

**COUNTY GOVERNMENT OF VIHIGA**



**COUNTY TREASURY**

**3<sup>RD</sup> QUARTER BUDGET IMPLEMENTATION REVIEW  
REPORT**

**F/Y 2024-2025**

## **FOREWORD**

The Third Quarter Budget Implementation Report for the period 2024/25 is a series of such reports prepared by the County Treasury in assessment of the implementation of the Budget. The Report has been prepared pursuant to the Kenya Constitution Article 183, and Section 166 of the Public Finance Management Act 2012 that 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 Report further provides the fiscal information, expenditure and revenue during the period under review, critical in determining the costs, effectiveness and efficiencies of programmes/objectives/activities. The non-financial information provides basis of assessment of progress towards predetermined service delivery or performance targets. In addition, the report highlights the key challenges encountered by the departments during budget implementation and suggested measures to address the challenges.

The report is a product of 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. The information on implementation of the budget is presented on aggregate and on individual department.

Successful budget implementation depends on a number of factors within and outside of government including public participation and effective monitoring, evaluation and reporting. Accordingly, it is my desire that this report will play a major role in subsequent policy formulation and implementation to the County Stakeholders including; the County Departments, the County Assembly, fiscal analysts and the general public.

**HON. DR. JAIRUS BOSTON AMAYI**  
**CECM FINANCE AND ECONOMIC PLANNING**

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## **EXECUTIVE SUMMARY**

This is the third Budget Implementation Report prepared by the County Treasury during the f/y 2024/25. The report provides a comprehensive review of the county's financial performance as at March 31, 2025. The report assesses the budget implementation performance across all departments for the first quarter of FY 2024-2025, based on various financial and non-financial reports submitted to the County Treasury and data from the Integrated Financial Management Information System (IFMIS).

During the period ending 31<sup>st</sup> March of the FY 2024-2025, Vihiga County had received a total revenue of Kshs. 4.17 billion, representing a significant increase of Kshs. 0.86 billion compared to the same period in the previous fiscal year. This revenue comprised Kshs. 3.49 billion from equitable share allocations, Kshs. 238.95 million from own-source revenue, and a cash balance of Kshs. 443.50 million carried forward from FY 2023-2024.

Own-source revenue collection for the third quarter amounted to Kshs. 98.78 million, with Single Business Permits (Kshs. 26.39 million), NHIF Receipts (Kshs. 18.65 million), and Bus Park fees (Kshs. 9.99 million) emerging as the top revenue streams. However, the county experienced a 10.1% decline in own-source revenue compared to the same quarter in FY 2023-2024, with collections falling by Kshs. 11.14 million. Similarly, the Facility Improvement Financing (FIF) initiative had collected Kshs. 115.65 million, achieving 82.14% of its annual target of Kshs. 140 million. These funds were retained and utilized at source by health facilities in accordance with the FIF Act of 2023.

The county's approved first supplementary budget for FY 2024-2025 amounted to Kshs. 7.11 billion, with 80.7% expected from equitable share (Kshs. 5.74 billion), 14.5% from conditional grants (Kshs. 1.03 billion), and 4.8% from own-source revenue (Kshs. 340 million). Total expenditure for the reporting period amounted to Kshs. 3.32 billion, representing 84.8% of funds released by the Controller of Budget. This expenditure was distributed between development programs (Kshs. 602.16 million) and recurrent expenditures (Kshs. 2.72 billion).

The county's spending on compensation to employees amounted to Kshs. 1.98 billion, constituting 47.55% of the total revenue. This represents an increase from the Kshs. 1.92 billion spent during the same period in FY 2023-2024. Notably, the Health Sector accounted for 48.9% of all employee compensation, with Kshs. 971.20 million allocated to health workers.

Operations and maintenance expenditure totaled Kshs. 734.09 million, with significant portions directed toward domestic travel (Kshs. 112.09 million) and foreign travel (Kshs. 5.06 million). The County Assembly spent Kshs. 31.58 million on committee sitting allowances for 38 MCAs, exceeding the annual budget allocation of Kshs. 27.00 million. Development expenditure decreased by 19.6% compared to the previous fiscal year, with Kshs. 602.16 million spent on development programs against Kshs. 749.05 million in FY 2023-2024. The absorption rate for development funds stood at 26.3% of the annual development budget.

As of June 30, 2024, the county reported pending bills totaling Kshs. 1.51 billion. During the reporting

period, the County Executive settled Kshs. 229.92 million of these bills, comprising Kshs. 42.78 million for recurrent programs and Kshs. 187.14 million for development programs. Despite having a payment plan to clear Kshs. 477.27 million in the first nine months, the county's outstanding bills as of March 31, 2025, remained substantial at Kshs. 1.28 billion.

The county allocated Kshs. 597.85 million (6.44% of the total budget) to County- Established Funds and Kshs. 13.5 million (0.19% of the total budget) to the Emergency Fund. However, three Fund Administrators did not submit quarterly financial reports as required by Section 168 of the PFM Act, 2012. As of March 31, 2025, the County Government's cash balance in the County Revenue Fund (CRF) account was Kshs. 29.45 million. The county did not borrow any funds from financial institutions during this period

## **CHAPTER ONE: OVERVIEW OF THE FY 2024/2025 BUDGET**

### **1.0 Introduction**

This Chapter presents the Legal Basis for preparation of the Third Quarter Budget Implementation Report. It also highlights the Resource Envelope for Annual Budget and the Approved 1<sup>st</sup> Supplementary for the 2024/25.

### **1.1 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 publicizes 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.



## 1.2 The Resource Envelope for the 2024/25 Budget

The County Expenditure Estimates for the F/y 2024/25 is Kes. 7,105,896,878. This consisted of equitable share received from the National Treasury, Additional allocations (Conditional and Unconditional) and Own Source Revenue as shown in the table below:

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

Revenue Source	Approved 1 <sup>st</sup> Supplementary Budget FY 2024/2025(in Kshs)
Equitable Share	5,292,921,648
Balances Brought Forward from FY 2023/2024	443,502,069
DANIDA Grant-Primary Healthcare in Developed Context Programme	16,015,507
Own Resources	340,000,000
Road Maintenance Fuel Levy	104,335,372
Conditional Grant for Aggregated Industrial Parks Programme	250,000,200
Community Health Promoters (CHPS)	43,380,000
National Agriculture Value Chain Development Projects (NAVCDP)	158,015,152
Kenya Devolution Support Programme- KDSP II	37,500,000
Kenya Urban Support Programme-UIG	35,000,000
Nutrition International	2,613,932
Kenya Agricultural Business Development Project (KABDAP)	10,918,919
IDA (World Bank) Credit (Financing Locally Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCRI)	316,350,444
IDA (World Bank) Credit (Financing Locally Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS)	22,000,000
Village Polytechnic	21,234
Kenya Urban Support Programme- UDG Grant	18,278,289
Basic Salary Arrears for County Government Health Workers	15,044,112
<b>GRAND TOTAL</b>	<b>7,105,896,878</b>

Source: Vihiga County Treasury

## 1.3 Approved 1st Supplementary Budget Estimates FY 2024/25

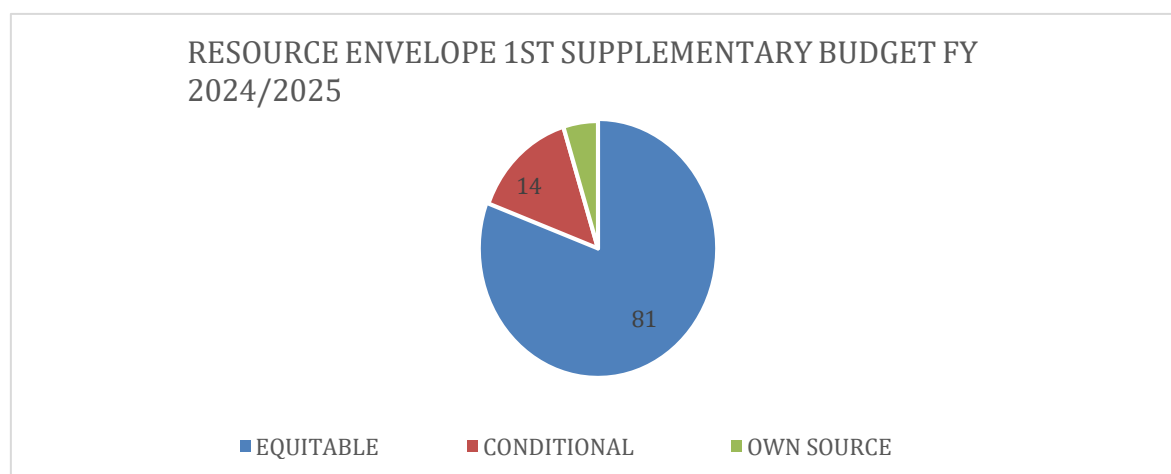
The Approved 1st Supplementary Budget Estimates for FY 2024-2025 outline the adjustments made to the original budget allocations to address emerging priorities and unforeseen expenses. This supplementary budget ensures that the County can effectively allocate resources to critical sectors, enhancing service delivery and operational efficiency during the fiscal year.

