

**COUNTY GOVERNMENT OF VIHIGA**



**COUNTY TREASURY**

**1<sup>ST</sup> QUARTER BUDGET IMPLEMENTATION REVIEW REPORT FY 2024-2025**

## **LEGAL BASIS FOR THE BUDGET IMPLEMENTATION REPORT**

The Budget Implementation report is published pursuant to Section 166 of the Public Finance Management Act 2012.

- (1) Section 166. (1) An accounting officer for a county government entity shall prepare a report for each quarter of the financial year in respect of the entity.
- (2) In preparing a quarterly report for a county government entity, the accounting officer shall ensure that the report;
  - (a). contains information on the financial and non-financial performance of the entity; and
  - (b). Is in a form determined by the Accounting Standards Board
- (3). Not later than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the County Treasury.
- (4). Not later than one month after the end of each of quarter, the County Treasury shall,
  - (a). Consolidate the quarterly reports and submit them to the county assembly.
  - (b). Deliver copies to the Controller of Budget, National Treasury and the Commission on Revenue Allocation; and
  - (c). publish and publicise them
- (5). In the case of an entity that is a county corporation the accounting officer for the corporation shall also submit a copy of the quarterly report to the County Executive Committee member responsible for the corporation, who, upon approving it shall submit a copy to the County Treasury.

## **FOREWARD**

Pursuant to article 183 of the Constitution, the County Executive Committee is mandated to manage and coordinate the functions of the County Administration and its departments and make regular reports to the County Assembly about the county. Additionally, section 166 of the Public Finance Management Act 2012 requires an Accounting Officer to prepare and submit timely quarterly reports, which shall be published and shared with the Controller of Budget, The National Treasury and the Commission of Revenue Allocation.

The financial information (expenditure and revenue) is critical for determining the costs and efficiencies of programmes/objectives/activities while non-financial information is equally important for assessing progress towards predetermined service delivery or performance targets. This report indicates budget implementation performance of all the departments for the financial year 2024/2025. The report is based on analysis of financial and non-financial performance submitted to the County Treasury, financial reports generated from the Integrated Financial Management Information System (IFMIS) and financial information analyzed from financial receipts from National Treasury. Further, the report highlights the key challenges encountered by the departments during budget implementation and suggested measures to address the challenges. The information on implementation of the budget is presented on aggregate and on individual department. This report also includes performance trends, which is a useful trajectory of revenue and expenditure performance. The information herein is useful to our stakeholders including; policy makers, County Legislators, analysts, and the public. While successful budget implementation depends on a number of factors within and outside of government, public participation and effective monitoring of its implementation remain critical principles. It is my hope that this report will generate interest and participation by the public and other stakeholders in monitoring budget implementation by this administration.

I urge all stakeholders to constructively engage the Government in order to improve prudence in utilization of public funds.

**HON. DR. JAIRUS BOSTON AMAYI**

**CECM FINANCE AND ECONOMIC PLANNING**

## OVERVIEW OF THE FY 2024/2025 BUDGET

### RESOURCE ENVELOPE

The resource envelope in the first quarter was as shown in the table below:

**Table 1: Resource Envelope FY 2024/2025 Budget**

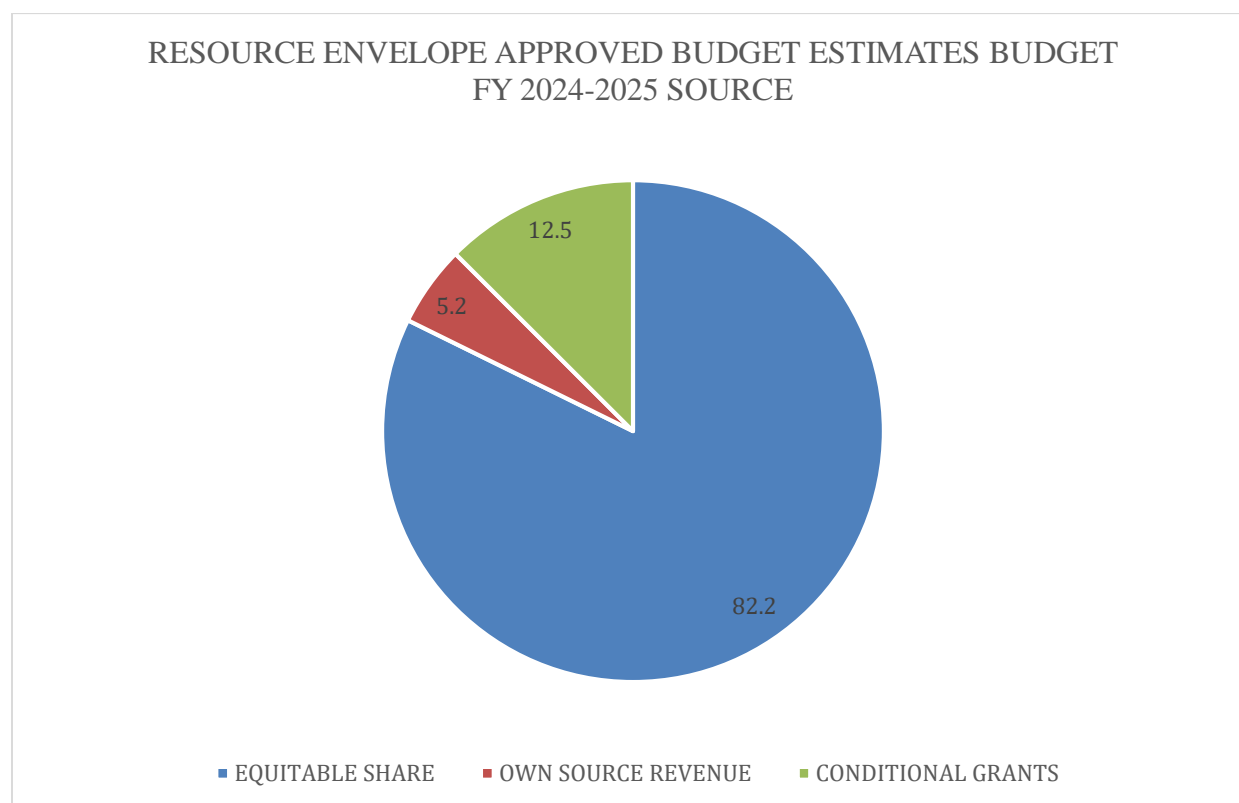
Revenue Source	Approved Budget FY 2024/2025(in Kshs)
Equitable Share	5,340,712,256
DANIDA Grant-Primary Healthcare in Developed Context Programme	7,166,250
Own Resources	340,000,000
Road Maintenance Fuel Levy	104,335,372
Conditional Grant for Aggregated Industrial Parks Programme	250,000,000
Community Health Promoters(CHPS)	33,984,188
National Agriculture Value Chain Development Projects(NAVCDP)	151,515,152
Kenya Devolution Support Programme- KDSP II	37,500,000
Kenya Urban Support Programme-UIG	35,000,000
Nutrition International	10,000,000
Kenya Agricultural Business Development Project(KABDAP)	11,918,919
IDA (World Bank) Credit(Financing Locally Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCRI)	162,765,059
IDA (World Bank) Credit(Financing Locally Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS)	11,000,000
<b>GRAND TOTAL</b>	<b>6,495,897,196</b>

