

COUNTY GOVERNMENT OF ISIOLO



COUNTY TREASURY

BUDGET IMPLEMENTATION REVIEW REPORT FY 2024/25

QUARTER TWO (OCTOBER - DECEMBER 2024)

JANUARY 2025

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FOREWORD

County Government Budget Implementation Review Report (CBIRR) for (FY) 2024/25 has been prepared in conformity with Article 228 (6) of the Constitution and Section 9 of the Controller of Budget Act, 2016, which require the Controller of Budget (COB) to submit to Parliament a report on the implementation of the budgets of the National and County Governments every four months. The report also fulfils requirements of Section 39 (8) of the Public Finance Management (PFM) Act, 2012, which requires the COB to ensure members of the public access information on budget implementation of the National and County Governments. This report presents the Isiolo County governments' budget performance for the years ended 30th September 2024.

It is based on an analysis of financial and non-financial performance submissions from the Departments to the County Treasury and financial reports generated from the Integrated Financial Management Information System (IFMIS). Some of the information contained in this report includes; approved budgets, budget financing, exchequer issues, actual expenditure and budget absorption rates of the County Governments during the reporting period. Preparation of this report was made possible through the concerted efforts of staff from the Directorate of Economic Planning and Budgeting, to whom I am highly grateful for their dedication. I urge all readers to constructively engage county governments on budget implementation matters to promote prudent use of public resources.

Thanks in advance



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EXECUTIVE SUMMARY

The budget implementation report is prepared in accordance with section 166 (1) and 166 (4) of the Public Finance Management Act 2012. The second Quarter budget implementation report FY 2024/25 gives an overview of the implementation of both the recurrent and development budget actualised through County programmes.

The report aims to illustrate the resource use by the county departments. Analysis of both county receipts and expenditures is herein provided for in this report and compared with the second quarter of the fiscal year 2024/25.

In the second quarter of FY 2024/25, late disbursements due to delays in and still emerged as a key emerging issue as most restrictions to contain the spread were still in place thus affecting government operations. Climate change was also a crucial issue for most departments given the need to mainstream green economy considerations in most of their project as a way of achieving sustainable development in the county. The budget implementation rate in most departments for the quarter was relatively low owing to challenges which include but are not limited to, delay in budget approval, delays in disbursement of funds, inadequate capacity and technical knowhow for human resources, slow preparation of the bill of quantities and lengthy procurement process.

Going forward, the county government should ensure timely disbursement of funds to the departments in order to enhance the absorption rate and reduce the cash balances carried forward.



Mrs HABABA GALGALO
CHIEF OFFICER FINANCE

CHAPTER ONE

INTRODUCTION

This report forms part of the County Budget Implementation Review Reports.

This second quarter report provides elaborate information on financial and nonfinancial. It further analyses the key issues in the respective departments, challenges and probable solutions.

It highlights the progress made in budget implementation by each of the 9 departments. Specifically, revenue and expenditure performance are analyzed and compared against targets contained in the financial year 2024/25 Approved Budgets.

Key challenges that faced budget implementation during the reporting period have been identified and appropriate recommendations to overcome the challenges made.

The report presents the status of budget execution beginning 1st October to 31st December 2024. It also offers valuable information to members of the public on budget implementation and the County Assembly, which is bestowed with the oversight mandate on utilization of public funds.

OVERALL BUDGET KEY HIGHLIGHTS

Revenue Estimates

Total revenue estimates for the financial year 2024/25 amounts to Ksh 6,833,199,036 including the balance in the county revenue fund of Ksh 438,727,444. The equitable share from the national government contributes the highest figure which stands at Ksh 5,078,735,614. The total estimates for the grants stand at Ksh 944,527,798.

The own source revenue comprising of the local sources and the facility improvement fund is estimated at Ksh 371,208,180. The facility improvement fund and the revenue from the local sources is estimated at Ksh 100,000,000 and Ksh 371,208,180 respectively. Further, the local sources revenue streams estimates and donor grants are broken down as shown below.

Revenue Outturn

During the period under review, the County's receipts amounted to Ksh. 2,603,544,315. This includes a sum of Ksh. 2,035,181,686 as equitable share, Conditional grants from development partners amounting to Ksh. 1,956,702, Balance brought forward from FY 2024/25 amounting to Ksh. 438,727,444 and Own Source Revenue (OSR) collections of Ksh 119,604,807.

