,018		
Conditional Grants from National Government Revenue	238,705,470		
Road Maintenance Fuel Levy (KRB)	163,685,211		
Community Health Promoters	74,070,000		
Conditional Allocation for Libraries	950,259		
Cond. allocations to County Govts from Loans and Grants from Dev. Partners	1,048,921,230		
World Bank Loan for transforming health systems for universal care project	-		
Primary Healthcare in Devolved Context	8,482,500		
Kenya Urban Support Programme (KUSP) - UIG	35,000,000		
IDA Kenya Urban Development Grant (UDG)	18,278,289		
KDSP (Level 1)	37,500,000		
KDSP (Level 1 Grant) B/F-Recurrent	3,300,000		

KDSP (Level 2 Grant) B/F-Development	-		
WASH - Health & Water- DIG DEEP	80,000,000		
Kenya Water, Sanitation and Hygiene (K-WASH) Program	197,903,000		
Nutritional International	15,000,000		
HSSF Danada	20,056,500		
IDA Kenya/Climate Change Resilience Invest (CCRI) - BAL C/F	65,063,344		
IDA Kenya/Climate Change Resilience Invest (CCRI)KfW	85,000,000		
IDA Kenya/Climate Change Resilience Invest (CCRI)	130,126,688		
IDA Kenya/Climate Change Institutional Support (CCIS)	11,000,000		
Fertilizer Subsidy Program	131,684,382		
Agriculture Sector Development Support Programme (ASDSP)	1,716,655		
Livestock Value chain support project - GRANTS	57,294,720		
IDA World Bank-Value Chain NAVCDP	151,515,152		
TOTAL REVENUE	9,780,129,877	1,241,269,459	13%

Third Quarter FY 2024/25 Budget Performance Highlights

1. Own-Source Revenue

In the third quarter of FY 2024/25, the County generated Kshs. 83.8 million in own-source revenue. This marked a 61% increase compared to Kshs. 32.4 million realized in the second quarter and represented 18% of the annual own revenue target.

2. Exchequer Issues

The Controller of Budget approved withdrawals totaling Kshs 1.16 Billion from the County Revenue Fund (CRF) account during the reporting period. Of this, Kshs. 1.05 billion was allocated to recurrent programs, while Kshs. 0.11 billion was directed to development programs and represented 16% of the annual equitable shareable target.

3. Overall Expenditure Review

During the quarter, the County spent Kshs. 1.03 billion on recurrent programs and Kshs. 230.6 million on development activities. This represented an 18% and 7.4% of the annual expenditure target respectively.

4. Settlement of Pending Bills

As of 30th June 2024, pending bills amounted to Kshs. 1.21 billion. By the end of the third quarter of FY 2024/25, the County had settled Kshs. 214.4 million, comprising Kshs. 187 million for recurrent bills and Kshs. 27.3 million for development bills. This reduced the outstanding balance to Kshs. 807.4 million, which is expected to be cleared in subsequent quarters.

5. Expenditure by Economic Classification

Analysis of expenditure by economic classification shows that Kshs. 571.2 million was spent on employee compensation, while Kshs. 461.2 million went to operations and maintenance and 230.6 million on development.

Table 2: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)			Expenditure (Kshs.)			
	COUNTY EXECUTIVE	COUNTY ASSEMBLY	TOTALS	COUNTY EXECUTIVE	COUNTY ASSEMBLY	TOTALS	Absorption rate
Personal emoluments	3,491,268,219	400,387,231	3,891,655,450	536,879,550	100,096,808	636,976,358	16.4%
Operation & maintenance	2,227,120,634	398,071,324	2,625,191,958	123,436,855	57,152,553	180,589,408	6.9%
Recurrent Expenditure	5,718,388,853	798,458,555	6,516,847,408	660,316,405	157,249,361	817,565,766	12.5%
Development (Dev	3,012,458,451	250,824,018	3,263,282,469	78,844,137	86,716,363	165,560,500	5.1%
Total Recurrent & Dev.	8,730,847,304	1,049,282,573	9,780,129,877	739,160,542	243,965,724	983,126,266	10.1%

The analysis of expenditure by economic classification during the third quarter of FY 2024/25 reveals the following:

1. Personal Emoluments

The County had an approved budget of Kshs. 3.89 billion for personnel emoluments. By the end of the third quarter, actual spending amounted to Kshs. 637 million, representing an absorption rate of 16.4%. While this reflects compliance with the Public Finance Management (County Governments) Regulations, 2015 (which caps the wage bill at 35% of total revenue), the low uptake suggests delays in payroll-related adjustments or recruitment processes.