*Source: Vihiga County Treasury*

RESOURCE ENVELOPE APPROVED ESTIMATES BUDGET FY 2024-2025		
REVENUE SOURCE	AMOUNT(IN KSHS)	PERCENTAGE
EQUITABLE SHARE	5,340,712,256	82.2
OWN SOURCE REVENUE	340,000,000	5.2
CONDITIONAL GRANTS	815,184,940	12.5
<b>TOTAL</b>	<b>6,495,897,196</b>	<b>100.00</b>

*Source: Vihiga County Treasury*

**Figure 1: Resource Envelope Approved Budget Estimates FY 2024/2025**



*Source: Vihiga County Treasury*

To finance the budget, the County expected to receive Kshs. 5,340,712,256 billion (82.2 per cent) as the equitable share of revenue raised nationally, generate Kshs.340,000,000 million (5.2 per cent) from own source of revenue and 815,184,940 million (12.5 per cent) as conditional grants.

## LOCAL REVENUE COLLECTIONS

**Table 3: Own Source Revenue Performance First Quarter FY 2024/2025**

S/ N	STREAMS	JULY	AUGUST	SEPTEMBER	TOTAL
1	PARKING FEE	457,751	514,372	452,540	<b>1,424,663</b>
2	BUS PARK	1,786,584	2,248,055	1,866,010	<b>5,900,649</b>
3	MARKETS	1,261,770	1,482,854	1,424,510	<b>4,169,134</b>
4	SINGLE BUSINESS PERMITS	1,751,850	1,741,196	1,083,203	<b>4,576,249</b>
5	SBP APPLICATION	5,000	7,500	1,500	<b>14,000</b>
6	CONSERVANCY FEE	317,000	303,000	192,000	<b>812,000</b>
7	LAND RATES	123,529	-	162,305	<b>285,834</b>
8	STALL RENT	741,000	466,000	261,500	<b>1,468,500</b>
9	HOUSE RENT	445,500	459,000	430,000	<b>1,334,500</b>
10	SAND\MURRAM	146,600	186,000	109,000	<b>441,600</b>
11	WATER ADM FEES	-	15,800	23,000	<b>38,800</b>
12	PLAN APP AND APPROVAL	91,000	-	28,500	<b>119,500</b>
13	PHYSICAL PLANNING	-	-	29,000	<b>29,000</b>
14	GROUND/SITE RENT	38,000	-	9,000	<b>47,000</b>
15	ADVERTISEMENT	114,000	199,940	75,200	<b>389,140</b>
16	WALL & VEHICLE BRANDING	190,200	124,200	55,500	<b>369,900</b>
17	LAND BOUNDARY\DISPUTES	-	-	-	<b>-</b>
18	SLAUGHTER MANAGEMENT	121,420	85,600	118,340	<b>325,360</b>
19	STOCK SALES	274,600	339,750	233,700	<b>848,050</b>

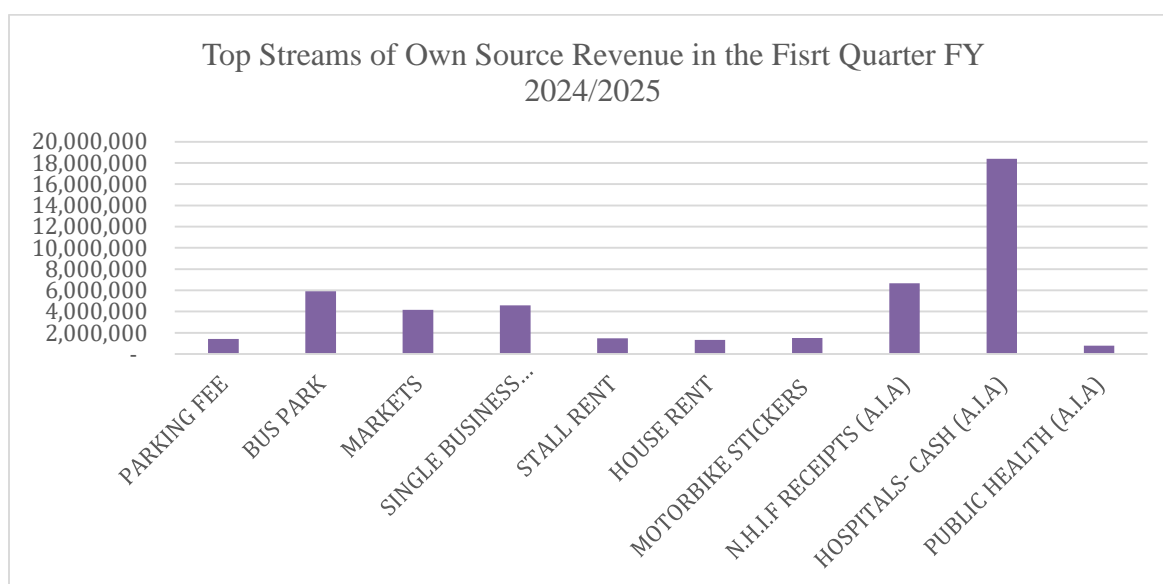
20	MOTORBIKE STICKERS	461,550	515,200	544,650	<b>1,521,400</b>
21	WEIGHTS & MEASURES	26,900	5,000	2,000	<b>33,900</b>
22	SIGNAGE/SIGN POSTS	131,100	-	201,308	<b>332,408</b>
23	WAY LEAVE APPLICATION	-	-	-	-
24	VETERINARY & FISHERIES	50,900	96,300	127,940	<b>275,140</b>
25	SEARCH FEES	-	2,000	-	<b>2,000</b>
26	RENOVATION	-	-	9,500	<b>9,500</b>
27	BUILDING INSPECTION FEE	-	120,500	-	<b>120,500</b>
28	HIRE OF MACHINES	-	-	-	-
29	FIRE INSPECTION FEE	15,000	29,000	43,000	<b>87,000</b>
30	SCRUTINY MECHANICAL	44,500	74,500	115,000	<b>234,000</b>
31	SCRUTINY ELECTRICAL	46,000	64,500	97,500	<b>208,000</b>
32	NOISE POLLUTION	6,600	15,400	2,200	<b>24,200</b>
33	TOILET FEES	26,450	39,000	32,000	<b>97,450</b>
34	CLEARANCE CERTIFICATE FEE	-	6,000	-	<b>6,000</b>
36	CHANGE OF USER	-	-	20,000	<b>20,000</b>
37	TEA CESS	209,199	227,920	176,111	<b>613,230</b>
38	FINES AND PENALTIES	32,000	36,500	32,000	<b>100,500</b>
	<b>SUB TOTALS</b>	<b>8,470,503</b>	<b>9,405,087</b>	<b>7,958,017</b>	<b>25,833,607</b>
39	VIHIGA FM RECIEPTS	80,000	34,800	-	<b>114,800</b>
40	LIQUOR LICENCE FEE NEW ACCOUNT	106,050	130,000	109,530	<b>345,580</b>
41	N.H.I.F RECEIPTS (A.I.A)	5,830,758	828,150	-	<b>6,658,908</b>
42	HOSPITALS- CASH (A.I.A)	6,175,388	5,541,017	6,673,652	<b>18,390,057</b>