Table 1 Revenue Outturn

Revenue Source	Annual Revenue Allocation (in Ksh)	Actual Receipts	Overall Performance (%)
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Revenue Source	Annual Revenue Allocation (in Ksh)	Actual Receipts	Overall Performance (%)
Equitable share	5,078,735,614	2,035,181,686	40.1%
Conditional Grants	944,527,798	1,956,702	0.2%
Sub total	6,023,263,412	2,037,138,388	33.8%
Own Source Revenue	371,208,180	119,604,807	32.2%
Sub Total	371,208,180		0.0%
Opening Balance	438,727,444	438,727,444	100.0%
Total Revenues	6,833,199,036	2,475,865,832	36.2%

Table 2 county own source revenue

Revenue source	Amount	% percentage
Land Rent & Rates - Current Year	17,195,075	4.6%
Penalties Rent & Rates	1,500,000	0.4%
Land Rent & Rates - Arrears	5,576,000	1.5%
Livestock Auction	10,188,993	2.7%
Sand Cess	16,200,000	4.4%
Other Cess (Produce Cess/Barter/Murram/Cheque Clearance)(included Tractor)	3,237,552	0.9%
Miraa Export	4,018,156	1.1%
Miscellaneous Charges	950,000	0.3%
S.B.P Fees/Promotion	6,556,802	1.8%
Liquor License	4,800,000	1.3%
Public Works /Other Charges	1,200,000	0.3%
Stand Premiums	1,285,536	0.3%
Clearance & Consents	419,919	0.1%
Plot Transfer Approval	3,886,076	1.0%
Lease Extension	300,000	0.1%
Planning & Survey	954,000	0.3%
Livestock/Veterinary Inspection (meat)	3,596,000	1.0%
Weights and Measure	750,000	0.2%
Tractor Hire	1,099,891	0.3%
Agriculture Training Centre	880,000	0.2%
Game Entrance & Royalties	154,225,758	41.5%
Market Stalls Rent -Kiosks & Stalls	10,430,446	2.8%
street Parking Fees	10,480,000	2.8%
Slaughter Fees	4,513,575	1.2%
Building Plan Approvals	2,228,401	0.6%
Other Land Revenue (Plot Application/Transfer/Sub-Division)	4,736,000	1.3%
Sub Total	271,208,180	73.1%
FACILITY IMPROVEMENT FINANCING (FIF)- APPROPRIATION IN AID (AIA)		0.0%
ICTRH OSR- Cash Payment	30,000,000	8.1%
ICTRH OSR- NHIF	67,000,000	18.0%
ICTRH OSR- Compassion remittance	3,000,000	0.8%
Sub Total	100,000,000	26.9%
Total	371,208,180	100.0%

External Grants Estimates

Grants	Amount	Percentage of Total
CONDITIONAL ALLOCATIONS FROM NAT. GOVT.		
Supplement for construction of County HQ	115,350,161	12.2%
Transfer of Museum function	1,093,656	0.1%
Roads maintenance fuel levy Fund	190,644,441	20.2%
Community Health promoters	21,630,000	2.3%
Sub Total	328,718,258	34.8%
CONDITIONAL ALLOCATIONS FROM DEVELOPMENT PARTNERS		
Current Grants from Foreign Governments Danida	6,532,500	0.7%
Financing Locally Led Climate Action(FLLoCA)	136,000,000	14.4%
Emergency Locust Response Project ELRP (World Bank)	142,500,000	15.1%
Food Systems Resilience Project (FSRP)	173,076,923	18.3%
Kenya Agricultural Business Development Project (KABDP)-GOS	10,918,919	1.2%
Kenya Agricultural Business Development Project (KABDP)-MOALD Contribution	1,000,000	0.1%
Kenya Devolution Support Program II (KDSP II)	37,500,000	4.0%
Kenya Urban Support Program (KUSP)-UIG	35,000,000	3.7%
Kenya Urban Support Program (KUSP)-UDG	63,661,198	6.7%
United Nations Fund for Population Activities (UNFPA)	9,620,000	1.0%
Sub Total	615,809,540	65.2%
Grand Total	944,527,798	100.0%

Expenditure Estimates

The total county expenditure for the financial year 2024/25 is estimated at Ksh 6,833,199,036. Out of this, the development budget for the financial year 2024/25 is estimated at Ksh 2,412,429,542 representing 35.3%% of the total budget. This is in accordance to the Public Finance Management Act 2012 that requires at least 30% of the total budget to be allocated for development.

Table 3 Recurrent Expenditure 2024/25 as at 31st December 2024

No	Sub sector	Budget Ksh A	Actual Expenditure B	Variance (C=A-B)	%
3512000000 COUNTY EXECUTIVE					
1.	Office of the Governor	285,960,841	112,568,867	173,391,974	39.4%
2.	County Public Service Board	54,541,500	17,067,268	37,474,232	31.3%
3.	County Secretary	37,077,228	7,321,552	29,755,676	19.7%
4.	Delivery Unit	18,853,898	8,410,049	10,443,849	44.6%
5.	Deputy Governor	22,693,782	5,388,228	17,305,554	23.7%
6.	County Attorney	40,798,738	17,999,930	22,798,808	44.1%
7.	Intergovernmental Relations & Donor Coordination	5,600,000	418,000	5,182,000	7.5%
8.	Sector Total	465,525,987	169,173,894	296,352,093	36.3%
3513000000 FINANCE , ECONOMIC PLANNING , SPECIAL PROGRAMS, REVENUE AND COHESION					
9.	Finance	335,144,670	192,939,800	142,204,870	57.6%
10.	Special Programs and ICT	63,460,000	25,843,100	37,616,900	40.7%
11.	Economic Planning	45,575,212	6,904,906	38,670,306	15.2%
12.	Cohesion	25,152,000	5,184,705	19,967,295	20.6%
13.	Revenue Services	15,214,000	3,977,271	11,236,729	26.1%

