

COUNTY GOVERNMENT OF VIHIGA



COUNTY TREASURY

**ANNUAL BUDGET IMPLEMENTATION REVIEW
REPORT**

F/Y 2024-2025

FOREWORD

The Annual 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 Annual 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 June 30, 2025. The report assesses the budget implementation performance across all departments for the 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 30th June of the FY 2024-2025, Vihiga County had received a total revenue of KES 6.67 billion.. This revenue comprised KES 5.74 billion from equitable share allocations, KES 340.00 million from own-source revenue, and 1.03 billion from additional allocations from Government and Development Partners.

Own-source revenue collection amounted to KES 398 million, with F.I.F (KES 206.44 million), Single Business Permits (KES 50.72 million), and Bus Park fees (KES 32.52 million) emerging as the top revenue streams. The F.I.F 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 KES 7.11 billion, with 80.7% expected from equitable share (KES 5.74 billion), 14.5% from conditional grants (KES 1.03 billion), and 4.8% from own-source revenue (KES 340 million). Total expenditure for the reporting period amounted to KES 5.58 billion, representing 92.9 % of funds released by the Controller of Budget. This expenditure was distributed between development programs (KES 4.27 billion) and recurrent expenditures (KES 1.31 billion).

The county's spending on compensation to employees amounted to KES 3.09 billion, constituting 43.00 % of the total revenue. Operations and maintenance expenditure totaled KES 1.19 billion,

As of June 30, 2024, the county reported pending bills totaling KES 1.38 billion. During the reporting period, the County Executive settled KES 544.46 million of these bills

The county allocated KES 597.85 million (6.44% of the total budget) to County- Established Funds and KES 13.5 million (0.19% of the total budget) to the Emergency Fund. 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 Annual Budget Implementation Report. It also highlights the Resource Envelope for Annual Budget and the Approved 1st 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

1.2 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. 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 st 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
GRAND TOTAL	7,105,896,878

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.

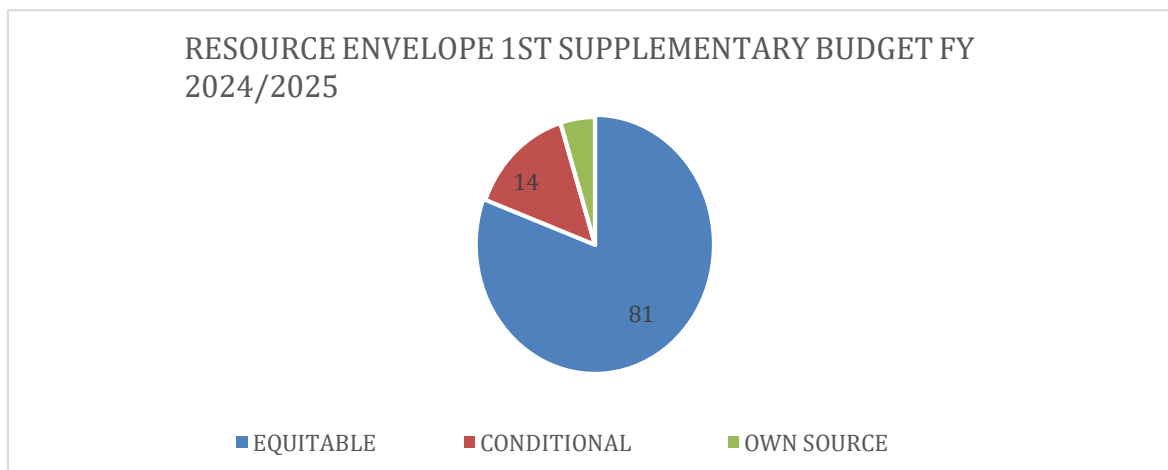
1.3.1 Resource Envelope

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
TOTAL	7,105,896,878	100.00

Source: Vihiga County Treasury



To finance the budget, the County expected to receive KES 5,736,423,717 billion (80.7 per cent) as the equitable share of revenue raised nationally, generate KES340,000,000 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

Vot e	Vote Title	Compensatio n to Employees	Other Recurrent	Developme nt	Totals	% of develop ment 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	-
	Total County Expenditure	2,654,518,739	1,017,609,040	2,073,702,417	5,745,830,196	36.1

CHAPTER TWO: REVENUE PERFORMANCE

2.0 Introduction

This chapter outlines revenue performance in the 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 expected to receive KES6.67 billion in revenues to fund its development and recurrent activities. The total revenue consisted of KES5.74 billion as equitable share of revenue raised nationally, KES340.00 million from own source of revenue and KES 1.03 billion from additional allocations from government and development partners.

The total OSR collection for the period under review was KES 398.00 million. This included KES 186.47 million as Appropriations in Aid (AIA)/Facilities Improvement Financing (FIF) and KES211.53 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 FY 2024/25.