43	PUBLIC HEALTH (A.I.A)	266,700	220,450	294,600	781,750
	<b>SUB TOTALS</b>	<b>12,458,896</b>	<b>6,754,417</b>	<b>7,077,782</b>	<b>26,291,095</b>
	<b>GRAND TOTAL</b>	<b>20,929,399</b>	<b>16,159,504</b>	<b>15,035,799</b>	<b>52,124,702</b>

*Source: Vihiga County Treasury*

N.H.I.F Receipts, Hospital Cash A-I-A and Public Health A-I-A Recorded the highest collection totaling to Kshs. 25,830,715. Search fees and Clearance Certificate fees recorded the lowest collection with amounts as low as Kshs. 2,000 and Kshs. 6,000 respectively.

**Figure 2 : Top Streams of Own Source Revenue in the First Quarter FY 2024/2025**



*Source: Vihiga County Treasury*

**Table 4: Variance in Own Source Revenue Performance in the first quarter between FY 2023/2024 and FY 2024/2025**

	REVENUE STREAM	Q1 2024/25(In Kshs.)	Q1 2023/24(In Kshs.)	VARIANCE (In Kshs.)	PERCENTAGE
1	PARKING FEE	1,424,663	1,198,840	225,823	119%



2	BUS PARK	5,900,649	7,932,057	(2,031,408)	74%
3	MARKETS	4,169,134	4,630,115	(460,981)	90%
4	SINGLE BUSINESS PERMITS	4,576,249	2,498,240	2,078,009	183%
5	SBP APPLICATION	14,000	18,500	(4,500)	76%
6	CONSERVANCY FEE	812,000	337,000	475,000	241%
7	LAND RATES	285,834	532,776	(246,942)	54%
8	STALL RENT	1,468,500	603,350	865,150	243%
9	HOUSE RENT	1,334,500	579,174	755,327	230%
10	SAND\MURRAM	441,600	50,000	391,600	883%
11	WATER ADM FEES	38,800	57,150	(18,350)	68%
12	PLAN APP AND APPROVAL	119,500	725,100	(605,600)	16%
13	PHYSICAL PLANNING	29,000	603,500	(574,500)	5%
14	GROUND/SITE RENT	47,000	81,336	(34,336)	58%
15	ADVERTISEMENT	389,140	435,800	(46,660)	89%
16	WALL & VEHICLE BRANDING	369,900	590,000	(220,100)	63%
17	LAND BOUNDARY\DISPUTES	-	84,000	(84,000)	0%
18	SLAUGHTER MANAGEMENT	325,360	243,350	82,010	134%
19	STOCK SALES	848,050	1,140,140	(292,090)	74%
20	MOTORBIKE STICKERS	1,521,400	1,212,700	308,700	125%
21	WEIGHTS & MEASURES	33,900	15,500	18,400	219%
22	SIGNAGE/SIGN POSTS	332,408	-	332,408	100%
23	WAY LEAVE APPLICATION	-	-	-	0%

24	VETERINARY & FISHERIES	275,140	658,840	(383,700)	42%
25	SEARCH FEES	2,000	500	1,500	400%
26	RENOVATION	9,500	124,500	(115,000)	8%
27	BUILDING INSPECTION FEE	120,500	316,200	(195,700)	38%
28	HIRE OF MACHINES	-	-	-	0%
29	FIRE INSPECTION FEE	87,000	123,500	(36,500)	70%
30	SCRUTINY MECHANICAL	234,000	124,000	110,000	189%
31	SCRUTNIY ELECTRICAL	208,000	215,700	(7,700)	96%
32	NOISE POLLUTION	24,200	15,400	8,800	157%
33	TOILET FEES	97,450	162,010	(64,560)	60%
34	CLEARANCE CERTIFICATE FEE	6,000	-	6,000	100%
36	CHANGE OF USER	20,000	-	20,000	100%
37	TEA CESS	613,230	454,888	158,342	135%
38	FINES AND PENALTIES	100,500	69,386	31,114	145%
39	GROUP REGISTRATION		6,000	(6,000)	0%
40	MISCELLANEOUS INCOME		771,517	(771,517)	0%
	<b>SUB TOTALS</b>	<b>25,833,607</b>	<b>26,611,068</b>	<b>(777,462)</b>	<b>97%</b>
41	VIHIGA FM RECIEPTS	114,800	28,910	85,890	397%
42	LIQUOR LICENCE FEE NEW ACCOUNT	345,580	1,257,000	(911,420)	27%
43	N.H.I.F RECEIPTS (A.I.A)	6,658,908	26,496,238	(19,837,330)	25%
44	HOSPITALS- CASH (A.I.A)	18,390,057	17,119,621	1,270,436	107%
45	PUBLIC HEALTH (A.I.A)	781,750	961,730	(179,980)	81%

	<b>SUB TOTALS</b>	<b>26,291,095</b>	<b>45,863,499</b>	<b>(19,572,404)</b>	<b>57%</b>
	<b>GRAND TOTAL</b>	<b>52,124,702</b>	<b>72,474,567</b>	<b>(20,349,866)</b>	<b>72%</b>

*Source: Vihiga County Treasury*

Collections in the first quarter of FY 2023/2024 were higher than in FY 2024/2025 by a variance of Kshs. 20,349,866 representing a negative deviation of 72 percent.

