



THE COUNTY GOVERNMENT OF NAROK
DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

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BUDGET IMPLEMENTATION REPORT

QUARTER 2 (HALF) OF FINANCIAL YEAR 2024/2025

DECEMBER 31ST, 2024

Hon. David Muntet
County Executive Committee Member
Finance and Economic Planning

Peter Naingisa
Chief officer
Finance and Economic Planning

1.1. Budget Implementation

1.1.1 Overview of FY 2024/25 Budget

The Narok County approved FY 2024/25 budget is Kshs.15.68 billion. It comprised Kshs.5.16 billion (32.9 per cent) and Kshs.10.53 billion (67 per cent) allocations for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs. 697.33 million (5 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.5.10 billion and a recurrent budget of Kshs.9.89 billion.

The Narok County Government budget will be financed from different sources of revenue. These include Kshs.9.53 billion (61 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.12 billion as additional allocations and Kshs.4.98 billion (32 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.125.95 million (3 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.4.85 billion (98 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 1.

1.1.2 Revenue Performance

By end of the second half of FY 2024/25, the County had received Kshs. 8.59 billion to fund recurrent and development activities. The equitable share from the National Government was Kshs. 4.57 billion, Grants brought forward KSh 68 million while own source revenue (OSR) collection was Kshs. 3.95 billion.

The total OSR collection of Kshs.3.95 billion comprises Facilities Improvement Financing (FIF) of Kshs.28.7 million, KSh. 25.3 million from Liquor and Kshs.2.97 million as ordinary OSR. Table 1 summarises the total revenue available to the county government during the first half of FY 2024/25 performance.

Table 1: Narok County, Revenue Performance in the First Half of FY 2024/25

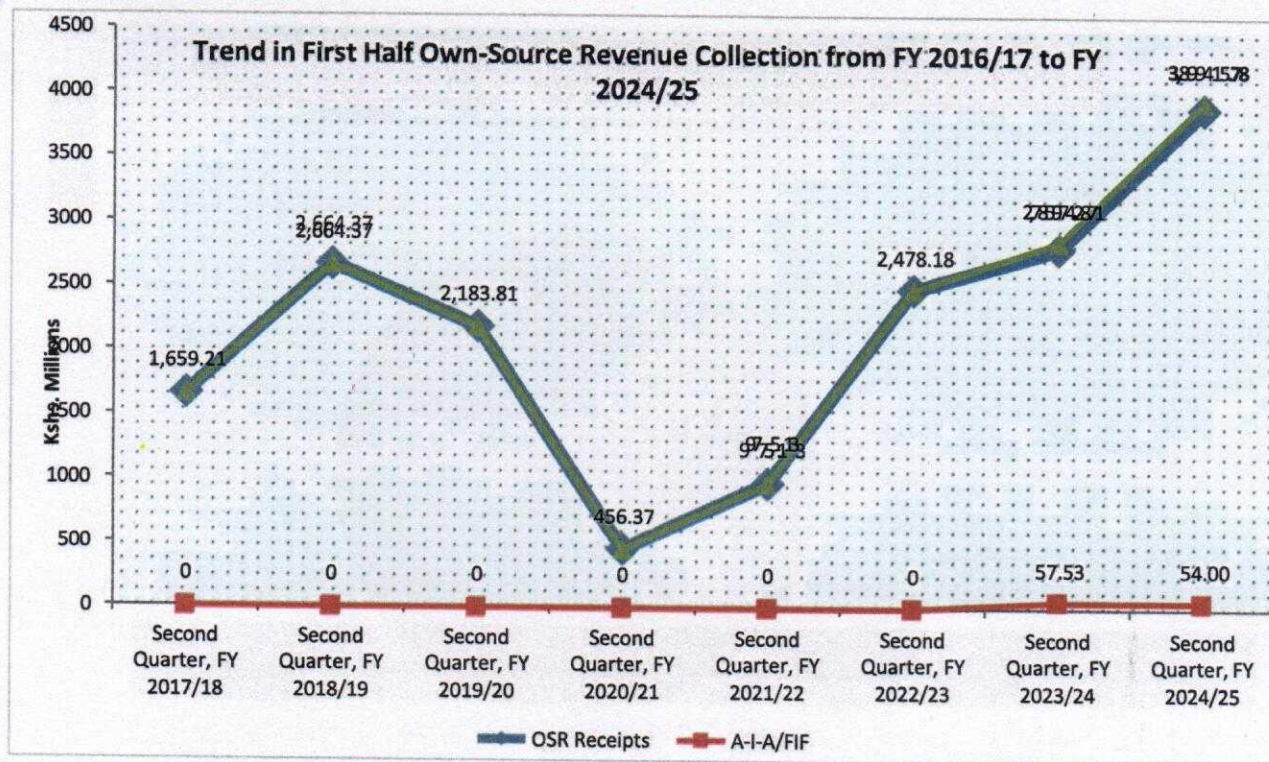
No	Revenue Stream	Potential Revenue (For OSR, FIF and AIA) (Kshs.)	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Variance (Kshs.)
		A	B	C	D=B-C
A	Unspent Balance from FY 2023/24				
B	Equitable Share of Revenue Raised Nationally	0	9,533,887,039.00	4,571,074,683.00	4,962,812,356.00
1					
	Sub-Total	-	9,533,887,039.00	4,571,074,683.00	4,962,812,356.00
C	Additional Allocations (Including Grants)				
1	Road Maintenance Fuel Levy (RMFL)	0	275,190,523.69	-	275,190,523.69
2	Allocation for Mineral Royalties	0	12,708,045.92	-	12,708,045.92
3	County Aggregated Industrial Park (CAIP)	0	250,000,000.00	-	250,000,000.00
4	World bank Loan- NAVCDP	0	151,515,152.00	-	151,515,152.00
5	DANIDA Grant -PHC	0	12,382,500.00	-	12,382,500.00
6	Kenya Agricultural Business Development Project (KABDP)	0	10,918,919.00	-	10,918,919.00
7	Kenya Devolution Support Programme (KDSPII)	0	37,500,000.00	-	37,500,000.00
8	Kenya Urban Support Programme (KUSP II) UIG	0	35,000,000.00	-	35,000,000.00
9	Kenya Urban Support Programme (KUSP II) UDG	0	71,235,901.00	-	71,235,901.00
10	Financing Locally Led Climate Action (FLLoCA) Dev	0	131,548,362.00	-	131,548,362.00