### 1.3.1 Resource Envelope

Table 2: Resource Envelope

REVENUE SOURCE	AMOUNT (IN KSHS)	PERCENTAGE
EQUITABLE SHARE	5,736,423,717	80.7
OWN SOURCE REVENUE	1,029,473,161,	14.5
CONDITIONAL GRANTS	340,000,000	4.8
<b>TOTAL</b>	<b>7,105,896,878</b>	<b>100.00</b>

Source: Vihiga County Treasury



To finance the budget, the County expected to receive Kshs. 5,736,423,717 billion (80.7 per cent) as the equitable share of revenue raised nationally, generate Kshs.340,000,000 million (4.8 per cent) from own source of revenue and 1,029,473,161 million (14.5 per cent) as conditional grants.

### 1.3.2 Budget Allocations by Departments

Table 3: Summary of Compensation of Employees, other Recurrent Expenditure, Development& % of Development to Total Budget 2024/25

Vote	Vote Title	Compensation to Employees	Other Recurrent	Development	Totals	% of development to total County budget
1	Office of The Governor	138,148,071	114,363,112	0	252,511,183	-
2	Finance and Economic Planning.	207,419,045	109,258,655	194,222,151	510,899,851	3.4
3	Agriculture, Livestock & Fisheries	113,792,762	40,510,833	198,434,071	352,737,666	3.5

Vote	Vote Title	Compensation to Employees	Other Recurrent	Development	Totals	% of development to total County budget
4	Health Services	1,179,999,620	236,809,348	148,300,000	1,565,108,968	2.6
5	Education & Technical Vocational Training	270,136,000	81,309,177	174,118,632	525,563,809	3.0
6	Gender, Culture, Youth, Sports and Social Services	40,260,000	30,426,094	42,586,918	113,273,012	0.7
7	Commerce, Tourism and Cooperatives.	35,872,374	30,849,851	427,982,323	494,704,548	7.4
8	County Public Service Board	27,840,023	22,972,016	0	50,812,039	-
9	Environment, Water, Natural Resources and Climate Change	46,026,302	105,003,413	446,064,941	597,094,656	7.8
10	Transport & Infrastructure	61,602,360	46,866,246	380,718,921	489,187,527	6.6
11	Physical Planning, Lands, Housing & Urban Development	61,523,559	68,845,912	46,474,460	176,843,931	0.8
12	County Assembly	0	0	0	-	-
13	Public Service & Administration	450,898,623	115,894,383	14,800,000	581,593,006	0.3
14	County Attorney	21,000,000	14,500,000	0	35,500,000	-
	<b>Total County Expenditure</b>	<b>2,654,518,739</b>	<b>1,017,609,040</b>	<b>2,073,702,417</b>	<b>5,745,830,196</b>	<b>36.1</b>

## CHAPTER TWO: REVENUE PERFORMANCE

### 2.0 Introduction

This chapter outlines revenue performance in the first nine months of FY 2024/25. The chapter further highlights Own Source Revenue Collections presenting their achievements and variances.

### 2.1 Revenue Performance

In the review period, the County received Kshs.4.17 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.0.86 billion from Kshs.3.31 billion received in the same period in FY 2023/24. The total revenue consists of Kshs. 3.49 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.0.00 billion, and its own-source revenue (OSR) collection of Kshs.238.95 million. In addition, the County had a cash balance of Kshs.443.50 million from FY 2023/24.

The total OSR collection of Kshs.238.95 million includes Appropriations in Aid (AIA)/Facilities Improvement Financing (FIF) of Kshs.115.65 million, and Kshs.123.30 million from other OSR sources. OSR collections from the FIF were received from Vihiga County Referral Hospital, Emuhaya Sub County Hospital, Hamisi Sub County Hospital, Emusire Sub County Hospital and Sabatia Sub County Hospital, where FIF is collected. Table below summarizes the total revenue available to the County Government during the first nine months of FY 2024/25.

**Table 4: Vihiga County, Revenue Performance in the First Nine Months of FY 2024/25**

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
<b>A</b>	<b>Equitable Share of Revenue Raised Nationally -</b>			
		5,292,921,648	3,491,257,159	66.0
	<b>Subtotal</b>	<b>5,292,921,648</b>	<b>3,491,257,159</b>	<b>66.0</b>
<b>B</b>	<b>Additional Allocations</b>			
1.	Road Maintenance Fuel Levy	104,335,372		
2.	Community Health Promoters (CHPS)	43,380,000		
3.	Primary Health Care in Developed Context Programme (DANIDA)	16,015,507		
4.	Aggregated Industrial Parks Programme	250,000,200		
5.	National Agriculture Value Chain Development Projects (NAVCDP)	158,015,152		
6.	Kenya Devolution Support Programme - KDSP II (GRANT)	37,500,000		
7.	Kenya Urban Support Programme - UIG Grant	35,000,000		
8.	Nutrition International	2,613,932		
9.	FLLoCA KFW/IDA (CCRI)	316,350,444		
10.	Kenya Agricultural Business Development Project(KABDAP)	10,918,919		
11.	Village Polytechnic	21,234		
12.	FLLoCA KFW/IDA (CCIS)	22,000,000		
13.	Kenya Urban Support Programme - UDG Grant	18,278,289		
14.	Basic Salary Arrears for County Government Health Works	15,044,112		
	<b>Subtotal</b>	<b>1,029,473,161</b>	<b>0</b>	
<b>C</b>	<b>Own Source Revenue</b>			

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
15.	Ordinary Own Source Revenue	200,000,000	123,299,289	61.6
16.	Appropriation in Aid (A-I-A)	140,000,000	115,648,839	82.6
17.	Facility Improvement Fund (FIF)			
<b>Subtotal</b>		<b>340,000,000</b>	<b>238,948,128</b>	
<b>D</b>	<b>Other Sources of Revenue</b>			
18.	Unspent balance from FY 2023/24	443,502,069	443,502,069	100.0
19.	Other Revenues (provide a list)	-	-	-
<b>Sub-Total</b>		<b>443,502,069</b>	<b>443,502,069</b>	
<b>Grand Total</b>		<b>7,105,896,878</b>	<b>4,173,707,356</b>	<b>58.7</b>

Source: Vihiga County Treasury

The County has a governing legislation on the operation of ordinary A-I-A and FIF.

## 2.2 Own Source Revenue (OSR) Collections

As at 31<sup>st</sup> March 2025, Kshs.238.95 million had been collected as OSR. Collections in the third quarter of FY 2023/2024 were higher than in FY 2024/2025 by a variance of Kshs. 11,135,422 representing a negative deviation of 10.1 percent. The analysis of the OSR performance by revenue streams is shown in table 4 below.