Table 4: Vihiga County, Revenue Performance in FY 2024/25

County Revenue Performance in FY 2024/25				
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in KES)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	5,292,921,648	5,714,284,568	108
Sub Total		5,292,921,648.00	5,714,284,568.00	108
B	Conditional Grants			
1	Road Maintenance Fuel Levy	104,335,372	37,535,760	36
2	Community Health Promoters (CHPS)	43,380,000	0	-
3	Primary Health Care in Developed Context Programme (DANIDA)	16,015,507	7,166,250	45
4	Aggregated Industrial Parks Programme	250,000,200	0	-
5	National Agriculture Value Chain Development Projects (NAVCDP)	158,015,152	29,305,638	19
6	Kenya Devolution Support Programme - KDSP II (GRANT)	37,500,000	0	-

7	Kenya Urban Support Programme - UIG Grant	35,000,000	32,309,300	92
8	Nutrition International	2,613,932	0	-
9	FLLoCA KFW/IDA (CCRI)	316,350,444	0	-
10	Kenya Agricultural Business Development Project(KABDAP)	10,918,919	0	-
11	Village Polytechnic	21,234	0	-
12	FLLoCA KFW/IDA (CCIS)	22,000,000	11,840,302	54
13	Kenya Urban Support Programme - UDG Grant	18,278,289	0	-
14	Basic Salary Arrears for County Government Health Works	15,044,112	0	-
Sub-Total		1,029,473,161	118,157,250	11
C	Other Sources of Revenue			
1	Ordinary Own Source Revenue	163,510,408	186,473,246	114
2	Balance b/f from FY2023/24	443,502,069	443,502,069	100
3	Facility Improvement Fund (FIF)	176,489,592.00	211,386,256	120
4	Other Revenues	-	-	-
5	Appropriation in Aid (AIA)	-	-	-
Sub Total		783,502,069	841,361,571	107
Grand Total		7,105,896,878	6,673,803,389	94

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 30th June 2025, KES. 398 million had been collected as OSR. Collections in FY 2024/2025 were higher than in FY 2023/2024 by a variance of KES. 59,802,324 representing a positive deviation of 17.69 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 for FY 2024/2025

S/N	STREAMS	1ST QUARTER (KES)	2ND QUARTER (KES)	3RD QUARTER (KES)	4TH QUARTER (KES)	TOTAL (KES)
1	PARKING FEE	1,424,663	1,378,993	2,644,151	1,565,500	7,013,307
2	BUS PARK	5,900,649	7,037,704	9,985,520	9,599,130	32,523,003

3	MARKETS	4,169,134	4,106,385	4,807,675	3,936,360	17,019,554
4	SINGLE BUSINESS PERMITS	4,423,610	1,588,690	28,247,062	16,493,020	50,752,382
5	SBP APPLICATION	14,000	13,500	18,000	141,500	187,000
6	CONSERVANCY FEE	772,000	245,000	2,872,000	2,653,000	6,542,000
7	SBP PENALTY	-	-	-	261,640	261,640
8	FINES AND PENALTIES	100,500	410,458	269,900	77,513	858,371
9	LAND RATES	285,834	142,907	342,098	167,343	938,182
10	STALL RENT	1,468,500	896,500	840,100	640,500	3,845,600
11	HOUSE RENT	1,356,045	1,193,030	1,002,500	938,500	4,490,075
12	COMMISSIONS	351,097	382,015	376,663	364,988	1,474,763
13	SAND\MURRAM	441,600	531,900	796,300	1,037,300	2,807,100
14	WATER ADM FEES	38,800	51,300	-	-	90,100
15	PLAN APP AND APPROVAL	119,500	483,700	594,100	813,450	2,010,750
16	PHYSICAL PLANNING	29,000	775,000	797,000	562,900	2,163,900
17	GROUND/SITE RENT	47,000	48,200	146,650	137,625	379,475
18	ADVERTISEMENT	389,140	452,400	107,559	3,388,700	4,337,799
19	WALL & VEHICLE BRANDING	369,900	130,500	8,411,300	8,265,400	17,177,100
20	LAND BOUNDARY\DISPUTES	-	10,000	100,000	30,000	140,000
21	SLAUGHTER MANAGEMENT	325,360	528,840	446,190	630,140	1,930,530
22	STOCK SALES	848,050	892,900	673,330	875,100	3,289,380
23	MOTORBIKE STICKERS	1,521,400	1,547,100	1,701,220	1,874,780	6,644,500
24	WEIGHTS & MEASURES	33,900	54,400	207,400	213,100	508,800
25	SIGNAGE/SIGN POSTS	332,408	90,100	134,960	771,200	1,328,668

