

County Government of Kericho

Overview of FY 2023/24 Budget

The County's approved FY 2023/24 budget was Kshs.8.91 billion, comprising Kshs.2.94 billion (33.0 per cent) and Kshs.5.97 billion (67.0 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 13.7 per cent compared to the previous financial year when the approved budget was Kshs.7.88 billion and comprised Kshs.2.36 billion towards development expenditure and Kshs.5.52 billion for recurrent expenditure.

To finance the budget, the County expects to receive Kshs.6.70 billion (75.3 per cent) as the equitable share of revenue raised nationally, Kshs.743.35 million (8.3 per cent) as Facility Improvement Fund (revenue from health facilities), Kshs.537.08 million (6.0 per cent) as conditional grants, a cash balance of Kshs.392 million (4.4 per cent) brought forward from FY 2022/23, and generate Kshs.530.07 million (6.0 per cent) as ordinary own-source revenue. A breakdown of the conditional grants is provided in Table 3.68.

3.1.1 Revenue Performance

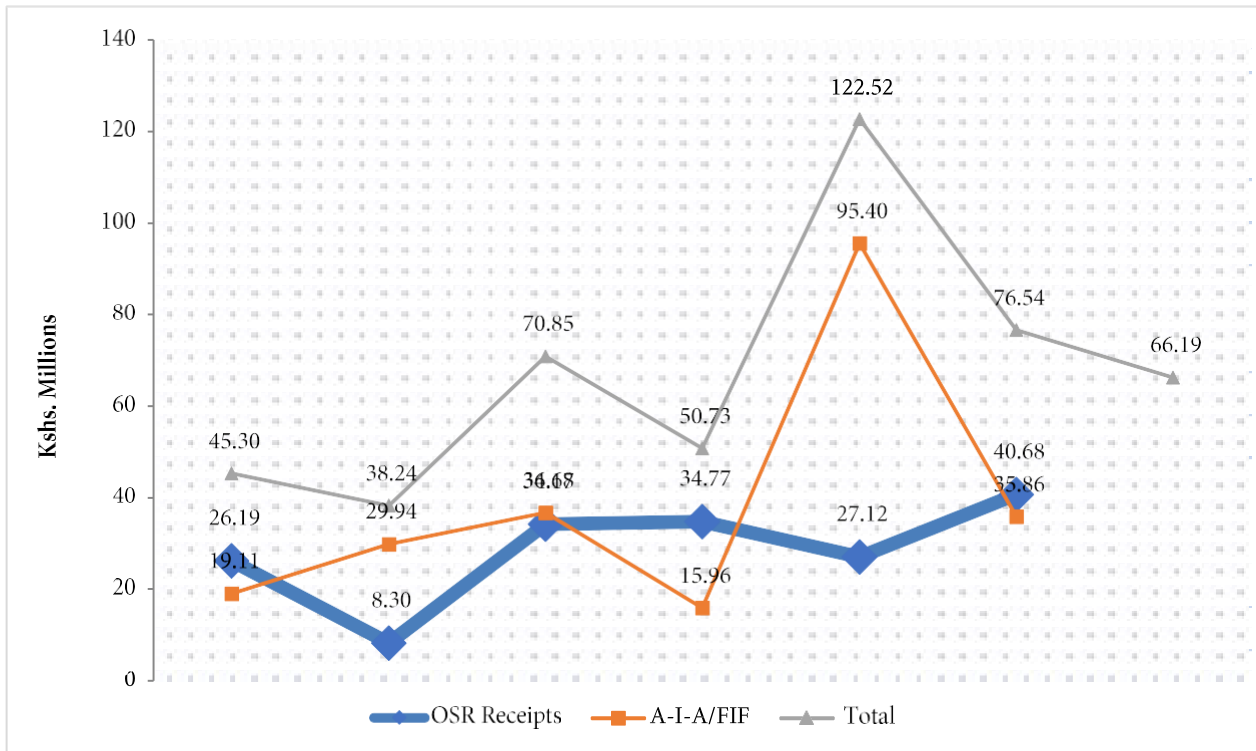
In the first three months of FY 2023/24, the County received Kshs.1.68 billion as the equitable share of the revenue raised nationally, Kshs.34.17 million as FIF, had a cash balance of Kshs.15.38 million from FY 2022/23, and generated Kshs.32.02 million as own-source revenue. The total funds available for budget implementation during the period amounted to Kshs.1.76 billion, as shown in Table 3.68.

