

**COUNTY GOVERNMENT OF
HOMA BAY**

THE COUNTY TREASURY

**COUNTY BUDGET IMPLEMENTATION
REVIEW REPORT (CBIRR)**

QUARTER IV

FY 2023/2024

JULY 2024

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FOREWORD

The fourth quarter of the FY 2023/24 Homa County Governments Budget Implementation Review Report (HCBIRR) provides key information regarding the performance of our budget and the fiscal framework of all the nineteen spending entities of the County Government of Homa Bay. Particularly, this report provides a detailed analysis of the county revenue performance: The Own Source Revenue, Appropriation-in-Aid, County Revenue Fund, Exchequer releases, grants, expenditures, budget absorption rate – all these measured against the approved budget estimates for the period. Besides, the report outlines the major challenges experienced in the course of implementation period and recommendations for addressing the identified impediments.

The legal basis for the preparation of this report is informed by the Public Finance Management Act, 2012; in particular, Sections 166 and 168 of the PFM Act which requires the CECM for Finance to prepare quarterly reports of the financial year and submit the reports to the institutional offices (the County Assembly, Controller of Budget, National Treasury, Commission on Revenue Allocation) as guided by the law. Importantly, this report has complied with Section 166 (1-4) of the PFM Act, in content, timelines, and other statutory requirements. As guided by Sec. 166 (4c) of the PFM Act, the contents of this report have been made available on various platforms including the county website, where the public and interested groups can easily access it.

This fourth quarter report provides essential information that shall be helpful to the County Executive and the Legislative arms of the County Government of Homa Bay, as well as the general public, as part of our commitment to running an accountable and transparent government in accordance with the tenets of the Constitution of Kenya and the County Governments Act. Besides creating public awareness on matters budget execution, it details information for improving management of public resources under the stewardship of County Government of Homa Bay.

Therefore, as the Accounting Officer for this government, I call upon the public, stakeholders, our development partners, and all interested groups to objectively and constructively interrogate this report on how the County Government of Homa Bay has utilized public funds received from various sources, purposely to optimize by maximizing value for money for every shilling.

Thank You,



SOLOMON OBIERO,

CECM – FINANCE AND ECONOMIC PLANNING

COUNTY GOVERNMENT OF HOMA BAY



ACKNOWLEDGEMENT

The preparation of the Homa Bay County Annual Budget Implementation Review Report for FY 2023/24 has been made possible by the collective and team efforts by our dedicated staff from the department of Finance and Economic Planning. I extend my deepest gratitude to everyone who contributed to this important process.

First and foremost, I would like to express my profound appreciation to H.E. Governor Gladys Nyasuna Wanga, EGH and the Deputy Governor, H.E. Joseph Oyugi Magwanga for their visionary and transformational leadership and unwavering support. Special thanks to Solomon Obiero, the CECM for Finance and Economic Planning for lead the processed from the front. His exceptional leadership, strategic insight, and dedication have been instrumental in the development of this document.

Also, I acknowledge the contributions of other CEC Members, Chief Officers, Municipal Managers, and the Members of the County Assembly. Your valuable inputs, collaboration, and commitment have been essential in finalizing this document, through our shared goals and aspirations.

Lastly, I am deeply grateful to the Director of Economic Planning and Budget, Head of Accounts, and their technical teams, for their exemplary work and commitment to deliver the report. Their dedication has been pivotal in developing this report, which gives a reflection of our fiscal framework as a government.



MR. ALPHONCE WERAH,

CHIEF OFFICER – FINANCE AND ECONOMIC PLANNING

COUNTY GOVERNMENT OF HOMA BAY



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EXECUTIVE SUMMARY

This Annual Homa Bay County Budget Implementation Review Report (CBIRR) for FY 2023/24, which covers July 2023 to June 2024. The report is prepared in compliance with Public Finance Management Act, 2012; in particular, Sections 166 and 168. It assesses the budget implementation status of each of the 19 county entities of Homa Bay during the review period through analyses of revenue and expenditure performance while highlighting the challenges faced during budget implementation in the period under review. Further, it offers recommendations to address them moving forward.

Budgetary Allocation FY 2023/24

Homa Bay County government's budget, as approved by the County Assembly of Homa Bay (under the Supplementary Budget No.2) in FY 2023/24, was KShs. 11.167 billion, comprising KShs.3.51 billion (31.4 per cent) and KShs.7.66 billion (68.6 per cent) allocated for development and recurrent programmes, respectively. The allocation for development expenditure complied with the requirement of allocating at least 30 per cent of the budget to development expenditure as stipulated by the PFM Act, 2012.

Revenue Estimate and the Sources in FY 2023/24

To finance the FY 2023/24 budget, the County Government of Homa Bay expected to receive KShs. 8.128 billion as the equitable share of revenue raised nationally, (ii) KShs. 1.372 billion as additional allocations/conditional grants from the National Government and Development Partners, (iii) raise KShs. 341.14 million from ordinary own sources of revenue, (iv) raise KSh. 1.051 billion in Facility Improvement Fund (FIF)/Appropriation in Aid (A-I-A), (v) utilise KShs.142.87 million of unspent funds carried forward from FY 2022/23 and (vi) receive KShs. 131.6 million from the share of equalization fund from National Treasury. Cumulatively, the county expected a revenue estimate of KSh. 11.167 billion.

Budget Turnout Performance FY 2023/24

Whereas the county expected a revenue of KSh. 11.167 billion, it only realized KSh. 9.969 billion, which represents 89% budget turnout. This then implies that the total revenue expected but not received for the FY 2023/24 amounted to KSh. 1.197 billion. In particular, each revenue source performed as follows: (i) received KShs. 7.626 billion as the equitable share of revenue from National Treasury, (ii) received KShs. 999.314 million as additional allocations/conditional grants from the National Government and Development Partners, (iii) raised KShs. 359.26 million from ordinary own sources of revenue, (iv) raised KSh. 841.23 million in Facility Improvement Fund (FIF)/Appropriation in Aid (A-I-A), and (v) utilised KShs.142.87 million of unspent funds carried forward from FY 2022/23.

Notably, Homa County Government was among the top most improved counties in terms of own source revenue collection for the FY 2023/24. For the first since inception of devolution, the county reached a billion mark in own source revenue generated. On comparative analysis (with FY 2022/23), the overall revenue received increased marginally from KSh. 9.911 billion to KSh. 9.969, representing a 0.5 per cent revenue growth. However, this growth was mainly attributed to the 40 per cent own source revenue increase from KSh. 859.454 million in FY 2022/23 to KSh. 1.20 billion realized in FY 2023/24.

Overall Expenditures in FY 2023/24

The County spent KShs.9.08 billion on development and recurrent programmes in the reporting period. The expenditure represented 101.7 per cent of the total funds released by the CoB and comprised of KShs.3.03 billion and KShs.6.05 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 86.3 per cent, while recurrent expenditure represented 79.0 per cent of the annual recurrent expenditure budget.



Challenges Encountered in FY 2023/24

The County Treasury identified several challenges that hindered effective budget execution across various entities. Some of the major ones included: The failure by the National Treasury to disburse the June 2024 equitable share of revenue to county governments; Underperformance of some OSR streams which have very high potential; Political and economic instability arising from the Gen-Z protests; which affected OSR collection during the period; Disaster and emergency occurrences occasioned by drastic weather changes which caused destruction to major infrastructures and displaced human settlements; and Huge historical pending bills which must be prioritized before initiating new developments.

