

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF BOMET

COUNTY TREASURY

BUDGET IMPLEMENTATION REPORT

FOR FINANCIAL YEAR 2023/2024

JULY 2024

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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 2023/2024 and presents information on budget performance by the departments at the beginning of the second quarter of financial year 2024-2024. 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 FY2023/2024 was Ksh. 8.521 billion, comprising of Ksh. 6.134 billion And Kshs.2.386 billion allocation to recurrent and development expenditures respectively.

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.



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 2023/24 Budget

The fiscal year 2023/24 marked the tenth year of Programme Based Budgeting (PBB) for all County Government entities as per section 12 of the second schedule of the PFM Act 2012. During the year under review, there was a visible decrease in local revenue collection. The absorption of both development and recurrent expenditure increased by 25% and 3% respectively as compared to a similar period in FY 2022/23.

During the year under review total county revenue amounted to Kshs. 7.450 Billion against a target of Ksh 8.52 Billion. Total receipts from Equitable share of revenue comprised of 6.419 Billion (86.16% of the total receipts), Ksh 791 Million (10.63% of the total receipts) being proceeds from Domestic and Foreign Grants, Ksh 239 Million (3.21% of the total receipts) being local revenue collection, and Kshs. 137,096 (0.002% of the total receipts) being balance brought forward.

In the reporting period the execution of development, operations and maintenance & personal emoluments budgets were 80%, 69% and 98% respectively. This revealed an increase in development, decrease in operation and maintenance and a constant rate on personnel emolument compared to financial year 2022/23 in which the execution of development, operations and maintenance & personal emoluments budgets was 62%, 86% and 98% respectively.

During financial year 2023/24, the county spent a total of Kshs 7.45 Billion against a target of Kshs 8.5 Billion representing an execution rate of 87.4%. Recurrent expenditure for the period under review represents 78 percent of the annual recurrent budget while development expenditure represents 71.2 percent of the annual development budget. The absorption was hampered mainly by late disbursement of funds from national treasury.

Table 1: Bomet County Revenue Performance of FY 2023/2024 (Ksh.)

Resource Envelope				
County Revenue	Actuals FY 2022/2023	Budgeted FY 2023/2024	Actuals FY 2023/2024	% of the Total Budget
Equitable share +Local Revenue	7,469,619,107	7,950,841,026	6,658,757,661	89
Equitable share	7,226,387,045	6,977,924,070	6,419,690,145	86
Local Revenue	242,395,023	332,041,830	238,930,420	3
Balance C/F	837,039	640,875,126	137,096	0
Conditional allocations to County Governments from Loans and Grants from Development Partners	211,513,973	570,259,282	792,031,421	11
Total Revenue	7,681,133,080	8,521,100,308	7,450,789,082	100

In addition to the revenue received for the year, there were un-spent balances brought forward from FY 2022/2023 amounting to Ksh 137,095.00. The funds available for use in the financial year 2023/2024 were Ksh. 8.52 Billion comprising of equitable share, conditional grants, local revenue and un-spent balances. The drop of targeted revenue to actual revenue was Ksh.1.070 Billion which is attributed to non-receipt of equitable share in full.

Table 1: County own Source Revenue Analysis

S/N	Revenue Sources	2022/2023		2023/24		Deviation	% Deviation	Growth	% Growth	% Collection	% of the total budget
		Budgeted	Actual	Budgeted	Actual						
1	Town/Plot/Land Rates/Rent	4,401,047	4,000,997	8,598,767	2,901,807	5,696,960	66	(1,099,190)	-27	34	1.21
2	Plot Clearance Fee	95,783	91,222	200,000	21,000	179,000	90	(70,222)	-77	11	0.01
3	Plot Transfer Fee	46,690	44,400	250,000	5,200	244,800	98	(39,200)	-88	2	0.00
4	Building Plan Approval	557,729	530,980	2,400,000	773,458	1,626,542	68	242,478	46	32	0.32
5	Single Business Permit Fee	15,518,965	14,779,014	17,468,989	21,510,498	(4,041,509)	-23	6,731,484	46	123	9.00
6	S.B.P Application Fee	1,296,580	1,139,600	1,378,622	853,692	524,930	38	(285,908)	-25	62	0.36
7	S.B.P Penalty Fee	54,111	42,010	79,571	166,920	(87,350)	-110	124,910	297	210	0.07
8	Liquor Licence	7,996,923	7,549,450	20,051,290	9,365,900	10,685,390	53	1,816,450	24	47	3.92
9	Liquor Application Fee	961,263	820,250	2,000,000	1,450,200	549,800	27	629,950	77	73	0.61
10	Produce Cess	1,752,908	1,478,960	4,359,796	2,425,299	1,934,497	44	946,339	64	56	1.02
11	Quarry Cess	1,449,453	1,351,860	2,408,770	1,403,290	1,005,480	42	51,430	4	58	0.59
12	Market Dues	2,106,139	1,815,370	3,304,062	1,164,962	2,139,100	65	(650,408)	-36	35	0.49
13	Sales & Promotion	606,415	482,300	1,978,160	1,063,590	914,570	46	581,290	121	54	0.45

