

COUNTY GOVERNMENT OF SIAYA



Budget Implementation Report

For 2nd Quarter Ending December 30th, 2024

1: ANALYSIS OF RECEIPTS AND EXCHEQUER ISSUES

1.0 Introduction

This chapter summarises the receipts into the County Revenue Fund (CRF) in the second quarter of financial year 2024/25. The exchequer issues comprise disbursements for recurrent and development expenditures and other transfers to government entities.

1.1 Analysis of Revenue Estimates and Receipts into CRF

The County Revenue Fund is a creation of article 206 (1) of the Constitution of Kenya, 2010 and is the account into which all monies raised or received by or on behalf of the County is deposited.

1.2 Revenue Estimates for the financial year 2024/25

The approved revenue estimates for financial year 2024/25 were **Kshs.10,948,133,478** comprising **Kshs.7,545,380,269** as equitable share **Kshs.698,185,561** as conditional grants, **Kshs.1,044,061,306** as own source revenue and **Kshs.1,660,506,342** as balance brought forward from FY 2023/24.

Table1 below summarizes the analysis of revenue streams from the budget.

Table 1: Analysis of revenues in the budget for FY 2024/25

Revenue Stream	Budget Estimates-FY 2024/25	% of Budget
Equitable Share	7,545,380,269	68.92
Own Source Revenue	1,044,061,306	9.54
Conditional Grant	698,185,561	6.38
Balance Brought Forward from FY 2022/23	1,660,506,342	15.16
Total	10,542,130,283	100.00

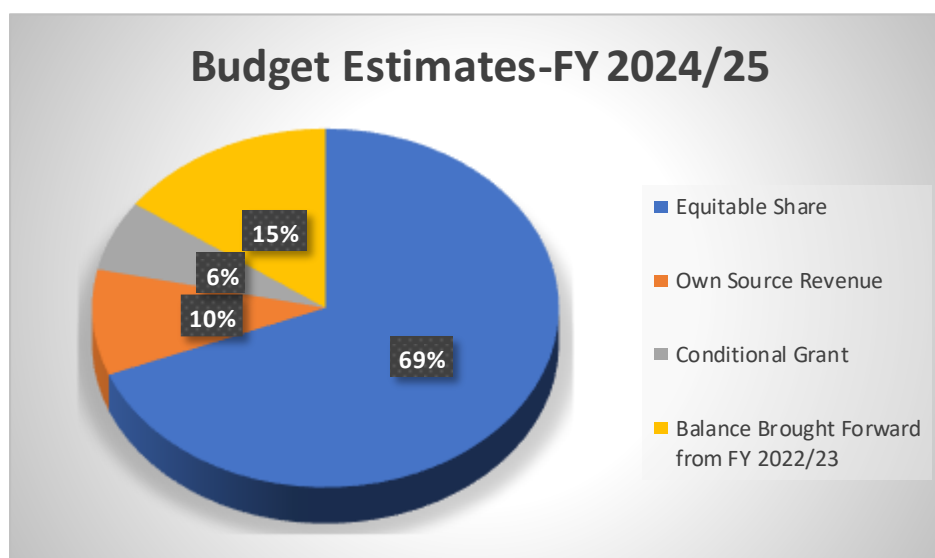


Figure 1: Analysis of revenue in budget estimates for FY 2024/25

1.3 Receipts into County Revenue Fund (CRF)

In the period ending 31st December 2024, the projected cumulative receipt was Kshs. 6,304,319,911 comprising Kshs.3,772,690,134.50 as equitable share, Kshs.349,092,780.50 as grants, Kshs.522,030,654 as OSR and Kshs.1,660,506,342 as balances brought forward from FY 2023/24. However, the total receipts within the period were Kshs.5,620,983,897 resulting into a fiscal gap of Kshs.683,336,014. This gap affected the implementation of the planned programmes and projects in Q1 and Q2.

The gap is attributed to arrears in exchequer issues for equitable share and low disbursement of grants by National Treasury. In addition, the inability of the County Government to meet its own source revenue targets as represented in table 2 below and table 3 below shows the Year To Date (YTD) performance.