Table 3.68: Kericho County, Revenue Performance in FY 2023/24

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	6,703,129,925.00	1,675,782,482.00	25.0
	Sub Total	6,703,129,925.00	1,675,782,482.00	25.0
B	Conditional Grants			
1	Aggregated Industrial Park NG	100,000,000.00	-	-
2	DANIDA Fund	9,817,500.00	-	-
3	Agricultural Sector Development Support Fund (ASDSP II)	1,027,779.00	-	-
4	Kenya Devolution Support Project	75,235,660.00	-	-
5	Climate Smart Agriculture Project	90,000,000.00	-	-
6	IDA National Agricultural Value Chain Dev. Project	250,000,000.00	-	-
7	FLOCCA Grants to Support Climate Change	11,000,000.00	-	-
	Sub-Total	537,080,939.00	-	-
C	Other Sources of Revenue			
1	Ordinary Own Source Revenue	530,071,600	66,186,600	12.5
2	Balance b/f from FY2022/23	392,000,044	15,376,949	3.9
3	Facility Improvement Fund (FIF)	743,350,000	-	0.0
	Sub Total	1,665,421,644	81,563,549	4.9
	Grand Total	8,905,632,508	1,757,346,031	19.7

Source: Kericho County Treasury

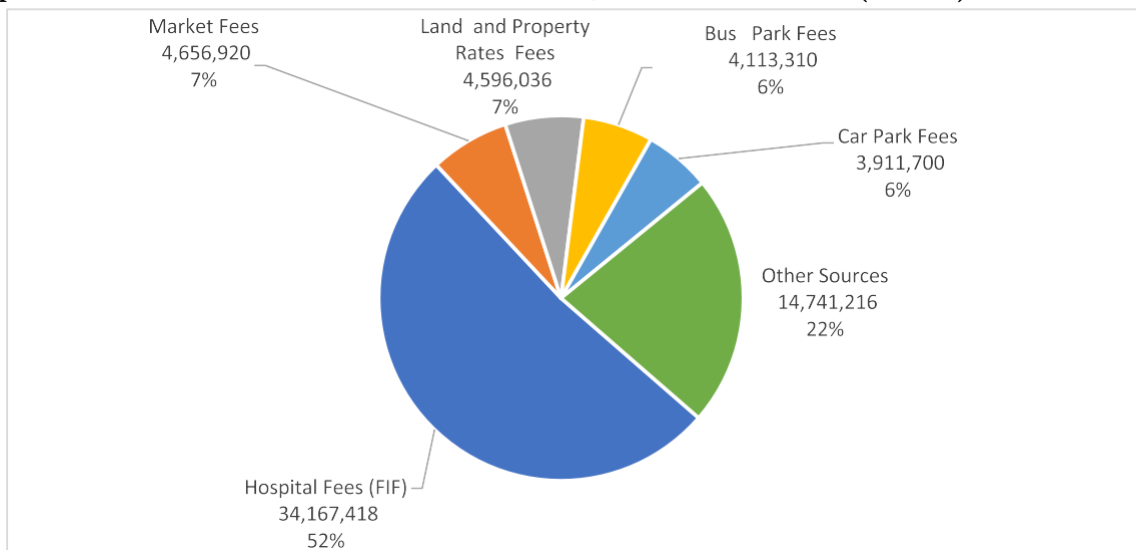
Trend in Own-Source Revenue Collection from the First Quarter of FY 2017/18 to the First Quarter of FY 2023/24



Source: Kericho County Treasury

In the first quarter of FY 2023/24, the County generated a total of Kshs.66.19 million from its revenue sources, including Kshs.34.17 million as FIF. The County Treasury did not provide receipts of FIF in the previous financial year. This amount represented a decrease of 13.5 per cent compared to Kshs.76.54 million realised in FY 2022/23 and was 12.5 per cent of the annual target and 4.0 per cent of the equitable revenue share disbursed during the period. The revenue streams which contributed the highest OSR receipts are shown in Figure 35.

Top Streams of Own Source Revenue in the First Quarter of FY 2023/24 (in Kshs)



Source: Kericho County Treasury

The highest revenue stream of Kshs.34.17 million was from Hospital fees, contributing to 52 per cent of the total OSR receipts during the reporting period.

Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.790.18 million from the CRF account during the reporting period, which is for recurrent programmes only. Analysis of the recurrent exchequers released in the first quarter of FY 2023/24 indicates that Kshs572.20 million was released towards Employee Compensation, and Kshs.217.98 million was for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of the first quarter of FY 2022/23 was Kshs.994.40 million.