### 2.2.1 Analysis of OSR Performance by Streams

**Table 5: Own Source Revenue Performance Third Quarter FY 2024/2025**

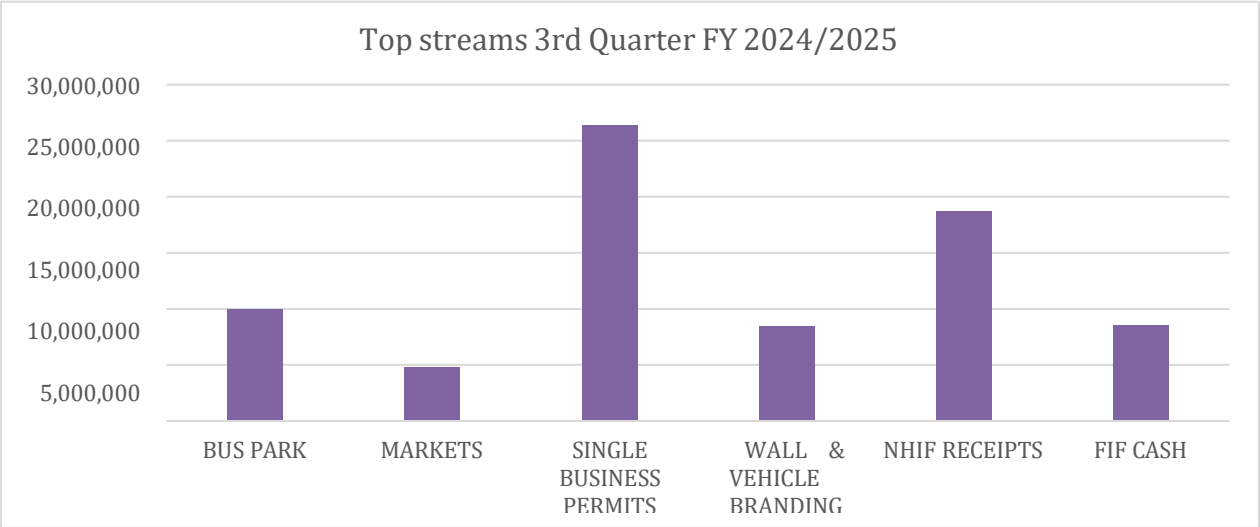
	STREAMS	JANUARY(In KES)	FEBRUARY(In KES)	MARCH(In KES)	TOTAL(In KES)
1.	PARKING FEE	860,680	1,103,121	680,350	2,644,151
2.	BUS PARK	3,024,750	3,444,200	3,516,570	9,985,520
3.	MARKETS	1,494,435	1,918,470	1,389,770	4,802,675
4.	SINGLE BUSINESS PERMITS	4,657,280	7,186,955	14,548,333	26,392,568
5.	SBP APPLICATION	2,500	9,000	6,500	18,000
6.	CONSERVANCY FEE	453,000	622,000	1,797,000	2,872,000
7.	FINES AND PENALTIES	64,500	130,300	75,100	269,900
8.	LAND RATES	92,576	95,610	153,912	342,098
9.	STALL RENT	459,500	188,100	192,500	840,100
10.	HOUSE RENT	359,500	321,500	321,500	1,002,500
11.	COMMISSION	136,242	119,188	121,233	376,663
12.	SANDIMURRAM/gold	240,100	300,100	2,094,300	2,634,500
13.	WATER ADM FEES	-	-	-	-
14.	PLAN APP AND APPROVAL	230,400	197,600	166,100	594,100
15.	PHYSICAL PLANNING	191,000	390,500	215,500	797,000
16.	GROUND/SITE RENT	26,150	62,500	58,000	146,650
17.	ADVERTISEMENT	-	12,500	95,059	107,559
18.	WALL & VEHICLE BRANDING	1,001,900	769,000	6,640,400	8,411,300
19.	LAND BOUNDARYDISPUTES	35,000	50,000	15,000	100,000
20.	SLAUGHTER MANAGEMENT	207,950	100,320	137,920	446,190
21.	STOCK SALES	298,030	149,600	225,700	673,330

	<b>STREAMS</b>	<b>JANUARY(In KES)</b>	<b>FEBRUARY(In KES)</b>	<b>MARCH(In KES)</b>	<b>TOTAL(In KES)</b>
22.	MOTORBIKE STICKERS	612,440	512,250	576,530	1,701,220
23.	WEIGHTS & MEASURES	40,200	83,000	84,200	207,400
24.	SIGNAGES	91,460	43,500	-	134,960
25.	WAY LEAVE APPLICATION	155,000	602,500	38,500	796,000
26.	VETERINARY & FISHERIES	250,101	123,200	316,470	689,771
27.	SEARCH FEES	1,000	-	-	1,000
28.	RENOVATION	44,500	61,500	6,000	112,000
29.	BUILDING INSPECTION FEE	109,000	111,000	98,500	318,500
30.	HIRE OF MACHINES	30,000	-	-	30,000
31.	FIRE INSPECTION FEE	122,000	117,000	117,500	356,500
32.	SCRUTINY MECHANICAL	72,000	90,000	65,000	227,000
33.	SCRUTINY ELECTRICAL	60,000	72,000	67,000	199,000
34.	NOISE POLLUTION	6,600	18,800	28,600	54,000
35.	TOILET FEES	30,000	29,440	28,000	87,440
36.	HOARDING	15,000	22,000	12,000	49,000
37.	CLEARANCE CERTIFICATE FEE	-	7,000	-	7,000
38.	CHANGE OF USER	20,000	84,000	-	104,000
39.	TEA CESS	-	189,140	-	189,140
40.	hire of stadia			5,000	5,000
41.	Cooperatives	-	4,000	26,000	30,000
42.	MIS			563,740	563,740
43.	VIHIGA FM	45,288.00	-	-	45,288
44.	NHIF RECEIPTS	3,531,592.00	6,438,528	8,675,726	18,645,846
45.	FIF CASH	2,612,757.00	3,070,396	2,800,314	8,483,467
46.	PUBLIC HEALTH	384,100.00	649,100	735,550	1,768,750
47.	LIQUOR LICENCE FEE	279,241.00	127,000	113,000	519,241
	<b>TOTAL</b>	<b>6,852,978</b>	<b>10,285,024</b>	<b>12,324,590</b>	<b>29,462,592</b>
	<b>GRAND TOTAL</b>	<b>22,347,772</b>	<b>29,625,918</b>	<b>46,808,377</b>	<b>98,782,067</b>

Source: Vihiga County Treasury

Single Business Permits, N.H.I.F Receipts and Bus Park recorded the highest collection with amounts of Kes 26,392,568, Kes 18,645,846 and Kes 9,985,520 respectively. Hire of stadia and Search fees recorded the lowest collection with amounts as low as Kshs. 5,000 and Kshs. 1,000 respectively.

Figure 1 Top Streams of Own Source Revenue in the First Quarter FY 2024/2025



Source: Vihiga County Treasury

## 2.2.2 Variances in Own Source Revenue Performance

Table 6: Variance in Own Source Revenue Performance in the third quarter between FY 2023/2024 and FY 2024/2025

	STREAMS	FY 2024/2025 TOTAL(In KES)	FY 2023/2024 TOTAL(In KES)	VRIANC(In KES)	PERCENTAGE VARIANCE (%)
1	PARKING FEE	2,644,151	1,964,403	679,748	34.6
2	BUS PARK	9,985,520	6,446,043	3,539,477	54.9
3	MARKETS	4,802,675	3,646,102	1,156,573	31.7
4	SINGLE BUSINESS PERMITS	26,392,568	24,074,163	2,318,405	9.6
5	SBP APPLICATION	18,000	46,000	(28,000)	-60.9
6	CONSERVANCY FEE	2,872,000	2,664,000	208,000	7.8
7	FINES AND PENALTIES	269,900	132,100	137,800	104.3
8	LAND RATES	342,098	778,526	(436,428)	-56.1
9	STALL RENT	840,100	1,404,188	(564,088)	-40.2
10	HOUSE RENT	1,002,500	478,787	523,713	109.4
11	COMMISSION	376,663		376,663	
12	SAND\MURRAM/gold	2,634,500	222,000	2,412,500	1086.7
13	WATER ADM FEES	-	61,900	(61,900)	-100.0
14	PLAN APP AND APPROVAL	594,100	914,500	(320,400)	-35.0
15	PHYSICAL PLANNING	797,000	1,303,800	(506,800)	-38.9
16	GROUND/SITE RENT	146,650	171,050	(24,400)	-14.3
17	ADVERTISEMENT	107,559	648,200	(540,641)	-83.4
18	WALL & VEHICLE BRANDING	8,411,300	6,251,802	2,159,498	34.5
19	LAND BOUNDARY\DISPUTES	100,000	153,000	(53,000)	-34.6
20	SLAUGHTER MANAGEMENT	446,190	491,070	(44,880)	-9.1
21	STOCK SALES	673,330	913,450	(240,120)	-26.3
22	MOTORBIKE STICKERS	1,701,220	1,363,010	338,210	24.8
23	WEIGHTS & MEASURES	207,400	195,600	11,800	6.0
24	SIGNAGES	134,960	1,670,700	(1,535,740)	-91.9
25	WAY LEAVE APPLICATION	796,000	169,920	626,080	368.5
26	VETERINARY & FISHERIES	689,771	368,660	321,111	87.1
27	SEARCH FEES	1,000	1,000	-	0.0
28	RENOVATION	112,000	47,500	64,500	135.8
29	BUILDING INSPECTION FEE	318,500	264,300	54,200	20.5
30	HIRE OF MACHINES	30,000	154,560	(124,560)	-80.6
31	FIRE INSPECTION FEE	356,500	194,000	162,500	83.8
32	SCRUTINY MECHANICAL	227,000	109,000	118,000	108.3
33	SCRUTNIY ELECTRICAL	199,000	184,000	15,000	8.2
34	NOISE POLLUTION	54,000	50,350	3,650	7.2
35	TOILET FEES	87,440	51,850	35,590	68.6
36	HOARDING	49,000		49,000	
37	CLEARANCE CERTIFICATE FEE	7,000		7,000	
38	CHANGE OF USER	104,000	20,000	84,000	420.0