No	Sub sector	Budget Ksh A	Actual Expenditure B	Variance (C=A-B)	%
14.	ICT & Innovation	11,100,000	3,191,770	7,908,230	28.8%
	Sector Total	495,645,882	238,041,552	257,604,330	48.0%
	3514 00000LANDS & PHYSICAL PLANNING, HOUSING & URBAN PLANNING AND ROADS & INFRASTRUCTURE				
15.	Lands & Physical Planning	21,735,137	187,848	21,547,289	0.9%
16.	Roads & Infrastructure	15,128,190	893,200	14,234,990	5.9%
17.	Public Urban Development and Housing	7,950,000	344,000	7,606,000	4.3%
18.	Public Works	11,431,660	121,100	11,310,560	1.1%
	Sector Total	56,244,987	1,546,148	54,698,839	2.7%
	351500000AGRICULTURE & IRRIGATION, LIVESTOCK & VETERINARY SERVICES AND FISHERIES DEVELOPMENT				
19.	Agriculture Development	47,417,750	19,828,448	27,589,302	41.8%
20.	Livestock & Veterinary	119,365,763	53,193,317	66,172,446	44.6%
21.	Fisheries Development	8,299,764	2,299,933	5,999,831	27.7%
	Sector Total	175,083,277	75,321,698	99,761,579	43.0%
	351800000EDUCATION, VOCATIONAL YOUTH ,SPORTS GENDER& SOCIAL SERVICES				
22.	Education	274,027,285	83,229,254	190,798,031	30.4%
23.	Youth Sports and Gender	25,757,616	5,910,500	19,847,116	22.9%
24.	Culture and Social Services	30,881,983	1,030,000	29,851,983	3.3%
25.	Vocational Training	10,940,800	-	10,940,800	0.0%
	Sector Total	341,607,684	90,169,754	251,437,930	26.4%
	351900000TOURISM AND WILDLIFE, TRADE COOPERATIVE AND ENTRPRISE DEVELOPMENT				
26.	Tourism& Wildlife	103,920,882	42,872,422	61,048,460	41.3%
27.	Trade and Enterprise	8,970,876	2,561,374	6,409,502	28.6%
28.	Public Service Management and Administration	466,469,422	198,797,314	267,672,108	42.6%
29.	Devolved Units & Inspectorate	71,500,800	11,663,338	59,837,462	16.3%
30.	Civic Education & Public Participation	10,353,000	3,470,100	6,882,900	33.5%
31.	MSMs & Cooperatives	5,040,705	1,238,535	3,802,170	24.6%
	Sector Total	666,255,685	260,603,083	405,652,602	39.1%
	352100000 WATER, ENERGY, ENVIRONMENT, AND NATURAL RESOURCES				
32.	Water and Sanitation	47,977,515	11,634,312	36,343,203	24.2%
33.	Environment and CCA	28,089,836	6,759,031	21,330,805	24.1%
34.	Mining and Natural Resources	3,600,000	483,500	3,116,500	13.4%
35.	Renewable Energy	4,000,000	273,300	3,726,700	6.8%
	Sector Total	83,667,351	19,150,143	64,517,208	22.9%
	352200000HEALTH SERVICES				
36.	Medical Services	938,281,894	359,551,010	578,730,884	38.3%
37.	Public Health	456,297,313	188,588,141	267,709,172	41.3%
38.	FIF	100,000,000	31,427,534	68,572,466	31.4%
	Sector Total	1,494,579,207	579,566,685	915,012,522	38.8%
	352400000MUNICIPAL ADMINISTRATION				
39.	Municipal Administration	85,918,661	14,029,124	71,889,537	16.3%
	Sector Total	85,918,661	14,029,124	71,889,537	16.3%
	Total	3,864,528,721	1,447,602,081	2,416,926,640	37.5%

The recurrent expenditure comprising of the operations and maintenance and compensation for employees is estimated at Ksh 3,864,528,721. Compensation for employees and operations and

maintenance constitutes Ksh 1,035,812,220 and Ksh 380,362,326 respectively. Compensation for employees accounts for 32.4% of the total budget which meets the requirement as per the Public Finance management Act that requires a maximum of 35% expenditure on compensation for employees.