County Expenditure Review

The County spent Kshs.767.70 million on recurrent programmes in the reporting period. The expenditure represented 88.1 per cent of the total funds released by the CoB and represented an absorption rate of 12.9 per cent of the annual recurrent expenditure budget.

Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.353.19 million, comprising Kshs.142.68 million for recurrent expenditure and Kshs.210.51 million for development activities. In the first quarter of FY 2023/24, pending bills amounting to Kshs.4.2 million were settled, consisting of recurrent expenditure. Therefore, as of 30th September 2023, the outstanding amount was Kshs.348.99 million.

Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.502.05 million on employee compensation and Kshs.85.73 million on operations and maintenance. Similarly, the County Assembly spent Kshs.70.18 million on employee compensation and Kshs.109.74 million on operations and maintenance, as shown in Table 3.69.

Table 3.69: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	5,082,868,724	882,798,755	587,783,397	179,913,823	11.6	20.4
Compensation to Employees	3,392,055,102	367,127,149	502,050,936	70,177,767	14.8	19.1
Operations and Maintenance	1,690,813,622	515,671,606	85,732,461	109,736,056	5.1	21.3
Development Expenditure	2,861,972,590	77,992,439	-	-	-	-
Total	7,944,841,314	960,791,194	587,783,397	179,913,823	7.4	18.7

Source: Kericho County Treasury

Expenditure on Employees' Compensation

In the first three months of FY 2023/24, expenditure on employee compensation was Kshs.572.23 million, or 32.6 per cent of the available revenue, which amounted to Kshs.1.76 billion. This expenditure represented a decrease from Kshs.762.35 million reported in the first quarter of FY 2022/23. The wage bill included Kshs.446.37 million paid to health sector employees, translating to 78.0 per cent of the total wage bill.

Further analysis indicates that PE costs amounting to Kshs.522.33 million were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.49.90 million was processed through manual payrolls. The manual payrolls accounted for 8.7 per cent of the total PE cost.

The County Assembly spent Kshs.4.23 million on committee sitting allowances for the 48 MCAs and the Speaker against the annual budget allocation of Kshs.35.67 million. The average monthly sitting allowance was Kshs.29,370 per MCA. The County Assembly has established 24 Committees.

County Emergency Fund and County-Established Funds

Section 110 of the PFM Act 2012 establishes the Emergency Fund, while 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.79.33 million to county-established funds in FY 2023/24, constituting 1.2 per cent of the County's overall budget. Table 3.70 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.70: Performance of County Established Funds in the First Quarter of FY 2023/24

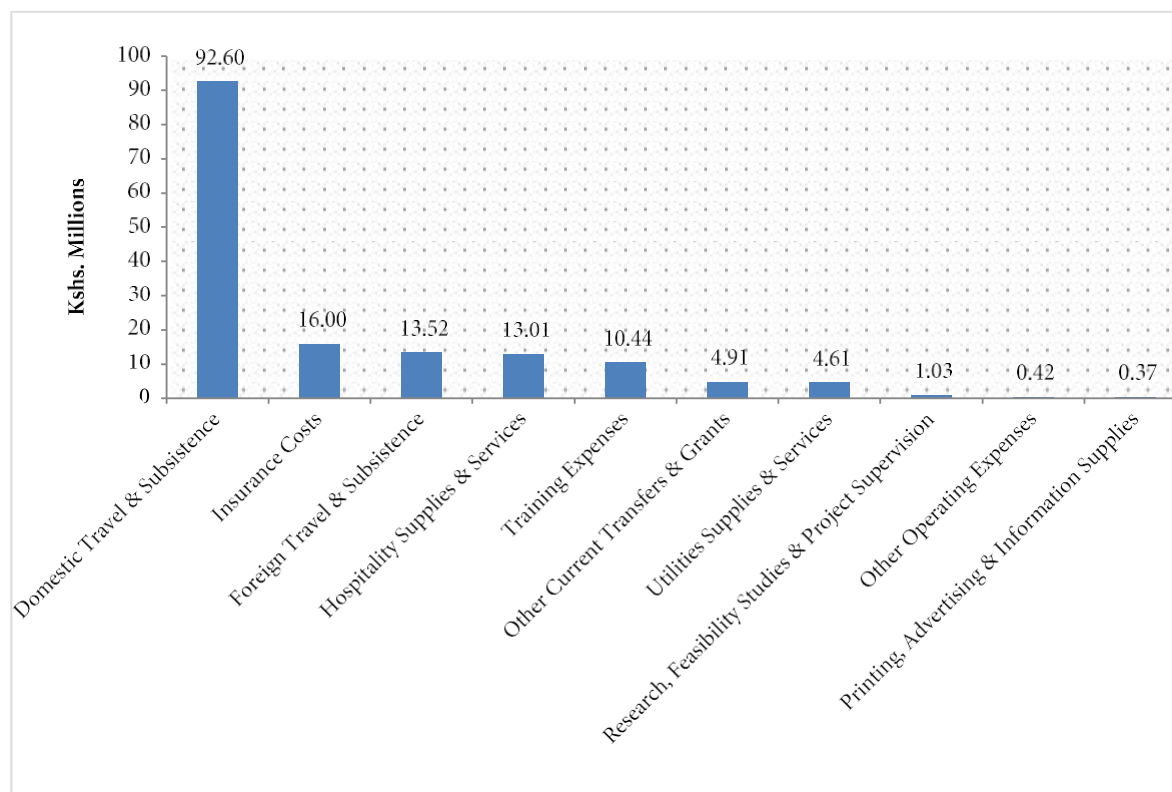
S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 30 th September 2023 (Yes/No.)
County Executive Established Funds					
1.	Emergency Fund	15,000,000	-	-	No.
2.	Staff Mortgage	10,000,000	-	35,000,000	No.
3.	Car Loan	-	-	8,050,000	No.
County Assembly Established Funds					
4.	Car Loan for MCA'S	16,109,146	-	-	No.
5.	Car Loan/Mortgage for Staff	38,222,854	-	-	No.
Total		79,332,000	-	43,050,000	-