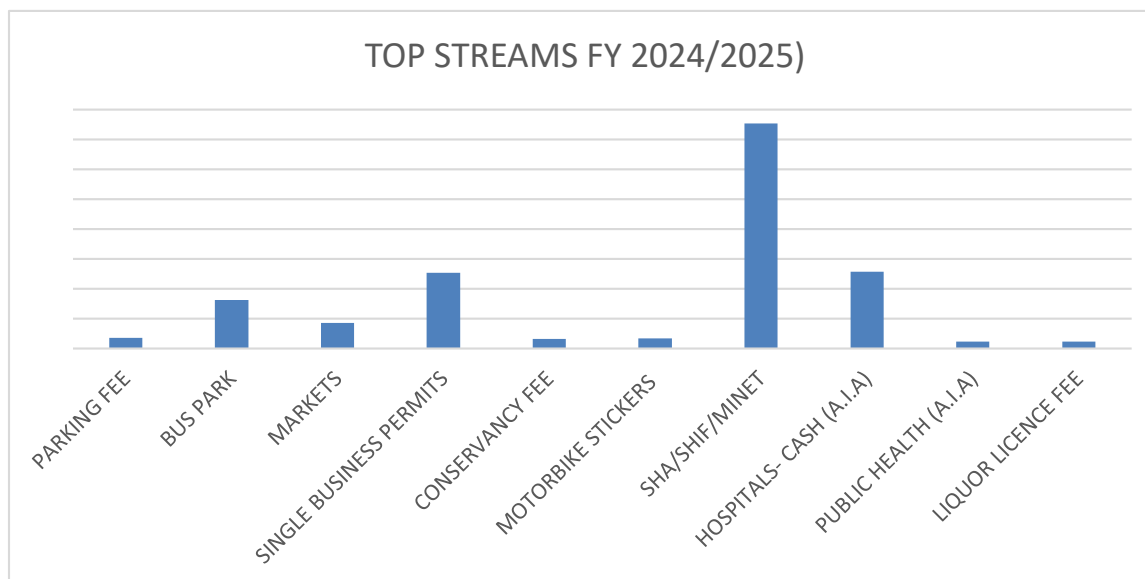
26	WAY LEAVE APPLICATION	72,000	635,464	796,000	307,020	1,810,484
27	VETERINARY & FISHERIES	275,140	492,470	689,771	719,175	2,176,556
28	SEARCH FEES	2,000	2,000	1,000	-	5,000
29	RENOVATION	9,500	49,000	112,000	77,900	248,400
30	BUILDING INSPECTION FEE	120,500	273,500	318,500	264,500	977,000
31	HIRE OF MACHINES	-	-	30,000	40,000	70,000
32	FIRE INSPECTION FEE	87,000	57,000	356,500	470,000	970,500
33	SCRUTINY MECHANICAL	162,000	161,900	227,000	196,000	746,900
34	SCRUTINY ELECTRICAL	208,000	139,500	199,000	158,500	705,000
35	NOISE POLLUTION	24,200	26,400	54,000	58,600	163,200
36	TOILET FEES	97,450	43,800	87,440	61,500	290,190
37	HOARDING	-	98,000	49,000	12,000	159,000
38	CLEARANCE CERTIFICATE FEE	6,000	3,000	7,000	-	16,000
39	CHANGE OF USER	20,000	85,000	104,000	20,000	229,000
40	TEA CESS	613,230	2,553,510	189,140	778,294	4,134,173
41	HIRE OF GROUND	-	-	-	60,000	60,000
42	COOPERATIVES	-	-	24,000	28,000	52,000
43	MISCELLENEOUS	-	-	549,806	4,392,924	4,942,730
	SUB TOTALS	26,459,110	27,612,066	69,315,835	63,083,102	186,470,112
40	VIHIGA FM RECIEPTS	114,800	174,000	45,288	210,050	544,138
41	SHA/SHIF/MINET	19,441,952	44,511,495	23,472,059	63,191,145	150,616,651
42	HOSPITALS- CASH (A.I.A)	18,389,806	15,498,128	8,489,707	8,879,103	51,256,744
43	PUBLIC HEALTH (A.I.A)	781,750	433,035	1,768,750	1,580,050	4,563,585

44	LIQUOR LICENCE FEE	345,580	216,000	519,241	3,466,000	4,546,821
	SUB TOTALS	39,073,888	60,832,658	34,295,045	77,326,348	211,527,939
	GRAND TOTAL	65,532,998	88,444,724	103,610,880	140,409,450	397,998,051

Source: Vihiga County Treasury

F.I.F, Single Business Permits and Bus Park recorded the highest collection with amounts of KES 206,436,980, KES 50,752,382 and KES 32,523,003 respectively. Clearance Certificate Fee and Search fees recorded the lowest collection with amounts as low as KES. 16,000 and KES. 5,000 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