Table 4 Development Expenditure as at 31st December 2024

Vote	Approved Estimates FY 2023/24	Actual Expenditure FY 2023/24	Variance	% absorption
	Ksh	Ksh		
3513000000 FINANCE , ECONOMIC PLANNING , SPECIAL PROGRAMS, REVENUE AND COHESION				
Finance	541,462,813	263,761,128	277,701,685	48.7%
Special Programs and ICT	110,000,000	55,000,000	55,000,000	50.0%
Economic Planning	29,000,000	0	29,000,000	0.0%
Sector account	680,462,813	318,761,128	361,701,685	46.8%
3514 000000LANDS & PHYSICAL PLANNING, HOUSING & URBAN PLANNING AND ROADS & INFRASTRUCTURE				
Lands & Physical Planning	48,000,000	5,151,700	42,848,300	10.7%
Roads & Infrastructure	292,644,441	55,254,152	237,390,289	18.9%
Sector account	340,644,441	60,405,852	280,238,589	17.7%
3515000000AGRICULTURE & IRRIGATION, LIVESTOCK & VETERINARY SERVICES AND FISHERIES DEVELOPMENT				
Agriculture Development	341,995,842	22,000,000	319,995,842	6.4%
Livestock & Veterinary	14,576,148	0	14,576,148	0.0%
Fisheries Development	7,000,000	0	7,000,000	0.0%
Sector account	363,571,990	22,000,000	341,571,990	6.1%
3518000000EDUCATION, VOCATIONAL YOUTH ,SPORTS GENDER& SOCIAL SERVICES				
Education	38,338,443	0	38,338,443	0.0%
Youth Sports and Gender	29,590,000	0	29,590,000	0.0%
Culture and Social Services	32,093,567	2,000,000	30,093,567	6.2%
Vocational Training	10,500,000	2,175,000	8,325,000	20.7%
Sector account	110,522,010	4,175,000	106,347,010	3.8%
3519000000TOURISM AND WILDLIFE, TRADE COOPERATIVE AND ENTRPRISE DEVELOPMENT				
Tourism& Wildlife	8,500,000	0	8,500,000	0.0%
Trade and Enterprise	6,500,000	0	6,500,000	0.0%
Public Service Management and Administration	4,000,000	0	4,000,000	0.0%

Vote	Approved Estimates FY 2023/24	Actual Expenditure FY 2023/24	Variance	% absorption
Devolved Units & Inspectorate	157,500,000	0	157,500,000	0.0%
Sector account	176,500,000	0	176,500,000	0.0%
3521000000 WATER, ENERGY, ENVIRONMENT, AND NATURAL RESOURCES				
Water and Sanitation	117,440,000	730,800	116,709,200	0.6%
Environment & Natural Resources Management	180,000,000	27,297,615	152,702,385	15.2%
Mining & Natural Resources	2,000,000	0	2,000,000	0.0%
Renewable Energy	6,500,000	0	6,500,000	0.0%
Sector account	305,940,000	28,028,415	277,911,585	9.2%
3522000000 HEALTH SERVICES				
Medical Services	53,000,000	0	53,000,000	0.0%
Public Health	58,752,500	6,226,662	52,525,838	10.6%
Sector account	111,752,500	6,226,662	105,525,838	5.6%
Municipal Administration				
Municipal Administration	253,035,788	3,876,273	249,159,515	1.5%
Sector account	253,035,788	3,876,273	249,159,515	1.5%
Total	2,342,429,542	443,473,330	1,898,956,212	18.9%

The county executive annual Development expenditure is estimated at Ksh 2,342,429,542. Against half year expenditure of Ksh 443,473,330 reflecting absorption rate of 18.9%.

Allocation to County Assembly

County Assembly allocation was Ksh 626,240,773 for both recurrent and development expenditure in compliance with section 25(f) of the Public Finance Management County Regulations, 2015. The figure comprises of both the recurrent and the development budget.

Priority areas of financing in the Budget Estimates

Priority is given to the stalled projects, ongoing projects and new projects both at the head quarter and at the ward level. To realise this, resources have been allocated to various county departments to spearhead and actualise the implementation processes.