Source: Kericho County Treasury

During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of established funds, as indicated in Table 3.70, contrary to the requirement of Section 168 of the PFM Act, 2012.

Expenditure on Operations and Maintenance

Kericho County, Operations and Maintenance Expenditure by Major Categories



Source: Kericho County Treasury

During the period, expenditure on domestic travel amounted to Kshs.92.60 million and comprised Kshs.58.86 million spent by the County Assembly and Kshs.33.75 million by the County Executive. Expenditure on foreign travel amounted to Kshs.13.52 million and comprised Kshs.12.64 million by the County Assembly, which was an outstanding bill from the previous year paid to suppliers for the air ticket and Kshs.878,782 by the County Executive for travelling to Ghana for ATUPA international conference and 5th PAN African forum for Youth in TVET.

Development Expenditure

In the first quarter of FY 2023/24, the County government did not report any expenditure on development programmes.

Budget Performance by Department

Table 3.71 summarises the approved budget allocation, expenditure and absorption rate by departments in the first quarter of FY 2023/24.

Table 3.71: Kericho County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	882.80	77.99	188.70	-	179.91	-	95.3	-	20.4	-
Public Service Management	441.87	28.24	70.87	-	71.24	-	100.5	-	16.1	-
Governor's Office	137.05	-	18.12	-	20.24	-	111.7	-	14.8	-
County Public Service Board	71.31	-	12.42	-	12.18	-	98.1	-	17.1	-
Finance and Economic Planning	273.20	438.48	36.02	-	34.42	-	95.5	-	12.6	-
Health Services	2,752.47	283.79	309.77	-	300.60	-	97.0	-	10.9	-
Agriculture, Livestock and Fisheries	172.78	518.52	25.27	-	25.44	-	100.7	-	14.7	-
Education, Youth, Culture and Social Services	768.98	173.61	56.72	-	56.29	-	99.3	-	7.3	-
Public Works, Roads and Transport	98.32	590.44	16.58	-	13.43	-	81.0	-	13.7	-
Trade, Industrialization, Tourism, Wildlife and Co-operative Development	64.12	228.20	8.59	-	8.43	-	98.2	-	13.2	-
Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev

Environment, Water, Energy and Natural Resources	158.44	282.01	18.08	-	17.75	-	98.2	-	11.2	-
Lands, Housing and Physical Planning	90.49	67.02	19.70	-	18.77	-	95.2	-	20.7	-
Information, Communication and E-government	53.84	43.66	9.34	-	9.00	-	96.3	-	16.7	-
Strategic Intervention Phase 1	-	108.00	-	-	-	-	-	-	-	-
Strategic Intervention Phase 2	-	100.00	-	-	-	-	-	-	-	-
Total	5,965.67	2,939.97	790.18	-	767.70	-	97.2	-	12.9	-

Source: Kericho County Treasury

Analysis of expenditure by department shows that the Department of Lands, Housing and Physical Planning had the highest recurrent expenditure to budget at 20.7 per cent. In contrast, the Department of Education, Youth, Culture and Social Services had the lowest at 7.3 per cent.