		FY 2024/2025	FY 2023/2024		
	STREAMS	TOTAL(In KES)	TOTAL(In KES)	VRiance(In KES)	PERCENTAGE VARIANCE (%)
39	TEA CESS	189,140	666,381	(477,241)	-71.6
40	HIRE OF STADIA	5,000		5,000	
41	COOPERATIVES	30,000		30,000	
42	MIS	563,740		563,740	
	<b>TOTAL</b>	<b>69,319,475</b>	<b>58,275,915</b>	<b>11,043,560</b>	<b>19.0</b>
43	VIHIGA FM	45,288	249,400	(204,112)	-81.8
44	NHIF RECEIPTS	18,645,846	28,777,188	(10,131,342)	-35.2
45	FIF CASH	8,483,467	19,495,586	(11,012,119)	-56.5
46	PUBLIC HEALTH	1,768,750	1,941,400	(172,650)	-8.9
47	LIQUOR LICENCE FEE	519,241	1,178,000	(658,759)	-55.9
	<b>TOTAL</b>	<b>29,462,592</b>	<b>51,641,574</b>	<b>(22,178,982)</b>	<b>-42.9</b>
	<b>GRAND TOTAL</b>	<b>98,782,067</b>	<b>109,917,489</b>	<b>(11,135,422)</b>	<b>-10.1</b>

Source: Vihiga County Treasury

### 2.3 Expenditure by Departments for the 1<sup>st</sup> Supplementary Budget F/Y 2024/25

The 1<sup>st</sup> Approved Supplementary budget expenditure F/Y 2024/25 was Kshs 5,745,830,196. This comprised of Kshs. 2,654,518,739 as compensation to employees, Kshs. 1,017,609,040 as operations and maintenance expenditure and Kshs. 2,073,702,417 as development expenditure. The table shows a Summary of Compensation of Employees, other Recurrent Expenditure, Development & % of Development to Total Budget 2024/25.

**Table 7: Expenditure by Vote, recurrent and Development**

VOTE	VOTE TITLE	Compensation to Employees	Other Recurrent	Development	Totals	% of development to total County budget
1	Office of The Governor	138,148,071	114,363,112	0	252,511,183	-
2	Finance and Economic Planning.	207,419,045	109,258,655	194,222,151	510,899,851	3.4
3	Agriculture, Livestock & Fisheries	113,792,762	40,510,833	198,434,071	352,737,666	3.5
4	Health Services	1,179,999,620	236,809,348	148,300,000	1,565,108,968	2.6
5	Education & Technical Vocational Training	270,136,000	81,309,177	174,118,632	525,563,809	3.0
6	Gender, Culture, Youth, Sports and Social Services	40,260,000	30,426,094	42,586,918	113,273,012	0.7
7	Commerce, Tourism and Cooperatives.	35,872,374	30,849,851	427,982,323	494,704,548	7.4
8	County Public Service Board	27,840,023	22,972,016	0	50,812,039	-
9	Environment, Water, Natural Resources and Climate Change	46,026,302	105,003,413	446,064,941	597,094,656	7.8
10	Transport & Infrastructure	61,602,360	46,866,246	380,718,921	489,187,527	6.6

VOTE	VOTE TITLE	Compensation to Employees	Other Recurrent	Development	Totals	% of development to total County budget
11	Physical Planning, Lands, Housing & Urban Development	61,523,559	68,845,912	46,474,460	176,843,931	0.8
12	County Assembly	0	0	0	-	-
13	Public Service & Administration	450,898,623	115,894,383	14,800,000	581,593,006	0.3
14	County Attorney	21,000,000	14,500,000	0	35,500,000	-
	<b>TOTAL COUNTY EXPENDITURE</b>	<b>2,654,518,739</b>	<b>1,017,609,040</b>	<b>2,073,702,417</b>	<b>5,745,830,196</b>	36.1

## CHAPTER THREE: EXCHEQUER ISSUES AND EXPENDITURE PERFORMANCE DURING THE THIRD QUARTER F/Y 2024/25.

### 3.0 Introduction

This chapter outlines exchequer issues and expenditure performance during up to the third Quarter of the F/y 2024/25. The chapter further presents Expenditure by Economic Classifications.

### 3.1 Exchequer Issues

During the period under review, the Controller of Budget approved withdrawals of Kshs.3.92 billion from the CRF account. This comprised Kshs.674.48 million (17.2 per cent) for development programmes and Kshs.3.24 billion (82.8 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.41 billion was released towards compensation of employees and Kshs.830.24 million for operations and maintenance expenditure. It is noteworthy that the exchequer approved towards compensation for employees in the first nine months of FY 2024/25 do not include the March 2025 exchequer request for the County Executive and County Assembly due to late disbursement of funds from National Treasury to CRF account.

Analysis of the operations and maintenance exchequer releases indicates that 17.8 per cent was for domestic travel and 3.6 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.148.07 million and included Kshs.35.75 million for the County Executive and Kshs.112.32 million for the County Assembly. The foreign exchequer amounted to Kshs.29.88 million, comprising Kshs.14.88 million for the County Executive and Kshs.15.00 million for the County Assembly.

### 3.2 Budget Allocation and Exchequer Issued by Department

The Table shows the Budget allocation verse Exchequer issued by Departments. It can be observed that as of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.29.45 million.

**Table 8: Vihiga County, Budget Allocation and Exchequer Issued by Department**

Department	Revised Net Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Office of The Governor	244,924,593	-	217,446,327	-	88.80	-
Finance and Economic Planning.	371,368,728	160,222,151	247,650,528	123,391,759	66.69	77.01
Agriculture, Livestock & Fisheries	144,289,792	191,934,071	118,291,038	3,970,000	81.98	2.07
Health Services	1,431,343,813	163,200,000	1,006,869,097	124,229,686	70.34	76.12
Education & Technical Vocational Training	471,290,721	189,128,356	336,743,464	56,165,135	71.45	29.70
Gender, Culture, Youth, Sports and Social Services	89,739,919	37,342,565	68,994,313	-	76.88	
Commerce, Tourism and Cooperatives.	79,846,387	360,880,034	46,609,888	40,801,382	58.37	11.31
County Public Service Board	67,635,153	-	37,391,383	-	55.28	
Environment, Water, Natural Resources and Climate Change	173,446,474	610,213,767	103,235,237	145,641,190	59.52	23.87

Department	Revised Net Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Transport & Infrastructure	168,865,389	477,097,174	72,113,893	149,229,150	42.70	31.28
Physical Planning, Lands, Housing & Urban Development	109,481,018	69,852,749	72,003,615	20,000,000	65.77	28.63
County Assembly	703,849,057	11,399,349	380,919,513	11,050,170	54.12	96.94
Public Service & Administration	596,026,018	15,500,000	394,542,250	-	66.20	
County Attorney	27,019,600	-	22,642,620	-	83.80	
	4,679,126,662	2,286,770,216	3,241,102,006	674,478,472	69.27	29.49

Source: Vihiga County Treasury

### 3.3 County Expenditure Review

During the period ending 31<sup>st</sup> March 2025, the County Government Departments and agencies had spent a total amount of Kshs.3.32 billion. The expenditure represented 84.8 per cent of the total funds released by the CoB and comprised of Kshs.602.16 million and Kshs.2.72 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 26.3 per cent, while recurrent expenditure represented 56.4 per cent of the annual recurrent expenditure budget.