S/ N	STREAMS	FY 2024/2025 COLLECTI ONS (KES)	FY 2023/2024 COLLECTI ONS (KES)	VARIANCE(KES)	PERCENTA GE VARIANCE (%)
1	PARKING FEE	7,013,307	5,765,272	1,248,035	21.65
2	BUS PARK	32,523,003	26,886,398	5,636,605	20.96
3	MARKETS	17,019,554	16,246,555	772,999	4.76
4	SINGLE BUSINESS PERMITS	50,752,382	41,515,187	9,237,195	22.25
5	SBP APPLICATION	187,000	118,000	69,000	58.47
6	CONSERVANCY FEE	6,542,000	6,024,500	517,500	8.59
7	SBP PENALTY	261,640		261,640	
8	FINES AND PENALTIES	858,371	487,886	370,485	75.94
9	LAND RATES	938,182	2,269,170	(1,330,988)	(58.66)
10	STALL RENT	3,845,600	5,513,188	(1,667,588)	(30.25)
11	HOUSE RENT	4,490,075	2,503,308	1,986,767	79.37
12	COMMISSIONS	1,474,763		1,474,763	
13	SAND\MURRAM	2,807,100	628,170	2,178,930	346.87
14	WATER ADM FEES	90,100	169,140	(79,040)	(46.73)
15	PLAN APP AND APPROVAL	2,010,750	2,869,800	(859,050)	(29.93)
16	PHYSICAL PLANNING	2,163,900	2,829,000	(665,100)	(23.51)
17	GROUND/SITE RENT	379,475	479,406	(99,931)	(20.84)
18	ADVERTISEMENT	4,337,799	7,291,130	(2,953,331)	(40.51)
19	WALL & VEHICLE BRANDING	17,177,100	7,521,022	9,656,078	128.39
20	LAND BOUNDARY\DISP UTES	140,000	296,000	(156,000)	(52.70)
21	SLAUGHTER MANAGEMENT	1,930,530	1,619,340	311,190	19.22
22	STOCK SALES	3,289,380	3,878,592	(589,212)	(15.19)
23	MOTORBIKE STICKERS	6,644,500	5,079,799	1,564,701	30.80

24	WEIGHTS & MEASURES	508,800	388,000	120,800	31.13
25	SIGNAGE/SIGN POSTS	1,328,668	1,704,000	(375,332)	(22.03)
26	WAY LEAVE APPLICATION	1,810,484	297,120	1,513,364	509.34
27	VETERINARY & FISHERIES	2,176,556	1,770,165	406,391	22.96
28	SEARCH FEES	5,000	3,500	1,500	42.86
29	RENOVATION	248,400	259,000	(10,600)	(4.09)
30	BUILDING INSPECTION FEE	977,000	1,011,500	(34,500)	(3.41)
31	HIRE OF MACHINES	70,000	262,400	(192,400)	(73.32)
32	FIRE INSPECTION FEE	970,500	931,500	39,000	4.19
33	SCRUTINY MECHANICAL	746,900	471,000	275,900	58.58
34	SCRUTINY ELECTRICAL	705,000	711,200	(6,200)	(0.87)
35	NOISE POLLUTION	163,200	118,550	44,650	37.66
36	TOILET FEES	290,190	559,160	(268,970)	(48.10)
37	HOARDING	159,000		159,000	
38	CLEARANCE CERTIFICATE FEE	16,000		16,000	
39	CHANGE OF USER	229,000	133,500	95,500	71.54
40	TEA CESS	4,134,173	7,313,986	(3,179,813)	(43.48)
41	HIRE OF GROUND	60,000		60,000	
42	COOPERATIVES	52,000	8,000	44,000	550.00
43	MISCELLANEOUS	4,942,730	953,886	3,988,844	418.17
44	LIQUOR LICENSE FEE		2,822,500	(2,822,500)	(100.00)
	SUB TOTALS	186,470,112	161,221,145	25,248,967	15.66
45	VIHIGA FM RECIEPTS	544,138	1,511,314	(967,176)	(64.00)
46	SHA/SHIF/MINET	150,616,651	104,466,125	46,150,526	44.18
47	HOSPITALS-CASH (A.I.A)	51,256,744	62,106,760	(10,850,016)	(17.47)
48	PUBLIC HEALTH (A.I.A)	4,563,585	4,101,966	461,619	11.25
49	LIQUOR LICENCE FEE	4,546,821	3,543,790	1,003,031	28.30
	SUB TOTALS	211,527,939	175,218,641	36,309,298	20.72
	GRAND TOTAL	397,998,051	335,439,785	62,558,266	18.65

Source: Vihiga County Treasury

2.3 Expenditure by Departments for F/Y 2024/25

The 1st Approved Supplementary budget expenditure F/Y 2024/25 was Kshs 5,745,830,196. This comprised of KES 2,654,518,739 as compensation to employees, KES 1,017,609,040 as operations and maintenance expenditure and KES 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

VOT E	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
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	-	-

VOT E	VOTE TITLE	Compensa tion to Employees	Other Recurrent	Developm ent	Totals	% of develo pment to total County budget
13	Public Service & Administration	450,898,62 3	115,894,38 3	14,800,00 0	581,593,00 6	0.3
14	County Attorney	21,000,000	14,500,000	0	35,500,000	-
	TOTAL COUNTY EXPENDITURE	2,654,518, 739	1,017,609, 040	2,073,702, 417	5,745,830, 196	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 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 KES.5.58 billion from the CRF account. This comprised KES1.31 billion (23.30 per cent) for development programmes and KES4.27 billion (76.7 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that KES3.09 billion was released towards compensation of employees and KES1.19 billion for operations and maintenance expenditure.