No	Revenue Stream	Potential Revenue (For OSR, FIF and AIA) (Kshs.)	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Variance (Kshs.)
		A	B	C	D=B-C
11	Financing Locally Led Climate Action (FLLoCA) Rec	0	11,000,000.00	-	11,000,000.00
12	Community Health Promoters (CHP) Projects	0	49,800,000.00	-	49,800,000.00
13	UNFPA	0	7,400,000.00	-	7,400,000.00
14	Kenya Devolution Support Programme (KDSP I B/F)	0	68,451,638.00	68,451,638.00	-
	Sub-Total	-	1,124,651,041.61	68,451,638.00	1,056,199,403.61
D	Own Sources of Revenue				
1	CESS REVENUE	283,200,000.00	294,269,909.00	82,131,072.60	212,138,836.40
2	PLOT RENT	226,200,000.00	122,376,084.46	5,767,314.00	116,608,770.46
3	SINGLE BUSINESS PERMITS	407,600,000.00	84,341,468.51	4,815,165.00	79,526,303.51
4	HOUSE RENTS		412,903.24	2,574,363.00	(2,161,459.76)
5	VEHICLE PARKING	57,700,000.00	36,000,000.00	7,843,650.00	28,156,350.00
6	MARKETS & SLAUGHTER FEES	146,800,000.00	50,098,805.12	4,245,891.00	45,852,914.12
7	ADVERTISING	147,800,000.00	5,658,531.49	2,091,700.00	3,566,831.49
8	PUBLIC HEALTH SERVICE FEES	-	5,000,000.00	748,000.00	4,252,000.00
9	PHYSICAL PLANNING & DEVELOPMENT	8,700,000.00	54,226,794.74	5,716,110.00	48,510,684.74
10	CONSERVANCY & SOLID WASTE DISPOSAL	93,300,000.00	8,531,250.00	-	8,531,250.00
11	SALE OF COUNTY ASSETS			19,571,726.00	(19,571,726.00)
12	ADMINISTRATION CONTROL FEES & CHARGES	89,700,000.00			-
13	PARK FEES	2,162,800,000.00	4,141,751,556.43	3,750,692,233.00	391,059,323.43
14	MISCELLANEOUS RECEIPTS	77,000,000.00	5,776,558.70	5,114,300.75	662,257.95
15	OTHER FINES, PENALTIES, AND FORFEITURE FEES	13,100,000.00	282,315.75	472,400.00	(190,084.25)
	Sub-Total	3,713,900,000.00	4,808,726,177.44	3,891,783,925.35	916,942,252.09
E	Facility Improvement Fund (FIF)				
1	HOSPITAL FEES	334,300,000.00	120,951,908.06	28,691,022.00	92,260,886.06
	Sub-Total	334,300,000.00	120,951,908.06	28,691,022.00	92,260,886.06
F	Appropriations in Aid				
1	LIQUOR FEES	52,000,000.00	45,461,914.50	25,306,686.00	20,155,228.50
	Sub-Total	52,000,000.00	45,461,914.50	25,306,686.00	20,155,228.50
G	Other Revenues				
	Sub-Total				
Total		4,100,200,000.00	15,633,678,080.61	8,585,307,954.35	7,048,370,126.26