Recommendations

Some of the recommendations for addressing the identified challenges include but not limited to the following: Developing a sustainable repayment plan for pending bills which have been verified as legitimate by the appointed task force; Developing a robust revenue enhancement plan for ensuring that OSR is optimized to its potential of over KSh. 1.8 billion; Improved disaster preparedness and management by the county units responsible; and Continuous mapping of all revenue streams to reduce overdependence on the health services user fees.



CHAPTER ONE: FINANCIAL ANALYSIS OF THE CGHB BUDGET IMPLEMENTATION

1.1.0 Overview of FY 2023/24 Budget

The County's approved second supplementary budget estimates for the FY 2023/24 was Kshs.11.17 billion, comprising Kshs.3.51 billion (31.4 per cent) and Kshs.7.66 billion (68.6 per cent) allocated for development and recurrent programmes, respectively. The approved supplementary budget estimates represented an increase compared to the previous financial year when the approved budget was Kshs.10.08 billion and comprised of Kshs.3.10 billion towards development expenditure and Kshs.6.98 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.8.13 billion (72.8 per cent) as the equitable share of revenue raised nationally, Kshs.1.37 billion (12.3 per cent) as additional allocations/conditional grants, Kshs.131.60 million (1.2 per cent) as a share of equalization funds, a cash balance of Kshs.142.87 million (1.3 per cent) from FY 2022/23, and generate Kshs.1.392 billion (12.4 per cent) as gross own source revenue. The own-source revenue includes Kshs.1.05 billion as Appropriation in Aid (AIA)/Facility Improvement Fund (FIF) and Kshs.341.14 million as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 1.20.

1.2.0 Revenue Performance

In the FY 2023/24, the County received Kshs.7.63 billion as the equitable share of the revenue raised nationally, Kshs.999.31 million as additional allocations/conditional grants, a cash balance of Kshs.142.87 million from FY 2022/23 and raised Kshs.1.20 billion as own-source revenue (OSR). The raised OSR includes Kshs.841.23 million as AIA/FIF and Kshs.359.26 million as ordinary own source revenue. The total funds available for budget implementation during the period amounted to Kshs.9.97 billion, as shown in Table 1.20.

Table 1.20: County Revenue Performance in FY 2023/24

S/N	Source (Category) of Revenue	Annual Budget Allocation (KSh.)	Actual Receipts (KSh.)	Performance (%)	Deficit/Surplus
A	Equitable Share of Revenue Raised Nationally	8,128,387,250.00	7,626,705,708.90	93.8%	(501,681,541.10)
	Sub-Total	8,128,387,250.00	7,626,705,708.90	93.8%	(501,681,541.10)
B	Conditional Grants				
	National Agriculture and Rural Inclusive Growth Project (NARIG)	5,000,000.00	4,374,252.00	87.5%	(625,748.00)
	National Value Chain	200,000,000.00	199,863,473.00	99.9%	(196,527.00)



Development Project (NAVCDP)				
Provision of Fertilizer Subsidies	165,917,803.00	-	0.0%	(165,917,803.00)
Aquaculture Business Development Programme	12,909,422.00	-	0.0%	(12,909,422.00)
Livestock Value Chain Support Project	14,323,680.00	-	0.0%	(14,323,680.00)
Agricultural Sector Development Support Programme (ASDSP)	3,159,580.00	3,159,580.00	100.0%	-
DANIDA/ Primary Health Care Project	25,520,063.00	25,520,063.00	100.0%	-
Financing Locally-Led Climate Actions Programme (CCIS)	11,000,000.00	-	0.0%	(11,000,000.00)
Financing Locally-Led Climate Actions Programme	251,984,144.00	241,617,006.00	95.9%	(10,367,138.00)
Kenya Informal Settlements Improvement Programme	463,000,000.00	460,000,000.00	99.4%	(3,000,000.00)
Kenya Urban Support Programme -UIG	1,145,356.00	1,145,355.00	100.0%	(1.00)
County Aggregated	217,000,000.00	162,500,000.00	28.8%	(154,500,000.00)



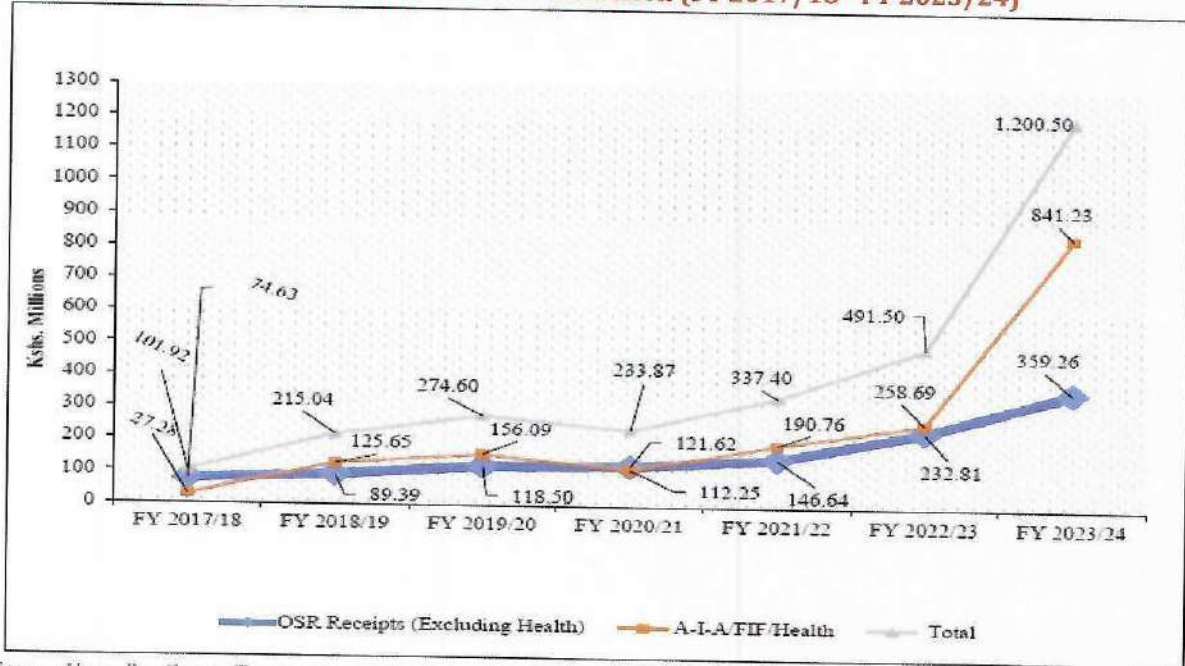
	Industrial Parks Programme (CAIP)				
	Kenya Urban Support Programme -UDG	1,194,559.00	1,194,559.00	100.0%	-
Sub-Total		1,372,154,607.00	999,314,288.00	72.8%	(372,840,319.00)
C	Own Source Revenue				
	Ordinary Own Source Revenue	341,139,710.00	359,263,180.00	105.3%	18,123,470.00
	Appropriation in Aid (A-I-A)/Facility Improvement Fund (FIF)	1,051,066,642.00	841,232,651.00	80.0%	(209,833,991.00)
Sub-Total		1,392,206,352.00	1,200,495,831.00	86.2%	(191,710,521.00)
D	Other Revenue Sources				
	Unspent balance from FY 2022/23	142,874,788.00	142,874,788.00	100.0%	-
	Share of Equalization funds	131,603,304.00	-	0.0%	(131,603,304.00)
Sub-Total		274,478,092.00	142,874,788.00	52.1%	(131,603,304.00)
GRANT TOTAL REVENUE		11,167,226,301.00	9,969,390,615.90	89.3%	(1,197,835,685.10)

Source: Homa Bay County Treasury, 2024



1.3.0 Trend in the OSR Collection

Figure 1.30: Trend in Own-Source Revenue Collection (FY 2017/18 - FY 2023/24)