#### 3.3.1 Expenditure by Economic Classification

The County Executive spent Kshs.1.80 billion on employee compensation, Kshs.537.14 million on operations and maintenance, and Kshs.591.11 million on development activities. Similarly, the County Assembly spent Kshs.182.44 billion on employee compensation, Kshs.196.95 million on operations and maintenance, and Kshs.11.05 million on development activities, as shown in the table below.

**Table 9: Summary of Budget and Expenditure by Economic Classification**

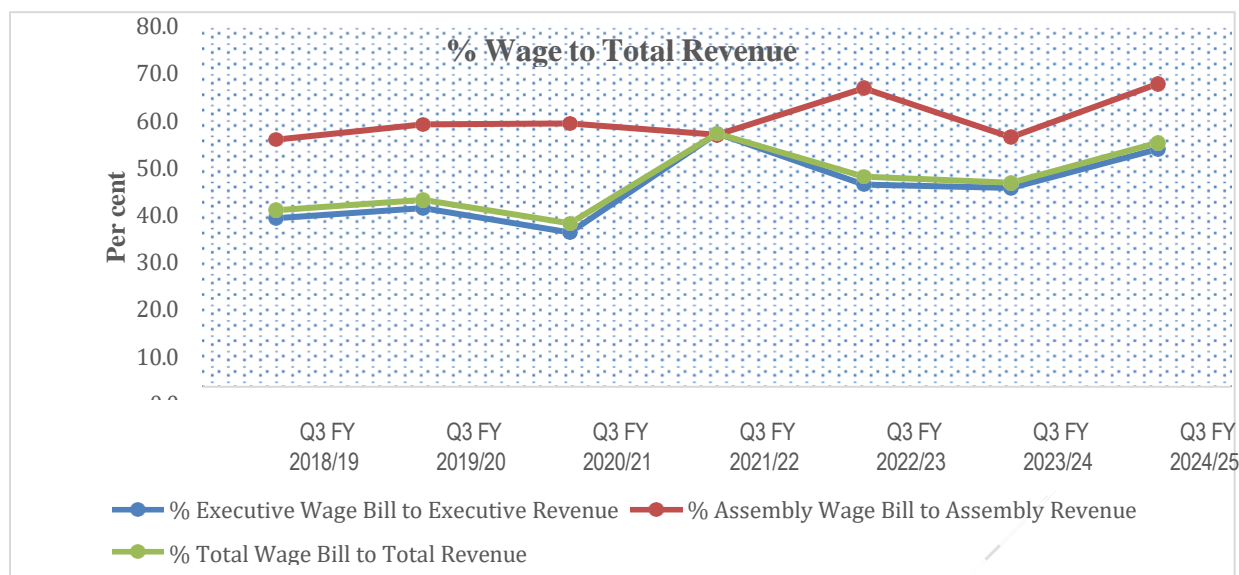
Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
<b>Total Recurrent Expenditure</b>	<b>4,115,277,605</b>	<b>703,849,057</b>	2,339,272,423	379,389,759	57	54
Compensation to Employees	2,852,173,177	340,619,592	1,802,133,567	182,438,363	63	54
Operations and Maintenance	1,263,104,428	363,229,465	537,138,856	196,951,396	43	54
<b>Development Expenditure</b>	<b>2,275,370,867</b>	<b>11,399,349</b>	591,110,700	11,050,170	26	97
<b>Total</b>	<b>6,390,648,472</b>	<b>715,248,406</b>	<b>2,930,383,123</b>	<b>390,439,929</b>	<b>46</b>	<b>55</b>

Source: Vihiga County Treasury

### 3.3.2 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.1.98 billion. The total revenue, excluding the earnings from extractive natural resources from sand cess, gypsum cess, and quarry cess, is Kshs.4.17 million. Consequently, the percentage of employee compensation to this adjusted revenue is 47.55 per cent. This expenditure on employee compensation shows an increase compared to the Kshs. 1.92 billion reported during the same period in FY 2023/24. Of this total, Kshs.971.20 million was allocated to Health Sector employees, which accounts for 48.9 per cent of the overall employees' compensation. Figure below shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

*Figure 2 Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25*



Source: Vihiga County Treasury

Further analysis indicates that PE costs amounting to Kshs.1.94 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.41.11 million was processed through manual payrolls, which accounted for 2.1 per cent of the total PE cost.

The manual payrolls comprised salaries for top-up allowance for security personnel and Community Health Workers, as shown below.

**Table 10: Breakdown of Vihiga County Manual Payroll**

Sno.	Description of Manual Payroll	Amount Kshs.
1.	Salaries for Community Health Workers (CHWs)	38,097,000
2.	Top-up Allowances for security officers	3,011,310
	<b>Total</b>	<b>41,108,310</b>

The County Assembly spent Kshs.31.58 million on committee sitting allowances for the 38 MCAs against the annual budget allocation of Kshs.27.00 million. The average monthly sitting allowance was Kshs.92,352 per MCA. The County Assembly has 18 House Committees.

### 3.3.3 Settlement of Pending Bills

The pending bills accrued by the County Executive amounted to Kes. 1,376,666,666.10 as at 1st July 2024. On the other hand, the County Assembly had not reported any pending bills during the period. The pending bills accrued by the County Executive consisted of Kshs.538.42 million for recurrent expenditures and Kshs.972.95 million for development expenditures. The County Government had planned to pay KES. 636,352,062 in the Year 2024/2025, as appropriated in the Approved 1st Supplementary Budget for F/Y 2024/25. However, as of the end of 3<sup>rd</sup> Quarter (31st March 2025) Kes. 229,924,505.61 comprising Kshs.42.78 million for recurrent programmes and Kshs. 187.14 million for development programmes as shown in the table 5 below.

**Table 11: Pending Bills Payments by Departments as at 31st March 2025**

DEPARTMET	Actual Payment as at 31 <sup>ST</sup> March 2025 (KES)
Health Services	17,035,583.00
Education	31,683,303.87
Agriculture	277,000.00
CPSB	5,500,000.00
Water, Environment	32,994,529.55
Lands	656,400.00
Gender	-
PSA	10,363,947.00
T&I	95,469,843.40
Trade	-
Finance	26,548,973.79
Office Of the Attorney	8,119,475.00
Executive	1,275,450.00
<b>TOTAL</b>	<b>229,924,505.61</b>

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

Section 116 of the PFM Act 2012 allows County Governments to establish other public funds with approval from the County Executive Committee and the County Assembly. The County allocated Kshs.597.85 million to County-Established funds in FY 2024/25, or 6.44 per cent of the County's overall budget. Further, the County allocated Kshs.13.5 million to the Emergency Fund (0.19 percent of the total budget) in line with Section 110 of the PFM Act, 2012. Table below summarizes each established Fund's budget allocation and performance during the reporting period.

**Table 12: Performance of County Established Funds in the First Nine Months of FY 2024/25**

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
<b>County Executive Established Funds</b>							
1.	Emergency Fund	2020	13,500,000	-	-	-	No
2.	Education Fund	2015	35,000,000	25,000,000	37,372,992	1,041,743,412	Yes
3.	Sports Fund	2019	13,000,000	0	5,082,015	65,000,000	Yes
4.	Trade and Enterprise Fund	2018	0	0	403,010	59,977,000	Yes
5.	Climate Change/FLLoCA Fund	2019	396,350,444	65,000,000	179,873,775	184,000,000	Yes
6.	Car-loan and Mortgage Fund		0	0	1,344,266	70,000,000	No
7.	FIF Fund	2019	140,000,000	0			Yes
<b>County Assembly Established Funds</b>							
8.	Car-loan and Mortgage	-	-	-	-	200,000,000	No
	<b>Total</b>		<b>597,850,444</b>	<b>90,000,000</b>	<b>224,076,058</b>	<b>1,620,720,412</b>	