### **Overview of FY 2024/25 Budget**

The Vihiga County approved FY 2024/25 budget was Kshs.6.5 billion. It comprised Kshs.2.1 billion (32 per cent) and Kshs.4.4 billion (68 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs. 0.18 billion (3 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.2.2 billion and a recurrent budget of Kshs.4.5. billion. The decrease in the County Government budget was attributed to the decrease in the national government budget.

The Vihiga County Government budget will be financed from different sources of revenue. These include Kshs.5.3 billion (82 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.815.2 million as additional allocations/conditional grants and Kshs.340 million (5 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.140 million (2 per cent) as Appropriations-in-Aid (A-I-A)/Facility Improvement Fund (revenue from health facilities) and Kshs.200 million (3 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table Error! **No text of specified style in document..1.**

### **Revenue Performance**

In the first quarter of FY 2024/25, the County received a total of Kshs.952.6 million to fund recurrent and development activities. The equitable share from the national government was Kshs. 869.1 million. Additional allocations from government and development partners were Kshs. 31 million, and own source revenue (OSR) collection was Kshs. 52.6 million.

Analysis of the total OSR collection of Kshs. 52.6 million indicates that it included Appropriations in Aid (AIA)/Facilities Improvement Financing (FIF)of Kshs.26.3 million and Kshs.26.3 million as ordinary OSR. Table Error! **No text of specified style in document..1** summarises the total revenue available to the county government during the first quarter of FY 2024/25. performance

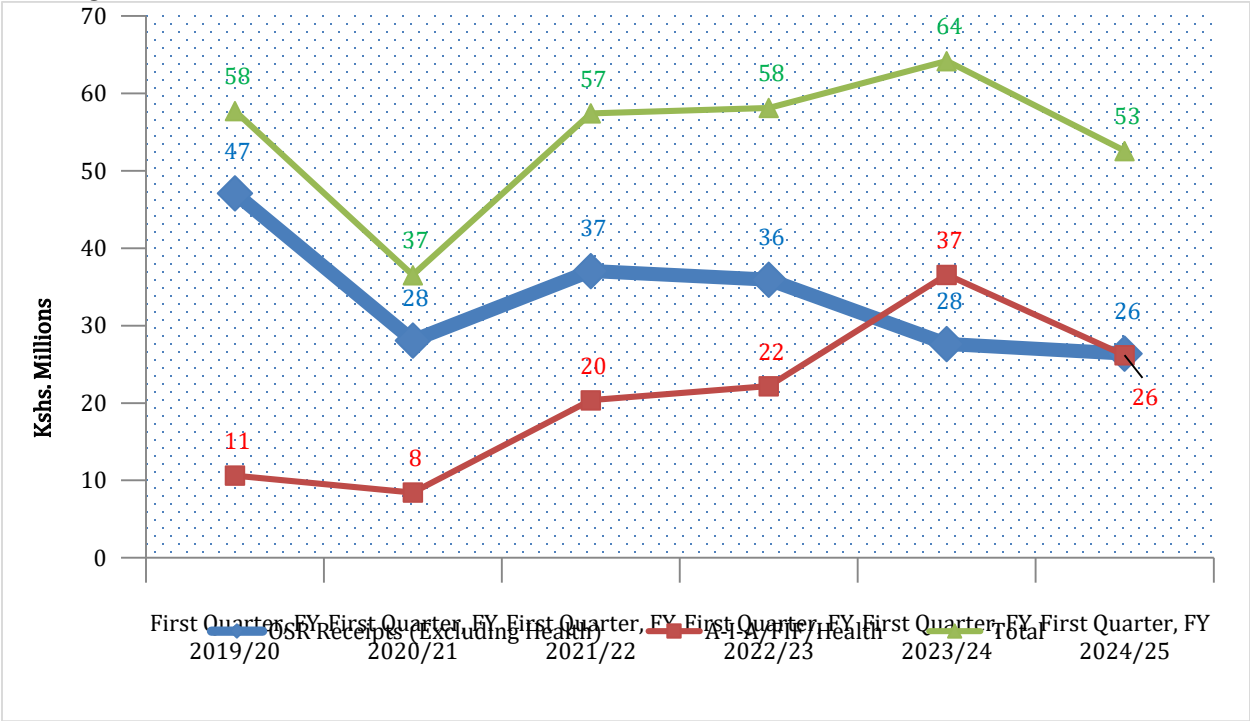
**Table Error! No text of specified style in document..1: Vihiga County, Revenue Performance in the First Quarter of FY 2024/25**

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	Equitable Share of Revenue Raised Nationally	5,340,712,256	447,697,285	8
	Subtotal	5,340,712,256	447,697,285	8
B	Additional Allocations			
1.	Road Maintenance Fuel Levy	104,335,372		
2.	Community Health Promoters (CHPS)	33,984,188		
3.	Primary Health Care in Developed Context Programme (DANIDA)	7,166,250		
4.	Aggregated Industrial Parks Programme	250,000,000		
5.	National Agriculture Value Chain Development Projects (NAVCDP)	151,515,152		
6.	Kenya Devolution Support Programme - KDSP II (GRANT)	37,500,000		
7.	Kenya Urban Support Programme - UIG Grant	35,000,000		
8.	Nutrition International	10,000,000		
9.	FLLoCA KFW/IDA (CCRI)	162,765,059	31,000,000	19
10.	Kenya Agricultural Business Development Project(KABDAP)	11,918,919		
11.	FLLoCA KFW/IDA (CCIS)	11,000,000		
	Subtotal	815,184,940	31,000,000	4
C	Own Source Revenue			
12.	Ordinary Own Source Revenue	200,000,000	26,279,107	13
13.	Appropriation in Aid (A-I-A)			
14.	Facility Improvement Fund (FIF)	140,000,000	26,291,095	19
	Subtotal	340,000,000	52,570,202	16
D	Other Sources of Revenue			
15.	Unspent balance from FY 2023/24		421,362,153	
16.	Other Revenues (provide a list)			
	Sub Total		421,362,153	
	Grand Total	6,495,897,196	952,629,640	15

**Source:** Vihiga County Treasury

Figure Error! No text of specified style in document..1 shows the trend in own-source revenue collection from the First Quarter of FY 2018/19 to the First Quarter of FY 2024/25.