2. Operations and Maintenance

Out of an allocation of Kshs. 2.63 billion, expenditure stood at Kshs. 181 million, translating to an absorption rate of only 6.9%. This underutilization indicates challenges in implementing planned operational activities, which may affect service delivery in the medium term if not addressed.

3. Recurrent Expenditure

The County recorded a total recurrent allocation of Kshs. 6.52 billion, with an actual expenditure of Kshs. 817.6 million, representing an absorption rate of 12.5%. Although relatively higher than development spending, recurrent expenditure performance was still below expected levels for the third quarter.

4. Development Expenditure

Development performance was notably weak. Against a budget of Kshs. 3.26 billion, only Kshs. 165.6 million was spent, reflecting a very low absorption rate of 5.1%. This is a key concern as it points to delays in rolling out development projects, which directly impacts infrastructure expansion and service delivery to the public.

5. Overall Expenditure

The County's total approved budget stood at Kshs. 9.78 billion. By the third quarter, only Kshs. 983.1 million had been spent across recurrent and development programs, representing an overall absorption rate of 10.1%. This low performance highlights systemic challenges in budget execution, particularly in development financing and operational implementation.

Table 3: Budget Performance by Department

EPARTMENTS/UNITS	APPROVED BUDGET FY 2024/2025	EXPENDITURE	ABSORPTION RATE %
PUBLIC SERVICE	2,167,338,524	471,770,950	21.8%
Personal emoluments	1,960,583,729	284,528,000	14.5%
Operation & maintenance	206,75,795	187,242,950	
Development	-	-	
PUBLIC SERVICE BOARD	30,598,982	7,135,422	23.3%
Personal emoluments	-	-	
Operation & maintenance	30,598,982	7,135,422	23.3%
Development	-	-	
COUNTY EXECUTIVE	181,730,072	18,777,255	10.3%
Personal emoluments	-	-	
Operation & maintenance	181,730,072	18,777,255	10.3%
Development	-	-	
OFFICE OF THE DEPUTY GOVERNOR	26,550,000	5,606,200	21.1%
Personal emoluments	-	-	
Operation & maintenance	26,550,000	5,606,200	21.1%
Development	-	-	
OFFICE OF THE COUNTY ATTORNEY	13,350,000	719,100	5.4%
Personal emoluments	-	-	
Operation & maintenance	13,350,000	719,100	5.4%
Development	-	-	
DEVOLUTION AND SPECIAL PRORAMS	48,342,859	519,000	1.1%
Personal emoluments	-	-	

Operation & maintenance	48,342,859	519,000	1.1%
Development	-	-	
ADMINISTRATION	132,698,432	11,426,574	8.6%
Personal emoluments	-	-	
Operation & maintenance	76,528,432	11,426,574	14.9%
Development	56,170,000	-	
AGRICULTURE, LIVESTOCK AND VETERINARY SERVICES	476,808,362	15,394,286	3.2%
Personal emoluments	-	-	
Operation & maintenance	12,140,000	1,817,520	15.0%
Development	464,668,362	13,576,766	2.9%
CO-OPERATIVES MARKETING	65,460,288	3,202,634	4.9%
Personal emoluments	-	-	
Operation & maintenance	18,736,493	1,193,136	6.4%
Development	46,723,795	2,009,498	4.3%
ECONOMIC PLANNING	249,699,104	26,295,175	10.5%
Personal emoluments	-	-	
Operation & maintenance	95,736,569	26,295,175	27.5%
Development	153,962,535	-	
FINANCE UNIT	168,395,046	26,054,663	15.5%
Personal emoluments	-	-	
Operation & maintenance	150,863,546	23,954,663	15.9%
Development	17,531,500	2,100,000	12.0%
Internal Audit Services	10,521,627	1,035,576	9.8%
Personal emoluments	-	-	
Operation & maintenance	10,521,627	1,035,576	9.8%
Development	-	-	
ICT	48,870,000	4,487,224	9.2%
Personal emoluments	500,000	-	

