

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF BOMET

COUNTY TREASURY

BUDGET IMPLEMENTATION REPORT
FOR FINANCIAL YEAR 2024/2025 (QUARTER 2)

JANUARY 2025

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PREFACE

The first quarter of the year report fulfils the county's obligation under section 166 of the Public finance Management Act to prepare and publish quarterly budget implementation reports. The law specifies that these reports shall contain both financial and non-financial information. This is the second report in the financial year 2024/2025 and presents information on budget performance by the departments at the beginning of the second 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 allocation to recurrent and development expenditures respectively.

The total payments during the reporting period was Kshs. 3.386 Billion, the comprising of Kshs. 2.497 Billion on recurrent programs and Ksh 889 Million on development activities. The overall absorption capacity was 38 %.

I urge the stakeholders to actively scrutinise this report to take necessary action towards the enhancement of transparency and accountability in the management of public resources as enshrined in the constitution and PFM Act, 2012. This will go a long way in providing feedback towards efficient and effective service delivery 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 a cash 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 Programmed (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.1.6 Billion as the equitable share of the revenue raised nationally, raised Ksh 42.8 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 1.649 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	1,649,226,502	14
Equitable share	7,251,128,230	1,606,424,262	22
Local Revenue	455,750,929	42,802,240	9
Balance C/F- Executive	628,800,000	0	0
Balance c/f County Contribution to FloCCA	60,000,000	154,063,344	-
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	7,500,000.00	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	11,000,000.00	0.00
Fertiliser Subsidy Program	131,684,382	-	-
Agriculture Sector Development Support Programme (ASDSP)	1,716,655	2,716,655	158 -
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 second quarter of FY 2024/25, the County generated a total of Ksh. 42.8 Million as own-source revenue. This amount represented an increase of 16.7 percent compared to Kshs.36.7 million realized during a similar period in the first quarter of FY 2023/24 and was 9,3 percent of the annual target.
5. Exchequer Issues. The Controller of Budget approved withdrawals of Kshs.974.2Billion from the CRF account during the reporting period. Ksh.507.2 Million was for recurrent programs and Ksh.437.2 Million was for Development.
6. Overall Expenditure Review During the reporting period, the County spent Ksh 2.497 Million on recurrent programs and 889 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 second quarter of FY 2024/25, the County paid a total of Kshs. 243.9 Millions comprising of Kshs.187 Million for Recurrent bills and Kshs.29.2 Million for Development bills leaving a balance of Kshs.77.7 Million To be off-set in the subsequent quarters.
8. Expenditure by Economic Classification Analysis of expenditure by economic classification indicates that Ksh. 1.8 Billion was spent on employee compensation

and Kshs.685.7 million on operations and maintenance and Ksh 3.3 Billion was spent 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
Total Recurrent Expenditure	5,745,862,285	798,458,555	6,544,320,840	2,352,996,723	144,183,157	2,497,179,880	38%
Personal emoluments	3,491,268,219	400,387,231	3,891,655,450	1,738,838,700	72,610,426	1,811,449,126	47%
Operation & maintenance	2,254,594,066	398,071,324	2,652,665,390	614,158,023	71,572,731	685,730,754	26%
Development	2,984,985,019	250,824,018	3,235,809,037	588,201,821	300,824,018	889,025,839	27%
Total	8,730,847,304	1,049,282,573	9,780,129,877	2,941,198,544	445,007,175	3,386,205,719	35%

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 47 percent of the total expenditure for the Second quarter FY 2024/25 at Ksh.1.8 Billion which is way above the 35 Percent threshold.

Development Expenditure

10. There expenditure on development programs was Kshs. 889 Million (27%) compared to the recurrent for the period under review.

Budget Performance by Department

10. Analysis of expenditure by Department shows that the Department of Administration, county assembly and roads and in general recorded the highest absorption rate of their budgets. On development expenditure votes, it's worth noting that the reported improved 16% relates mainly to the department of roads and public works.
11. The department of Administration had the highest percentage of absorption on recurrent expenditure while the Department of Trade, youth and sport, Agriculture and Fisheries reported nil expenditure., Gender and Culture Agriculture had the lowest as shown in while department of devolution and special programmes, ICT had nill expenditure on recurrent votes 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	47,756,880	41%
Personal emoluments	-		
Operation & maintenance	116,830,072	47,756,880	41%
OFFICE OF THE DEPUTY GOVERNOR	43,000,000	13,893,000	32%
Personal emoluments			
Operation & maintenance	43,000,000	13,893,000	32%
OFFICE OF THE COUNTY ATTORNEY	13,350,000	5,189,000	39%
Personal emoluments			
Operation & maintenance	13,350,000	5,189,000	39%
PSB	23,798,200	6,926,431	29%
Operation & maintenance	23,798,200	6,926,431	29%
DEVOLUTION & SPECIAL PROGRAMS	46,342,859	-	0%
Operation & maintenance	46,342,859		0%
Development	-		
ADMINISTRATION	139,473,432	66,423,891	48%
Operation & maintenance	83,473,432	59,763,150	72%
Development	56,000,000	6,660,741	12%
PUBLIC SERVICE	2,213,752,795	626,272,235	28%
Personal emoluments	2,014,648,000	622,556,709	31%
Operation & maintenance	199,104,795	3,715,526	2%