**Figure Error! No text of specified style in document..1: Trend in Own-Source Revenue Collection from the FY 2018/19 to the FY 2024/25 from the First Quarter of FY 2018/19 to First Quarter of FY 2024/25**

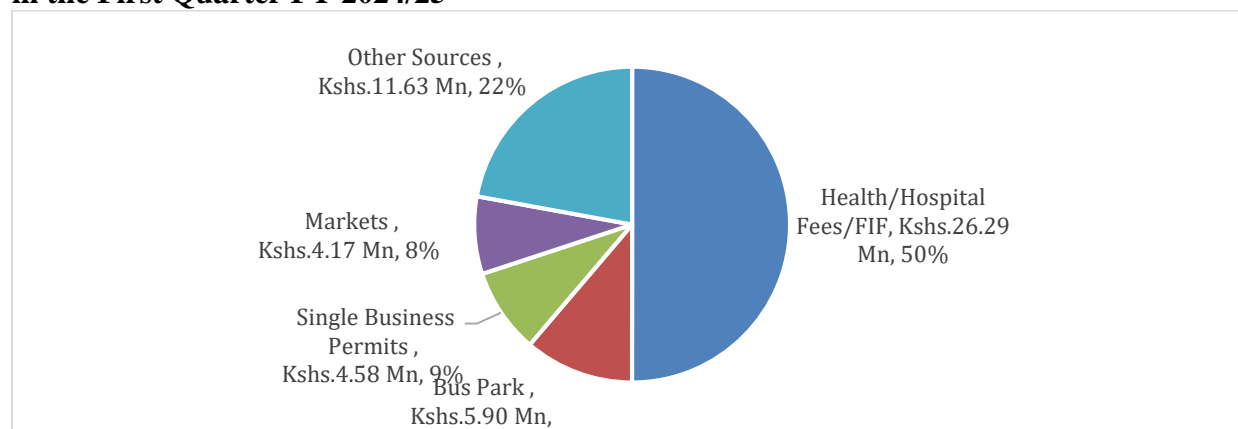


**Source:** Vihiga County Treasury

During the first quarter of FY 2024/25, the County generated a total of Kshs.52.6 million from its sources of revenue, including AIA and FIF. This amount was a decrease of 18 per cent compared to Kshs.64.2 million realised in a similar period in FY 2023/24 and was 15 per cent of the annual target and 6 per cent of the equitable revenue share disbursed.

The revenue streams, which contributed the highest OSR receipts, are shown in Figure Error! No text of specified style in document..2.

**Figure Error! No text of specified style in document..2: Top Streams of Own Source Revenue in the First Quarter FY 2024/25**



Source: Vihiga County Treasury

The highest revenue stream, Kshs.26.3 million, was from Hospital fees/FIF, which contributed 50 per cent of the total OSR receipts during the reporting period.

### Borrowing by the County

The County Government did not borrow funds from any institution during the reporting period.

### Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.914.3 million from the CRF account during the reporting period, which comprised Kshs.107.9 million (12 per cent) for development programmes and Kshs.806.4 million (88 per cent) for recurrent programmes in the first quarter of FY 2024/25. Analysis of the recurrent exchequers released in the first three months of FY 2024/25 indicates that Kshs.596.1 million was released towards employee compensation and Kshs.210.3 million for operations and maintenance expenditure.

As of September 30, 2024, the County Government's cash balance in the CRF account was Kshs. 27.7 million.

### County Expenditure Review

The County spent Kshs.725.7 million on development and recurrent programmes in the reporting period. This expenditure represented 76 per cent of the total funds released by the CoB and comprised Kshs. 93.7 million and Kshs.632 million on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 5 per cent, while recurrent expenditures represented 14 per cent of the annual recurrent expenditure budget.

### Settlement of Pending Bills

The County reported pending bills amounting to Kshs 1.51 billion as of 30th June 2024, which was entirely for the County Executive.

The County Executive's pending bills consist of Kshs.538.42 million for recurrent expenditures and Kshs.972.95 million for development expenditures. In the reporting period, the County Executive settled pending bills amounting to Kshs.77.66 million, which consisted of Kshs. 1.8 million for recurrent expenditures and Kshs.75.8 million for development programmes.

Therefore, the outstanding bills were Kshs.1.43 billion as of 30th September 2024.

### Expenditure by Economic Classification

During the first quarter of FY 2024/25, the County Executive spent Kshs.455 million on employee compensation, Kshs.113 million on operations and maintenance, and Kshs.93.7 million on development activities. Similarly, the County Assembly spent Kshs.54 million on employee compensation, Kshs.9.8 million on operations and maintenance, and non-on development activities, as shown in Table Error! No text of specified style in document..2.

**Table Error! No text of specified style in document..2: Summary of Budget and Expenditure by Economic Classification**

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
<b>Total Recurrent Expenditure</b>	<b>3,669,627,779</b>	<b>724,667,651</b>	568,291,012	63,730,301	<b>16</b>	<b>9</b>
Compensation to Employees	2,639,018,739	531,780,180	455,055,616	53,935,805	17	10
Operations and Maintenance	1,030,609,040	192,887,471	113,235,396	9,794,496	11	5
<b>Development Expenditure</b>	<b>2,076,202,417</b>	<b>25,399,349</b>	93,677,840	-	<b>5</b>	<b>0</b>
<b>Total</b>	<b>5,745,830,196</b>	<b>750,067,000</b>	<b>661,968,852</b>	<b>63,730,301</b>	<b>12</b>	<b>9</b>

*Source: Vihiga County Treasury*

#### 1.1.1 Expenditure on Employees' Compensation

In the first quarter of FY 2024/25, expenditure on employee compensation was Kshs.509 million, or 54 per cent of the available revenue of Kshs.952.6 million. This expenditure represented a decrease from Kshs.520 million reported in a similar period in FY 2023/24. The wage bill included Kshs.316.4 million paid to the health sector employees, translating to 62 per cent of the total wage bill.

Figure Error! No text of specified style in document..3 shows the trend of personnel expenditures as a percentage of total revenue from the first quarter of FY 2017/18 to the first quarter of FY 2024/25.

Fiscal Year	% Executive Wage Bill to Executive Revenue	% Assembly Wage Bill to Assembly Revenue	% Total Wage Bill to Total Revenue
Q1 FY 2018/19	43.3	46.7	38.9
Q1 FY 2019/20	45.6	47.1	40.8
Q1 FY 2020/21	40.9	47.0	31.5
Q1 FY 2021/22	51.8	49.7	45.6
Q1 FY 2022/23	44.3	51.4	39.9
Q1 FY 2023/24	33.7	46.6	31.2
Q1 FY 2024/25	49.8	43.6	49.3

Further analysis indicates that PE costs amounting to Kshs.482.3 million were processed through the Integrated Personnel and Payroll Database (IPPD) system while Kshs.26.7 million was processed through manual payrolls. The manual payrolls accounted for 5 per cent of the total PE cost.

