



COUNTY GOVERNMENT OF LAIKIPIA

THE COUNTY TREASURY



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Date: 8<sup>th</sup> August, 2024

The Clerk  
County Assembly of Laikipia

**RE: SUBMISSION OF QUARTERLY REPORTS AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 2024.**

Pursuant to the Public Finance Management Act 2012 section 166 subsection (4) which stipulates that: -Not later than one month after the end of each 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

In compliance to the above regulation, the County Executive of Laikipia hereby submits the quarterly reports and financial statements for the period ended 30<sup>th</sup> June, 2024 for the FY 2023/2024.

Thanks in advance.



Wachira Gachigi S.  
CECM-Finance and Economic Planning  
**COUNTY GOVERNMENT OF LAIKIPIA**

CC

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The Controller of Budget  
BIMA House, 12<sup>th</sup> Floor  
Harambee Avenue  
P.O. Box 35616-00100  
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Commission on Revenue Allocation  
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NAIROBI

# **COUNTY GOVERNMENT OF LAIKIPIA**

**DEPARTMENT OF FINANCE, ECONOMIC PLANNING  
AND COUNTY DEVELOPMENT**

## **BUDGET IMPLEMENTATION REPORT**

**FINANCIAL YEAR 2023/2024**

**The County Treasury**

Laikipia County Headquarters, P.O. Box 131-20321, Rumuruti  
[www.laikipia.go.ke](http://www.laikipia.go.ke)

**AUGUST 2024**

## FOREWORD

It is my pleasure to present the Budget Implementation Report for the Financial Year 2023/2024. This report provides a detailed review of the fiscal performance and project implementation status across all County Government departments and entities for the financial year ended 30th June 2024.

This report is prepared pursuant to Section 166 Sub-Section 4(a, b) of the Public Finance Management Act, 2012 and Section 118 of the PFM Act which requires the County Treasury to prepare a budget review paper detailing actual fiscal performance compared to budget appropriations.

During the review period, the County recorded notable achievements despite prevailing economic challenges. Own Source Revenue rose to KShs 1,085,142,996, a growth of 8.8% from KShs 997,324,350 in FY 2022/23. Total expenditure amounted to KShs 5,467,491,149 representing 82.3% absorption against a budget of KShs 6,643,458,415.



**Wachira Gachigi**

**County Executive Committee Member**

**FINANCE, ECONOMIC PLANNING AND COUNTY DEVELOPMENT**

## **INTRODUCTION**

This report provides information on the performance of own revenue sources, National Government transfers to the County Revenue Fund (CRF), and expenditure by departments for FY 2023/2024. It outlines the budget allocations and corresponding budget performance (absorption) for the period under review.

### **Legal Basis**

Prepared in compliance with Section 118 of the PFM Act, 2012 and Section 166(1) which requires the Receiver of Revenue to prepare an account of revenue collected, received and recovered during the financial year.

### **Fiscal Responsibility Principles**

Section 107 of the PFM Act requires: recurrent expenditure not to exceed total revenue; at least 30% development allocation; wages not exceeding 35% of revenue; borrowing only for development; and prudent fiscal risk management.

## OVERALL BUDGET OUTLOOK AND IMPLEMENTATION REPORT

The approved FY 2023/24 budget estimates amounted to KShs 7,080,656,223 comprising KShs 5,881,275,557 (83.07%) recurrent and KShs 1,199,380,666 (16.93%) development.

*Table 1: FY 2023/24 Approved Budget Overview*

Category	Budget (KShs)	% of Total	PFM Threshold
Recurrent Expenditure	5,881,275,557	83.07%	< 70%
Development Expenditure	1,199,380,666	16.93%	> 30%
<b>Total Budget</b>	<b>7,080,656,223</b>	<b>100.00%</b>	

# OWN SOURCE REVENUE PERFORMANCE

## Overview

For the Financial Year 2023/2024, the County maintained an own-source revenue target of KShs 1,475,000,000. Total collections amounted to KShs 1,085,142,996 representing 74% realization. This performance represents a growth of 8.8% from KShs 997,324,350 collected in FY 2022/23.