14	Billboard/Sign Post	268,578	160,550	625,240	468,900	156,340	25	308,350	192	75	0.20
15	Kiosk Cess	390,766	276,920	238,168	215,560	22,608	9	(61,360)	-22	91	0.09
16	Stock Sales	375,191	309,706	150,000	685,510	(535,510)	-357	375,804	121	457	0.29
17	Slaughter Fee	625,425	500,405	1,200,000	439,520	760,480	63	(60,885)	-12	37	0.18
18	Meat Inspection Fee	539,960	513,295	1,200,000	513,680	686,320	57	385	0	43	0.21
19	Movement Permit	74,765	69,300	225,000	147,410	77,590	34	78,110	113	66	0.06
20	Vet Services	75,520	62,400	200,000	46,130	153,870	77	(16,270)	-26	23	0.02
21	House Rent	387,882	274,173	286,715	362,729	(76,014)	-27	88,556	32	127	0.15
22	Hire of Stadium	81,925	68,500	300,000	91,500	208,500	70	23,000	34	31	0.04
23	Stall Rent	727,900	598,000	1,327,335	1,138,768	188,567	14	540,768	90	86	0.48
24	Bus Park Fee	3,000,000	2,815,490	5,482,430	4,139,933	1,342,497	24	1,324,443	47	76	1.73
25	Parking Fee	2,724,855	2,595,100	4,817,292	2,650,926	2,166,366	45	55,826	2	55	1.11
26	BodaBoda Stickers	2,780,711	2,457,820	4,000,000	2,393,990	1,606,010	40	(63,830)	-3	60	1.00
27	Impounding Charges	197,408	168,960	980,000	371,185	608,815	62	202,225	120	38	0.16
28	Group Registration Fee	40,975	29,500	400,000	4,000	396,000	99	(25,500)	-86	1	0.00
29	Agri-Business	58,668	46,350	150,540	1,750	148,790	99	(44,600)	-96	1	0.00
30	Tractor Services	394,840	280,800	450,000	23,000	427,000	95	(257,800)	-92	5	0.01
32	Verification of Scales	914,853	776,050	1,930,000	1,140,300	789,700	41	364,250	47	59	0.48
33	Public Health Fee	2,541,868	2,230,350	6,000,000	2,259,370	3,740,630	62	29,020	1	38	0.95
34	Other Charges	101,959	87,580	60,970	1,833,992	(1,773,022)	-2908	1,746,412	1994	3008	0.77
35	Longisa County Hospital	90,184,500	85,890,000	85,749,244	61,475,900	24,273,344	28	(24,414,100)	-28	72	25.73

36	Sigor Sub-County Hospital	5,554,532	5,290,030	5,500,000	3,434,799	2,065,201	38	(1,855,231)	-35	62	1.44
37	Cheptalal Hospital	1,998,875	1,903,690	6,000,000	1,631,191	4,368,809	73	(272,499)	-14	27	0.68
38	Ndanai Dispensary	7,648,555	7,284,338	8,000,000	8,990,849	(990,849)	-12	1,706,511	23	112	3.76
39	Kapkoros Health centre	314,114	299,156	3,000,000	570,000	2,430,000	81	270,844	91	19	0.24
40	Siongiroi Health Centre	-	1	2,000,000	-	2,000,000	100	(1)	-100	0	0.00
41	Other health facilities	532,665	507,300	28,200,000	1,726,852	26,473,148	94	1,219,552	240	6	0.72
42	Embomos Tea Farm	15,666,382	14,920,364	18,040,000	16,437,901	1,602,099	9	1,517,537	10	91	6.88
43	Chemai Estate	186,808	177,912	177,912	177,912	-	0	-	0	100	0.07
44	Sotik Tea company ltd	9,308,880	8,865,600	8,865,600	8,865,600	-	0	-	0	100	3.71
45	James Finlay (LR)	37,330,146	35,552,520	35,552,520	35,552,520	-	0	-	0	100	14.88
46	Williamson Tea (k) Ltd	6,806,520	6,482,400	6,482,400	6,482,400	-	0	-	0	100	2.71
47	Kipsigis Highland (LR)	2,940,000	2,800,000	3,040,000	350,000	2,690,000	88	(2,450,000)	-88	12	0.15
48	Raphael Kitur	-	1	1,286,757	-	1,286,757	100	(1)	-100	0	0.00
49	Ekattera Tea	26,927,964	25,645,680	25,645,680	25,645,680	-	0	-	0	100	10.73
50	Hire of Equipment	-	1	1	1,554,847	(1,554,846)		1,554,846	0	0	0.65
51	Disposal of Assets	-	1	1	4,000,000	(3,999,999)		3,999,999	0	0	1.67
	Totals	258,547,990	244,066,656	332,041,830	238,930,420	93,111,412			0		