### 1.1.2 County Emergency Fund and County-Established Funds

**Error! Reference source not found.**<sup>3</sup> summarises each established Fund's budget allocation and performance during the reporting period.

S/No	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Cumulative disbursements to the fund as of 31 <sup>st</sup> March 2024 (Kshs)	Submission of Financial Statements as of 31 <sup>st</sup> March 2024 (Yes/No.)
	<b>County Executive Established Funds</b>					



S/No .	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Cumulative disbursements to the fund as of 31 <sup>st</sup> March 2024 (Kshs)	Submission of Financial Statements as of 31 <sup>st</sup> March 2024 (Yes/No.)
1.	Emergency Fund	19,224,644	0	0	0	N/A
2.	Bursary Fund	80,000,000	0	0	1,016,743,412	Yes
3.	Youth Start-up Fund		0	0	0	N/A
4.	Sports Fund	13,000,000	0	4,132,886	65,000,000	Yes
5.	Trade and Enterprise Fund	500,000	0	403,010	59,977,000	Yes
6.	Cooperative Enterprise Fund	3,500,000	0	0	0	N/A
7.	Climate Change/FLLoC A Fund	253,765,059	31,000,000	16,243,088	119,000,000	
8.	Car-loan and Mortgage Fund	0	0	1,344,266	70,000,000	Yes
9.	FIF Fund	140,000,000		11,613,171	0	Yes
	<b>County Assembly Established Funds</b>					
10.	Car-loan and Mortgage	0	0		200,000,000	
11.						
	<b>Total</b>	<b>509,989,703</b>				

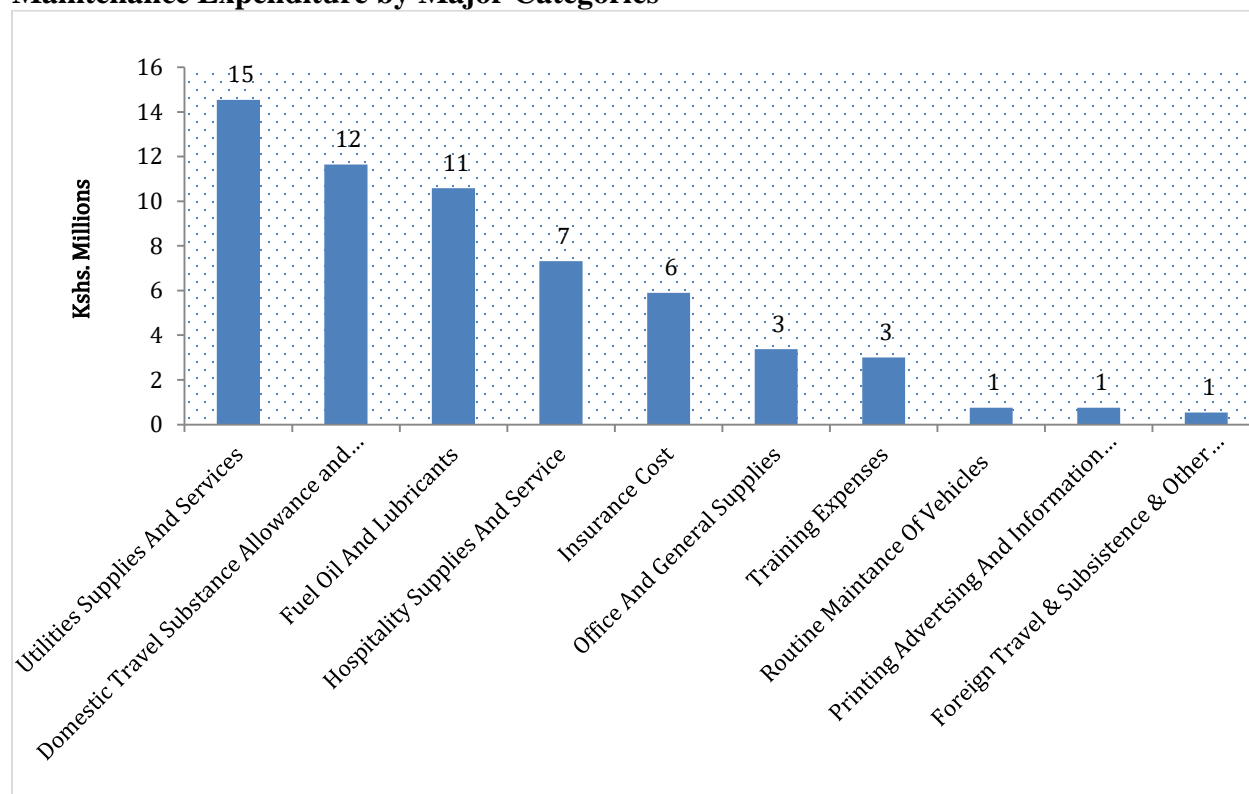
**Source:** Vihiga County Treasury

The CoB received quarterly financial reports from all fund administrators during the reporting period, as indicated in Table Error! No text of specified style in document..3. The County government uses SPA accounts held at CBK to operate the above-established Funds.

### 1.1.3 Expenditure on Operations and Maintenance

Figure Error! No text of specified style in document..4 summarises the Operations and Maintenance expenditure by major categories.

**Figure Error! No text of specified style in document..4: Vihiga County, Operations and Maintenance Expenditure by Major Categories**



**Source:** Vihiga County Treasury

Expenditure on domestic travel amounted to Kshs.28.6 million and comprised Kshs.17 million spent by the County Assembly and Kshs.11.6 million by the County Executive. There was no expenditure on foreign travel during the reporting period.

#### 1.1.4 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.26.3 million as FIF, which was 19 per cent of the annual target of Kshs.140 million. The collected amount was retained and utilised at the source in accordance with the Facility Improvement Financing Act, 2023.

The expenditure by the health facilities amounted to Kshs. 11.61 million, as shown in Table Error! No text of specified style in document..1

**Table Error! No text of specified style in document..4: Breakdown of expenditure by health facilities in the first quarter of FY 2024/25**

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1.	VCRH	80,000,000	11,613,171	14.5
	Total	80,000,000	11,613,171	14.5

**Source:** County Treasury

The Health Facility with the highest absorption rate was Vihiga County Referral Hospital.

### 1.1.5 Development Expenditure

In the First Quarter of FY 2024/25, the County reported spending Kshs.93.7 million on development programmes, representing a decrease of 53 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.198.7 million. The table summarises development projects with the highest expenditure in the reporting period.

