

COUNTY GOVERNMENT OF BOMET



COUNTY TREASURY

BUDGET IMPLEMENTATION REPORT
FOR THE FIRST QUARTER OF THE FINANCIAL YEAR 2024/2025

OCTOBER 2024

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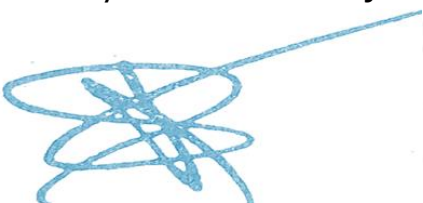
PREFACE

The first quarter budget implementation report has been prepared pursuant to section 166 of the Public Finance Management Act. The law provides for preparation and publishing of quarterly budget implementation reports and specifies that the reports shall contain both financial and non-financial information. This is the first report in the financial year 2024/2025 and presents information on budget performance by the departments at the beginning of the first quarter of financial year 2024-2025. Information on budget performance is presented on aggregate and on individual department performance. The report provides details about revenue, expenditure, and capital projects. The information is provided at the program and sub-program level in a format that is in consistent with the approved budget estimates.

The county's approved budget for FY2024/2025 was Ksh. 9.78 Billion, comprising of Ksh. 6.5 Billion and Kshs.3.2 Billion allocations to recurrent and development expenditures respectively.

During the reporting period, the county spent Kshs. 872.8 Million on recurrent programs and Ksh 78.8 Million on development activities translating to an absorption rate of 10 %.

The report has now been made public to enhance transparency and accountability in the management of public resources as enshrined in the constitution and PFM Act, 2012. I therefore urge all the stakeholders to actively scrutinise it and provide any feedback. The feedback will be taken positively as they will go a long way in enhancing efficient and effective service delivery, optimum use of resources and attainment of the County Government's objectives.


Hon. CPA Rosa Chepn'getich,

Ag. 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 was Kshs. **9.78** Billion, comprising Kshs.3.23 Billion (33 percent) and Kshs.6.54 Billion (67 percent allocation for development and recurrent programs respectively).
2. To finance the budget, the County expects to receive:
 - A) **Kshs.8.49 Billion** (86.7 percent) as Kshs.7.25 Billion equitable share of revenue raised nationally, generate Kshs.455.7 Million from own sources of revenue, and unspent balance of Kshs.785.6 Million from FY 2023/24.
 - B) **Kshs.238.7 Million** (2.0 percent) conditional grants, which consists of Kshs.163.6 Million Road Maintenance Fuel Levy (KRB), Kshs.60 Million from Community Health Promoters, and Ksh. 950 Million from Conditional Allocation for Libraries.
 - C) **Kshs. 1.048 Billion** (11 percent) from Conditional allocations to County Governments from Loans and Grants from Development Partners) which consists of: Primary Healthcare in Devolved Context Ksh.8.4 Million, Kenya Urban Support Programme (KUSP) – UIG Ksh.35 Million, IDA Kenya Urban Development Grant (UDG) Ksh 18.2 Million,KDSP (Level 1) Kshs.37.5 Million,KDSP (Level 1 Grant) B/F-Recurrent Ksh 3.3 Million, WASH - Health & Water- DIG DEEP Ksh80 Million, Kenya Water, Sanitation and Hygiene (K-WASH) Program Kshs.197.9 Million, Nutritional International Ksh 15 Million ,HSSF Danida Ksh.20.05 Million, IDA Kenya/Climate Change Resilience Invest (CCRI) - BAL C/F Ksh 65.0

Million, IDA Kenya/Climate Change Resilience Invest (CCRI)KfW Ksh 85 Million, IDA Kenya/Climate Change Resilience Invest (CCRI) Ksh 130.1 Million, IDA Kenya/Climate Change Institutional Support (CCIS) Ksh 11 Million,Fertiliser Subsidy Program Ksh 131.6 Million, Agriculture Sector Development Support Programme (ASDSP) Ksh 1.7 Million, Livestock Value chain support project – GRANTS Ksh 57.2 Million, IDA World Bank-Value Chain NAVCDP Ksh 151.5 Million.