Source: Homa Bay County Treasury

In the FY 2023/24, the County generated a total of Kshs.1.20 billion from its own source of revenue, including the Health Sector Appropriation in Aid (AIA)/Facility Improvement Fund (FIF). This amount represented an increase of 67.4 per cent compared to Kshs.553.71 million realized in FY 2022/23 and 86.2 per cent of the annual target and 19.1 per cent of the equitable revenue share disbursed. The revenue streams which contributed the highest OSR receipts are shown in Table 1.30 and Figure 1.31

Table 1.30: Best Performed Own Source Revenue Streams in the FY 2023/24

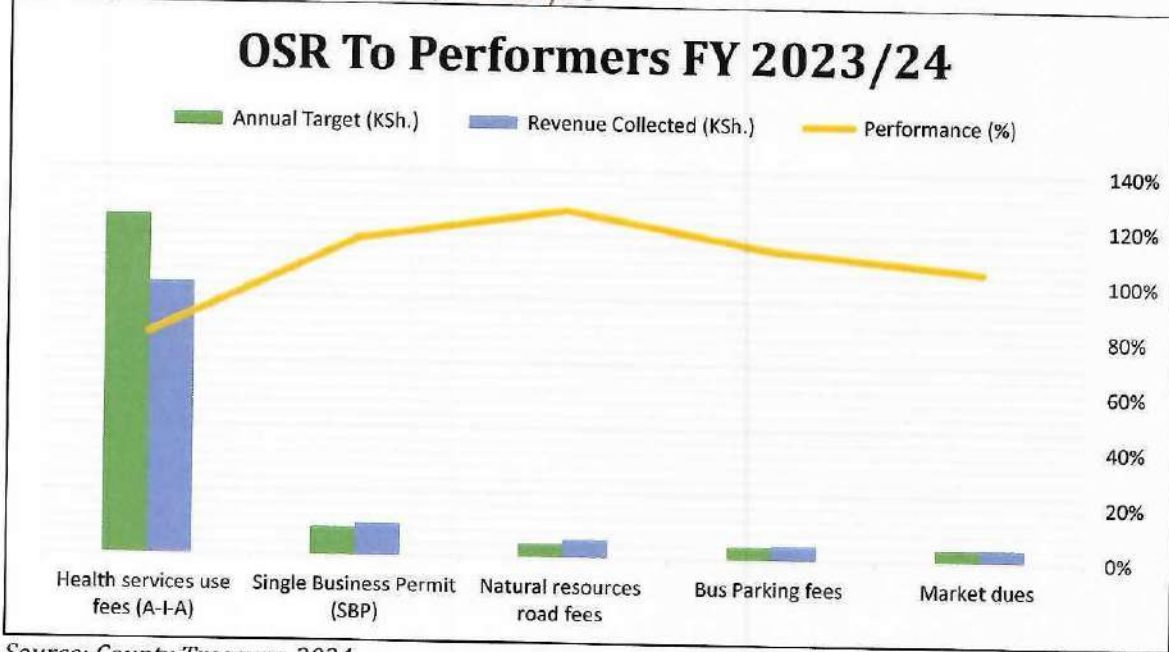
Top Performing OSR Streams in FY 2023/24			
OSR Stream	Annual Target (KSh.)	Revenue Collected (KSh.)	Performance (%)
Health services use fees (A-I-A)	1,051,066,642	841,232,651	80%
Single Business Permit (SBP)	86,361,970	99,333,166	115%
Natural resources road fees	44,575,100	56,105,447	126%
Bus Parking fees	41,831,108	46,784,631	112%



Market dues	38,931,210	40,648,114	104%
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Source: County Treasury, 2024

Figure 1.31- OSR Best Performers, FY 2023/24

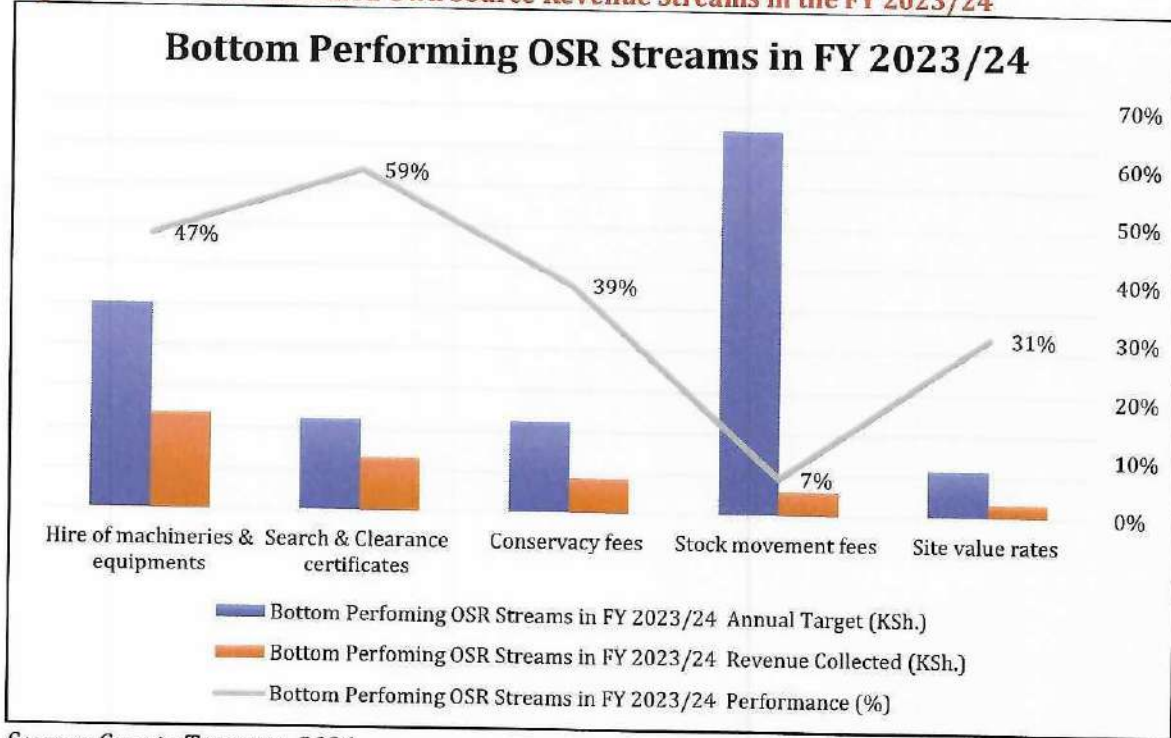


Source: County Treasury, 2024

The Health Sector AIA/FIF amounted to Kshs.841.23 million, representing 76.5 per cent of the overall OSR in the reporting period. The entire amount realized from FIF was not swept to the CRF account, which is in line with the Homa Bay County Facility Improvement Fund Act, 2023, which allowed the County health facilities to collect and retain revenue paid as user fees in order to defray operational, management and capital costs. The highest ordinary revenue stream of Kshs.99.13 million was from a single business permit, contributing 9.0 per cent of the total OSROSR receipts during the reporting period.



Figure 1.32: Least Performed Own Source Revenue Streams in the FY 2023/24



Source: County Treasury, 2024

1.4.0 Exchequer Issues

The Controller of Budget authorized withdrawals of Kshs. 8.93 billion from the CRF account during the reporting period, which comprised Kshs.2.88 billion (32.2 per cent) for development programmes and Kshs. 6.06 billion (67.8 per cent) for recurrent programmes. Analysis of the recurrent exchequer released in the FY 2023/24 indicates that Kshs. 4.39 billion was released towards Employee Compensation, and Kshs. 1.66 billion was released for Operations and Maintenance expenditure. The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs. 41.57 million.