**Table Error! No text of specified style in document..5: Vihiga County, List of Development Projects with the Highest Expenditure**

No.	Sector/Department	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
1.	Environment Water Energy, Natural Resources and Climate Change	Construction of Kegondi spring water conservation and reticulation project	West Sabatia	12,097,795.15	0	Ongoing
2.		Construction of Vagina spring water conservation and reticulation project	Izava/Lyaduywa	14,442,824.43	0	Ongoing
3.		Construction of the Kayila spring water conservation and reticulation project	Luanda South	16,200,000.00	0	Ongoing
4.		Augmentation of Ebukhaya water project	Central Bunyore	21,990,866.35	0	Ongoing
5.		Construction of Ekamanji Resilient Water Project	Luanda Township	12,598,740	0	Ongoing

No.	Sector/Department	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
6.		Construction of Mutave-Jepsis bridge	Tambua	13,158,344.00	0	Ongoing
7.		Construction of the Mwala-Kaptik water project	Shiru	22,337,766.00	0	Ongoing
8.		Restoration of 70 acres of Maragoli Hills Forest Ecosystem	South Maragoli	9,380,224.00	0	Ongoing

**Source:** Vihiga County Treasury

### 1.1.6 Budget Performance by Department

**Error! Reference source not found.** summarises the approved budget allocation, expenditure and absorption rate by departments in the first three months of FY 2024/25.

**Table Error! No text of specified style in document..6: Vihiga County, Budget Allocation and Absorption Rate by Department**

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs. )		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor	259,011,183	-	37,187,902		26,875,795		72	-	10	-
Finance and Economic Planning	315,677,700	194,222,151	56,807,860	8,957,915	49,478,798	4,773,545	87		16	-
Agriculture , Livestock and Fisheries	152,303,595	193,934,071	25,701,816		17,780,611	-	69	-	12	-
Health Services	1,420,808,968	138,200,000	277,036,396		223,376,677	17,846,411	81	-	16	13
Education, Science, Technical and Vocational Training	376,945,177	158,718,632	110,648,850	7,844,356	9,692,851	8,637,366	9	110	3	5
Gender, Culture, Youth, Sports and	84,686,094	34,986,918	9,552,124		2,378,744	-	25	-	3	-

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs. )		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Social Services										
Commerce, Tourism and Co-operatives	61,722,225	418,782,323	12,863,572		4,582,075	-	36	-	7	-
County Public Service Board	50,812,039	-	7,693,688		8,926,299		116	-	18	-
Environment, Water, Energy and Natural Resources	139,529,715	427,364,941	32,476,979	40,052,128	31,742,392	8,024,330	98	20	23	2
Transport, Infrastructure and Communication	100,468,606	454,918,921	19,619,029	51,019,015	9,704,275	50,211,819	50	98	10	11
Physical Planning, Lands and Housing	122,369,471	39,574,460	14,772,828		6,016,744	-	41	-	5	-
Administration and Coordination of County Affairs	560,793,006	15,500,000	98,576,497		176,044,479		179	-	31	-
County Attorney	24,500,000	-	3,546,500		1,691,273	4,184,370	48	-	7	-
County Assembly	724,667,651	25,399,349	99,936,122		63,730,301		64	-	9	-
<b>Total</b>	<b>4,394,295,430</b>	<b>2,101,601,766</b>	<b>806,420,161</b>	<b>107,873,414</b>	<b>632,021,314</b>	<b>93,677,840</b>	<b>78</b>	<b>87</b>	<b>14</b>	<b>5</b>

**Source:** Vihiga County Treasury

Analysis of department expenditure shows that the Department of Health Services recorded the highest absorption rate of development budget at 13 per cent, followed by the Department of Transport, Infrastructure and Communication at 11.0 per cent. The Department of Administration and Co-ordination of County Affairs had the highest percentage of recurrent expenditure to budget at 31 per cent while the Department of Education, Science, Technology and Vocational Training had the lowest at 3 per cent.

### 1.1.7 Budget Execution by Programmes and Sub-Programmes

Table Error! No text of specified style in document..7 summarises the budget execution by programmes and sub-programmes in the First Quarter of FY 2024/25.

**Table Error! No text of specified style in document..7: Vihiga County, Budget Execution by Programmes and Sub-Programmes**

Program me	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 30th September 2024		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
Administr ation, Planning and Support Service		945,872,006	528,942,946	80,996,206	8,415,486	23	7
	Administrative Service	936,258,606	528,942,946	80,641,476	8,415,486	24	7
	Research and Development	9,613,400		354,730	-	4	#DIV /0!
Livestock Developm ent and Managem ent		5,041,000	29,820,002	-		-	-
	Veterinary Services and Extension	4,541,000	3,500,000	-		-	-
	Livestock Extension	500,000	8,000,000	-		-	-
	Value Chain Development		18,320,002	-		#DI V/0!	-
Fisheries Developm ent and Managem ent		3,541,000	14,000,000	-		-	-
	Promotion of Fish Farming	3,541,000	14,000,000	-		-	-
Crop Developm ent and Managem ent		7,950,000	4,500,000	-		-	-
	Crop Extension	1,824,000		-		-	#DIV /0!
	Food Security Initiatives	6,126,000	4,500,000			-	-
Cooperati ves Developm ent		26,037,300		917,130		4	#DIV /0!
	Cooperative Development Services	26,037,300		917,130		4	#DIV /0!
Land Survey and Mapping Services		4,482,600	20,000,000	957,600		21	-
	Land Survey and Mapping	4,482,600	20,000,000	957,600		21	-

Program me	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 30th September 2024		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
<b>1 Urban and Physical Planning and Housing Services</b>		<b>34,343,111</b>	<b>16,549,346</b>	2,053,300		6	-
	Urban and Physical Planning	719,000	9,549,346	-		-	-
	Housing Development	5,162,400	7,000,000	-		-	-
	Vihiga Municipality {KUSP}	28,461,711		2,053,300		7	#DIV /0!
<b>Administration, Planning and Support Service</b>		<b>86,518,384</b>	<b>56,517,579</b>	<b>7,593,420</b>		<b>9</b>	<b>-</b>
	Administrative Service	86,518,384	56,517,579	7,593,420		9	-
<b>Transport Management</b>		<b>9,823,443</b>	<b>147,879,239</b>	-	<b>59,829,751</b>	-	<b>40</b>
	Transport System Management	812,600	-	-	59,829,751	-	#DIV /0!
	Mechanical Services	9,010,843	-	-		-	#DIV /0!
	Roads Maintenance	-	147,879,239	-		#DIV /0!	-
<b>Administration, Planning and Support Service</b>		<b>43,178,814</b>	<b>154,391,780</b>	<b>1,169,448</b>	<b>5,531,395</b>	<b>3</b>	<b>4</b>
	Administrative Service	43,178,814	154,391,780	1,169,448	5,531,395	3	4
<b>Public Finance Management</b>		<b>7,471,012</b>	-	-	-	-	#DIV /0!
	ICT Printing press	7,471,012	-	-		-	
<b>Trade Development and Investment</b>		<b>32,138,440</b>	<b>44,000,000</b>	<b>1,807,432</b>		6	-
	Market Development and Management	32,138,440	44,000,000	1,807,432		6	-
<b>Tourism Development</b>		<b>6,146,880</b>	<b>4,000,000</b>	<b>1,014,200</b>		16	-