The fiscal year was marked by a complex economic environment. Key drivers of performance included improved uptake of automated cashless revenue collection systems, enhanced billing and compliance enforcement, and a resilient local economy supported by agriculture, trade and the service sectors. Challenges included delayed national transfers, climate-related disruptions, an outdated property valuation roll, and tax fatigue among small businesses.

## Revenue Performance by Stream

**Table 2: Own Source Revenue Performance by Stream FY 2023/24**

Revenue Stream	Target (KShs)	Actual (KShs)	Variance (KShs)	% Realiz.	Remarks
Cess	157,500,000	107,337,872	50,162,128	68%	Low sand cess revenue; transport challenges
Land Rates	135,000,000	53,136,498	81,863,502	39%	Outdated valuation roll; delayed collections
Single/Business Permits	123,032,621	88,139,887	34,892,734	72%	Depressed economy; business closures
Property Rent	36,467,379	22,550,048	13,917,331	62%	Lease renewal delays; non-payment
Parking Fees	103,500,000	67,973,831	35,526,169	66%	Below target; construction delays
Market Fees	16,000,000	11,825,589	4,174,411	74%	Adverse weather; low produce
Advertising	30,000,000	26,126,921	3,873,079	87%	Billboard and branding fees
Hospital Fees	602,500,000	560,402,055	42,097,945	93%	Improved billing; increased uptake
Public Health Service Fees	22,100,000	15,756,203	6,343,797	71%	Late implementation; underutilization
Physical Planning & Dev.	64,000,000	35,281,479	28,718,521	55%	Low construction activity; reduced approvals
Education Fees	30,100,000	16,616,000	13,484,000	55%	VTC fees across 8 centres
Hire of County Assets	600,000	307,500	292,500	51%	Stadium, halls, library services
Conservancy Administration	40,000,000	29,328,761	10,671,239	73%	Reduced economic activity
Admin Control Fees & Charges	84,600,000	36,847,113	47,752,887	44%	Liquor, weights, fire, application fees
Park Fees	17,600,000	12,866,885	4,733,115	73%	Near target; weather/ tourism trends
Fines, Penalties & Forfeitures	12,000,000	646,355	11,353,645	5%	Resolved through compliance
<b>Total County OSR</b>	<b>1,475,000,000</b>	<b>1,085,142,996</b>	<b>389,857,004</b>	<b>74%</b>	

## Three-Year Revenue Trend Comparison

*Table 3: Own Source Revenue Comparison FY 2021/22 to FY 2023/24*

Revenue Stream	FY 2021/22 (KShs)	FY 2022/23 (KShs)	FY 2023/24 (KShs)	YoY Growth
Cess	88,941,991	88,941,991	107,337,872	20.7%
Land Rates	74,410,569	74,410,569	53,136,498	-28.6%
Single/Business Permits	96,016,847	96,016,847	88,139,887	-8.2%
Property Rent	27,253,392	27,253,392	22,550,048	-17.3%
Parking Fees	66,967,777	66,967,777	67,973,831	1.5%
Market Fees	8,011,696	8,011,696	11,825,589	47.6%
Advertising	19,406,369	19,406,369	26,126,921	34.6%
Hospital Fees	467,253,034	467,253,034	560,402,055	19.9%
Public Health Service Fees	16,968,809	16,968,809	15,756,203	-7.1%
Physical Planning & Dev.	21,971,406	21,971,406	35,281,479	60.6%
Education Fees	10,385,000	10,385,000	16,616,000	60.0%
Hire of County Assets	341,020	341,020	307,500	-9.8%
Conservancy Admin	22,473,794	22,473,794	29,328,761	30.5%
Admin Control Fees	62,905,628	62,905,628	36,847,113	-41.4%
Park Fees	13,185,498	13,185,498	12,866,885	-2.4%
Fines & Forfeitures	831,570	831,570	646,355	-22.3%
<b>Total County OSR</b>	<b>997,324,350</b>	<b>997,324,350</b>	<b>1,085,142,996</b>	<b>8.8%</b>

## Commentary on Own Source Revenue Performance

### Top Performing Streams

Hospital Fees (KShs 560.4M, 93% of target): The single largest revenue stream, hospital fees exceeded collection targets driven by improved billing systems at Nanyuki Teaching and Referral Hospital (KShs 310.8M) and Nyahururu Teaching and Referral Hospital (KShs 238.8M), reinforced cash receipting controls, and increased utilization of health facilities.