Table 2: Expected against actual receipts in Half Year (Period Ending 31st December 2024)

Revenue Source	Half Year Budget=A	Half Year Receipts=B	Half Year Variance=(B-A)
Equitable Share	3,772,690,134.50	3,611,152,623	-161,537,512
Conditional Grants	349,092,780.50	54,131,578.90	-294,961,202
OSR	522,030,654	295,193,353	-226,837,301
Bal. B/F	1,660,506,342	1,660,506,342	0
Total	6,304,319,911	5,620,983,897	-683,336,014

Source: County Treasury (Q2 Financial Statement)

Table 3: YTD in receipts

Revenue Source	Q1 Receipts	Q2 Receipts	YTD (in %)
Equitable Share	1,198,398,213	2,412,754,410	201.33
Conditional Grants	54,131,578.90	0	
OSR	133,285,423	161,907,930	121.47
Total	642,689,354	1,803,526,468	193.34

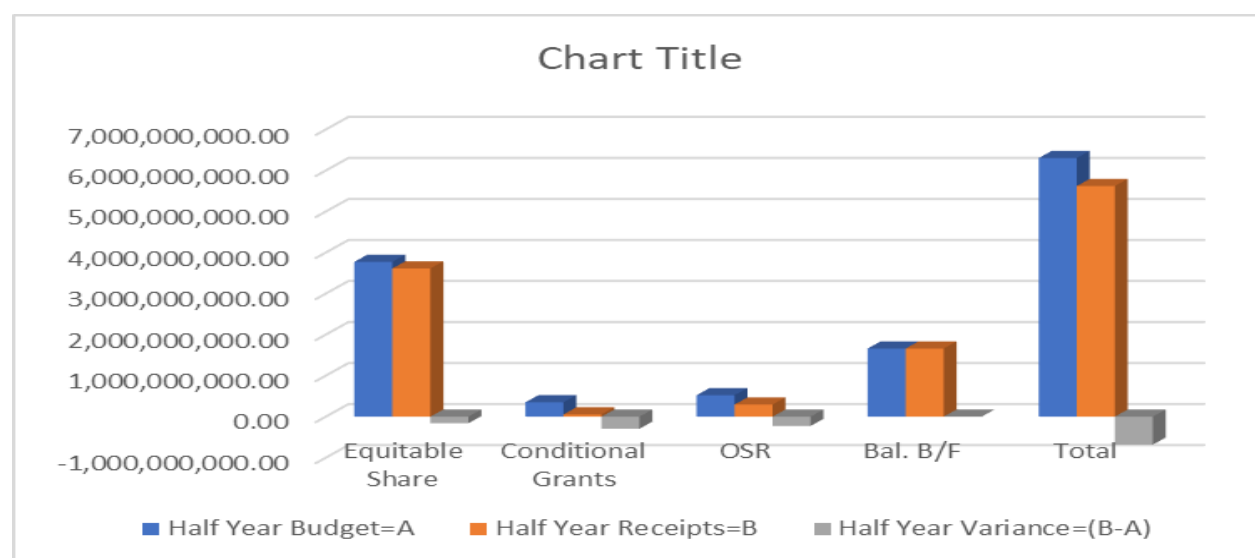


Figure 2: Analysis of expected against actual receipts as at 31st December 2023

1.4 Equitable share in Half Year (In the period ending 31st December 2023)

The County Government had projected total receipt of **Kshs.5,433,196,476.50** as at 31st December 2023 comprising Kshs.3,772,690,134.50 for equitable share and Kshs.1,660,506,342 as roll-overs from FY 2023/24. However, as at end of Q2 the County Government had cumulative receipts of **Kshs.5,271,658,965** translating to 97.03 percent of expected receipts. These receipts comprised Kshs.1,660,506,342 which was part of balances brought forward from FY 2023/24 and Kshs.3,611,152,623 in Q2 resulting into a non-disbursement of **Kshs.161,537,511.50**. This non disbursement is attributed to delayed disbursement from National Treasury. The delayed disbursement affected the implementation of the planned programmes and projects in Q1 and Q2 and is likely to pile pressure on implementation plan on Q3 and Q4 projects. The delayed exchequer issue is likely to lower the County absorption rate subsequently creating huge roll-overs into the subsequent financial year. Table 4 below captures the summary of this trend.