3. In the first quarter of FY 2024/25, the County received Kshs.1.151 Billion as the equitable share of the revenue raised nationally, raised Ksh 11.9 million as own-source revenue, and had a cash balance of Kshs.106, 820.00 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.

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	1,151,464,291	14
Equitable share	7,251,128,230	1,151,357,471	16
Local Revenue	455,750,929	25,223,882	6

Balance C/F- Executive	628,800,000	106,820	0.0002
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	18,500,000	2
World Bank Loan to 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	7,500,000	50
HSSF Danida	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	11,000,000	0.00
Fertiliser 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	1,181,870,987	12

4. In the first quarter of FY 2024/25, the County generated a total of Ksh. 25.2 million as own-source revenue. This amount represented a decrease of 60 percent compared to Kshs.30.2 million realized during a similar period in the first quarter of FY 2023/24 and was 5.5 percent of the annual target.
5. Exchequer Issues. The Controller of Budget approved withdrawals of Kshs.953.2 Million from the CRF account during the reporting period. Ksh.798.7 Million was for recurrent programs and Ksh.154.4 Million was for Development.
6. Overall Expenditure Review During the reporting period, the County spent Ksh 660.3 million on recurrent programs and 78.8 million on development activities.
7. Settlement of Pending Bills: The outstanding pending bills as of 30th June 2024 amounted to Kshs.1.21 Billion. At the first quarter of FY 2024/25, the County paid a total of Kshs. 214.4 Million comprising of Kshs.187 Million for Recurrent bills and Kshs.27.3 Million for Development bills leaving a balance of Kshs.807.4 Million to be off-set in the subsequent quarters.

8. Expenditure by Economic Classification: Analysis of expenditure by economic classification indicates that Ksh. 536.8 million was spent on employee compensation and Kshs.123.4 million on operations and maintenance.

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
Total Recurrent Expenditure	5,745,862,285	798,458,555	6,544,320,840	660,316,405	212,554,029	872,870,434	13%
Personal emoluments	3,491,268,219	400,387,231	3,891,655,450	536,879,550	104,586,520	641,466,070	16%
Operation & maintenance	2,254,594,066	398,071,324	2,652,665,390	123,436,855	107,967,509	231,404,364	9%
Development	2,984,985,019	250,824,018	3,235,809,037	78,844,137	-	78,844,137	2%
Total	8,730,847,304	1,049,282,573	9,780,129,877	739,160,542	212,554,029	951,714,571	10%

Expenditure on Personnel Emoluments

9. Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 percent of the County's total revenue. Expenditure on compensation to employees was 16 percent of the total expenditure for the first quarter FY 2024/25 at Ksh. 641.4 million.

Development Expenditure

10. Expenditure on development programs was very low at Kshs. 78.8 Million (2%) compared to the recurrent for the period under review.

Budget Performance by Department

11. Analysis of expenditure by Department shows that the Department of Public service, Executive, Finance and County Assembly in general recorded the highest absorption rate of their budgets. On development expenditure votes, it's worth noting that the reported 2.44% relates only to the executive as the County Assembly did not report any expenditure on development activities.
12. The County Assembly had the highest percentage of absorption on recurrent expenditure while the Department of Trade, youth and sport, Agriculture and Fisheries reported nil expenditure. Economic planning, ICT, Administration, Water and Sanitation, Land& Housing, Gender and Culture Education and Training Health and medical services, had the lowest as shown in Table 3 below;

Table 3: Budget Performance by Department

BUDGET SUMMARY

SECTOR	APPROVED BUDGET ESTIMATES FY2024/2025	Expenditure (Kshs.)	Absorption Rate(%)
COUNTY EXECUTIVES	116,830,072	14,999,327	12.84
Personal emoluments	-	-	-
Operation & maintenance	116,830,072	14,999,327	12.84
OFFICE OF THE DEPUTY GOVERNOR	43,000,000	-	-
Personal emoluments			-
Operation & maintenance	43,000,000		-
OFFICE OF THE COUNTY ATTORNEY	13,350,000	510,000	3.82
Personal emoluments			-
Operation & maintenance	13,350,000	510,000	3.82
PSB	23,798,200	1,891,700	7.95
Operation & maintenance	23,798,200	1,891,700	7.95
DEVOLUTION & SPECIAL PROGRAMS	46,342,859	-	-
Operation & maintenance	46,342,859		-
Development	-		-
ADMINISTRATION	139,473,432	1,000,000	0.72
Operation & maintenance	83,473,432	1,000,000	1.20
Development	56,000,000	-	-
PUBLIC SERVICE	2,213,752,795	399,348,532	18.04
Personal emoluments	2,014,648,000	399,248,532	19.82
Operation & maintenance	199,104,795	100,000	0.05
ICT	40,670,000	49,700	0.12
Personal emoluments	500,000		-
Operation & maintenance	29,170,000	49,700	0.17
Development	11,000,000		-

