

COUNTY GOVERNMENT OF SIAYA



Budget Implementation Report

For 4th Quarter Ending June 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 third quarter of financial year 2023/24. 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 2023/24

The approved revenue estimates for financial year 2023/24 were **Kshs. 10,542,130,283** comprising **Kshs. 7,263,019,462** as equitable share **Kshs. 950,205,559** as conditional grants, **Kshs. 760,000,000** as own source revenue and **Kshs. 1,568,905,262** as balance brought forward from FY 2022/23.

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

Table 1: Analysis of revenues in the budget for FY 2023/24

Revenue Stream	Budget Estimates-FY 2023/24	% of Budget
Equitable Share	7,263,019,462	68.90
Own Source Revenue	760,000,000	7.21
Conditional Grant	950,205,559	9.01
Balance Brought Forward from FY 2022/23	1,568,905,262	14.88
Total	10,542,130,283	100.00

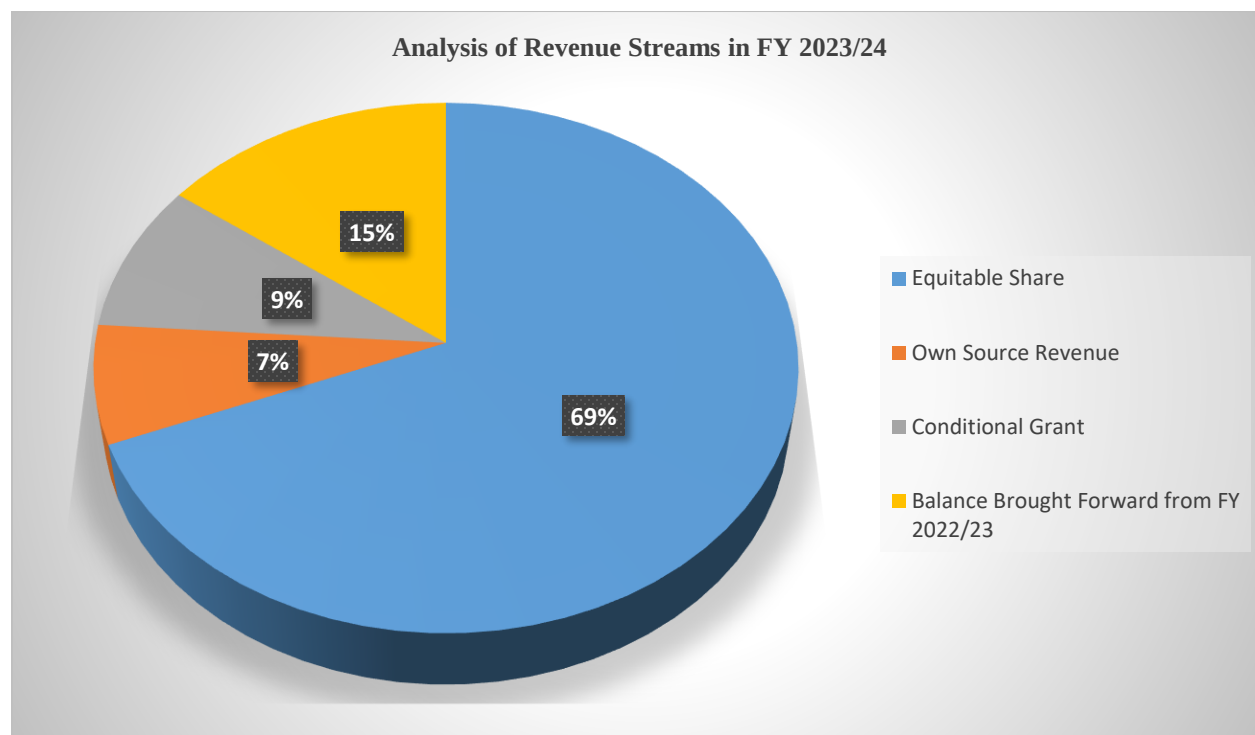


Figure 1: Analysis of revenue in budget estimates for FY 2023/24

1.3 Receipts into County Revenue Fund (CRF)

The gap is attributed to arrears in exchequer issues for equitable share and non-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 (Period Ending 30th June 2024)

Revenue Source	As at 30th June 2024 Budget=A	As at 230th June 2024 Receipts=B	As at 30th June 2024 Variance=(B-A)
Equitable Share	7,263,019,462	6,681,977,903	-581,041,559
Conditional Grants	874,012,300	466,543,935	-407,468,365
OSR	760,000,000	601,680,094	-158,319,906
Total	8,897,031,762	7,750,201,932	-1,146,829,830