Source: Narok County Treasury

The County has existing legislation governing the operation of the FIF, but it is in the process of being amended to align with the Facilities Improvement Financing Act of 2023.

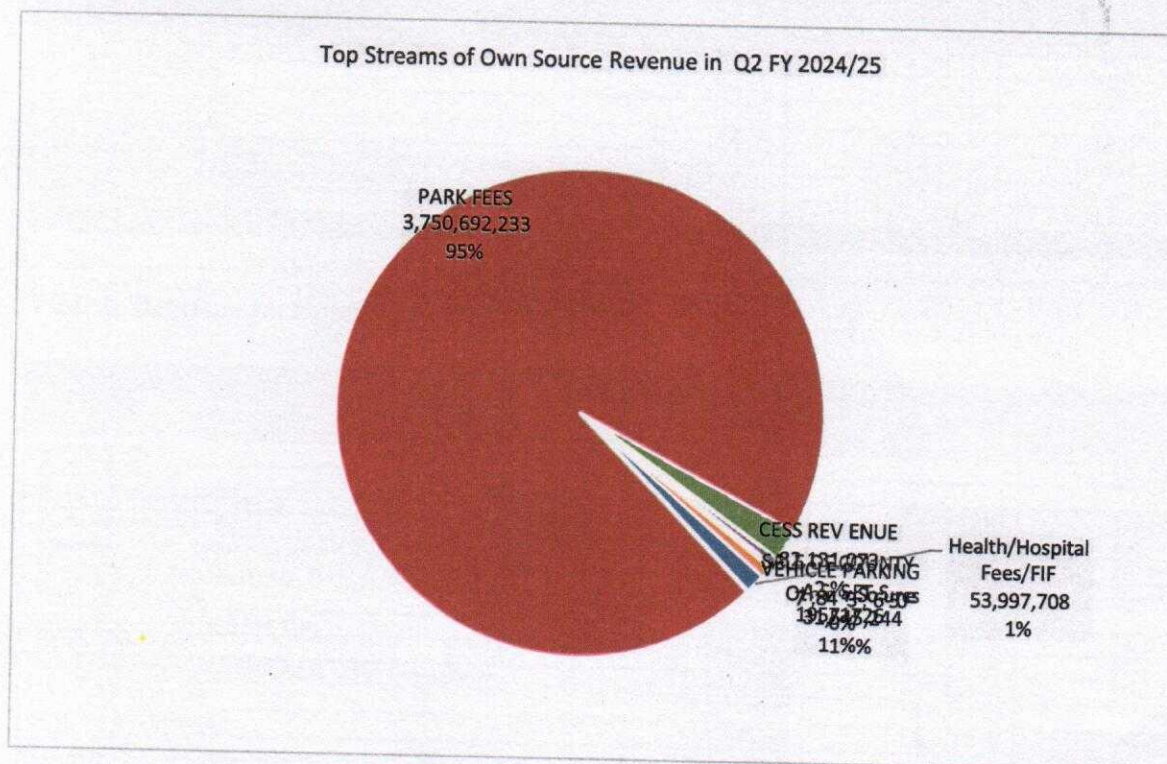
Figure 1 shows the trend in own-source revenue collection from the Second Quarter of FY 2018/19 to the Second Quarter of FY 2024/25.



During the second quarter of FY 2024/25, the County Own Source Revenue rose to reach KShs.3.95 billion from KSh 2.98 billion in quarter 1. The OSR performance can be attributed to the following revenue mobilization strategies, among others: development of a Revenue Enhancement Action Plan (REAP) covering the period between 2022 – 2027 as recommended in the Tax Administration Diagnostic Assessment Tool (TADAT) performance assessment report; Automation of other revenue outside Maasai Mara National Game Reserve; Staff re- alignment & Capacity building; Employment of new revenue collection staff as well as full implementation of County Finance policies and regulations spelt out in the Narok County Government Finance Act.