Program me	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 30th September 2024		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
	Tourism Promotion and Branding	6,146,880	4,000,000	1,014,200		16	-
Administration, Planning and Support Service		<b>1,148,674,761</b>	<b>186,961,483</b>	<b>252,801,941</b>	<b>6,582,189</b>	<b>22</b>	<b>4</b>
	Administrative Service	33,275,141	186,961,483	10,670,908	6,582,189	32	4
	Human Resource Management and Development	1,115,399,620	-	242,131,033		22	
Promotive and Preventive Healthcare Services		<b>59,710,000</b>	<b>-</b>	<b>1,002,280</b>		<b>2</b>	
	Public Health Services	550,000	-	-		-	
	Community Health Strategy	53,594,000	-	-		-	
	Reproductive Healthcare	5,050,000	-	1,002,280		20	
	Disease Surveillance and Emergency	516,000	-	-		-	
Curative And Rehabilitative Health Services		<b>121,584,000</b>	<b>83,886,040</b>	<b>19,243,936</b>		<b>16</b>	<b>-</b>
	Medical services	14,780,000	-	-		-	
	Drugs and Other Medical Supplies	106,804,000	-	19,243,936		18	
	County referral services	-	83,886,040	-			-
Child and Maternal Health Care		<b>5,038,060</b>		<b>-</b>		<b>-</b>	
	Nutrition Services	5,038,060				-	
Administration, Planning and Support Service		<b>75,864,028</b>	<b>53,661,504</b>	<b>6,631,570</b>		<b>9</b>	<b>-</b>
	Administrative Service	75,864,028	53,661,504	6,631,570		9	-



Program me	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 30th September 2024		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
Vocational Education and Training		218,838,400	30,000,000	6,139,994		3	-
	Youth Polytechnic Development	218,838,400	30,000,000	6,139,994		3	-
Early Childhood Development		188,094,500	34,000,000	64,871,260		34	-
	ECD Development	188,094,500	34,000,000	64,871,260		34	-
Administration, Planning and Support Service		1,067,725,464	526,854,813	165,988,242		22	-
	Administrative Service	1,045,659,764	513,854,813	164,816,102		23	-
	County Administration	22,065,700	13,000,000	677,940		3	-
	County Radio Information Services	17,529,200		494,200		3	
Public Finance Management		30,112,000		10,000,000		33	
	Public Finance Management	1,000,000		-		-	
	Accounting Services	1,000,000		-		-	
	Budget Formulation Coordination	1,143,000		-		-	
	Resource Mobilization	24,362,000		10,000,000		41	
	Budget Expenditure Management	2,607,000		-		-	
Audit Services		4,336,600		614,170			
	Audit Services	4,336,600		614,170		14	

Program me	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 30th September 2024		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
County Planning Services		600,000		-		-	
	Coordination of Policy Formulation and Plans	600,000		-		-	
Management and Administration of County Services		15,566,400	1,500,000	1,143,800		7	-
	County Executive	7,437,100	-	494,800		7	
	County Secretary	8,129,300	1,500,000	649,000		8	-
Administration, Planning and Support Service		45,982,520	29,737,034	1,973,785		4	-
	Administrative Service	45,982,520	29,737,034	1,973,785		4	-
903004860		36,604,000	51,400,000	772,400		2	-
	Promotion of Sports	18,739,000	35,400,000	-		-	-
	Promotion of Culture and Heritage	12,865,000	12,000,000	772,400		6	-
	Recreation and Arts	5,000,000	4,000,000	-		-	-
904004860		13,403,945	5,000,000	-		-	-
	Social Protection	2,612,945	5,000,000	-		-	-
	Gender, Children, Youth and People with Disability	10,791,000	-	-		-	
Administration, Planning and Support Service		100,977,562	-	-		-	
	Administrative Service	100,977,562	-	-		-	

Program me	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 30th September 2024		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
1003004860		13,665,000	51,500,000	842,800	13,319,019	6	26
	Water Supply Management	9,830,000	50,500,000	842,800	13,319,019	9	26
	Waste Water Management	3,835,000	1,000,000	-	-	-	-
1004004860		12,535,000	15,000,000	3,346,400		27	-
	Environmental Protection and Conservation	12,535,000	15,000,000	3,346,400		27	-
1005004860		4,910,000	11,500,000	140,000		3	-
	Farm Forest Management	3,310,000	7,500,000	140,000		4	-
	Natural Resources management	1,600,000	4,000,000	-		-	-
	<b>GRAND TOTAL</b>	<b>4,394,295,430</b>	<b>2,101,601,766</b>	<b>632,021,314</b>	<b>93,677,840</b>	<b>14</b>	<b>6</b>

*Source: Vihiga County Treasury*

Based on absorption rates, the sub-programmes with the highest implementation levels were Resource mobilization in the Department of Finance and Economic Planning at 41 per cent, ECDE Development in the Department of Education at 34 per cent, administrative services in the Department of Administration and Coordination of County affairs at 32 per cent, and Environmental Protection and Conservation at 27 per cent of budget allocation.

### 1.1.8 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the COB identified the following challenges, which hampered effective budget implementation;

1. The high level of pending bills amounted to Kshs.1.433 billion as of 30<sup>th</sup> September 2024.
2. Use of manual payroll. Personnel emoluments amounting to Kshs.26.7 million were processed through manual payroll, accounting for 5.3 percent of the total payroll cost. Manual

payroll is prone to abuse and may lead to the loss of public funds where there is a lack of proper controls.

The County should implement the following recommendations to improve budget execution:

1. The County leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.
2. The Government requires that salaries be processed through the IPPD system, and the County is advised to fast track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.
3. There were massive delays in submission of returns from the county assembly, which affected negatively in the development of this report.