Budget Execution by Programmes and Sub-Programmes

Table 3.72 summarises the budget execution by programmes and sub-programmes in the first quarter of FY 2023/24.

Table 3.72: Kericho County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Pro- gramme	Approved Original Estimates FY 2023/24 (Kshs.)			Actual Expenditure Jul - 23rd September (Kshs.)		Absorption Rate	
		Rec	Dev	Gross	Rec	Dev	Rec	Dev
County Coordina- tion Services	County Coordination Services	137,051,145	-	137,051,145	20,239,450	-	15	-
		137,051,145	-	137,051,145	20,239,450	-	15	-
DEPARTMENT: FINANCE AND ECONOMIC PLANNING								
Administration, Planning and Sup- port Services.	Administration Services.	231,136,530	83,735,659	314,872,189	23,798,334	-	10	-
Administration, Planning and Sup- port Services.	Monitoring Budget Implementation and Reporting	28,687,985	6,379,644	35,067,629	7,486,680	-	26	-
Programme	Sub-Pro- gramme	Approved Original Estimates FY 2023/24 (Kshs.)			Actual Expenditure Jul - 23rd September (Kshs.)		Absorption Rate	
		Rec	Dev	Gross	Rec	Dev	Rec	Dev
Public Finance Management	Budget Formulation co- ordination and management	8,400,000	553,360,903	561,760,903	1,973,600	-	23	-
Audit Services	County Audit	4,975,639	3,000,000	7,975,639	1,158,200	-	23	-
		273,200,154	646,476,206	919,676,360	34,416,814	-	13	-
DEPARTMENT: AGRICULTURE, LIVESTOCK AND FISHERIES								
Policy, Strategy and Management of Agriculture	Development of Agricultural Policy, Legal & Regulatory framework.	53,301,163	-	53,301,163	8,858,545	-	17	-

Crop Development and Management	Agriculture Extension Services	58,894,485	496,837,574	555,732,059	15,318,738	-	26	-
Livestock Resource Management and Development	Livestock Disease Management and Control.	2,024,041	21,184,205	23,208,246	554,100	-	27	-
Livestock Resource Management and Development	Livestock Production and Extension Services	51,654,981	-	51,654,981	381,050	-	1	-
Fisheries development	Management and Development of Capture Fisheries	6,905,001	500,000	7,405,001	324,500	-	5	-
		172,779,671	518,521,779	691,301,450	25,436,932	-	15	-
DEPARTMENT: WATER, ENERGY, NATURAL RESOURCES AND ENVIRONMENT								
Environment policy development and coordination	Planning Coordination Policy and Administrative Services	144,072,462	63,145,000	207,217,462	16,410,146	-	11	-
Water supply services	Rural Water Supply	14,365,228	218,860,274	233,225,502	1,337,500	-	9	-
		158,437,690	282,005,274	440,442,964	17,747,646	-	11	-
DEPARTMENT: EDUCATION, YOUTH AFFAIRS, CULTURE AND SOCIAL SERVICES								
General Administration & Planning Services.	Policy Development and Administration	549,596,382	10,000,000	559,596,382	54,544,316	-	10	-
Basic Education	Early Childhood Development Education	216,382,852	89,573,270	305,956,122	750,000	-	-	-
Gender and Social Development	Social Welfare Services/Social Infrastructure Development	3,000,000	17,035,537	20,035,537	1,000,000	-	33	-