Local revenue collections amounted to Kshs. 239 Million against a target of Kshs. 332 Million in the year under review. This illustrates that there was a deviation of Kshs 93 Million from the projected revenue. The analysis of revenue by sources indicates that the major sources of revenue for the financial year 2023/24 was Hospital/health centres which accounted for 33% of the total local revenue collected followed by Multinationals and Single business permits at 32% and 13% respectively. Embomos tea farm accounted for 7%, property rates 1.2 %, Cess collections 1.6 %, markets and slaughter fees 0.96%, rental income 0.63%, parking charges 4% and others 0.6%. The local revenue decreased by 2% per cent from 244 Million in FY2022/23 fiscal year to 239 Million in the period under review.

Table 3: Summary of Budget and Expenditure by Economic Classification

Expenditure	FY 2022/20223		FY 2023/20234		Variance	Variance (%)	Growth (%)	Budget execution (%)
	Target	Actual	Target	Actual				
Recurrent Expenditure								
Personal emoluments	3,137,384,231	3,063,631,421	3,665,548,899	3,664,203,019	600,571,598	20	20	100
Operation & maintenance	2,710,770,787	2,332,304,887	2,468,764,279	1,910,963,487	(421,341,400)	-18	-18	77
Sub Total Recurrent	5,848,155,018	5,395,936,308	6,134,313,178	5,575,166,506	179,230,198	3	3	91
Development Expenditure								
Sub Total Development	2,439,183,482	1,505,915,986	2,386,787,130	1,874,971,703	369,055,717	25	25	79
Total Expenditure	8,287,338,500	6,901,852,294	8,521,100,308	7,450,138,209	548,285,915	6	8	87

In comparison, previous financial year, Operations and Maintenance decreased by 18% from 2.332 Billion to 1.910 Billion in the year under review. The Development expenditure increased by 25% while Compensation to Employees had increased by 20% from the financial year 2022/2023 expenditure. Additionally, as reflected in Figure 2 below, compensation to employees was the highest proportion of all recurrent expenditures at 49.2% while Operations and Maintenance accounted for only 25.6% of total recurrent expenditures and development expenditure at 25.2%. At the close of the same period, the total pending bills amounted to Kshs. 1.85 billion comprising of 686 Million recurrent and 1.164 Billion development.

Table4: Departments' Expenditure Performance for Period Ending 30th June 2024 (Kshs)

Sector	FY 2022/20223	FY 2023/24				
	Expenditure	Approved Budget	Expenditure	Variance	Variance (%)	Budget Execution (%)
County Executive	215,521,028	140,073,227	127,427,354	12,645,873	9.03	90.97
Personal Emoluments	-			0	0	0
Operation & Maintenance	215,521,028	140,073,227	127,427,354	12,645,873	9.03	90.97
PSB	44,406,354	30,377,376	17,425,289	12,952,087	42.64	57.36
Operation & Maintenance	44,406,354	30,377,376	17,425,289	12,952,087	42.64	57.36
Development	-			-	0	0
Administration	129,848,379	42,490,000	31,554,955	10,935,045	25.74	74.26
Operation & Maintenance	120,811,368	11,490,000	8,229,300	3,260,700	28.38	71.62
Development	9,037,011	31,000,000	23,325,655	7,674,345	24.76	75.24
Public Service	1,749,314,256	2,203,292,089	2,117,058,672	86,233,417	3.91	96.09
Personal Emoluments	1,587,012,430	2,072,896,092	2,070,886,001	2,010,091	0.10	99.90
Operation & Maintenance	162,301,826	130,395,997	46,172,671	84,223,326	64.59	35.41
Development	-			-	0	0
ICT	17,244,672	56,478,654	32,618,456	23,860,198	42.25	57.75
Operation & Maintenance	15,778,308	41,878,654	19,489,575	22,389,079	53.46	46.54
Development	1,466,364	14,600,000	13,128,881	1,471,119	10.08	89.92
Finance	234,465,752	132,441,082	126,417,767	6,023,315	4.55	95.45
Operation & Maintenance	174,924,913	132,441,082	126,417,767	6,023,315	4.55	95.45
Development	59,540,839	-	-	-	0	0
Economic Planning	241,097,633	215,152,576	171,891,098	43,261,478	20.11	79.89
Operation & Maintenance	116,303,105	67,152,576	65,462,974	1,689,602	2.52	97.48
Development	124,794,527	148,000,000	106,428,124	41,571,876	28.09	71.91