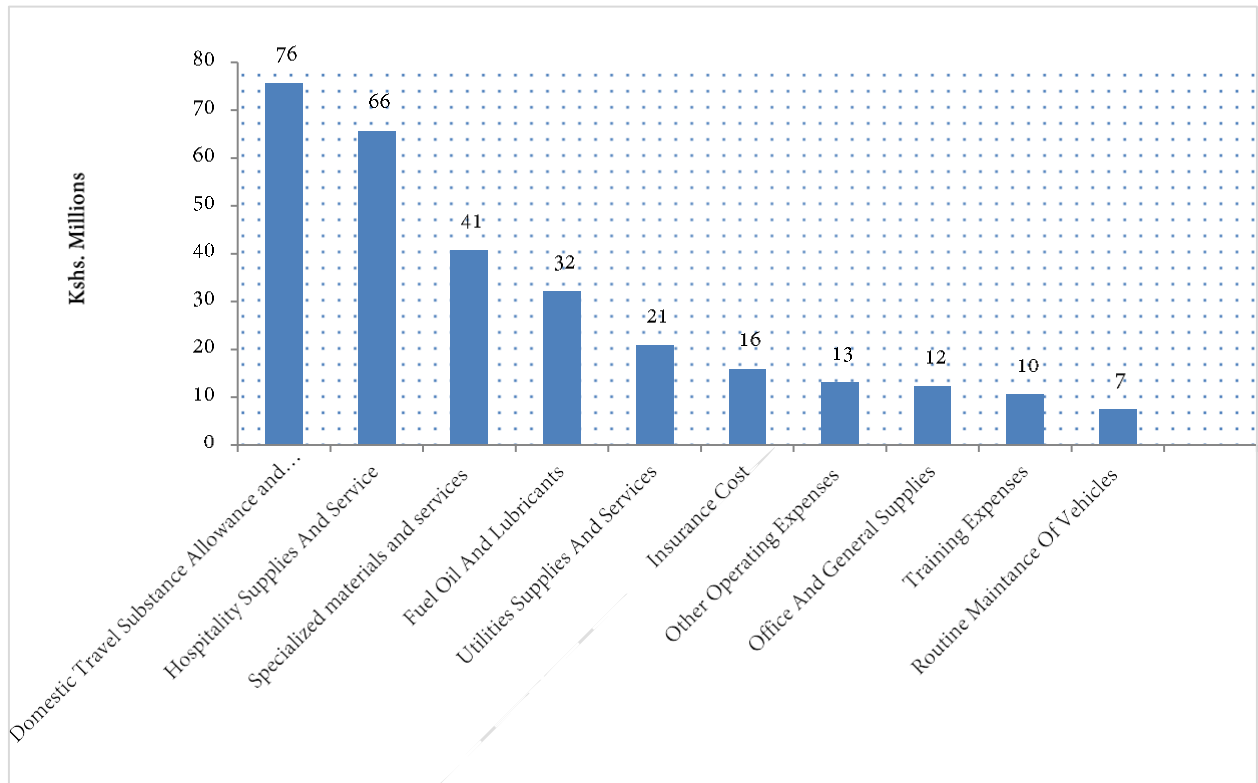
Source: Vihiga County Treasury

### 3.3.5 Expenditure on Operations and Maintenance

#### Overview of Expenditure on Operations and Maintenance

Figure below summarizes the Operations and Maintenance expenditure by major categories.

Figure 3: Vihiga County, Operations and Maintenance Expenditure by Major Categories



Source: Vihiga County Treasury



Expenditure on domestic travel amounted to Kshs.112.09 million and comprised Kshs.83.40 million spent by the County Assembly and Kshs.28.69 million by the County Executive. Expenditure on foreign travel amounted to Kshs. 5.06 million and comprised Kshs.1.48 million by the County Assembly and Kshs.3.58 million by the County Executive. Expenditure on foreign travel is summarized in the table below.

**Table 13: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25**

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	3	11 <sup>th</sup> November to 22 <sup>nd</sup> November 2024	United Nation Framework convention on climate change	Dubai Baku - Azerbaijan	863,380
County Assembly	4	13 <sup>th</sup> November, 2024 to 23 <sup>rd</sup> December, 2024	Sports benchmarking trip courtesy of fountain gate sport academy	Tanzania	1,476,248
County Executive	2	27 <sup>th</sup> to 28 <sup>th</sup> February 2025	Call on Action for climate change resilience	Sacramento California	1,449,810
County Executive	2	25 <sup>th</sup> to 28 <sup>th</sup> March 2025	Call on Action for climate change resilience	Boston	1,268,115
<b>TOTAL</b>					<b>5,057,553</b>

Source: Vihiga County Treasury and Vihiga County Assembly

### 3.3.6 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.115.65 million as FIF, which was 82.14 per cent of the annual target of Kshs.140 million. The collected amount was retained and utilized at source in line with the Facility Improvement Financing Act, 2023. The Health Facilities did provide a report on the utilization of the FIF during the reporting period, in line with Section 18 (e) of the FIF Act, 2023. The expenditure by the health facilities amounted to Kshs.102.30 million, as shown below.

**Table 14: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25**

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1.	VCRH	100,000,000	87,934,298	87.9
2.	Sabatia	10,000,000	4,020,332	40.2
3.	Emuhaya	10,000,000	3,450,236	34.5
4.	Hamisi	10,000,000	5,174,237	51.7
5.	Emusire	10,000,000	1,720,400	17.2
	<b>Total</b>	<b>140,000,000</b>	<b>102,299,503</b>	<b>73.1</b>

Source: Vihiga County Treasury

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

### 3.3.7 Development Expenditure

In the review period, the County reported spending Kshs.602.16 million on development programmes, representing a decrease of 19.6 per cent compared to a similar period in FY 2023/24, when the County spent Kshs. 749.05 million. **Error! Reference source not found.** Summarizes development projects with the highest expenditure in the reporting period.

**Table 15: Vihiga County, List of Development Projects with the Highest Expenditure**

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract T Sum (Kshs)	Amount Paid In The First Nine Months Of FY 2024/25 (Kshs.)	Cumulative Expenditure As Of 31st March 2025	Implementation Status (%)
1	Environment	Purchase Of Fruit Tree- Rehabilitation Of 70 Acres Of Maragoli Hills	South Maragoli	2 <sup>nd</sup> Dec 2024	9,380,224	9,380,224	9,380,224	100
2	Water ( Climate Change)	Constructon of Kapti/Mwala Community Climate Change Resilient Water Project	Shiru	2 <sup>nd</sup> Dec 2024	22,337,766	22,337,766	22,337,766	100
3	Agriculture ( Climate Change)	Completion And Commercialization Of South Maragoli Apiculture Project.	Soth Maragoli	14 <sup>th</sup> June2025	14,338,330	0	0	5
4	Agriculture ( Climate Change)	Completion And Commercialization Of Buhain Irrigation Scheme	Mungom A	24 <sup>th</sup> Oct 2025	12,589,031.42	0	0	5
5	WATER ( Climate Change)	Augmentaton of Ebukhaya Community Water Project	Central Bunyore	2ND DEC. 2024	21,990,866.35	21,990,866.35	21,990,866.35	100
6	Water ( Climate Change)	Ekamanji Commu Nity Climate Resilient Water Project	Luanda Township	2nd Dec. 2024	12,598,740.00	12,598,740.00	12,598,740.00	100
7	Water ( Climate Change)	Construction of Kaila Community Climate Resilient Water Project	Luanda South	2nd Decembe r 2024	16,200,000.00	16,200,000.00	16,200,000.00	100
8	Transp Ort (Cli Mate Climate Change)	Construction Of Mutave-Jepsesi Bridge	Tambua	2nd December 2024	13,158,344.00	6,939,700	6,939,700	100

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract T Sum (Kshs)	Amount Paid In The First Nine Months Of FY 2024/25 (Kshs.)	Cumulative Expenditure As Of 31st March 2025	Implementation Status (%)
9	Water (Climate Change)	Equipping, Expansion and Solarization of Vagina Water Project	Lugaga Wamu Luma	2nd December 2024	14,442,824.43	1,306,850	1,306,850	80
10	Water (Climate Change)	Augmentation of Nadiradi Community Water Project	Busali	20th December 2024	15,899,748.75	10,780,600	10,780,600	100
11	Water (Climate Change)	Construction Of Kegondi Community Climate Resilient Water Project	Sabatia West	2nd December 2024	12,097,795.15	12,097,795.15	12,097,795.15	100

Source: Vihiga County Treasury

### 3.4 Budget Performance by Department

Table below summarizes the approved budget allocation, expenditure and absorption rate by departments in the period under review.