ICT	40,670,000	8,548,942	21%
Personal emoluments	500,000		0%
Operation & maintenance	29,170,000	8,548,942	29%
Development	11,000,000		0%
FINANCE	183,363,546	59,231,902	32%
Operation & maintenance	134,885,173	47,231,902	35%
Development	59,000,000	12,000,000	20%
Internal Audit Services	10,521,627	480,600	5%
Operation & maintenance	10,521,627	480,600	5%
Development			
ECONOMIC PLANNING	265,736,569	45,069,831	17%
Operation & maintenance	95,736,569	32,169,433	34%
Development	170,000,000	12,900,399	8%
LANDS DEVELOPMENT	68,676,000	6,079,400	9%
Personal emoluments	0		
Operation & maintenance	16,676,000	4,079,400	24%
Development	52,000,000	2,000,000	4%
HOUSING DEVELOPMENT	10,466,000	3,314,041	32%
Personal emoluments	0		
Operation & maintenance	3,466,000		0%
Development	7,000,000	3,314,041	47%
URBAN DEVELOPMENT	123,080,000	28,632,452	23%
Personal emoluments	0		
Operation & maintenance	78,460,000	28,632,452	36%
Development	44,620,000		0%
BOMET MUNICIPALITY	73,898,289	45,800	0%
Personal emoluments	40,000,000		0%

Operation & maintenance	8,620,000	45,800	1%
Development	25,278,289		0%
KUSP	34,800,000	0	0%
Personal emoluments			
Operation & maintenance	34,800,000		0%
Development			
SOTIK MUNICIPALITY	4,500,000	0	0%
Personal emoluments			
Operation & maintenance	2,000,000		0%
Development	2,500,000		0%
GENDER, CULTURE AND SOCIAL SERVICES	52,625,184	12,340,073	23%
Personal emoluments			
Operation & maintenance	45,651,628	9,821,834	22%
Development	6,973,556	2,518,239	36%
MEDICAL SERVICES & PUBLIC HEALTH	2,387,512,146	646,488,730	27%
Personal emoluments	1,436,120,219	525,534,756	37%
Operation & maintenance	786,391,927	116,404,174	15%
Development	165,000,000	4,549,800	3%
EDUCATION, VOCATIONAL TRAINING	479,237,070	120,599,893	25%
Operation & maintenance	206,614,159	79,439,355	38%
Development	272,622,911	41,160,538	15%
YOUTH AND SPORTS	36,706,245	11,269,743	31%
Operation & maintenance	28,706,245	8,144,051	28%
Development	8,000,000	3,125,693	39%
WATER SANITATION AND ENVIRONMENT	1,023,783,985	133,114,046	13%
Operation & maintenance	133,789,842	65,339,982	49%

Development	889,994,143	67,774,064	8%
ENVIRONMENT AND NATURAL RESOURCES	0	65,620,571	
Operation & maintenance		2,754,315	
Development		62,866,256	
AGRICULTURE LIVESTOCK AND FISHERIES	473,450,909	45,731,647	10%
Operation & maintenance	16,040,000	2,587,200	16%
Development	457,410,909	43,144,447	9%
ROADS, PUBLIC WORKS & TRANSPORT	721,977,376	300,105,032	42%
Operation & maintenance	75,792,165	16,041,383	21%
Development	646,185,211	284,063,649	44%
TRADE, ENERGY, TOURISM, INDUSTRY AND INVESTMENT	70,165,000	23,082,138	33%
Personal emoluments	-	5,619,746	
Operation & maintenance	11,365,000	17,462,392	154%
Development	58,800,000		0%
CO-OPERATIVES AND ENTERPRISE DEVELOPMENT	73,130,000	10,039,404	14%
Operation & maintenance	20,530,000	3,525,069	17%
Development	52,600,000	6,514,335	12%
EXECUTIVE TOTAL	8,730,847,304	2,206,583,698	25%
COUNTY ASSEMBLY	1,049,282,573	445,007,175	42%
Personal emoluments	400,387,231	72,610,426	18%
Operation & maintenance	398,071,324	71,572,731	18%
Development	250,824,018	300824018	120%
COUNTY TOTAL	9,780,129,877	2,636,964,127	27%
Personal emoluments	3,891,655,450	1,153,711,211	30%

Operation & maintenance	2,652,665,390	548,039,104	21%
Development	3,235,809,037	486,411,904	15%
Personal emoluments	40%	44%	
Operation & maintenance	27%	21%	
Development	33%	18%	

Key Observations.

In the course of implementation of the county budget implementation report the following have been noted.

- 1) Improved absorption rate of development vote from the previous quarter at 18%
- 2) Collection of own source revenue still not impressive at a paltry 42.9 Million against the annual target of kshs 455 Million.