Summary of Allocations to the County Departments by Economic Classification

Department	Budget	Compensation To Employees	Operation And Maintenance	Development	Total	%
3512000000 COUNTY EXECUTIVE						
Governor’s Office	285,960,841	209,878,981	76,081,860		285,960,841	4.61%
CPSB	54541500	30,541,500	24,000,000		54,541,500	0.88%
County Secretary	37077228	14,120,050	22,957,178		37,077,228	0.60%
Delivery Unit	18853898	14,853,898	4,000,000		18,853,898	0.30%
Deputy Governor	22693782	10,656,630	12,037,152		22,693,782	0.37%
County Attorney	40798738		40,798,738		40,798,738	0.66%
Intergovernmental Relations & Donor Coordination	5600000		5,600,000		5,600,000	0.09%
Sector Total	465,525,987	280,051,059	185,474,928	0	465,525,987	0
3513000000 FINANCE , ECONOMIC PLANNING , SPECIAL PROGRAMS, REVENUE AND COHESION					-	0.00%
Finance	335,144,670	84,257,878	250,886,792	541,462,813	876,607,483	14.12%
Special Programs and ICT	63,460,000		63,460,000	110,000,000	173,460,000	2.79%
Economic Planning	45,575,212	11,998,212	33,577,000	29,000,000	74,575,212	1.20%
Cohesion	25,152,000	6,000,000	19,152,000		25,152,000	0.41%
Revenue Services	15,214,000	7,282,000	7,932,000		15,214,000	0.25%
ICT & Innovation	11,100,000		11,100,000		11,100,000	0.18%
Sector Total	495,645,882	109,538,090	386,107,792	680,462,813	1,176,108,695	0
3514 000000LANDS & PHYSICAL PLANNING, HOUSING & URBAN PLANNING AND ROADS & INFRASTRUCTURE					-	0.00%
Lands & Physical Planning	21,735,137	5,000,000	16,735,137	48,000,000	69,735,137	1.12%
Roads & Infrastructure	15,128,190	12,942,197	2,185,993	292,644,441	307,772,631	4.96%
3514000300 Public Urban Development and Housing	7,950,000	-	7,950,000		7,950,000	0.13%
Public Works	11,431,660	8,131,660	3,300,000		11,431,660	0.18%
Sector Total	56,244,987	26,073,857	30,171,130	340,644,441	396,889,428	0
3515000000AGRICULTURE & IRRIGATION, LIVESTOCK & VETERINARY SERVICES AND FISHERIES DEVELOPMENT					-	0.00%

Department	Budget	Compensation To Employees	Operation And Maintenance	Development	Total	%
Agriculture Development	47,417,750	38,837,750	8,580,000	341,995,842	389,413,592	6.27%
Livestock & Veterinary	119,365,763	91,466,680	27,899,083	14,576,148	133,941,911	2.16%
Fisheries Development	8,299,764	5,458,764	2,841,000	7,000,000	15,299,764	0.25%
Sector Total	175,083,277	135,763,194	39,320,083	363,571,990	538,655,267	8.68%
3518000000 EDUCATION, VOCATIONAL YOUTH ,SPORTS GENDER& SOCIAL SERVICES					-	0.00%
Education	274,027,285	169,405,108	104,622,177	38,338,443	312,365,728	5.03%
youth	25,757,616	5,157,616	20,600,000	29,590,000	55,347,616	0.89%
Culture and Social Services	30,881,983	20,015,699	10,866,284	32,093,567	62,975,550	1.01%
Vocational Training	10,940,800	7,980,800	2,960,000	10,500,000	21,440,800	0.35%
Sector Total	341,607,684	202,559,223	139,048,461	110,522,010	452,129,694	0
3519000000 TOURISM AND WILDLIFE, TRADE COOPERATIVE AND ENTRPRISE DEVELOPMENT					-	0.00%
Isiolo - Tourism Culture And Social Services	103,920,882	84,446,598	19,474,284	8,500,000	112,420,882	1.81%
Trade and Enterprise	8,970,876	5,215,009	3,755,867	6,500,000	15,470,876	0.25%
Public Service Management and Administration	466,469,422	314,849,422	151,620,000	4,000,000	470,469,422	7.58%
Devolved Units & Inspectorate	71,500,800	27,980,800	43,520,000	157,500,000	229,000,800	3.69%
Civic Education & Public Participation	10,353,000	5,000,000	5,353,000		10,353,000	0.17%
MSMs & Cooperatives	5,040,705	2,040,705	3,000,000		5,040,705	0.08%
Sector Total	666,255,685	439,532,534	226,723,151	176,500,000	842,755,685	0
3521000000 WATER, ENERGY, ENVIRONMENT, AND NATURAL RESOURCES					-	0.00%
Water and Sanitation	47,977,515	26,711,023	21,266,492	117,440,000	165,417,515	2.67%
Environment and CCA	28,089,836	23,931,104	4,158,732	180,000,000	208,089,836	3.35%
Mining and Natural Resources	3,600,000			2,000,000	2,000,000	0.03%
Renewable Energy	4,000,000			6,500,000	6,500,000	0.10%
Sector Total	83,667,351	50,642,127	25,425,224	305,940,000	382,007,351	0
3522000000 HEALTH SERVICES					-	0.00%
Medical Services	938,281,894	621,717,124	316,564,770	53,000,000	991,281,894	15.97%
Public Health	456,297,313	361,434,519	94,862,794	58,752,500	515,049,813	8.30%

Department	Budget	Compensation To Employees	Operation And Maintenance	Development	Total	%
FIF	100,000,000		100,000,000		100,000,000	1.61%
Sector Total	1,494,579,207	983,151,643	511,427,564	111,752,500	1,606,331,707	0
352400000 MUNICIPAL ADMINISTRATION					-	0.00%
Municipal Administration	85,918,661	18,756,100	67,162,561	253,035,788	338,954,449	5.46%
Sector Total	85,918,661	18,756,100	67,162,561	253,035,788	338,954,449	5.46%
	3,864,528,721	2,246,067,827	1,610,860,894	2,342,429,542	6,206,958,263	100.00%