1.5.0 Borrowing by the County

The County entered an agreement with Equity Bank Limited for advance payroll processing for County Executive staff in February 2024, whereby the bank pays salaries for the staff every month at an interest of 1 per cent. The outstanding payroll management overdraft facility from Equity Bank Limited as of 30th June 2024 amounted to Kshs. 460.27 million.

1.6.0 County Expenditure Review

The County spent Kshs.9.08 billion on development and recurrent programmes in the reporting period. The expenditure represented 101.7 per cent of the total funds released by the CoB and comprised of Kshs.3.03 billion and Kshs.6.05 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 86.3 per cent, while recurrent expenditure represented 79.0 per cent of the annual recurrent expenditure budget.



1.7.0 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.69 billion, comprising of Kshs.260.37 million for recurrent expenditure and Kshs.1.43 billion for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.947.63 million, which consisted of Kshs.130.08 million for recurrent expenditure and Kshs.817.54 million for development programmes. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.739.12 million. This, however, does not include unpaid bills for FY 2023/24. The outstanding pending bills for the County Assembly were Kshs.45.41 million as of 30th June, 2024.



CHAPTER TWO: BUDGET PERFORMANCE BY COUNTY ENTITIES

2.1.0 Expenditure by Economic Classification

An analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.92 billion on employee compensation, Kshs.1.14 billion on operations and maintenance and Kshs.3.00 billion on development activities. Similarly, the County Assembly spent Kshs.465.58 million on employee compensation, Kshs.521.62 million on operations and maintenance and Kshs.21.59 million on development activities, as shown in Table 2.1.

Table 2.1: Summary of Budget and Expenditure by Economic Classification

Economic Classification	Annual Budget (KSh.)		Expenditure (KSh.)		Absorption Rate (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Compensation to Employees	5,377,196,084	465,579,343	3,924,917,840	465,579,343	73	100
Operations & Management	1,229,260,741	587,889,344	1,142,883,002	521,615,532	93	88.7
Total Recurrent	6,606,456,825	1,053,468,687	5,067,800,842	987,194,875	76.7	93.7
Development	3,355,751,570	151,549,218	3,003,605,832	21,587,526	89.5	14.2
Total (R+D)	9,962,208,395	1,205,017,905	8,071,406,674	1,008,782,401	81	83.7

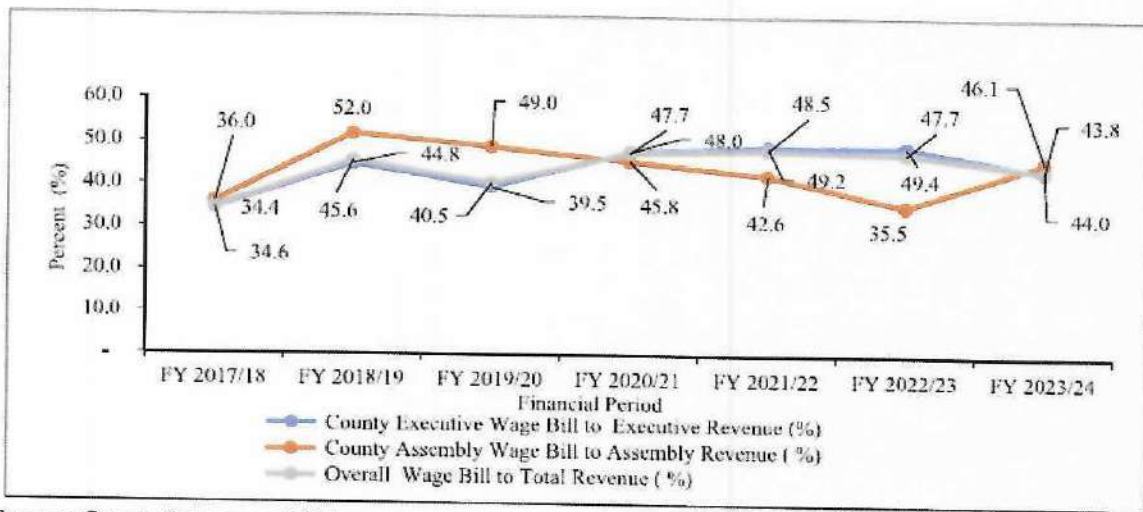
Source: County Treasury, 2024

2.2.0 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.39 billion, or 44.0 per cent of the available revenue, which amounted to Kshs.9.97 billion. This expenditure represented a 2.9 per cent decrease from Kshs.4.52 billion reported in FY 2022/23. The wage bill included Kshs.1.78 billion paid to health sector employees, translating to 45.3 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 2.2.



Figure 2.2: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: County Treasury, 2024

Further analysis indicates that PE costs amounting to Kshs.3.63 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.759.58 million was processed through manual payrolls. The manual payrolls accounted for 17.3 per cent of the total PE cost. The County Assembly spent Kshs.39.96 million on committee sitting allowances for the 54 MCAs and the Speaker against the annual budget allocation of Kshs.39.96 million. The average monthly sitting allowance was Kshs.60,544 per MCA. The County Assembly has established 22 Committees.

2.3.0 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.440.95 million to the county-established funds in the FY 2023/24, constituting 3.9 per cent of the County's overall budget. Further, the County allocated Kshs.23 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 2.30 summarizes each established Fund's budget allocation and performance during the reporting period.

Table 2.30: Performance of County Established Funds in the FY 2023/24

Name of Fund	Approved Budget	Exchequer Issued	Actual Expenditure
County Executive Established Funds			
Homa Bay County Bursary Fund	230,000,000	215,000,000	194,465,000
Homa Bay Emergency Fund	23,000,000	17,500,000	22,869,076
Homa Bay County Car Loan and Mortgage Scheme Fund	86,300,000	52,000,000	51,000,000
County Assembly Established Funds			
	101,651,682	33,768,000	58,315,315
Total	440,951,682	318,268,000	326,649,391

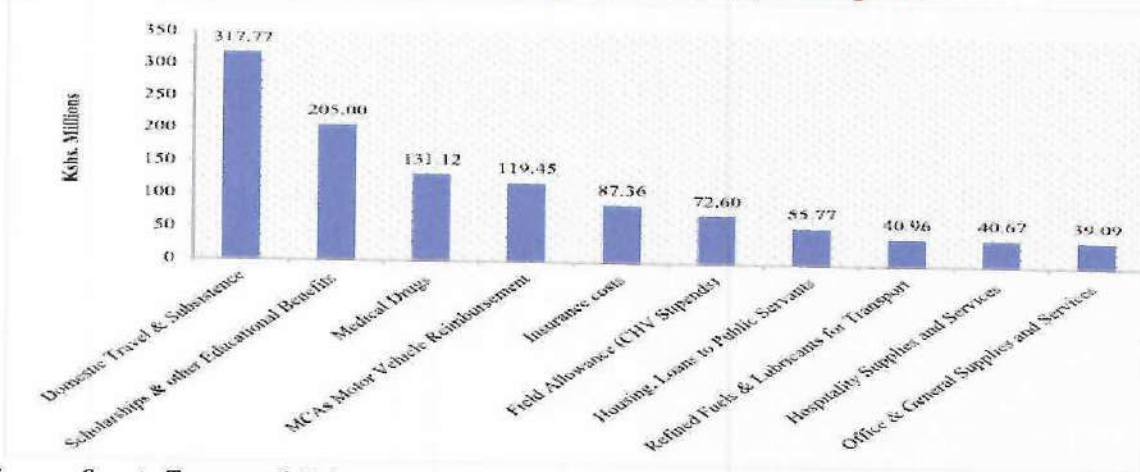
The County government uses commercial bank accounts to operate the above established public funds contrary to Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, which



require that County government bank accounts must be opened and maintained at the Central Bank of Kenya.