Table 4: Summary of equitable share in Q1 and Q2

Item	Q1	Q2
Equitable share	1,198,398,213	2,412,754,410

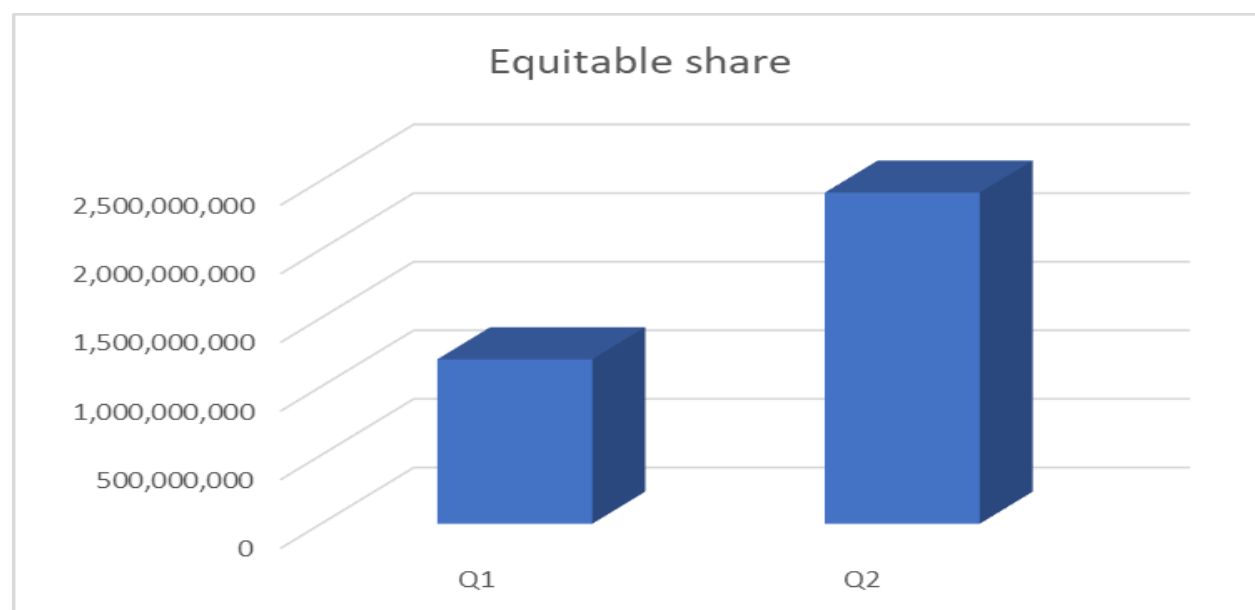


Figure 3: Analysis of equitable share in Q1 and Q2

1.5 Own Source Revenue in Half Year (In the period ending 31st December 2023)

The County Government had projected total receipt of **Kshs. 522,030,654** as of 31st December 2024, however, the County Government realized 56.55 percent of targeted OSR translating to collection of Kshs.295,193,353. There was an increase in collection in Q2 by Kshs.28,622,507 from Kshs.133,285,423 in Q1 to Kshs.161,907,930 in Q2. This increase was attributed to automation of revenue and strong enforcement of revenue raising measures.

Notable streams that performed well include sugar cess (61 percent), parking (59percent), Veterinary services (84 percent), among others as per table 5 below.