CHAPTER TWO

FINANCIAL PERFORMANCE QUARTER TWO FY 2024/25

County Receipts (July-Sep 2024/25)

The total receipts f by the end of second quarter of the financial year 2024/25 amounted to Ksh. 2,603,544,315 against an annual target of 6,833,199,036 depicting a 38.1%. In the quarter ended 31st December, 2024 the County had received exchequer equitable share of totaling to Ksh. 1,626,836,859 being four months issues. There conditional grant amounting to Ksh 1,956,702 from Danida. Own local revenue collection for up to the period ending 31st December 2024 was Ksh. 119,604,807 which included Ksh. 31,427,534 facility improvement fund (FIF). A decline from same period for financial year 2023/24 which was 49,000,000 this was as result of health workers strike. In the period under review, own source revenue recorded decline in performance since the birth of devolution. The collected OSR is Ksh 119,604,807 against an annual target of Ksh 371,208,180 representing a 32%percent performance. Facility Improvement Fund (FIF) performed at 31% percent in the review period.

Total County Revenue Receipts.

County Own Source Revenue

D	Own source Revenue(OSR)	Potential Revenue Ksh.)	Annual Targeted Revenue (Ksh.)	Actual Revenue (Ksh.)	Variance (Ksh.)	Performance %)
		A	B	C	D=B-C	
	RECEIPTS FROM ADMINISTRATIVE FEES AND CHARGES		4,736,000	387,100	4,348,900	8%
	Other Land Revenue (Plot Application/Transfer/Sub-Division)		4,736,000	387,100	4,348,900	8%
	LAND RATES		24,271,075	2,438,761	21,832,314	10%
	Land Rent & Rates - Current Year		17,195,075	982,258	16,212,817	6%
	Penalties Rent & Rates		1,500,000	56,219	1,443,781	4%
	Land Rent & Rates - Arrears		5,576,000	1,400,284	4,175,716	25%
	CESSES		29,626,545	3,918,490	25,708,055	13%
	Livestock Auction		10,188,993	1,122,490	9,066,503	11%
	Sand Cess		16,200,000	2,661,000	13,539,000	16%
	Other Cess (Produce Cess/Barter/Murram/ Cheque Clearance)(included Tractor) 2016/17		3,237,552	135,000	3,102,552	4%
	OTHER MISCELLANEOUS RECEIPTS		30,696,380	4,562,121	26,134,259	14.9%
	Miraa Export		4,018,156	2,933,740	1,084,416	73.0%
	Miscellaneous Charges		950,000	126,000	824,000	13.3%
	S.B.P Fees/Promotion		6,556,802	1,135,315	5,421,487	17.3%
	Liquor License		4,800,000	0	4,800,000	0.0%
	Public Works /Other Charges		1,200,000	0	1,200,000	0.0%
	Stand Premiums		1,285,536	57,460	1,228,076	4.5%
	Clearance & Consents		419,919	16,000	403,919	3.8%
	Plot Transfer Approval(Public Health		3,886,076	100,756	3,785,320	2.6%
	Lease Extension		300,000	0	300,000	0.0%
	Planning & Survey		954,000	0	954,000	0.0%
	Livestock/Veterinary Inspection (meat)		3,596,000	158,000	3,438,000	4.4%
	Weights and Measure		750,000	0	750,000	0.0%
	Tractor Hire		1,099,891	34,850	1,065,041	3.2%
	Agriculture Training Centre		880,000	0	880,000	0.0%
	PARK REVENUE		154,225,758	75,357,856	78,867,902	48.9%

D	Own source Revenue(OSR)	Potential Revenue Ksh.)	Annual Targeted Revenue (Ksh.)	Actual Revenue (Ksh.)	Variance (Ksh.)	Performance %)
		A	B	C	D=B-C	
	Game Entrance & Royalties		154,225,758	75,357,856	78,867,902	48.9%
	MARKET/TRADE CENTRE FEE		10,430,446	560,493	9,869,953	5.4%
	Market Stalls Rent -Kiosks & Stalls		10,430,446	560,493	9,869,953	5.4%
	VEHICLE PARKING FEES		10,480,000	659,150	9,820,850	6.3%
	street Parking Fees		10,480,000	659,150	9,820,850	6.3%
	SLAUGHTER HOUSES ADMINISTRATION FEES		4,513,575	224,000	4,289,575	5.0%
	Slaughter Fees		4,513,575	224,000	4,289,575	5.0%
	TECHNICAL SERVICES FEES		2,228,401	69,302	2,159,099	3.1%
	Building Plan Approvals		2,228,401	69,302	2,159,099	3.1%
	Gross County Internal Revenue Estimates Through County Revenue Fund		271,208,180	88,177,273	183,030,907	32.5%
E	Facility Improvement Fund (FIF)-Appropriations in Aid					
1	ICTRH OSR- Cash Payment		30,000,000	8,213,609	21,786,391	27.4%
2	ICTRH OSR- NHIF		67,000,000	23,021,045	43,978,955	34.4%
3	ICTRH OSR- Compassion remittance		3,000,000	192,880	2,807,120	6.4%
	Sub-Total		100,000,000	31,427,534	68,572,466	1
	Gross Total Internal Revenue Estimates - Own Source Revenue		371,208,180	119,604,807	251,603,373	32.2%
Total			6,833,199,036	2,603,544,315	4,229,654,721	38.1%