2.4.0 Expenditure on Operations and Maintenance

Figure 2.40: Operations and Maintenance Expenditure by Major Categories



Source: County Treasury, 2024

Expenditure on domestic travel amounted to Kshs.317.77 million and comprised Kshs.182.73 million spent by the County Assembly and Kshs.135.03 million spent by the County Executive. Expenditure on foreign travel amounted to Kshs.8.86 million and comprised Kshs.6.31 million spent by the County Assembly and Kshs.2.55 million spent by the County Executive. Expenditure on foreign travel is summarized in Table 2.41.

Table 2.41 Foreign Travel Summary

Arm of Government	No. of Staff who travelled	Purpose of Travels	Destination	Total Cost of Travel (KSh.)
County Executive	8	Travel to attend the 28th Conference of the Parties (COP28) under the United Nations Framework Convention on Climate Change (UNFCCC)	Dubai, United Arab Emirates	1,050,000
	2	Travel to attend the Strong Cities Global Summit	New York City, USA	1,498,009
Sub-Total				2,548,009
County Assembly	14	Travel to attend the 18th Lake Victoria Regional Authorities and Counties Cooperation General Assembly	Mbarara, Uganda	2,270,701



4	Travel to attend the Lake Victoria Regional Authorities and Counties Cooperation Local Women Network Conference Organizing Meeting.	Entebbe, Uganda	1,190,211
6	Travel to attend the Africa Food Systems Forum 2023 Dar esalam	Tanzania	2,851,750
Sub-Total			6,312,662
TOTAL			8,860,671

Source: County Treasury, 2024

2.5.0 Development Expenditure

In the FY 2023/24, the County reported expenditure of Kshs.3.03 billion on development programmes, representing an increase of 22.2 per cent compared to FY 2022/23 when the County spent Kshs.2.47 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 2.50: List of Development Projects with the Highest Expenditure



No	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
1	Lands, Physical Planning, Housing and Urban Development	2nd Kenya Informal Settlement Improvement Project (KISIP2)	All Sub counties	460,000,000	460,000,000	100.0
2	Water, Sanitation, Irrigation, Environment, Energy and Climate Change	Capital Grants and transfer to ward adaption/mitigation projects for Locally-led Climate Action Program (H.LLoCA)	All sub-counties	241,617,006	241,617,006	100.0
3	Office of the Deputy Governor and Department of Agriculture and Livestock	Capital Grants and transfers to (NAVCDP)	County Headquarter	199,803,473	199,803,473	100.0
4	Trade, Industry, Tourism, Cooperative Development and Marketing	Aggregated Industrial Parks Programme	Rachuonyo North	62,500,000	62,500,000	100.0
5	Roads, Public Works, Transport and Infrastructure	Supply of C.A.T. 320GX Excavator	Transport Head office	28,779,426	28,779,426	100.0
6	Roads, Public Works, Transport and Infrastructure	Supply of SEM919 Motor Grader	Transport Head office	26,220,582	26,220,582	100.0
7	Public Health and Medical Services	Capital Grants and transfer-DANIDA Grant Primary Health Care Program	All Sub counties	25,520,063	25,520,063	94.4
8	Public Health and Medical Services	Delivery of assorted medical equipment	Homa Bay Teaching and Referral Hospital	19,951,881	19,951,881	100.0
9	Trade, Industry, Tourism, Cooperative Development and Marketing	Proposed Completion of Kigoto Maize Mill	Suba South	18,450,000	18,450,000	100.0
10	Office of the Deputy Governor and Department of Agriculture and Livestock	Supply & delivery of maize seeds	All Wards	16,540,000	16,540,000	100.0

Source: County Treasury, 2024



CHAPTER THREE: BUDGET ABSORPTION PER COUNTY ENTITY

This chapter summarizes the approved budget allocation, expenditure and absorption rate by departments/entities in the FYFY 2023/24.

3.1.0 BUDGET ALLOCATION AND ABSORPTION RATE BY DEPARTMENT

Table 3.1.0: 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
Finance and Economic Planning	690.61	36.35	536.45	19.50	536.45	33.75	100.0	173.1	77.7	92.8
County Public Service Board	73.50	3.14	61.68	-	61.68	0.00	100.0	0.0	83.9	0.0
County Assembly Service Board	1053.47	151.55	987.39	22.61	987.19	21.59	100.0	95.5	93.7	14.2
Homa Bay Municipal Board	26.76	17.24	24.52	17.22	24.52	17.22	100.0	100.0	91.6	99.9
Office of the Deputy Governor and Department of Agriculture and Livestock	216.28	451.27	179.22	421.57	179.22	349.74	100.0	83.0	82.9	77.5
Gender Equality and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services	135.72	63.03	113.15	62.85	113.15	62.85	100.0	100.0	83.4	99.7
Roads, Public Works, Transport and Infrastructure	157.39	716.29	133.03	713.62	133.03	716.29	100.0	100.4	84.5	100.0
Blue Economy, Fisheries,	93.29	68.57	75.51	53.55	75.51	53.55	100.0	100.0	80.9	78.1



Mining and Digital Economy											
Education, Human Capital Development and Vocational Training	1153.30	266.92	863.20	139.71	863.20	266.53	100.0	190.8	74.8	99.9	
Public Health and Medical Services	2502.83	257.15	2104.24	223.55	2104.24	257.00	100.0	115.0	84.1	99.9	
Lands, Physical Planning, Housing and Urban Development	49.31	485.01	44.97	482.76	44.97	484.76	100.0	100.4	91.2	99.9	
Trade, Industry, Tourism, Cooperative Development and Marketing	160.26	486.22	135.05	226.97	135.05	258.05	100.0	113.7	84.3	53.1	
Water, Sanitation, Irrigation, Environment, Energy and Climate Change	237.83	387.46	162.14	387.46	162.13	387.46	100.0	100.0	68.2	100.0	
Governance, Administration, Communication and Devolution	442.60	15.00	253.66	15.00	253.66	15.00	100.0	100.0	57.3	100.0	
Executive Office of the Governor	634.33	70.00	381.00	57.60	381.00	69.60	100.0	120.8	60.1	99.4	
Kendu Bay Municipal Board	7.87	7.85	-	7.79	-	7.79	0.0	100.0	-	99.2	
Mbita Municipal Board	7.87	7.85	-	7.61	-	7.61	0.0	100.0	-	96.9	
Ndhiwa Municipal Board	7.87	8.55	-	8.55	-	8.55	0.0	100.0	-	100.0	
Oyugis Municipal Board	8.83	7.85	-	7.85	-	7.85	0.0	100.0	-	100.0	
Total	7,659.93	3,507.50	6,055.24	2,675.77	6,055.24	3,025.77	100.0	105.2	79.0	86.1	



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Source: County Treasury, 2024