3.2 Budget Allocation and Exchequer Issued by Department

The Table shows the Budget allocation verse Exchequer issued by Departments.

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

Department	Budget Allocation (KES.Millions)		Exchequer Issues (KES. Millions)	
	Rec	Dev	Rec	Dev
Office of The Governor	244,924,593	0	244,700,913	-
Finance and Economic Planning.	371,368,728	160,222,151	378,189,057	142,391,677
Agriculture, Livestock & Fisheries	144,289,792	191,934,071	143,482,855	109,160,000
Health Services	1,571,343,813	163,200,000	1,539,556,995	138,207,159
Education & Technical Vocational Training	471,290,721	189,128,356	470,290,721	110,115,350
Gender, Culture, Youth, Sports and Social Services	89,739,919	37,342,565	88,739,919	10,484,794
Commerce, Tourism and Cooperatives.	79,846,387	360,880,034	73,210,289	70,809,263
County Public Service Board	67,635,153	0	52,790,908	-
Environment, Water, Natural Resources and Climate Change	173,446,474	610,213,767	147,043,920	378,164,662
Transport & Infrastructure	168,865,389	477,097,174	125,354,858	324,188,813

Physical Planning, Lands, Housing & Urban Development	109,481,018	69,852,749	93,726,363	28,753,371
County Assembly	703,849,057	11,399,349	701,075,912	11,050,170
Public Service & Administration	596,026,018	15,500,000	595,933,522	6,947,274
County Attorney	27,019,600	0	26,960,210	-
Total	4,819,126,662	2,286,770,216	4,681,056,442	1,330,272,533

Source: Vihiga County Treasury

3.3 County Expenditure Review

During the period ending 30th June 2025, the County Government Departments and agencies had spent a total amount of KES.5.58 billion. The expenditure represented 92.9 per cent of the total funds released by the CoB and comprised of KES.4.68 billion and KES.1.33 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 57.2 per cent, while recurrent expenditure represented 88.7 per cent of the annual recurrent expenditure budget.

3.3.1 Expenditure by Economic Classification

The County Executive spent KES. 2.77 billion on employee compensation, KES. 871.90 million on operations and maintenance, and KES. 1.30 billion on development activities. Similarly, the County Assembly spent KES. 320.03 million on employee compensation, KES. 314.19 million on operations and maintenance, and KES. 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 (KES)		Expenditure (KES)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	4,115,277,605	703,849,057	3,640,642,132	634,218,177	88	90
Compensation to Employees	2,861,106,839	310,313,668	2,768,744,919	320,029,407	97	103
Operations and Maintenance	1,254,170,766	393,535,389	871,897,213	314,188,770	70	80
Development Expenditure	2,275,370,867	11,399,349	1,296,356,651	11,050,170	57	97
Total	6,390,648,472	715,248,406	4,936,998,783	645,268,347	77	90

Source: Vihiga County Treasury

3.3.2 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 KES538.42 million for recurrent expenditures and KES972.95 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. As of 30th June 2025 the County Government had paid pending bills totaling to KES. 544,460,717, comprising KES408,345,538 million for recurrent programmes and KES 136,115,179 million for development programmes.

3.3.3 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 KES597.85 million to County-Established funds in FY 2024/25, or 6.44 per cent of the County's overall budget. Further, the County allocated KES13.5 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 10: Performance of County Established Funds in FY 2024/25

S/N o.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (KES)	Exchequer Issues in FY 2024/25 (KES)	Actual Expenditure in FY 2024/25 (KES)	Cumulative disbursements to the Fund (Kshs)	Submission of Financial Statements (Yes/No.)
County Executive Established Funds							
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/FLLo CA 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
County Assembly Established Funds							
8.	Car-loan and Mortgage	-	-	-	-	200,000,000	No
	Total		597,850,444	90,000,000	224,076,058	1,620,720,412	