**Table 16: 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	244,924,593	-	217,446,327	-	100,163,126	-	46.1	-	40.9	-
Finance and Economic Planning	371,368,728	160,222,151	247,650,528	123,391,759	209,001,954	106,957,765	84.4	86.7	56.3	66.8
Agriculture, Livestock & Fisheries	144,289,792	191,934,071	118,291,038	3,970,000	82,136,199	3,409,983	69.4	85.9	56.9	1.8
Health Services	1,571,343,813	163,200,000	1,122,517,936	124,229,686	1,116,823,099	82,981,543	99.5	66.8	71.1	50.8
Education & Technical Vocation Training	471,290,721	189,128,356	336,743,464	56,165,135	244,889,797	52,365,430	72.7	93.2	52.0	27.7
Gender, Culture, Youth, Sports and Social Services	89,739,919	37,342,565	68,994,313	-	32,119,803	3,046,806	46.6	-	35.8	8.2
Commerce, Tourism and Cooperatives.	79,846,387	360,880,034	46,609,888	40,801,382	13,262,494	35,213,162	28.5	86.3	16.6	9.8

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
County Public Service Board	67,635,153	-	37,391,383	-	22,271,798	-	59.6	-	32.9	-
Environment, Water, Natural Resources and Climate Change	173,446,474	610,213,767	103,235,237	145,641,190	64,644,007	140,104,580	62.6	96.2	37.3	23.0
Transport & Infrastructure	168,865,389	477,097,174	72,113,893	149,229,150	37,605,069	147,486,971	52.1	98.8	22.3	30.9
Physical Planning, Lands, Housing & Urban Development	109,481,018	69,852,749	72,003,615	20,000,000	27,012,000	19,544,460	37.5	97.7	24.7	28.0
County Assembly	703,849,057	11,399,349	380,919,513	11,050,170	379,389,759	11,050,170	99.6	100	53.9	96.9
Public Service & Administration	596,026,018	15,500,000	394,542,250	-	381,645,412	-	96.7	-	64.0	-
County Attorney y	27,019,600	-	22,642,620	-	7,697,665	-	34.0	-	28.5	-
							-	-	-	-
							-	-	-	-
<b>Total</b>	<b>4,819,126,662</b>	<b>2,286,770,216</b>	<b>3,241,102,006</b>	<b>674,478,472</b>	<b>2,718,662,182</b>	<b>602,160,870</b>	<b>83.9</b>	<b>89.3</b>	-	-

**Source:** Vihiga County Treasury

Analysis of expenditure by departments shows that the County Assembly recorded the highest absorption rate of development budget at 96.9 per cent, followed by the Department of Finance at 66.8 per cent. The Department of Health Services had the highest percentage of recurrent expenditure to budget at 71.1 per cent, while the Department of Commerce had the lowest at 16.6 per cent.

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

Table below summarizes the budget execution by programmes and sub-programmes in the period under review.

**Table 17: Vihiga County, Budget Execution by Programmes and Sub-Programmes**

Program	Sub Program	Revised Gross Approved Estimates		Actual Expenditure		Absorption rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
		KShs	KShs	KShs	KShs	KShs	
Administration, Planning and Support Service		279,980,413.00	172,015,152.00	179,374,401.80	0.00	64.07	0.00
	Administrative Service	277,054,512.00	172,015,152.00	177,889,401.80	0.00	64.21	0.00
	Research and Development	2,925,901.00		1,485,000.00		50.75	#DIV/0!
	Formulation of Policies, Regulations and Legal Framework	0		0		#DIV/0!	#DIV/0!
Livestock Development and Management		6,834,500.00	8,000,000.00	3,889,687.00	2,910,000.00	56.91	36.38
	Veterinary Services and Extension	5,348,500.00	4,500,000.00	3,289,687.00	2,910,000.00	61.51	64.67
	Livestock Extension	1,236,000.00	3,500,000.00	350,000.00	0.00	28.32	0.00
	Value Chain Development	250,000.00		250,000.00		100.00	#DIV/0!
Fisheries Development and Management		2,396,000.00	3,500,000.00	680,000.00	0.00	28.38	0.00
	Promotion of Fish Farming	2,396,000.00	3,500,000.00	680,000.00	0.00	28.38	0.00
Crop Development and Management		3,890,000.00	10,918,919.00	1,332,259.00	0.00	34.25	0.00
	Crop Extension	550,000.00		111,900.00		20.35	#DIV/0!
	Farm Input Subsidy	500,000.00	10,918,919.00	0	0	0.00	0.00
	Cash Crop Production and Development	1,340,000.00		720,360.00		53.76	#DIV/0!
	Food Security Initiatives	1,500,000.00		499,999.00		33.33	#DIV/0!
Cooperatives Development		2,999,000.00	2,000,000.00	1,374,010.00	0.00	45.82	0.00
	Cooperative Development Services	2,999,000.00	2,000,000.00	1,374,010.00	0.00	45.82	0.00
Land Survey and Mapping Services		1,000,000.00	21,300,000.00	712,925.00	1,800,000.00	71.29	8.45
	Land Survey and Mapping	1,000,000.00	21,300,000.00	712,925.00	1,800,000.00	71.29	8.45
1 Urban and Physical Planning and Housing Services		60,743,298.00	46,052,749.00	6,538,717.00	20,000,000.00	10.76	43.43
	Urban and Physical Planning	3,500,000.00	7,774,460.00	1,856,505.00		53.04	0.00
	Housing Development	1,500,000.00		714,500.00		47.63	#DIV/0!
	Vihiga Municipality {KUSP}	55,743,298.00	38,278,289.00	3,967,712.00	20,000,000.00	7.12	52.25
Administration, Planning and Support Service		97,089,789.00	256,497,174.00	14,605,605.00	61,820,271.15	15.04	24.10
	Administrative Service	97,089,789.00	256,497,174.00	14,605,605.00	61,820,271.15	15.04	24.10
		9,775,600.00	12,000,000.00	2,999,400.00	0.00	30.68	0.00

Program	Sub Program	Revised Gross Approved Estimates		Actual Expenditure		Absorption rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
		KShs	KShs	KShs	KShs	KShs	
Transport Management	Transport System Management	4,729,600.00		2,999,400.00		63.42	#DIV/0!
	Mechanical Services	5,046,000.00	12,000,000.00	0	0	0.00	0.00
		62,000,000.00	208,600,000.00	0.00	63,150,224.00	0.00	30.27
Infrastructure Development	Street Lighting	0	500,000.00	0	400,000.00	#DIV/0!	80.00
	Roads Maintenance	62,000,000.00	208,100,000.00	0	62,750,224.00	0.00	30.15
Administration, Planning and Support Service		71,662,985.00	316,080,034.00	5,716,245.00	20,801,382.60	7.98	6.58
	Administrative Service	71,662,985.00	316,080,034.00	5,716,245.00	20,801,382.60	7.98	6.58
Public Finance Management		200,000.00	0.00	0.00	0.00	0.00	#DIV/0!
	ICT Printing press	200,000.00		0		0.00	#DIV/0!
Trade Development and Investment		2,915,000.00	42,800,000.00	1,474,162.00	11,063,182.00	50.57	25.85
	Market Development and Management	2,915,000.00	39,900,000.00	1,474,162.00	11,063,182.00	50.57	27.73
	Business Support and Consumer Protection		2,900,000.00		0.00	#DIV/0!	0.00
Tourism Development		2,269,402.00	0.00	1,372,696.65	0.00	60.49	#DIV/0!
	Tourism Promotion and Branding	2,269,402.00		1,372,696.65		60.49	#DIV/0!
Administration, Planning and Support Service		1,991,375,938.00	174,599,349.00	1,323,904,937.45	44,418,860.40	66.48	25.44
	Administrative Service	1,968,231,826.00	174,599,349.00	1,322,247,701.45	44,418,860.40	67.18	25.44
	Human Resource Management and Development	16,044,112.00		657,236.00		4.10	#DIV/0!
	Healthcare Financing	7,100,000.00		1,000,000.00		14.08	#DIV/0!
Promotive and Preventive Healthcare Services		96,188,000.00	0.00	18,064,829.15	0.00	18.78	#DIV/0!
	Public Health Services	246,000.00		0		0.00	#DIV/0!
	Community Health Strategy	89,942,000.00		17,069,829.15		18.98	#DIV/0!
	Health Promotion	1,000,000.00		0		0.00	#DIV/0!
	Reproductive Healthcare	5,000,000.00		995,000.00		19.90	#DIV/0!
Curative And Rehabilitative Health Services		85,015,000.00	0.00	35,767,387.00	0.00	42.07	#DIV/0!
	Medical services	5,000,000.00		3,705,146.00		74.10	#DIV/0!
	Drugs and	80,015,000.00		32,062,241.00		40.07	#DIV/0!