3.2.0 SUMMARY OF EXPENDITURE BY PROGRAMS AND SUB-PROGRAMS

Table 3.2.0: Budget Execution by Programmes and Sub-Programmes

Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
Department of Finance and Economic Planning					
General administration and support services	Staff Remuneration and Welfare Support Services	509,293,113	410,835,521	98,457,592	80.7
	General Logistics, Coordination and Asset Management Services	39,529,916	39,259,916	270,000	99.3
	Subtotal	548,823,029	450,095,437	98,727,592	82.0
Planning, Budgeting and Development Coordination Services	Economic planning and development coordinationservices	22,976,780	6,061,428	16,915,352	26.4
	Resource allocation services	14,433,400	4,723,600	9,709,800	32.7
	Public Participation Facilitation services	9,499,000	2,000,000	7,499,000	21.1
	Subtotal	46,909,180	12,785,028	34,124,152	27.3
Resource mobilization services	External Resources Mobilization Services	8,899,200	2,916,121	5,983,079	32.8
	Internal Revenue Generation Services	39,314,834	38,630,500	684,334	98.3
	Subtotal	48,214,034	41,546,621	6,667,413	86.2
Financial management services	Accounting and Financial Reporting Services	21,784,580	19,500,000	2,284,580	89.5
	Supply Chain Management Services	31,725,765	25,163,272	6,562,493	79.3
	Audit and Advisory Services	12,000,000	3,609,439	8,390,561	30.1
	Emergency Management Services	17,500,000	17,500,000	-	100.0
	Subtotal	83,010,345	65,772,711	17,237,634	79.2
Total	726,956,588	570,199,797	156,756,791	78.4	
County Public Service Board					
General Policy, Planning and	Policy Development Services	-	-	-	-
	Administrative Support Services	69,503,515	60,506,111	8,997,404	87.1



Administration Services	Infrastructure Development Services	3,140,000	1,169,200	1,970,800	37.2
	Subtotal	72,643,515	61,675,311	10,968,204	84.9
Personnel Sourcing and Management Services	Recruitment, Selection and Deployment Services	2,080,000	-	2,080,000	-
	Capacity Development Services	1,920,000	-	1,920,000	-
	Subtotal	4,000,000	-	4,000,000	-
	Grand total	76,643,515	61,675,311	14,968,204	80.5
County Assembly Service Board					
Legislative Services	Members' welfare Support services	245,865,808	245,865,808	-	100.0
	Legislative development and approval services	217,502,825	217,502,825	-	100.0
	Subtotal	463,368,633	463,368,633	-	22.2
Oversight and Control Services	Capacity building services	12,000,000	12,000,000	-	100.0
	Report writing services	37,000,000	37,000,000	-	100.0
	Public Participation and Education Services	11,000,000	11,000,000	-	100.0
	Subtotal	60,000,000	60,000,000	-	100.0
Ward Representation Services	Staff welfare support services	67,246,265	67,246,265	-	100.0
	Ward operations and maintenance	17,284,320	17,284,320	-	100.0
	Subtotal	84,530,585	84,530,585	-	100.0
Policy, Planning and Administrative Support Services	Administrative support services	277,775,469	211,691,787.00	66,083,682	76.2
	Financial Management Services	167,794,000	167,603,870.20	190,130	99.9
	Assembly Infrastructure Development Services	151,549,218	21,587,525.50	129,961,693	14.2
	Subtotal	597,118,687	400,883,182.70	196,235,504	67.1
	Total	1,205,017,905	1,008,782,400.70	196,235,504	83.7
Homa Bay Municipal Board					
Planning,	Policy and planning services	-	-	-	-



Finance and Administrative Support Services	Financial Management Services	3,811,419	3,593,380	218,039	94.3
	Personnel remuneration and development services	22,945,272	22,886,600	58,672	99.7
	Subtotal	26,756,691	26,479,980	276,711	99.0
Public Works and Infrastructure Improvement Services	Transport Infrastructure Improvement Services	1,194,559	1,194,559	-	100.0
	Environmental Management Services	11,000,000	9,019,259	1,980,741	82.0
	Subtotal	12,194,559	10,213,818	1,980,741	83.8
	Social outreach and Engagement Services	-	-	-	-
	Neighbourhood Planning and Development Services	5,048,979	5,048,979	-	100.0
	Workforce development and enterprise support services	-	-	-	-
	Subtotal	5,048,979	5,048,979	-	100.0
Total	44,000,229	41,742,777	2,257,452	94.9	
Office of The Deputy Governor and Department of Agriculture, Livestock, Fisheries and Food Security					
Policy Planning, General Administration and Support Services	Policy and Planning Services	4,105,600	3,638,700	466,900	88.6
	General Administration and Support Services	212,177,568	168,225,168	43,952,400	79.3
	Subtotal	216,283,168	171,863,868	44,419,300	79.5
Crop, Land and Agribusiness Development Services	Crop Development Services	-	-	-	-
	Agribusiness Development Services	-	-	-	-
	Land Development Services	-	-	-	-
	National Agriculture Rural Inclusive Growth	-	-	-	-



	Agriculture Sector Development Support Programme	-	-	-	-
	National Value Chain Project	-	-	-	-
	Subtotal	-	-	-	-
Food Security Enhancement Services	Sub Sector Infrastructure Development Services	6,257,234	3,159,580	3,097,654	50.5
	Farm Input Access Services	208,917,803	150,825,138	58,092,665	72.2
	National Agriculture Rural Inclusive Growth	5,000,000	4,374,252	625,748	87.5
	Agriculture Sector Development Support Programme	8,159,850	3,159,580	5,000,270	38.7
	National Value Chain Project	205,000,000	195,580,652	9,419,348	95.4
	Sub total	433,334,887	357,099,202	76,235,685	82.4
Livestock Development Programme	Livestock Improvement and Development	9,102,000	-	9,102,000	-
	Livestock Infrastructure Development Services	3,398,000	-	3,398,000	-
	Livestock Health and Disease Management	5,432,625	-	5,432,625	-
	Subtotal	17,932,625	-	17,932,625	-
	Total	667,550,680	528,963,070	138,587,610	79.2
Department of Gender Equality and Inclusivity Youth, Sports, Talent Development, Cultural Heritage and Social Services					
Policy, Planning and General Administration services	General Administration and Support Services	83,952,751	79,551,976	4,400,775	94.8
	Policy and Planning Services	21,772,768	20,847,408	1,135,820	94.8
	Office Development Operations	210,460	-	210,460	-
	Subtotal	105,935,979	100,399,384	5,536,595	94.8
Cultural And	Creative Economy Development Services	3,873,589	-	3,873,589	-



Creative Sector Development Services	Cultural Development and Promotion Services	9,684,288	3,132,325	6,551,963	32.3	
	Subtotal	13,557,877	3,132,325	10,425,552	23.1	
	Gender Mainstreaming and Women Empowerment Services	7,404,418	5,140,001	2,264,417	69.4	
	Youth Empowerment and Mainstreaming Services	5,432,000	5,131,740	300,260	94.5	
	SGBV Control Services	-	-	-	-	
	Disability Mainstreaming Services	8,573,000	7,563,020	1,009,980	88.2	
	Youth and women support grants.	-	-	-	-	
	Subtotal	21,409,418	17,834,761	3,574,657	83.3	
	Sports Infrastructure Development Services	43,580,218	40,433,178	3,147,040	92.8	
	Sports Management and Talent Development	14,268,923	14,200,000	68,923	99.5	
	Subtotal	57,849,141	54,633,178	3,215,963	94.4	
	Total	198,752,415	175,999,648	22,752,767	88.6	
	Department of Roads, Transport and Public Works and Infrastructure					
	General Administration, Planning and Support Services	Human Resource and Capacity Development Services	156,541,654	142,138,465	14,403,189	90.3
		Policy Planning and Field Support Services	612,213	357,160	255,053	58.3
Roads and Transport Services		231,323		231,323	-	
Subtotal		157,485,170	142,495,625	14,989,545	90.5	
Public works and maintenance services	Quality Control and Enforcement	-	-	-	-	
	Infrastructure Development Services	-	-	-	-	
	Purchase of Plant and Machinery maintenance	63,189,008	61,230,800	1,958,208	96.9	
Road Development and	Road Development Services	443,379,195	438,831,929	4,547,266	99.0	
	Road Maintenance Services	209,624,868	206,763,323	2,861,545	98.6	