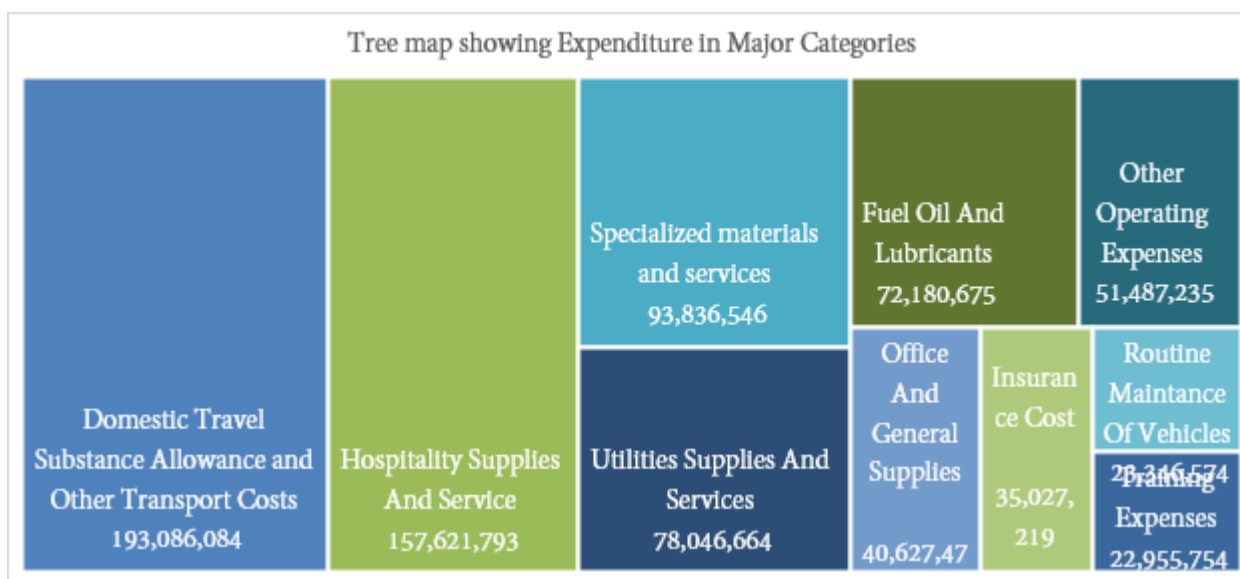
Source: Vihiga County Treasury

3.3.4 Expenditure on Operations and Maintenance

Overview of Expenditure on Operations and Maintenance

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

Figure 2: Vihiga County, Operations and Maintenance Expenditure by Major Categories



Source: Vihiga County Treasury

Expenditure on domestic travel amounted to KES71.47 million and comprised KES19.09 million spent by the County Assembly and KES48.29 million by the County Executive. Expenditure on foreign travel amounted to KES 12.43 million and comprised KES3.02 million by the County Assembly and KES4.55 million by the County Executive. Expenditure on foreign travel is summarized in the table below.

Table 11: Summary of Expenditure on Foreign Travel in FY 2024/25

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

			resilience		
County Executive	2	25 th to 28 th March 2025	Call on Action for climate change resilience	Boston	1,268,115
TOTAL					5,057,553

Source: Vihiga County Treasury and Vihiga County Assembly

3.3.5 Development Expenditure

In the review period, the County reported spending KES 1.31billion on development programmes.

Table below Summarizes development projects with the highest expenditure in the reporting period.

Table 12: Vihiga County, List of Development Projects with the Highest Expenditure

N o.	Sector	Project Name	Proje ct Locat ion	Expecte d Comple tion Date	Contrac t T Sum (Kshs)	Amount Paid In The First Nine Months Of FY 2024/25 (KES)	Cumula tive Expend iture As Of 31st March 2025	Implem entation Status (%)
1	Environ ment	Purchase Of Fruit Tree- Rehabilitatio n Of 70 Acres Of Maragoli Hills	South Marag oli	2 nd 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 nd Dec 2024	22,337,766	22,337,766	22,337,766	100
3	Agricult ure (Climate Change)	Completion And Commerciali zation Of South	Soth Marag oli	14 th June 2025	14,338,330	0	0	5

N o.	Sector	Project Name	Project Location	Expected Completion Date	Contract T Sum (Kshs)	Amount Paid In The First Nine Months Of FY 2024/25 (KES)	Cumulative Expenditure As Of 31st March 2025	Implementation Status (%)
		Maragoli Apiculture Project.						
4	Agriculture (Climate Change)	Completion And Commercialization Of Buhain Irrigation Scheme	Mungo m A	24 th 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 Community 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 December 2024	16,200,000.00	16,200,000.00	16,200,000.00	100
8	Transport (Climate Change)	Construction Of Mutave-Jepsesi Bridge	Tambura	2nd December 2024	13,158,344.00	6,939,700	6,939,700	100
9	Water (Climate Change)	Equipping, Expansion and Solarization of Vagina Water Project	Lugala Wamuluma	2nd December 2024	14,442,824.43	1,306,850	1,306,850	80

N o.	Sector	Project Name	Project Location	Expected Completion Date	Contract Sum (Kshs)	Amount Paid In The First Nine Months Of FY 2024/25 (KES)	Cumulative Expenditure As Of 31st March 2025	Implementation Status (%)
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 13: Vihiga County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (KES .Millions)		Expenditure (KES .Millions)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Office of The Governor	244,924,593	0	209,333,388		85.5	-
Finance and Economic Planning.	371,368,728	160,222,151	339,288,593	133,769,451	91.4	83.5
Agriculture, Livestock & Fisheries	144,289,792	191,934,071	126,261,722	90,641,108	87.5	47.2