The revenue streams which contributed the highest OSR receipts are shown in Figure 2.

Figure 2: Top Streams of Own Source Revenue in the Second Quarter FY 2024/25



Source: Narok County Treasury

The highest revenue stream, Kshs.3.75 billion, was from Masai Mara Game Park Fees after the Narok County Assembly increased fees from 80 Dollars to 200 Dollars through the Finance Act, contributing to 95 per cent of the total OSR receipts during the reporting period.

1.1.3 County Expenditure Review

The County spent Kshs.8.4 billion on development and recurrent programmes in the reporting period. Expenditure on development programmes represented an absorption rate of 30 per cent, while recurrent expenditure represented 65 per cent of the annual recurrent expenditure budget.

1.1.4 Budget Performance by Department

Table 2 and 3 summarises the approved budget allocation and expenditure by departments in the first six months of FY 2024/25.

Table 2: Recurrent Expenditure

Economic Item & Title	Approved Estimates FY 2024/25 (Kshs.) A	Actual Expenditure FY 2024/25 (Kshs.) B	Variance (Kshs.) C=A-B
County assembly	911,000,000.00	385,624,547.00	525,375,453.00
County Executive	321,742,095.00	225,010,059.00	96,732,036.00
Finance & Economic Planning	1,651,604,959.00	1,231,718,533.00	419,886,426.00
Transport and Public Works	311,170,904.00	211,452,413.00	99,718,491.00
Education, Youth, Sports, Culture and Social Services	1,611,513,485.00	1,206,452,188.00	405,061,297.00
Environment Protection, Energy, Water & Natural Resources	388,388,340.00	254,959,945.00	133,428,395.00
Public Service Board	102,343,276.00	65,529,870.00	36,813,406.00
Agriculture, Livestock & Fisheries	447,040,312.00	193,630,341.00	253,409,971.00
Health & Sanitation	2,841,274,310.00	1,852,727,311.00	988,546,999.00

Economic Item & Title	Approved Estimates FY 2024/25 (Kshs.)	Actual Expenditure FY 2024/25 (Kshs.)	Variance (Kshs.)
	A	B	C=A-B
Lands Housing Physical Planning & Urban Development	114,095,856	74,994,921	39,100,935
Narok Municipality	104,010,064	65,450,431	38,559,633
Kilgoris Municipality	9,670,331	3,900,000	5,770,331
ICT & E Government	123,325,223.00	90,542,480.00	32,782,743.00
Administration And Public Services Management	916,650,403.00	450,094,358.00	466,556,045.00
Trade, Industry and Cooperative Development	580,110,533.00	430,443,811.00	149,666,722.00
Office of the County Attorney	93,039,013.00	70,521,290.00	22,517,723.00
TOTALs	10,526,979,104.00	6,813,052,498.00	3,713,926,606.00

Table 3: Development Expenditure

Economic Item & Title	Approved Estimates FY 2024/25 (Kshs.)	Actual Expenditure FY 2024/25 (Kshs.)	Variance (Kshs.)
	A	B	C=A-B
County assembly	150,000,000.00	-	150,000,000.00
County Executive	-	-	-
Finance & Economic Planning	125,105,000.00	10,000,000.00	115,105,000.00
Transport and Public Works	1,303,190,524.00	807,004,723.00	496,185,801.00
Education, Youth, Sports, Culture and Social Services	436,000,000.00	114,986,005.33	321,013,994.67
Environment Protection, Energy, Water & Natural Resources	599,500,500.00	136,017,179.33	463,483,320.67
Public Service Board	-	-	-
Agriculture, Livestock & Fisheries	615,418,919.00	70,349,846.33	545,069,072.67
Health & Sanitation	481,094,035.00	373,677,211.00	107,416,824.00
Lands Housing Physical Planning & Urban Development	127,000,000.00	12,677,719.00	114,322,281.00
Narok Municipality	135,000,000.00	10,199,474.00	124,800,526.00
Kilgoris Municipality	45,000,000.00	1,200,000.00	43,800,000.00
ICT & E Government	318,000,000.00	-	318,000,000.00
Administration And Public Services Management	150,000,000.00	20,000,000.00	130,000,000.00
Trade, Industry and Cooperative Development	670,249,999.00	-	670,249,999.00
Office of the County Attorney	-	-	-
	5,155,558,977.00	1,556,112,158.00	3,599,446,819.00

Source: Narok County Treasury

Analysis of expenditure by departments shows that the Department of Transport and Public Works recorded the highest expenditure on development budget, followed by the Department of Health & Sanitation.