Table 5: Summary of OSR performance

DEPARTMENT	IFMIS CODE	REVENUE STREAM	FY 2023/2024 Estimates	OSR half year Projection-A	OSR Half year Actuals-B	% Performance	Variance=(B-A)
Trade, Enterprise and Industrialization	1520201	SINGLE BUSINESS PERMITS	192,213,664	96,106,832	8,541,109	8.887098162	-87,565,724
	1550100	MARKET FEES	95,800,000	47,900,000	16,479,309	34.40356785	-31,420,691
	1550221	BODA BODA	14,026,766	7,013,383		0	-7,013,383
		WEIGHTS & MEASURES	3,000,000	1,500,000	259,120	17.27466667	-1,240,880
		TRADE INCOME (AUDIT FEE)	749,250	374,625	13,860	3.6996997	-360,765
	1560104	ADVERTISEMENT CHARGES	20,000,000	10,000,000	1,374,160.00	13.7416	-8,625,840
		LIQUOR LICENSING	34,000,000	17,000,000	387,000.00	2.276470588	-16,613,000
		Sub Total	359,789,680.00	179,894,840	27,054,558	15.0390959	-152,840,283
Public Works, Energy, Roads and Transport	1550201	BUS PARK	38,998,234	19,499,117	6,823,712	34.99497952	-12,675,405
		PLAN APPROVAL (Engineers)	21,000,000	10,500,000	1,257,757	11.9786381	-9,242,243
		GRADER	13,200,000	6,600,000	0	0	-6,600,000
		FIRE INSPECTION	4,000,000	2,000,000	0	0	-2,000,000
		PARKING	13,000,000	6,500,000	3,966,800	61.02769231	-2,533,200
	1560201	COUNTY HALL HIRE	140,000	70,000	2,000	2.857142857	-68,000
		Sub Total	90,338,234.00	45,169,117	12,050,269	26.678115	-33,118,848
Agriculture, Irrigation, Food Security, Livestock and Fisheries	1520300	FISH CESS	10,000,000	5,000,000	1,706,847	34.13694	-3,293,153
	1580401	SLAUGHTER FEES	1,473,200	736,600	213,000	28.91664404	-523,600
	1510201	CILOR	20,000,000	10,000,000	0	0	-10,000,000
		SUGAR CESS	11,000,000	5,500,000	3,263,421	59.33492727	-2,236,579
		AGRICULTURE INCOME	5,380,290	2,690,145	15150	0.563166669	-2,674,995
		VETERINARY SERVICES	4,395,235	2,197,618	1,859,370	84.60844528	-338,248
	1520321	CATTLE AUCTION	5,000,000	2,500,000	1,192,290	47.6916	-1,307,710
		TRACTOR HIRE SERVICES (T.H.S)	17,500,000	8,750,000	0	0	-8,750,000
		SALES OF SEED	8,334,400	4,167,200	4200	0.100787099	-4,163,000
		SALES OF FERTILIZER	16,665,600	8,332,800	0	0	-8,332,800
		Sub Total	99,748,725	49,874,363	8,254,278	16.5501424	-41,620,085
Lands, Physical Planning, Housing and Urban	1590111	PLAN APPROVAL (Physical Planning)	15,000,000	7,500,000	1,847,224	24.62965333	-5,652,776