Source: County Treasury (Q4 Financial Statement)

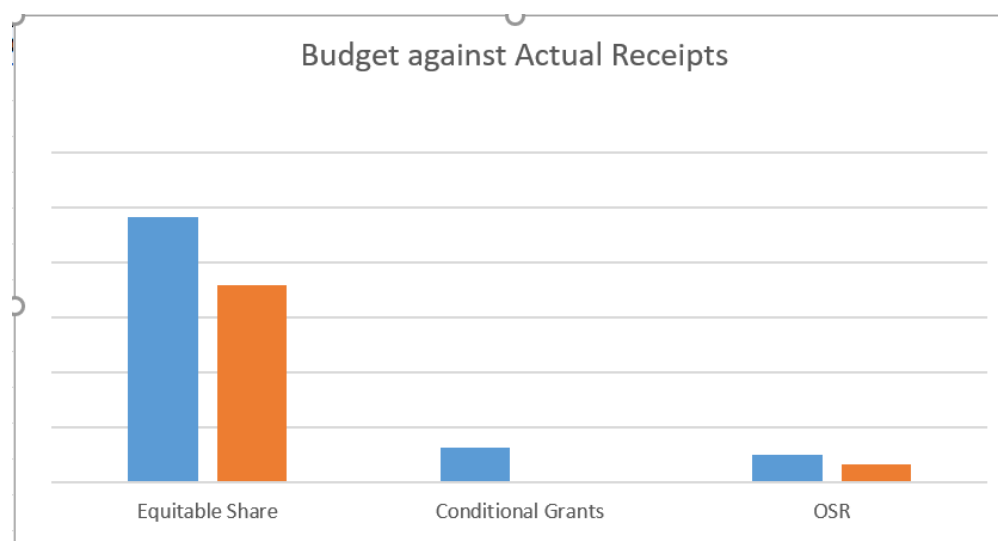


Figure 2: Analysis of expected against actual receipts as at 30th June 2024

1.4 Equitable share (In the period ending 30th June 2024)

The County Government had projected total receipt of **Kshs.7,263,019,462** as at 30th June 2024. However, as at end of Q4 the County Government had cumulative receipts of **Kshs.6,681,977,903** translating to 92 percent of expected receipts. The delayed exchequer issue affected the County absorption rate subsequently creating roll-overs into the subsequent financial year. Table 4 below captures the summary of this trend.

Table 3: Summary of equitable share in FY2023/24

Item	Projected as at 30 th June 2024	As at 30 th June 2024
Equitable share	7,263,019,462	6,681,977,903

1.5 Own Source Revenue (In the period ending as at 30th June 2024)

The County Government had projected total receipt of **Kshs.760,000,000**, however, the County Government realized 79.16 percent of targeted OSR translating to collection of **Kshs.601,680,094**. This increase year on year was attributed to strengthened enforcement of revenue raising measures and increased collection of AIA revenue streams.

Notable streams that performed well include Private Estate Fee (769 percent), Site Fee (121 percent), Veterinary services (72 percent), Cattle auction (62 percent) among others as per table 5 below.