Rehabilitation Services	Subtotal	653,004,063	645,595,252	7,408,811	98.9
Transport Development and Rehabilitation Services	Water Transport Services	-	-	-	-
	Subtotal	-	-	-	-
	Total	873,678,241	849,321,677	24,356,564	97.2
Department of Blue Economy, Fisheries Mining and Digital Economy					
Blue Economy and Fisheries Resources Development Services	Capture Fisheries and Development Services	45,759,422	36,278,100	9,481,322	79.3
	Aquaculture Development Services	5,000,000	3,260,000	1,740,000	65.2
	Blue Economy Development Services	10,000,000	6,530,200	3,469,800	65.3
	Subtotal	60,759,422	46,068,300	14,691,122	75.8
Mineral resources development and marketingservices	Artisanal Mining Services	4,000,000	-	4,000,000	-
	Mineral Prospecting Services	-	-	-	-
	Subtotal	4,000,000	-	4,000,000	-
ICT and Digital Economy Development Services	ICT Infrastructure Development Services	811,224	-	811,224	-
	Digital Literacy and Skill Development Services	3,000,000	2,000,000	1,000,000	66.7
	Subtotal	3,811,224	2,000,000	1,811,224	52.5
General Administration, Planning and Support Services	Policy Development Services	4,335,000	3,000,000	1,335,000	69.2
	Personnel Remuneration and Welfare Services	76,286,892	70,141,161	6,145,731	91.9
	Administrative Support Services	12,665,000	7,854,527	4,810,473	62.0
	Subtotal	93,286,892	80,995,688	12,291,204	86.8
	Total	161,857,538	129,063,988	32,793,550	79.7
Department of Education, Human Capital Development and Vocational Training					
General Administration and Quality Assurance Service	General administration Services	898,219,791	650,840,270	247,379,521	72.5
	Quality Assurance Services	25,081,868	7,364,058	17,717,810	29.4
	Subtotal	923,301,659	658,204,328	265,097,331	71.3
Early Years	EYE Services	221,328,150	199,708,139	21,620,011	90.2



Education (EYE) Services	Subtotal	221,328,150	199,708,139	21,620,011	90.2
Education, Human Capital Development and Vocational Training Services	Education Services	230,000,000	230,000,000	-	100.0
	Human Capital Development Services	-	-	-	-
	Vocational Training Services	45,590,000	41,825,720	3,764,280	91.7
	Subtotal	275,590,000	271,825,720	3,764,280	98.6
	Total	1,420,219,809	1,129,738,187	290,481,622	79.5
Department of Public Health and Medical Services					
Policy planning and administrative support service	Policy, Planning and Monitoring Services	10,080,250	4,674,892	5,405,358	46.4
	Administrative Support Services	2,120,139,727	1,841,305,905	278,833,822	86.8
	Subtotal	2,130,219,977	1,845,980,797	284,239,180	86.7
Preventive and promotive health services	Community health services	148,680,000	116,366,299	32,313,701	78.3
	Disease control services	9,600,000	9,600,000	-	100.0
	infrastructure improvement services	59,500,000	37,300,081	22,199,919	62.7
	Subtotal	217,780,000	163,266,380	54,513,620	75.0
Curative and rehabilitative health services	Routine medical health services	259,901,523	214,523,946	45,377,577	82.5
	Medical emergency responses services	32,771,360	25,411,401	7,359,959	77.5
	Facility infrastructure improvement services	116,705,663	112,059,183	4,646,480	96.0
	Subtotal	409,378,546	351,994,530	57,384,016	86.0
Research and development service	Research and surveillance services	1,500,000	-	1,500,000	-
	Capacity development services	1,100,000	-	1,100,000	-
	Subtotal	2,600,000	-	2,600,000	-
	Total	2,759,978,523	2,361,241,707	398,736,816	85.6
Department of Lands, Housing, Urban Development and Physical Planning					
General	General administrative support services	42,308,719	41,825,109	483,610	98.9



Administration Services	Operation and Maintenance Services	6,426,805	5,844,968	581,837	90.9
	General Office Infrastructure Development Services	757,818	-	757,818	-
	Subtotal	49,493,342	47,670,077	1,823,265	96.3
Lands and Physical Planning Services	County Development Planning Services	3,485,000	2,802,357	682,643	80.4
	Land Valuation and Registration Support Services	7,180,126	6,350,000	830,126	88.4
	County Land Acquisition and Management Services	6,000,000	6,000,000	-	100.0
	Subtotal	16,665,126	15,152,357	1,512,769	90.9
Housing and Urban Development Services	Housing Infrastructure Development Services	1,597,990	1,597,990	-	100.0
	Settlements Upgrading Services	466,565,356	465,300,081	1,265,275	99.7
	Urban Areas Establishment Services	-	-	-	-
	Subtotal	468,163,346	466,898,071	1,265,275	99.7
	Total	534,321,814	529,720,505	4,601,309	99.1
Department of Trade, Industry, Tourism, Cooperative Development and Marketing					
Policy, Planning and Administrative services	Remuneration and welfare support services	142,017,292	116,900,000	25,117,292	82.3
	Policy and plans development services	6,750,000	2,074,500	4,675,500	30.7
	Administrative Support Services	11,492,000	5,974,861	5,517,139	52.0
	Subtotal	160,259,292	124,949,361	35,309,931	78.0
Trade, Cooperative and Entrepreneurship Development Services	Enterprise development and promotion services	5,340,500	3,412,250	1,928,250	63.9
	Cooperative development services	50,000,000	1,875,500	48,124,500	3.8
	Trade infrastructure and development services	90,000,000	84,115,242	5,884,758	93.5



	Subtotal	145,340,500	89,402,992	55,937,508	61.5
Tourism, Industrial and Investment Promotion Services	Value Chain Development Services	21,000,000	4,722,750	16,277,250	22.5
	Tourism promotion and marketing	20,975,070	3,607,999	17,367,071	17.2
	Tourism infrastructure development services	-	-	-	-
	Industrial Park Development	286,404,652	162,559,777	123,844,875	56.8
	Investment promotion and facilitation	12,500,000	7,850,600	4,649,400	62.8
	Subtotal	340,879,722	178,741,126	162,138,596	52.4
Total	646,479,514	393,093,479	253,386,035	60.8	
Department of Water Sanitation, Irrigation, Environment, Energy and Climate Change					
General Administrative services	Administrative Support Services	231,828,320	167,244,348	64,583,972	72.1
	Policy and Planning Services	6,000,000	2,550,400	3,449,600	42.5
	Subtotal	237,828,320	169,794,748	68,033,572	71.4
Water Supply and Management Services	Urban Water Supply Services	500,000	500,000	0	100.0
	Rural Water Supply Services	-	-	-	-
	Industrial Water Supply Services	-	-	-	-
	Maintenance of Water Supply Services	30,000,000	29,610,761	389,239	98.7
	Subtotal	30,500,000	30,110,761	389,239	98.7
Energy Services	Electrical Power Services	40,000,000	38,000,000	2,000,000	95.0
	Solar Power Services	-	-	-	-
	Renewable Energy Services	-	-	-	-
	Subtotal	40,000,000	38,000,000	2,000,000	95.0
Irrigation Development and Management Services	Irrigation Infrastructure Development and Rehabilitation Services	4,087,470	2,530,700	1,556,770	61.9
	Small Holder Community Irrigation Support	-	-	-	-