Development	1530103	TRANSFER FEE	2,600,000	1,300,000	554,700	42.66923077	-745,300
	1520101	PLOT RATES	13,000,000	6,500,000	1,008,731	15.51893846	-5,491,269
	1560101	PLOT RENT	14,155,575	7,077,788	2,401,432	33.92913393	-4,676,356
	1520501	GROUND RENT	1,000,000	500,000	215,980	43.196	-284,020
		HOUSE RENT	4,600,000	2,300,000	9,800	0.426086957	-2,290,200
		KIOSK/STALL RENT	13,025,075	6,512,538	2,910,230	44.6865757	-3,602,308
	1580241	BURIAL FEE & SYNAGE	100,000	50,000	2000	4	-48,000
		CLEARANCE CERTIFICATE	1,500,000	750,000	120000	16	-630,000
		SITE FEE	1,303,000	651,500	1,700	0.260936301	-649,800
		SURVEY FEE	1,500,000	750,000	186000	24.8	-564,000
		PRIVATE ESTATE FEE	130,000	65,000	0	0	-65,000
		Sub Total	67,913,650.00	33,956,825	9,257,797	27.2634353	-24,699,028
Health	1580211	HOSPITAL REVENUE	283,954,579	141,977,290	116731024.7	82.21809633	-25,246,265
	1580100	PUBLIC HEALTH	8,601,598	4,300,799	1,950,340	45.34831784	-2,350,459
		LINDA MAMA	63,849,777	31,924,889	6335232	19.84417894	-25,589,657
		NHIF/CAPITATION	52,866,654	26,433,327	111931096	423.4468707	85,497,769
		BURIAL FEE	0	0	0	0	0
		Sub Total	409,272,608	204,636,304	1,930,700	0.94347873	-202,705,604
Water, Sanitation, Environment, Climate Change and Natural Resources	1580301	NEMA	3,160,909	1,580,455	162300	10.26919788	-1,418,155
		ENVIRONMENT AND CONSERVANCY ADMINISTRATION	0	0	0	0	0
	1530301	SAND CESS/QUARRY	11,500,000	5,750,000	99,000	1.72173913	-5,651,000
		Sub Total	14,660,909	7,330,455	261,300	3.564581159	-7,069,155
Education, Youth Affairs, Gender and Social Services		CLEARANCE CERTIFICATE	0	0	0	0	0
	1570101	SCHOOL FEE	337,500	168750	0	0	-168,750
		Sub Total	337,500	168750	0	0	-168,750
Governance Administration and ICT		MISCELLENIOUS FEES	0	0	999,252	0	999,252
		IMPOUNDING FEE	2,000,000	1,000,000	0	0	-1,000,000
		Sub Total	2,000,000	1,000,000	999,252	0	-749
Sub-Total=Own Source Revenue(OSR)			1,044,061,306	522,030,653	295,193,353	56.5471301	-226,837,300

1.6 Conditional Grants in Half Year (In the period ending 31st December 2023)

In the period under review, the County Government had projected to receive Kshs.349,092,780.50 however only Kshs.54,131,578.90 was disbursed by the National Government. Such grants with co-fundings are: County Aggregated and Industrial Parks (CAIP), Kenya Climate Smart Agricultural Project (KCSAP) and DANIDA. The low disbursement had a negative effect on the planned activities which were to be financed by such grants affecting the annual departmental workplans which had integrated the donor funding.

2: ANALYSIS OF EXPENDITURE

2.0 Introduction

This chapter summarises the expenditures for both the County Executive and Assembly. These expenditures comprised recurrent and development expenditures.

2.1 Overall Expenditure

Total cumulative expenditure for the period ending 31st December 2023 amounted to **Kshs.2,215,900,035.59** comprised recurrent expenditure of **Kshs.1,607,570,480.37** and development of **Kshs.608,329,555.22**.

Expenditure for Q1 amounted to **Kshs.761,934,044.16** comprising of Kshs.547,900,732.75 for recurrent and Kshs.214,033,311.41 for development) for Executive.

Expenditure for Q2 amounted to **Kshs.1,453,965,991.43** comprising of Kshs.1,059,669,747.62 for recurrent and Kshs.394,296,243.81 for development) for Executive

2.3 Pending Bills

There were pending bills amounting to Kshs.1,123,648,608.42 comprising of Kshs.488,551,120.49 for recurrent and Kshs.635,097,487.93 for development.

During the period under review, the County Government paid a total of Kshs.428,650,838.12 towards pending bills resulting into pending bills of Kshs.694,997,770.30

3.0: Recommendations

1. Improve OSR collection by activating dormant revenue streams such as Boda-Boda; Bus Park/parking fees; Plan approval by Public Health; Tractor Hire Services (THS) and Grader fees, strengthening enforcement of revenue raising measures and automation of revenue system.
2. Timely procurement of goods works and services to improve on absorption of funds received thereby minimizing roll-overs.
3. Fidelity in budget implementation to minimise pending bills.
4. There should be linkage between the IFMIS and budget office vote books to ensure harmonious reports.

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