Table 4: Summary of OSR performance

Department	Revenue Stream	Estimates FY 2023/2024	Receipts	Variance
Trade, Cooperatives, Enterprises and Industrialization	Single Business Permit	100,080,869	77,141,239	-22,939,630
	Market Fees	45,800,000	28,464,900	-17,335,100
	Boda-Boda	14,026,766	0	-14,026,766
	Weights And Measures	3,000,000	843,470	-2,156,530
	Trade Income (Audit Fee)	749,250	75,460	-673,790
	Advertisement Charges	10,000,000	11,404,065	1,404,065
	Liquor Charges	20,000,000		-20,000,000
	SUB TOTAL	193,656,885	117,929,134	-75,727,751
Public works, Energy, Roads, and Transport	Bus Park/Parking Fees	27,998,234	11,993,334	-16,004,900
	Grader	9,200,000		-9,200,000
	Fire Inspections Fees	2,000,000	164,790	-1,835,210
	Plan Approval (Engineers)	15,000,000	4,241,028	-10,758,972
	Parking Fees	10,000,000	4,491,114	-5,508,886
	County Hall Hire	140,000	4,000	-136,000
	SUB TOTAL	64,338,234	20,894,266	-43,443,968
Agriculture, Food Security, Livestock and Blue Economy	Fish Cess	10,000,000	3,049,880	-6,950,120
	Slaughter Fees	1,473,200	622,890	-850,310
	Agricultural Income	5,380,290		-5,380,290
	Sugar Cess	11,000,000	731,281	-10,268,719
	Veterinary Services	4,395,235	3,416,220	-979,015
	Tractor Hire Service (THS)	42,500,000	8,888,194	-33,611,806
	Sale of fertilizer			0
	Cattle Auction	5,000,000	3,053,840	-1,946,160
	CILOR	20,000,000		-20,000,000
	SUB TOTAL	99,748,725	19,762,305	-79,986,420
Lands, Physical planning, Housing and Urban Development	Plan Approvals (Physical Planning)	15,000,000	7,712,770	-7,287,230
	Transfer Fees	2,600,000	455,000	-2,145,000
	Plot Rates	13,000,000	23,416,667	10,416,667
	Plot Rents	14,155,575	5,680,461	-8,475,114
	Ground Rents	1,000,000	272,200	-727,800
	House Rent	4,600,000	667,018	-3,932,982
	Kiosks/Stalls Rent	13,025,075	6,134,936.00	-6,890,139
	Burial Fees/Signage	100,000	9,000.00	-91,000
	Clearance Certificate	1,500,000	316,000	-1,184,000
	Site Fees	1,303,000	107,100	-1,195,900
	Survey Fee	1,500,000	1,310,900	-189,100
	Private Estate Fees	130,000	0	-130,000
	SUB TOTAL	67,913,650	46,082,052	-21,831,598
Health and Sanitation	FIF	206,607,445	199,286,041	-7,321,404
	Public Health	8,160,909	6,554,381	-1,606,528
	PUBLIC HEALTH-Plan Approvals			0
	Linda Mama	60,578,536	43,309,996	-17,268,540
	NHIF/Capitation	50,158,116	139,476,358	89,318,242
	SUB TOTAL	325,505,006	388,626,776	63,121,770
Water, Irrigation, Environment and Natural Resources	NEMA	1,000,000	177,800	-822,200
	Sand Cess/Quarry	5,500,000	1,100,490	-4,399,510
	SUB TOTAL	6,500,000	1,278,290	-5,221,710
Governance, Administration and ICT	Impounding Fees	2,000,000	36,400	-1,963,600

Department	Revenue Stream	Estimates FY 2023/2024	Receipts	Variance
Finance and Economic Planning	Miscellaneous		7,070,872	7,070,872
Education, Youth Affairs, Gender and Social Services	School fees	337,500		-337,500
	Total	760,000,000	601,680,094	-158,319,906

Figure 4: Analysis of expected half year OSR against actual receipts.

1.6 Conditional Grants in Half Year (In the period ending 30th June 2024)

In the period under review, the County Government had projected to receive **Kshs.874,012,300** however **Ksh.466,543,935** was disbursed .Such grants with co-fundings are: County Aggregated and Industrial Parks (CAIP), Kenya Climate Smart Agricultural Project (KCSAP) and DANIDA. The non-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 donour 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 actual expenditure for the period under review amounted to **Kshs.8,402,772,359** against a planned budget of **Kshs.9,761,123,387**. This expenditure comprised **Kshs.3,203,508,706** (94.7percent) for personnel emoluments, **Kshs.2,509,376,260** (99.3percent) for operations and **Kshs.2,689,807,392** (69.8percent) for development expenditure. Table 9 below shows actual expenditure by economic classification.

Table 5: Budget performance

Economic Classification	Budget	Expenditure	Variance	Absorption
PE	3,382,818,518	3,203,588,706	-179,229,812	94.7%
O&M	2,526,428,646	2,509,376,260	-17,052,386	99.3%
Total Rec	5,909,247,164	5,712,964,967	-196,282,197	96.7%
DEV	3,851,876,224	2,689,807,392	-1,162,068,832	69.8%
Total	9,761,123,388	8,402,772,359	-1,358,351,029	86.1%

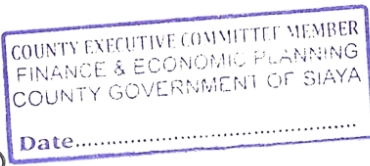
Source: County Treasury (Accounting services)

2.3 Pending Bills

The County had accumulated audited pending bills amounting to **Kshs.741,559,698.43** as balances at the beginning of the Financial Year 2023/24. During the financial, the county paid a total of **Kshs.483,944,228.03** resulting in outstanding pending bills of **Kshs.257,615,470.40**. During the FY2023/2024, the County accumulated additional pending bills of Kshs.1,189,279,092.90 resulting into total pending bills of **Kshs.1,446,894,563.30**

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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