Lands, Housing and Urban Planning	112,562,313	288,345,000	196,244,810	92,100,190	31.94	68.06
Personal Emoluments	37,695,660	40,000,000	12,000,000	28,000,000	70.00	30.00
Operation & Maintenance	42,422,960	74,845,000	41,192,696	33,652,304	44.96	55.04
Development	32,443,693	173,500,000	143,052,114	30,447,886	17.55	82.45
Youth, Sports, Gender and Culture	48,921,175	33,256,300	15,734,447	17,521,853	52.69	47.31
Operation & Maintenance	48,921,175	20,256,300	15,734,447	4,521,853	22.32	77.68
Development	-	13,000,000	-	13,000,000	100.00	-
Medical Services & Public Health	1,604,162,532	2,014,026,068	1,873,988,341	140,037,727	6.95	93.05
Personal Emoluments	1,106,634,071	1,196,905,544	1,193,131,790	3,773,754	0.32	99.68
Operation & Maintenance	479,656,585	691,520,954	604,996,505	86,524,449	12.51	87.49
Development	17,871,877	125,599,570	75,860,046	49,739,524	39.60	60.40
Education and Vocational Training	301,868,288	437,682,880	346,600,755	91,082,125	20.81	79.19
Operation & Maintenance	182,376,566	298,932,880	257,992,942	40,939,938	13.70	86.30
Development	119,491,722	138,750,000	88,607,813	50,142,187	36.14	63.86
Water Sanitation and Environment	279,977,736	530,230,145	452,305,834	77,924,311	14.70	85.30
Operation & Maintenance	107,253,924	102,367,421	87,971,932	14,395,489	14.06	85.94
Development	172,723,812	427,862,724	364,333,902	63,528,822	14.85	85.15
Agriculture, Livestock and Fisheries	201,139,815	522,407,309	306,575,793	215,831,516	41.31	58.69
Operation & Maintenance	25,721,837	116,810,229	31,575,708	85,234,521	72.97	27.03
Development	175,417,978	405,597,080	275,000,085	130,596,995	32.20	67.80

Roads, Public Works & Transport	513,850,352	646,917,608	587,519,922	59,397,686	9.18	90.82
Operation & Maintenance	55,295,655	43,142,772	30,162,147	12,980,625	30.09	69.91
Development	458,554,697	603,774,836	557,357,775	46,417,061	7.69	92.31
Trade, Energy, Tourism, Industry and Investment	51,427,422	121,726,738	44,151,601	77,575,137	63.73	36.27
Operation & Maintenance	12,224,170	11,226,738	10,151,089	1,075,649	9.58	90.42
Development	39,203,252	110,500,000	34,000,512	76,499,488	69.23	30.77
Co-operatives and Enterprise Development	80,172,342	36,300,000	28,868,824	7,431,176	20.47	79.53
Operation & Maintenance	16,722,166	9,697,080	8,667,564	1,029,516	10.62	89.38
Development	63,450,176	26,602,920	20,201,260	6,401,660	24.06	75.94
Executive Total	5,825,980,048	7,451,197,052	6,476,383,918	974,813,134	13.08	86.92
County Assembly	1,075,872,246	1,069,903,256	973,754,291	96,148,965	8.99	91.01
Personal Emoluments	332,289,260	368,295,228	388,185,228	-19,890,000	-5.40	105.40
Operation & Maintenance	511,662,947	533,608,028	411,893,527	121,714,501	22.81	77.19
Development	231,920,039	168,000,000	173,675,536	-5,675,536	-3.38	103.38
County Total	6,901,852,294	8,521,100,308	7,450,138,209	1,070,962,099	12.57	87.43
Personal Emoluments	3,063,631,421	3,678,096,865	3,664,203,019	13,893,846	0.38	99.62
Operation & Maintenance	2,332,304,887	2,456,216,313	1,910,963,487	545,252,826	22.2	77.8
Development	1,505,915,986	2,386,787,130	1,874,971,703	511,815,427	21.44	78.56

Operation and Maintenance had the highest deviation from the planned performance with a variance of 0.545 Billion. This may be attributed to delay in disbursement of equitable share from the national treasury and lengthy procurement process. Personnel emoluments was below target by 0.013 Billion (0.38 per cent) while Development had a variance of 0.512 Billion (21.44%) against target.

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 238 Million against the annual target of kshs 332 Million.