Advertising (KShs 26.1M, 87% of target): Strong performance driven by consistent collection of billboard and branding fees. Parking Fees (KShs 68.0M, 66% of target): Collections came from street parking, enclosed bus park, monthly stickers, reserved parking, and clamping fees.

### Significantly Underperforming Streams

Land Rates (KShs 53.1M, 39%): The most significant shortfall. The absence of an updated property valuation roll and lack of current land records severely limit collection capacity. Admin Control Fees (KShs 36.8M, 44%): Includes liquor licenses, plot subdivision, application fees, fire services, and transfer charges. Fines, Penalties and Forfeitures (KShs 0.6M, 5%): The worst-performing stream with only KShs 337K in impounding fees and KShs 76K in court fines collected.

## Revenue in Arrears

Total revenue in arrears as at 30th June 2024 stood at KShs 940,418,419, comprising KShs 923,125,169 in land rates and KShs 16,893,250 in property rent. Of the land rate arrears, 50% is aged 2-3 years, 30% between 1-2 years, and 20% less than one year. Demand notices and invoices have been issued, but recovery remains constrained by the outdated valuation roll.

## Disbursements

Total disbursements from the Receiver of Revenue during FY 2023/24 amounted to KShs 1,098,902,018, comprising KShs 792,103,028 to the County Revenue Fund, KShs 305,655,094 to Health Facilities (FIF collections) and KShs 543,947 in bank charges. Cash and cash equivalents at year-end stood at KShs 5,158,895.

# TOTAL COUNTY REVENUE PERFORMANCE

*Table 4: Total County Revenue Performance FY 2023/24*

Revenue Source	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Actual	% Achieved	% Growth
Opening Balance CRF	20,209,242	27,307,146	27,307,146	100%	35.1%
Equitable Share	4,929,586,810	5,387,034,732	5,387,035,309	100%	9.3%
Own Source Revenue	997,324,350	1,475,000,000	1,085,142,996	74%	8.8%
Conditional Grants	139,912,782	442,542,001	139,477,748	32%	-0.3%
Opening Bal. Eq. Share	0	428,659,722	428,659,722	100%	-
Insurance Recovery	0	5,848,920	5,848,920	100%	-
<b>Total Revenues</b>	<b>6,087,033,184</b>	<b>7,766,392,521</b>	<b>7,073,471,841</b>	<b>91%</b>	<b>16.2%</b>

## COUNTY EXPENDITURE PERFORMANCE

Total expenditure in FY 2023/24 was KShs 5,467,491,149 (82.3% absorption), up from KShs 5,845,821,309 in FY 2022/23. Recurrent expenditure stood at KShs 4,762,678,523 (89%) and development at KShs 704,812,626 (55%).

### Expenditure by Recurrent and Development

*Table 5: County Expenditure Performance (Recurrent and Development)*

Category	Actual 2022/23	Budget 2023/24	Actual 2023/24	% Perf.	% Growth
Recurrent - Executive	3,958,321,656	4,883,532,706	4,201,349,417	86%	6.1%
Recurrent - Assembly	521,626,535	482,594,112	561,329,106	116%	7.6%
<b>Sub Total Recurrent</b>	<b>4,479,948,191</b>	<b>5,366,126,818</b>	<b>4,762,678,523</b>	<b>89%</b>	<b>6.3%</b>
Development - Executive	1,302,019,601	1,199,380,666	671,511,615	56%	-48.4%
Development - Assembly	63,853,517	77,950,931	33,301,011	43%	-47.8%
<b>Sub Total Development</b>	<b>1,365,873,118</b>	<b>1,277,331,597</b>	<b>704,812,626</b>	<b>55%</b>	<b>-48.4%</b>
<b>Total Expenditure</b>	<b>5,845,821,309</b>	<b>6,643,458,415</b>	<b>5,467,491,149</b>	<b>82%</b>	<b>-6.5%</b>