FINANCE	193,885,173	18,540,818	9.56
Operation & maintenance	134,885,173	18,540,818	13.75
Development	59,000,000		-
ECONOMIC PLANNING	265,736,569	4,670,400	1.76
Operation & maintenance	95,736,569	4,670,400	4.88
Development	170,000,000		-
LANDS, HOUSING, URBAN & MUNICIPALITIES	315,420,289	10,500,000	3.33
Personal emoluments	40,000,000		-
Operation & maintenance	144,022,000	10,500,000	7.29
Development	131,398,289		-
GENDER, CULTURE AND SOCIAL SERVICES	52,625,184	1,700,000	3.23
Personal emoluments			-
Operation & maintenance	45,651,628	1,700,000	3.72
Development	6,973,556		-
MEDICAL SERVICES & PUBLIC HEALTH	2,387,512,146	195,812,928	8.20
Personal emoluments	1,436,120,219	137,631,018	9.58
Operation & maintenance	786,391,927	58,181,910	7.40
Development	165,000,000		-
EDUCATION, VOCATIONAL TRAINING	479,237,070	20,025,228	4.18
Operation & maintenance	206,614,159	98,000	0.05
Development	272,622,911	19,927,228	7.31
YOUTH AND SPORTS	36,706,245	-	-
Operation & maintenance	28,706,245	-	-
Development	8,000,000	-	-
WATER SANITATION AND ENVIRONMENT	1,023,783,985	26,846,952	2.62
Operation & maintenance	133,789,842	8,150,000	6.09
Development	889,994,143	18,696,952	2.10

AGRICULTURE LIVESTOCK AND FISHERIES	473,450,909	-	-
Operation & maintenance	16,040,000	-	-
Development	457,410,909	-	-
ROADS, PUBLIC WORKS & TRANSPORT	721,977,376	43,264,957	5.99
Operation & maintenance	75,792,165	3,045,000	4.02
Development	646,185,211	40,219,957	6.22
TRADE, ENERGY, TOURISM, INDUSTRY AND INVESTMENT	70,165,000	-	-
Personal emoluments	-	-	-
Operation & maintenance	11,365,000	-	-
Development	58,800,000	-	-
CO-OPERATIVES AND ENTERPRISE DEVELOPMENT	73,130,000	-	-
Operation & maintenance	20,530,000	-	-
Development	52,600,000	-	-
EXECUTIVE TOTAL	8,730,847,304	739,160,542	8.47
COUNTY ASSEMBLY	1,049,282,573	212,554,029	20.26
Personal emoluments	400,387,231	104,586,520	26.12
Operation & maintenance	398,071,324	107,967,509	27.12
Development	250,824,018	-	-
COUNTY TOTAL	9,780,129,877	951,714,571	9.73
Personal emoluments	3,891,655,450	641,466,070	16.48
Operation & maintenance	2,652,665,390	231,404,364	8.72
Development	3,235,809,037	78,844,137	2.44
Personal emoluments	40%	67%	
Operation & maintenance	27%	24%	
Development	33%	8%	

Key Observations

In the course of implementation of the County budget, the following challenges have been noted;

- a) Low absorption of development funds in the first quarter of FY 2024/25 from the annual development budget allocation of Ksh. 78.8 Million against the Annual target.
- b) The performance of own revenue at Ksh. 25.2 million against an annual projection of Kshs.455 Million.
- c) Delay in disbursement of devolved funds from the national exchequer occasioned by withdrawal of Finance Bill affected implementation of projects.