Table 5 Comparative Own Source Revenue Analysis

S/No	Revenue Stream	Target as at 31st December 2023	Actual Revenue as at 31st Dec 2023	Variance (Ksh.)	absorption	Target as at 31st December 2023	Actual Revenue (Ksh.)as at 31st Dec 2024	Variance (Ksh.)	absorption	
		(Ksh.)	(Ksh.)	(Ksh.)		(Ksh.)	(Ksh.)	(Ksh.)		
A	Equitable Share Receipts Schedule	2,449,520,605	2,033,102,103	- 416,418,502	83.00 %	2,461,753,594	2,043,255,362	- 418,498,232	83.00 %	
B	Opening balance from 2022/23 CRF	45,001,200	45,001,200	-	100.0 0%	427,727,444	427,727,444	-	100.0 0%	
C	Additional Allocations Balances B/F from FY in various Accounts									
1	County Fuel Levy	11,224	11,224	-	100.0 0%	-	-	-	0.00%	
2	County Livestock Support	243,151	243,151	-	100.0 0%	-	-	-	0.00%	
3	KDSP	56,503,926	56,503,926	-	100.0 0%	-	-	-	0.00%	
4	Financing Locally led climate action World Bank	11,000,000	11,000,000	-	100.0 0%	11,000,000	11,000,000	-	100.0 0%	
5	Primary health care	192,001	192,001	-	100.0 0%	-	-	-	0.00%	
6	KUSP	255,182	255,182	-	100.0 0%	-	-	-	0.00%	
7	Current Grants from Foreign Governments - Danida	4,698,375	4,698,375	-	100.0 0%	-	-	-	0.00%	
	Sub total	72,903,859	72,903,859	0	100.0 0%	11,000,000	11,000,000	-	100.0 0%	
	Total Balances B/F	117,905,059	117,905,059	0	100.0 0%	438,727,444	438,727,444	-	100.0 0%	
D	Conditional Allocations From Development Partners									
1	Current Grants from Foreign Governments - Danida	3,869,250	4,698,375	829,125	121.4 0%	3,266,250	1,956,702	- 1,309,548	59.90 %	
3	Financing Locally led climate action World Bank	68,000,000	11,000,000	- 57,000,000	16.20 %	68,000,000	-	- 68,000,000	0.00%	
4	Sweden Agricultural Sector Development Support Programme (ASDSP)	9,223,441	15,758,238	6,534,797	170.8 0%	-	-	-	0.00%	
5	County Emergency Locust Re	94,484,277	0	- 94,484,277	0.00%	71,250,000	-	- 71,250,000	0.00%	
6	Kenya Climate Smart Agr	45,000,000	0	- 45,000,000	0.00%	-	-	-	0.00%	
7	Food Systems Resilience Project (FSRP)					86,538,462	-	- 86,538,462	0.00%	

8	Kenya Agricultural Business Development Project (KABDP)-GOS					5,459,460	-	-	0.00%
							5,459,460		
9	Kenya Agricultural Business Development Project (KABDP)-MOALD Contribution					500,000	-	-500,000	0.00%
10	Kenya Devolution Support Program II (KDSP II)					18,750,000	-	-	0.00%
							18,750,000		
11	Kenya Urban Support Program (KUSP)-UIG					17,500,000	-	-	0.00%
							17,500,000		
12	Kenya Urban Support Program (KUSP)-UDG					31,830,599	-	-	0.00%
							31,830,599		
13	United Nations Fund for Population Activities (UNFPA)	9,750,999	0	-	0.00%	4,810,000	-	-	0.00%
				9,750,999			4,810,000		
	Sub-Total	230,327,967	31,456,613	-	13.70	307,904,770	1,956,702	-	0.60
				198,871,354	%		305,948,068		%
E	Conditional Allocations From national government								
1	Supplement for construction of County HQ					57,675,081	-	-	0.00%
							57,675,081		
2	Transfer of Museum function					546,828	-	-546,828	0.00%
3	Roads maintainance fuel levy Fund					95,322,221	-	-	0.00%
							95,322,221		
4	Community Health promoters					10,815,000	-	-	0.00%
							10,815,000		
	Sub-Total	-	-	-	0.00	164,359,129	-	-	0.00
					%		164,359,129		%
F	Own Source Revenue								
1	Own source through CRF	135,604,090	118,309,944	-	87.20	135,604,090	88,177,273	-	65.00
				17,294,146	%		47,426,817		%
2	Own source through FIF	24,000,000	49,918,657	25,918,657	208.00	50,000,000	31,427,534	-	62.90
					%		18,572,466		%
	Sub total	159,604,090	168,228,601	8,624,511	105.40	185,604,090	119,604,807	-	64.40
					%		65,999,283		%
	Total (Internal & External Sources)	2,957,357,721	2,350,692,376	-	79.50	3,393,989,898	2,603,544,315	790,445,583	76.70
				606,665,345	%				%