### Departmental Expenditure Performance

*Table 6: Departmental Expenditure Performance FY 2023/24*

No	Department	Budget (KShs)	Actual (KShs)	Variance (KShs)	% Performance
1	County Coordination, Administration, ICT and Public Service	3,817,043,894	3,210,402,000	-606,641,894	84.1%
2	Finance, Economic Planning and County Development	871,360,428	689,531,023	-181,829,405	79.1%
3	Health Services	1,035,112,786	639,215,086	-395,897,700	61.7%
4	Agriculture, Livestock and Fisheries	305,246,775	99,945,276	-205,301,499	32.7%
5	Infrastructure, Public Works, Housing and Energy	751,501,219	237,029,613	-514,471,606	31.5%
6	Education, Gender, Culture and Social Services	161,835,998	150,188,582	-11,647,416	92.8%
7	Trade, Tourism and Enterprise Development	180,074,786	97,036,127	-83,038,659	53.9%
8	Water, Environment and Natural Resources	264,090,239	120,153,635	-143,936,604	45.5%
9	Nanyuki Municipality	119,214,879	7,000,000	-112,214,879	5.9%
10	Rumuruti Municipality	7,000,000	9,839,914	2,839,914	140.6%
11	Nyahururu Municipality	2,000,000	0	-2,000,000	0.0%
12	County Assembly	570,545,043	594,630,117	24,085,074	104.2%
	<b>GRAND TOTAL</b>	<b>7,085,026,047</b>	<b>5,854,971,373</b>	<b>-1,230,054,674</b>	<b>82.6%</b>

### Fiscal Responsibility Compliance

Recurrent expenditure of KShs 4,762,678,523 was 87% of total revenue - above PFM threshold. Development allocation at 16.93% of total budget was below the 30% minimum. Wage bill of KShs 2,949,101,094 consumed 54% of total revenue - above the 35% threshold. No debt was incurred, in compliance with Section 107(f) of the PFM Act. Pending bills totalled KShs 1,685,608,663 at year-end.

## PENDING BILLS

Accumulated pending bills of KShs 1,685,608,663 strain fiscal performance. During the year, KShs 456,254,953 in pending bills were paid while new additions of KShs 431,445,210 were recorded. Adjustments of KShs (308,499,284) were made following re-categorization and verification exercises.

*Table 7: Summary of Pending Bills FY 2023/24*

Description	Balance B/F FY 2022/23 (KShs)	Additions FY 2023/24 (KShs)	Paid During FY 2023/24 (KShs)	Adjustments FY 2023/24 (KShs)	Balance C/F FY 2023/24 (KShs)
Construction of buildings	242,702,799	26,361,136	55,312,753	165,438	213,916,620
Construction of civil works	540,027,040	139,998,704	72,453,928	-	607,571,816
Supply of goods	919,607,720	39,199,417	149,831,306	(345,509,917)	463,465,914
Supply of services	316,580,132	225,885,952	178,656,966	36,845,195	400,654,313
<b>Total</b>	<b>2,018,917,691</b>	<b>431,445,210</b>	<b>456,254,953</b>	<b>(308,499,284)</b>	<b>1,685,608,663</b>

# CHALLENGES EXPERIENCED AND RECOMMENDATIONS

## 1. Non-Remittance of Conditional Grants

Only 32% of targeted conditional grants received. The County Treasury will enhance tracking of conditional grants to ensure stable cash flows.

## 2. Under-Performance of Own Source Revenue

OSR achieved 74% with a shortfall of KShs 389.9M. Key constraints include the outdated valuation roll (land rates at 39%), low compliance and business closures (single business permits at 72%), and reduced construction activity (physical planning at 55%). The Revenue Board will prioritize automation, valuation roll update, and targeted enforcement.

## 3. High Wage Bill

Wage bill at 54% of total revenue exceeds the 35% PFM threshold. Organizational structure review and staffing rationalization are ongoing.

## 4. Low Development Expenditure Absorption

Development absorption at 55%, with Agriculture (32.7%), Infrastructure (31.5%), and Nanyuki Municipality (5.9%) particularly weak. Procurement delays and insufficient cash flows were the primary causes.

## 5. Pending Bills

Accumulated pending bills of KShs 1,685,608,663 strain fiscal performance. Annual allocations will continue to prioritize clearance.

## 6. Revenue Arrears

Outstanding revenue arrears of KShs 940.4M (land rates KShs 923.1M, property rent KShs 16.9M) constrain the county's fiscal position. Demand notices issued; valuation roll finalization is critical for improved collections.