Health Services	1,571,343,813	163,200,000	1,479,754,897	135,466,524	94.2	83.0
Education & Technical Vocational Training	471,290,721	189,128,356	431,057,473	103,588,034	91.5	54.8
Gender, Culture, Youth, Sports and Social Services	89,739,919	37,342,565	79,926,428	17,111,742	89.1	45.8
Commerce, Tourism and Cooperatives.	79,846,387	360,880,034	63,660,150	68,417,411	79.7	19.0
County Public Service Board	67,635,153	0	51,294,833		75.8	
Environment, Water, Natural Resources and Climate Change	173,446,474	610,213,767	152,990,627	375,170,279	88.2	61.5
Transport & Infrastructure	168,865,389	477,097,174	102,382,526	321,934,944	60.6	67.5
Physical Planning, Lands, Housing & Urban Development	109,481,018	69,852,749	61,410,512	36,817,831	56.1	52.7
County Assembly	703,849,057	11,399,349	634,218,177	11,050,170	90.1	96.9
Public Service & Administration	596,026,018	15,500,000	531,263,282	13,439,327	89.1	86.7
County Attorney	27,019,600	0	12,017,701		44.5	
Total	4,819,126,662	2,286,770,216	4,274,860,309	1,307,406,821	88.7	57.2

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 Public Service Administration at 86.7 per cent. The Department of Health Services had the highest percentage of recurrent expenditure to budget at 94.2 per cent, while the Department of County Attorney 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 14: Vihiga County, Budget Execution by Programmes and Sub-Programmes

County, Budget Execution by Programmes and Sub-Programmes							
Programme	Sub-Programme	Revised Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		(KES)		(KES)			
		Rec	Dev	Rec	Dev	Rec	Dev
Administration, Planning and Support Service		379,980,413	172,015,152	278,219,203	85,231,948	73	50
	Administrative Service	377,054,512	172,015,152	276,396,323	85,231,948	73	50
	Research and Development	2,925,901		1,822,880		62	0
	Formulation of Policies, Regulations and Legal Framework	0		0		0	0
Livestock Development and Management		6,834,500	8,000,000	6,555,387	5,409,160	96	68
	Veterinary Services and Extension	5,348,500	4,500,000	5,119,887	2,910,000	96	65
	Livestock Extension	1,236,000	3,500,000	1,185,500	2,499,160	96	71
	Value Chain Development	250,000		250,000		100	0
Fisheries Development		2,396,000	3,500,000	2,126,720	0	89	0

and Management							
	Promotion of Fish Farming	2,396,000	3,500,000	2,126,720	0	89	0
Crop Development and Management		3,890,000	10,918,919	3,697,598	0	95	0
	Crop Extension	550,000		477,240		87	0
	Farm Input Subsidy	500,000	10,918,919	499,999	0	100	0
	Cash Crop Production and Development	1,340,000		1,220,360	0	91	0
	Food Security Initiatives	1,500,000		1,499,999	0	100	0
Cooperatives Development		2,999,000	2,000,000	2,874,010	1,352,560	96	68
	Cooperative Development Services	2,999,000	2,000,000	2,874,010	1,352,560	96	68
Land Survey and Mapping Services		1,000,000	21,300,000	991,820	11,073,371	99	52
	Land Survey and Mapping	1,000,000	21,300,000	991,820	11,073,371	99	52
1 Urban and Physical Planning and Housing Services		60,743,298	46,052,749	59,493,604	25,744,460	98	56
	Urban and Physical Planning	3,500,000	7,774,460	3,388,240	5,744,460	97	74
	Housing Development	1,500,000		1,446,350		96	52
	Vihiga Municipality {KUSP}	55,743,298	38,278,289	54,659,014	20,000,000	98	0
Administration, Planning and Support Service		97,089,789	256,497,174	95,510,596	137,516,237	98	54

	Administrative Service	97,089,789	256,497,174	95,510,596	137,516,237	98	54
Transport Management		9,775,600	12,000,000	5,246,600	6,648,440	54	55
	Transport System Management	4,729,600		3,169,400		67	55
	Mechanical Services	5,046,000	12,000,000	2,077,200	6,648,440	41	0
Infrastructure Development		62,000,000	208,600,000	60,806,601	154,904,555	98	74
	Street Lighting	0	500,000	0	4,000,000	0	800
	Roads Maintenance	62,000,000	208,100,000	60,806,601	150,904,555	98	73
Administration, Planning and Support Service		71,662,985	316,080,034	69,639,281	45,750,830	97	14
	Administrative Service	71,662,985	316,080,034	69,639,281	45,750,830	97	14
Public Finance Management		200,000		0		0	0
	ICT Printing press	200,000		0		0	0
Trade Development and Investment		2,915,000	42,800,000	1,674,162	21,314,021	57	50
	Market Development and Management	2,915,000	39,900,000	1,674,162	21,314,021	57	53
	Business Support and Consumer Protection		2,900,000		0		
Tourism Development		2,269,402		1,488,197		66	0
	Tourism Promotion and Branding	2,269,402		1,488,197		66	0
Administration, Planning and Support Service		1,787,526,881	163,200,000	1,576,706,951	135,466,524	88	83
	Administrative Service	1,764,382,769	163,200,000	1,555,660,103	135,466,524	88	83