	Services				
	Subtotal	4,087,470	2,530,700	1,556,770	61.9
Environmental Protection and Management Services	Pollution and Waste Management services	-	-	-	-
	Forestry Development Services	-	-	-	-
	Climate Change Governance	6,713,617	4,000,000	2,713,617	59.6
	Climate Change Mitigation, Adaptation and Resilience Building	306,161,004	305,160,000	1,001,004	99.7
	Subtotal	312,874,621	309,160,000	3,714,621	98.8
	Grand Total	625,290,411	549,596,209	75,694,202	87.9
Governance and Administration, Communication and Devolution					
Governance, Administration and Devolution Services	Governance and Administration	374,939,162	205,482,706	169,456,456	54.8
	Field Coordination and Administration Services	22,450,400	21,246,031	1,204,369	94.6
	Compliance and Enforcement Services	24,710,000	18,200,000	6,510,000	73.7
	Subtotal	422,099,562	244,928,737	177,170,825	58.0
Stakeholder Management and Communication	Communication and Public Engagement Services	13,602,565	4,249,615	9,352,950	31.2
	Subtotal	13,602,565	4,249,615	9,352,950	31.2
Special Projects and Disaster Management	Special Projects Services	11,200,519	11,200,519	0	100.0
	Disaster Prevention and Management Services	10,701,214	8,278,400	2,422,814	77.4
	Subtotal	21,901,733	19,478,919	2,422,814	88.9
	Grand total	457,603,860	268,657,271	188,946,589	58.7
Executive Office of the Governor					
Public service administration support services	Human resource management and development services	507,948,494	308,723,625	199,224,869	60.8



	Performance Management Services	6,310,000	4,200,000	2,110,000	66.6
	Legal Services	15,276,847	7,172,847	8,104,000	47.0
	Subtotal	529,535,341	320,096,472	209,438,869	60.4
Governance and coordination services	Executive management and liaison services	153,210,142	123,498,276	29,711,866	80.6
	Field coordination and administration services	11,585,135	5,670,100	5,915,035	48.9
	Subtotal	164,795,277	129,168,376	35,626,901	78.4
Strategy and service delivery improvement services	Strategy and advisory services	10,000,000	1,332,150	8,667,850	13.3
	Information and Communications	-	-	-	-
	Subtotal	10,000,000	1,332,150	8,667,850	13.3
	Total	704,330,618	450,596,998	253,733,620	64.0
Kendu Bay Municipal Board					
Policy, Planning, General Administration and Support Services	Policy and Planning Services	1,288,010	-	1,288,010	-
	Personnel remuneration and development services	3,803,640	-	-	-
	Administration and Support Services	2,778,624	-	2,778,624	-
	Subtotal	7,870,274	-	7,870,274	-
Public Works and Infrastructure Improvements Services	Transport Infrastructure Improvements	3,350,000	3,348,000	2,000	99.9
	Public facilities improvement services	-	-	-	-
Housing and Urban Development Services	Environmental Management Services	4,500,000	4,438,852	61,148	98.6
	Land Use Management	-	-	-	-
	Subtotal	7,850,000	7,786,852	63,148.3	99.2
	Total	15,720,274	7,786,852	7,933,422	49.5
	Grand Total	625,290,411	549,596,209	75,694,202	87.9
Governance and Administration, Communication and Devolution					
Governance,	Governance and Administration	374,939,162	205,482,706	169,456,456	54.8
	Field	12,450,400	21,246,031	1,204,369	94.6



Administration and Devolution Services	Coordination and Administration Services				
	Compliance and Enforcement Services	24,710,000	18,200,000	6,510,000	73.7
	Subtotal	422,099,562	244,928,737	177,170,825	58.0
Stakeholder Management and Communication	Communication and Public Engagement Services	13,602,565	4,249,615	9,352,950	31.2
	Subtotal	13,602,565	4,249,615	9,352,950	31.2
Special Projects and Disaster Management	Special Projects Services	11,200,519	11,200,519	0	100.0
	Disaster Prevention and Management Services	10,701,214	8,278,400	2,422,814	77.4
	Subtotal	21,901,733	19,478,919	2,422,814	88.9
	Grand total	457,603,860	268,657,271	188,946,589	58.7
Executive Office of the Governor					
Public service administration support services	Human resource management and development services	507,948,494	308,723,625	199,224,869	60.8
	Performance Management Services	6,310,000	4,200,000	2,110,000	66.6
	Legal Services	15,276,847	7,172,847	8,104,000	47.0
	Subtotal	529,535,341	320,096,472	209,438,869	60.4
Governance and coordination services	Executive management and liaison services	153,210,142	123,498,276	29,711,866	80.6
	Field coordination and administration services	11,585,135	5,670,100	5,915,035	48.9
	Subtotal	164,795,277	129,168,376	35,626,901	78.4
Strategy and service delivery improvement services	Strategy and advisory services	10,000,000	1,332,150	8,667,850	13.3
	Information and Communications	-	-	-	-
	Subtotal	10,000,000	1,332,150	8,667,850	13.3
	Total	704,330,618	450,596,998	253,733,620	64.0
Kendu Bay Municipal Board					
	Policy and Planning Services	1,288,010	-	1,288,010	-



Policy, Planning, General Administration and Support Services	Personnel remuneration and development services	3,803,640	-	-	-
	Administration and Support Services	2,778,624	-	2,778,624	-
	Subtotal	7,870,274	-	7,870,274	-
Public Works and Infrastructure Improvements Services	Transport Infrastructure Improvements	3,350,000	3,348,000	2,000	99.9
	Public facilities improvement services	-	-	-	-
Housing and Urban Development Services	Environmental Management Services	4,500,000	4,438,852	61,148	98.6
	Land Use Management	-	-	-	-
	Subtotal	7,850,000	7,786,852	63,148.3	99.2
	Grand total	15,720,274	7,786,852	7,933,422	49.5

Source: County Treasury, 2024



CHAPTER FOUR: CHALLENGES AND RECOMMENDATIONS

4.1 Challenges Encountered in FY 2023/24

The County Treasury identified several challenges that hindered effective budget execution across various entities. Some of the major ones included:

- The failure by the National Treasury to disburse the June 2024 equitable share of revenue to county governments;
- Late disbursements of the exchequer by the National Treasury;
- Underperformance of some OSR streams which have very high potential, especially land rates;
- Overreliance on the A-In-A health revenue as the primary contributor to the OSR;
- Political and economic instability arising from the Gen-Z protests; which affected OSR collection during the period.
- Disaster and emergency occurrences occasioned by drastic weather changes which caused destruction to major infrastructures and displaced human settlements;
- Huge historical pending bills which must be prioritized before initiating new developments.
- Delays in payment of staff salaries due to late receipt of funds.
- Budget deficit in the excess of KSh 1 billion, which mainly rose from underperformance of some OSR streams and less than 100 percent budget turnout for grants and equitable share from National Treasury.

4.2 Recommendations

Some of the recommendations for addressing the identified challenges include but not limited to the following:

- Developing a sustainable repayment plan for pending bills which have been verified as legitimate by the appointed task force.
- Developing a robust revenue enhancement plan for ensuring that OSR is optimized to its potential of over KSh. 1.8 billion.
- Council of Governors to coordinate with the Senate and National Parliament for timely enactment of the necessary legislations (DORA, CARA, CGAAA) which would ease access to the exchequer release by the National Treasury.
- Improve disaster preparedness and management by the county units responsible, including proper forecasting and financial planning.
- Complete the development of the valuation roll to maximize our OSR potential.
- Continuous mapping of all revenue streams to reduce overdependence on the health services user fees.