Second Quarter Expenditure Analysis

The total County expenditure for the second quarter financial year 2024/25 amounted to sum of Ksh 1,859,647,876 against an annual target of 6,207,308,263. This presents a 30.0% budget execution rate. In the period under review, there was no expenditure for the development majorly attributed to late approval of the budget and delays in exchequer releases. In this regard, there was no budget execution for the development budget. Total county executive recurrent expenditure stood at Ksh 1,416,174,546 against an annual target of 3,864,878,721 depicting a 36.6% budget execution rate. Development expenditure amounted to Ksh 443,473,330 against annual budget Ksh 2,342,429,542

EMERGING ISSUES, CHALLENGES AND RECOMMENDATIONS

This section highlights Departments' emerging issues, challenges that hampered budget execution of financial year 2024/2025.

EMERGING ISSUES

1. Damage to Infrastructure: Frequent and severe weather events, such as floods (e.g., El Niño rains), have caused significant damage to roads, bridges, and other infrastructure, leading to increased maintenance costs.

2. Development Funding Shortfalls: Planned grants and development funding were not fully disbursed, limiting the implementation and success of various projects.

3. Delayed Government Disbursements: Late disbursement of funds from the National Government slowed the commencement of programs and projects, as well as the payment of pending bills.

4. Inadequate Funding: Limited funds hindered the recruitment and retention of human resources, and also impacted the ability to address the influx of patients from neighboring counties, especially at healthcare facilities.

5. Procurement Delays: Delays in procurement processes further limited the timely implementation of initiatives. **6. Municipal Staffing and Funding Issues:** Municipalities faced challenges in staffing and securing adequate funding to implement their charters effectively.

7. Interdepartmental Overlaps: There were overlaps in responsibilities during development control activities, leading to inefficiencies.

8. Population Pressure: Increased population in urban areas led to more waste generation and higher water demand, overstressing available resources.

9. Weak Inter-departmental Synergy: A siloed approach to service delivery complicated coordination, particularly at the Sub-County and ward levels, affecting monitoring and evaluation activities.

RECOMMENDATIONS

- **Enhance Infrastructure Resilience:** Invest in climate-resilient infrastructure designs that can withstand extreme weather events. This includes using durable materials, elevating roadbeds in flood-prone areas, and constructing more robust drainage systems.
- **Diversify Funding Sources:** Seek alternative funding sources such as public-private partnerships, international development loans, and community-based financing mechanisms to supplement grants.
- **Improve Fund Disbursement Procedures:** Engage with development partners to streamline disbursement processes, ensuring that funds are released on time and as planned.
- **Strengthen Financial Coordination:** Establish a dedicated liaison office to coordinate with the National Government on timely fund disbursements and to monitor the status of fund releases.
- **Prioritize Critical Staffing Needs:** Conduct a workforce analysis to prioritize critical staffing needs, ensuring that essential services, such as healthcare, are adequately staffed.
- **Advocate for Increased Budget Allocations:** Engage in advocacy and negotiations with relevant government bodies to secure higher budget allocations for human resources and essential services, emphasizing the long-term cost savings and benefits of adequate staffing.
- **Streamline Procurement Processes:** Review and streamline procurement procedures to eliminate bottlenecks, reduce paperwork, and accelerate decision-making.
- **Implement e-Procurement Systems:** Adopt e-procurement systems to automate and expedite the procurement process, improving transparency and reducing the time required for approvals.
- **Strengthen Municipal Capacity:** Invest in capacity-building programs for municipal staff, including training and development initiatives, to improve service delivery and operational efficiency.
- **Enhance Waste Management Systems:** Invest in modern waste management infrastructure and technologies, such as recycling programs and waste-to-energy plants, to handle increased waste generation.
- **Foster a Collaborative Culture:** Promote a collaborative culture by encouraging joint planning, shared goals, and cross-departmental teams to improve service delivery and project implementation.
- **Establish a Coordination Office:** Create an office or task force specifically responsible for coordinating activities across departments, particularly at the Sub-County and ward levels, to ensure alignment and efficiency.
- **Strengthen Contract Management Practices:** Implement rigorous contract management protocols, including regular performance reviews, detailed budgeting, and risk assessments, to ensure projects stay on track. Introduce stricter penalties for

contractors who abandon projects and establish performance-based contracts that tie payments to the achievement of specific milestones and quality standards.