	Human Resource Management and Development	16,044,112		16,001,348	0	100	0
	Healthcare Financing	7,100,000		5,045,500	0	71	0
Promotive and Preventive Healthcare Services		96,188,000		79,460,971		83	0
	Public Health Services	246,000		0		0	0
	Community Health Strategy	89,942,000		74,465,971		83	0
	Health Promotion	1,000,000		0		0	0
	Reproductive Healthcare	5,000,000		4,995,000		100	0
Curative And Rehabilitative Health Services		85,015,000		81,231,637		96	0
	Medical services	5,000,000		3,705,146		74	0
	Drugs and Other Medical Supplies	80,015,000		77,526,491		97	0
Child and Maternal Health Care		2,613,932		2,426,467		93	0
	Nutrition Services	2,613,932		2,426,467		93	0
Administration, Planning and Support Service		102,053,544	70,666,626	92,555,153	65,372,650	91	93
	Administrative Service	102,053,544	70,666,626	92,555,153	65,372,650	91	93
Education Support Service		35,517,177		24,814,775		70	0
	Education Support	35,517,177		24,814,775		70	0
Vocational Education and Training		156,800,000	36,571,354	152,619,665	15,757,892	97	43

	Youth Polytechnic Development	156,800,000	36,571,354	102,619,665	15,757,892	65	43
Early Childhood Development		176,920,000	81,890,376	162,190,681	22,457,492	92	27
	ECD Development	176,920,000	81,890,376	162,190,681	22,457,492	92	27
Administration, Planning and Support Service		1,254,347,905	187,121,500	1,142,908,404	183,036,060	91	98
	Administrative Service	1,225,707,418	175,621,500	1,117,310,267	172,482,816	91	98
	County Administration	20,800,000	9,500,000	18,470,873	8,553,245	89	90
	County Radio Information Services	7,840,487	2,000,000	7,127,264	1,999,999	91	100
Public Finance Management		65,676,806		60,743,413		92	0
	Public Finance Management	9,080,002		8,541,421		94	0
	Accounting Services	5,047,000		4,279,002		85	0
	Audit Services	5,302,298		4,547,117		86	0
	Budget Formulation Coordination	16,850,000		16,638,190		99	0
	Resource Mobilization	22,782,653		22,505,385		99	0
	Budget Expenditure Management	6,614,853		4,232,298		64	0
County Planning Services		8,646,618		7,583,168		88	0
	Monitoring and Evaluation	4,650,000		3,878,385		83	0
	Coordination of Policy Formulation and Plans	3,996,618		3,704,783		93	0

Coordination and Supervisory Services		26,649,288		25,418,375		95	0
	Performance Management	8,024,644		7,256,476		90	0
	Disaster Management and Mitigation	18,624,644		18,161,899		98	0
Management and Administration of County Services		53,229,131		43,247,716		81	0
	County Executive	48,852,688		40,207,554		82	0
	County Secretary	4,376,443		3,040,162		69	0
Administration, Planning and Support Service		47,439,919	6,942,683	41,307,668	6,941,672	87	100
	Administrative Service	47,439,919	6,942,683	41,307,668	6,941,672	87	100
903004860		33,250,000	8,000,000	32,312,240	2,935,554	97	37
	Promotion of Sports	15,000,000		14,578,000		97	37
	Promotion of Culture and Heritage	2,250,000	8,000,000	1,734,960	2,935,554	77	0
	Recreation and Arts	16,000,000		15,999,280		100	0
904004860		9,050,000	22,399,882	8,870,220	7,234,516	98	32
	Social Protection	5,050,000	22,399,882	4,876,815	7,234,516	97	32
	Gender, Children, Youth and People with Disability	4,000,000		3,993,405		100	0
Administration, Planning and Support Service		98,026,053		90,740,310		93	0
	Administrative Service	98,026,053		90,740,310		93	0

1003004860		72,794,675	180,863,323	58,488,131	141,405,441	80	78
	Water Supply Management	54,130,173	180,863,323	42,730,105	141,405,441	79	78
	Waste Water Management	18,664,502		15,758,026	0	84	0
1004004860		1,470,000	418,350,444	967,000	229,822,888	66	55
	Environment al Protection and Conservation	1,470,000	418,350,444	967,000	229,822,888	66	55
1005004860		2,155,746	11,000,000	1,943,585	2,030,550	90	18
	Natural Resources management	2,155,746	11,000,000	1,943,585	2,030,550	90	18
	Grand Total	4,819,126,662	2,286,770,216	4,274,860,309	1,307,406,821	89	57

Source: Vihiga County Treasury

Sub-programmes with the highest levels of implementation based on absorption rates were: Value Chain Development, Farm Input Subsidy and Food Security Initiatives in the Department of Agriculture at 100 per cent.

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 15th April 2025 as required.
- ii. Increasing accumulation of pending bills. 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 for top up allowances for security and wages for Community Health Workers were processed through manual payroll. 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.