Program	Sub Program	Revised Gross Approved Estimates		Actual Expenditure		Absorption rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
		KShs	KShs	KShs	KShs	KShs	
	Other Medical Supplies						
Child and Maternal Health Care		2,613,932.00	0.00	2,426,467.00	0.00	92.83	#DIV/0!
	Nutrition Services	2,613,932.00		2,426,467.00		92.83	#DIV/0!
Administration, Planning and Support Service		102,053,544.00	70,666,626.00	21,112,297.05	36,239,935.95	20.69	51.28
	Administrative Service	102,053,544.00	70,666,626.00	21,112,297.05	36,239,935.95	20.69	51.28
Education Support Service		35,517,177.00	0.00	24,168,996.00	0.00	68.05	#DIV/0!
	Education Support	35,517,177.00		24,168,996.00		68.05	#DIV/0!
Vocational Education and Training		156,800,000.00	36,571,354.00	54,640,576.15	2,250,047.40	34.85	6.15
	Youth Polytechnic Development	156,800,000.00	36,571,354.00	54,640,576.15	2,250,047.40	34.85	6.15
Early Childhood Development		176,920,000.00	81,890,376.00	1,270,315.00	0.00	0.72	0.00
	ECD Development	176,920,000.00	81,890,376.00	1,270,315.00	0.00	0.72	0.00
Administration, Planning and Support Service		1,124,479,248.00	175,722,151.00	832,103,398.80	102,005,398.60	74.00	58.05
	Administrative Service	1,095,838,761.00	164,222,151.00	818,083,485.80	99,005,398.60	74.65	60.29
	County Administration	20,800,000.00	9,500,000.00	13,823,563.00	3,000,000.00	66.46	31.58
	County Radio Information Services	7,840,487.00	2,000,000.00	196,350.00	0.00	2.50	0.00
Public Finance Management		65,676,806.00	0.00	49,030,611.00	0.00	74.65	#DIV/0!
	Public Finance Management	9,080,002.00		8,471,221.00		93.30	#DIV/0!
	Accounting Services	5,047,000.00		3,032,245.00		60.08	#DIV/0!
	Audit Services	5,302,298.00		4,499,932.00		84.87	#DIV/0!
	Budget Formulation Coordination	16,850,000.00		13,939,710.00		82.73	#DIV/0!
	Resource Mobilization	22,782,653.00		13,805,205.00		60.60	#DIV/0!
	Budget Expenditure Management	6,614,853.00		5,282,298.00		79.86	#DIV/0!
County Planning Services		8,646,618.00	0.00	5,897,503.00	0.00	68.21	#DIV/0!
	Monitoring and Evaluation	4,650,000.00		2,191,920.00		47.14	#DIV/0!
	Coordination of Policy Formulation and Plans	3,996,618.00		3,705,583.00		92.72	#DIV/0!
Coordination and Supervisory Services		26,649,288.00	0.00	21,978,270.00	0.00	82.47	#DIV/0!
	Performance Management	8,024,644.00		5,903,870.00		73.57	#DIV/0!
	Disaster Management and Mitigation	18,624,644.00		16,074,400.00		86.31	#DIV/0!
Management and		53,229,131.00	0.00	13,320,505.55	0.00	25.02	#DIV/0!

Program	Sub Program	Revised Gross Approved Estimates		Actual Expenditure		Absorption rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
		KShs	KShs	KShs	KShs	KShs	
Administration of County Services	County Executive	48,852,688.00		11,577,517.55		23.70	#DIV/0!
	County Secretary	4,376,443.00		1,742,988.00		39.83	#DIV/0!
Administration, Planning and Support Service		74,459,519.00	6,942,683.00	12,300,616.00	887,411.60	16.52	12.78
	Administrative Service	74,459,519.00	6,942,683.00	12,300,616.00	887,411.60	16.52	12.78
903004860		33,250,000.00	8,000,000.00	20,615,240.00	0.00	62.00	0.00
	Promotion of Sports	15,000,000.00		3,262,000.00		21.75	#DIV/0!
	Promotion of Culture and Heritage	2,250,000.00	8,000,000.00	1,453,960.00	0.00	64.62	0.00
	Recreation and Arts	16,000,000.00		15,899,280.00		99.37	#DIV/0!
904004860		9,050,000.00	22,399,882.00	6,171,355.00	0.00	68.19	0.00
	Social Protection	5,050,000.00	22,399,882.00	3,778,475.00	0.00	74.82	0.00
	Gender, Children, Youth and People with Disability	4,000,000.00		2,392,880.00		59.82	#DIV/0!
Administration, Planning and Support Service		98,026,053.00	0.00	9,996,232.80	0.00	10.20	#DIV/0!
	Administrative Service	98,026,053.00		9,996,232.80		10.20	#DIV/0!
1003004860		72,794,675.00	180,863,323.00	43,294,951.60	58,761,688.00	59.48	32.49
	Water Supply Management	54,130,173.00	180,863,323.00	36,110,221.60	58,761,688.00	66.71	32.49
	Waste Water Management	18,664,502.00		7,184,730.00		38.49	#DIV/0!
1004004860		470,000.00	418,350,444.00	630,000.00	175,010,468.30	134.04	41.83
	Environmental Protection and Conservation	470,000.00	418,350,444.00	630,000.00	175,010,468.30	134.04	41.83
1005004860		2,155,746.00	11,000,000.00	1,897,585.00	1,042,000.00	88.02	9.47
	Natural Resources management	2,155,746.00	11,000,000.00	1,897,585.00	1,042,000.00	88.02	9.47
		4,819,126,662.00	2,286,770,216.00	2,718,662,182.00	602,160,870.00	56.41	26.33

Source: Vihiga County Treasury

Sub-programmes with the highest levels of implementation based on absorption rates were: Environmental protection and conservation in the Department of Environment at 134.04 per cent, Value Chain Development in the Department of Agriculture at 100 per cent, Recreation and Arts in the Department of Gender, culture, sports, youths and social services at 99.37 per cent, and Public Finance Management at 93.30 per cent of budget allocation.



### **3.6 Accounts Operated Commercial Banks**

Regulations 82(1)(b) of the PFM (County Governments) Regulations, 2015, requires that County Government bank accounts be opened and maintained at the Central Bank of Kenya. The only exemption is for imprest bank accounts for petty cash and revenue collection bank accounts.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorization from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorizing an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government did not operate accounts with commercial banks.

## **CHAPTER FOUR: CONCLUSIONS**

### **4.0 Introduction**

This chapter highlights key challenges and possible recourse in the County's budget implementation.

### **4.1 Key Challenges**

The following issues and constraints were noted in the course of budget implementation;

- i. Failure by some Fund Administrators to submit quarterly financial and non-financial reports to the COB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. For example, the reports for the Emergency Fund, Car loan and mortgage Fund (Executive) and Car loan and Mortgage (County Assembly) Fund were not submitted to the Controller of Budget as of 15<sup>th</sup> April 2025 as required.
- ii. Increasing accumulation of +pending bills which amounted to Kshs.1.28 billion as of 31<sup>st</sup> March 2025. Besides, non-compliance by departments to PPADA 2015 in making commitments and disregard to the approved payment plan while settling the pending bills.
- iii. Use of manual payroll. Personnel emoluments amounting to Kshs.41.11 million for top up allowances for security and wages for Community Health Workers were processed through manual payroll, accounting for 2.1 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

### **4.2 Key Recommendations**

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

- i. The CECM Finance and Economic Planning should follow-up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.
- ii. 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 PPADA 2015, procurement plans and the payment plan should be enforced.
- iii. The Government requires that salaries be processed through the HRIS system. 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.