Programme	Sub-Pro- gramme	Approved Original Estimates FY 2023/24 (Kshs.)			Actual Expenditure Jul - 23rd September (Kshs.)		Absorption Rate	
		Rec	Dev	Gross	Rec	Dev	Rec	Dev
Youth development and empowerment services	Youth Development (YP) Training	-	57,000,000	57,000,000	-	-	-	-
		768,979,234	173,608,807	942,588,041	56,294,316	-	7	-
DEPARTMENT: HEALTH SERVICES								
Curative Health	Administration and Planning	1,581,600,049	142,141,193	1,723,741,242	195,238,558	-	12	-
Curative Health	Hospital(curative)Services	-	-	-	-	-	-	-
Preventive and Promotive Health	Preventive Medicine and Promotive Health	1,170,865,728	141,648,789	1,312,514,517	105,366,052	-	9	-
		2,752,465,777	283,789,982	3,036,255,759	300,604,610	-	11	-
DEPARTMENT: LANDS, HOUSING AND PHYSICAL PLANNING								
Administration and support services	General Administration and Planning	40,701,923	45,000,000	85,701,923	9,518,780	-	23	-
Housing Development and Human Resource	Housing Development	9,243,184	-	9,243,184	715,800	-	8	-
Land policy and planning	Development Planning and Land Reforms	34,395,730	22,022,942	56,418,672	8,382,574	-	24	-
Land policy and planning	Land Use Planning	6,152,443	-	6,152,443	149,250	-	2	-
		90,493,280	67,022,942	157,516,222	18,766,405	-	21	-
DEPARTMENT: PUBLIC WORKS, ROADS AND TRANSPORT								
Transport Management and Safety	General Administration Planning and Support Services	73,712,784	-	73,712,784	13,347,951	-	18	-
Infrastructure, Roads and Transport	Rehabilitation of Road	3,400,000	587,441,016	590,841,016	80,000	-	2	-

Infrastructure, Roads and Transport	Maintenance of Roads and Bridges/Periodic Maintenance	21,206,317	3,000,000	24,206,317	-	-	-	-
		98,319,101	590,441,016	688,760,117	13,427,951	-	14	-
DEPARTMENT: TRADE, INDUSTRIALISATION, TOURISM, WILDLIFE AND CO-OPERATIVE MANAGEMENT								
Trade development and investment	Fairtrade Practices and Consumer Protection (weight & measures)	20,620,890	23,202,942	43,823,832	1,129,447	-	5	-
Trade development and investment	Administrative and Support Services.	37,619,414	200,000,000	237,619,414	7,088,330	-	19	-

Programme	Sub-Programme	Approved Original Estimates FY 2023/24 (Kshs.)			Actual Expenditure Jul - 23rd September (Kshs.)		Absorption Rate	
		Rec	Dev	Gross	Rec	Dev	Rec	Dev
Co-operative development and management	Co-operative Advisory & Extension Services.	-	-	-	-	-	-	-
Tourism development and marketing	Local Tourism Development.	5,882,961	5,000,000	10,882,961	215,400	-	-	-
		64,123,265	228,202,942	292,326,207	8,433,177	-	13	-
DEPARTMENT: ICT AND E-GOVERNMENT								
Information & Communication Service	News and Information Services	53,836,604	-	53,836,604	8,999,283	-	17	-
Information & Communication Service	ICT and BPO development services	-	40,262,387	40,262,387	-	-	-	-
Youth development and empowerment services	Youth Development (YP) Training	-	3,400,000	3,400,000	-	-	-	-
		53,836,604	43,662,387	97,498,991	8,999,283	-	17	-
DEPARTMENT: COUNTY PUBLIC SERVICE BOARD								
Administration of Human Resources and Public Service	Establishment, Appointment, Discipline and Board Management.	71,312,544	-	71,312,544	12,175,516	-	17	-
		71,312,544	-	71,312,544	12,175,516	-	17	-
DEPARTMENT: PUBLIC SERVICE MANAGEMENT								

Administration of Human Resources and Public Service	General Administration, Planning and Support Services	294,637,612	28,241,257	322,878,869	55,102,967	-	19	-
Administration of Human Resources and Public Service	Human Resource Development	147,232,645	-	147,232,645	16,138,330	-	11	-
		441,870,257	28,241,257	470,111,514	71,241,297	-	16	-
County Executive		5,082,868,722	2,861,972,592	7,944,841,314	587,783,397	-	12	-
Speaker's office	Speaker's office	497,868,056	-	497,868,056	79,008,564	-	16	-
Clerk's Office	Clerk's Office	375,643,063	77,992,439	453,635,502	99,707,459	-	27	-
County Assembly Service Board	County Assembly Service Board	9,287,636	-	9,287,636	1,197,800	-	13	-
Total Expenditure		882,798,755	77,992,439	960,791,194	179,913,823	-	20	-
GRAND TOTAL		5,965,667,477	2,939,965,031	8,905,632,508	767,697,220	-	20	-

Source: Kericho County Treasury

Sub-programmes with the highest levels of implementation based on absorption rates were: Social Welfare Services/ Social Infrastructure Development in the Department of Gender and Social Development at 33.0 per cent, Gender and Social Development in the Department of Livestock Resource Management and Development at 27 per cent, Monitoring Budget Implementation and Reporting in the Department of Finance and Economic Planning at 26 per cent, and Agriculture Extension Services at 26 per cent of budget allocation.