Operation & maintenance	37,370,000	4,487,224	12.0%
Development	11,000,000	-	
EDUCATION AND VOCATIONAL TRAINING	461,237,070	26,755,217	5.8%
Personal emoluments	-	-	
Operation & maintenance	196,114,159	20,521,000	10.5%
Development	265,122,911	6,234,217	2.4%
YOUTH AND SPORTS	44,845,610	8,130,000	18.1%
Personal emoluments	-	-	
Operation & maintenance	37,739,329	8,130,000	21.5%
Development	7,106,281	-	
GENDER, CULTURE AND SOCIAL SERVICES	53,337,261	2,453,800	4.6%
Personal emoluments		-	
Operation & maintenance	46,363,705	2,453,800	5.3%
Development	6,973,556	-	
HEALTH SERVICES	2,303,422,924	382,325,920	16.6%
Personal emoluments	1,426,381,912	286,681,168	20.1%
Operation & maintenance	747,041,012	92,517,178	12.4%
Development	130,000,000	3,127,574	2.4%
LANDS	31,376,000	5,579,272	17.8%
Personal emoluments	-	-	
Operation & maintenance	14,376,000	2,267,824	15.8%
Development	17,000,000	3,311,448	19.5%
HOUSING DEVELOPMENT	8,430,597	832,931	9.9%
Personal emoluments	-	-	
Operation & maintenance	2,930,597	832,931	28.4%
Development	5,500,000	-	
URBAN MANAGEMENT	130,580,000	32,031,279	24.5%
Personal emoluments	-	-	

Operation & maintenance	85,960,000	12,118,507	14.1%
Development	44,620,000	19,912,772	44.6%
BOMET MUNICIPALITY	50,728,289	89,600	0.2%
Personal emoluments	20,270,000	-	
Operation & maintenance	8,680,000	89,600	1.0%
Development	21,778,289		
KUSP- UIG	34,800,000		
Personal emoluments	-		
Operation & maintenance	34,800,000		
Development	-		
SOTIK MUNICIPALITY	4,500,000		
Personal emoluments	-		
Operation & maintenance	3,800,000		
Development	700,000		
ROADS PUBLIC WORKS AND TRANSPORT	804,107,810	64,334,982	8.0%
Personal emoluments	-	-	
Operation & maintenance	70,325,049	8,496,496	12.1%
Development	733,782,761	55,838,486	7.6%
TRADE ,ENERGY TOURISM, INDUSTRY AND INVESTMENT.	65,296,523	6,256,597	9.6%
Personal emoluments	-	-	
Operation & maintenance	9,815,000	1,470,000	15.0%
Development	55,481,523	4,786,597	8.6%
WATER	633,543,953	93,156,367	14.7%
Personal emoluments	-	-	
Operation & maintenance	106,473,100	1,449,011	1.4%
Development	527,070,853	91,707,356	17.4%
ENVIRONMENT AND NATURAL RESOURCES	606,459,900	48,661,407	8.0%
Personal emoluments	-	-	

Operation & maintenance	57,616,742	20,661,407	35.9%
Development	548,843,158	28,000,000	5.1%
COUNTY ASSEMBLY	978,671,325	243,965,724	24.9%
Personal emoluments	400,387,231	100,096,808	25.0%
Operation & maintenance	327,460,076	57,152,553	17.5%
Development	250,824,018	86,716,363	34.6%
GRAND TOTAL	9,831,700,558	1,506,997,155	15.3%
Personal emoluments	3,407,735,641	571,209,168	16.8%
Operation & maintenance	2,331,258,068	461,217,550	19.8%
Development	3,114,035,524	230,604,713	7.4%

Key Observations

During the third quarter of FY 2024/25, several challenges were observed while implementing the County budget, which significantly affected overall performance.

First, absorption of development funds remained low. Out of the annual allocation of Ksh. 3.11 billion, only Kshs. 230.6 million was utilized during the period under review. This average underperformance highlights persistent challenges in the execution of development projects, including delays in procurement processes, inadequate project preparedness, and slow implementation by departments. Low absorption undermines the achievement of key development priorities and delays service delivery to citizens.

Second, the performance of own-source revenue fell far below projections. The County collected Kshs. 83.7 million compared to the annual target of Kshs. 455 million, reflecting a significant shortfall. This under-collection has constrained the County's ability to finance planned activities and reduced fiscal space for service delivery. The shortfall may be attributed to weaknesses in enforcement, leakages in revenue collection systems, and a narrow revenue base that requires diversification and innovation.

Third, the County experienced delays in the disbursement of devolved funds from the national exchequer. These delays, partly occasioned by the withdrawal of the Finance Bill, slowed down the flow of resources needed to fund programs and projects. As a result, many development initiatives could not be implemented within the planned timelines, negatively affecting budget execution and delivery of essential services.

These challenges collectively underscore the need for strengthened budget execution strategies, enhanced revenue mobilization efforts, and improved coordination with the National Treasury to ensure timely disbursement of funds. Addressing these issues will be critical to improving absorption rates, financing development priorities, and achieving the County's fiscal objectives.