



**COUNTY ASSEMBLY OF BOMET
BUDGET OFFICE**

Critical Review of Component of Equitable + Conditional Grant (DANIDA) Share vs A-I-A/FIF Expenditure on the Proposed Estimates for FY 2025/26

(Focusing on Distribution of KSh 290M Projection and KSh 250M Balance Carry-Forward)

Purpose of the Report

The County Assembly Budget Office (CABO) prepared this review to provide a critical financial and budgetary analysis of the **proposed health sector budget estimates** for the Financial Year 2025/2026. It was submitted to the Chair of the Budget and Appropriation Committee to aid legislative oversight and ensure fiscal transparency, accountability, and alignment with public finance principles.

Analysis

Submitted Estimates FY 2025-2026			Distribution of Expenditures				
Sub item code	Sub item	Submitted Estimates FY 2025-2026	Proposed Estimates FY 2025-2026	Component of Equitable + Conditional Grant (DANIDA) Share EXPENDITURE on the Propos	Component of A-I-A FIF EXPENDITURE on the Proposed Estimates FY 2025-2026	Component of A-I-A FIF EXPENDITURE on the Proposed Estimates FY 2025-2026	Component of A-I-A FIF EXPENDITURE on the Proposed Estimates FY 2025-2026 (Distrib

					ed Estima tes FY 2025- 2026	(Distrib ution of 290M)	ution of 250M C/F)
S.P.1.1 - Administrative services; Use of Goods and Services							
221 120 1	Fuel for motor vehicles, motorcycles & generators	15,007, 483		15,00 7,483	10,007, 483	5,000,0 00	2,000,0 00
264 020 1	Emergency Relief eg outbreaks of disease	1,788,1 77		1,788, 177	788,17 7	1,000,0 00	500,00 0
222 020 1	Maintenance of Plant, Machinery and Equipment (including service agreements) - including servicing of MES equipment	15,230, 500		15,23 0,500	5,230,5 00	10,000, 000	2,000,0 00
221 079 9	Training Expenses	5,000,0 00		5,000, 000	4,500,0 00	500,00 0	500,00 0
	sub-total	37,026 ,160		37,02 6,160	20,526 ,160	16,500 ,000	5,000, 000
S.P.1.4 - Health care financing – transfers to health facilities							
264 049 9	DANIDA Funds disbursements DANIDA Funds	20,056, 500		20,05 6,500	20,056, 500	-	-
264 049 9	DANIDA funds - County contribution	14,102, 000		14,10 2,000	14,102, 000	-	-
264 049 9	FIF Expenditure by Health	250,00 0,000		135,8	9,741,5 00	126,10 0,000	162,40 0,000

	Facilities - Balance C/F			41,500			
264 049 9	Cash Transfers to Health Facilities.	135,841,500		250,000,000	-	-	-
	sub-total	420,000,000		420,000,000	43,900,000	126,100,000	162,400,000
Program 2: Curative Services							
221 103 1	Specialized Materials and Supplies - (Renal, CT- SCAN, Ophthalmic, Oncology, HDU, theatre consumables)	15,000,000		15,000,000	10,000,000	5,000,000	1,000,000
221 100 1	Medical Drugs	194,000,000		194,000,000	146,000,000	48,000,000	40,000,000
221 100 2	Dressings and Other Non- Pharmaceutica l Medical Items -(gloves, linen, etc)	20,000,000		20,000,000	10,000,000	10,000,000	2,000,000
221 100 8	Laboratory Materials, Supplies and Small Equipment	20,000,000		20,000,000	10,000,000	10,000,000	2,000,000
221 100 1	Specialized health products	25,000,000		25,000,000	15,000,000	10,000,000	2,000,000
221 133 2	Emergency Health Services/comp assionate support	5,000,000		5,000,000	1,000,000	4,000,000	2,000,000
221 079 9	Quality service Provision - IPC & Nursing Services	3,000,000		3,000,000	2,000,000	1,000,000	500,000

	sub-total	282,000,000		282,000,000	194,000,000	88,000,000	49,500,000
Program 3: Preventive and Promotive Services							
2210713	Communicable disease prevention and Control	5,000,000		5,000,000	3,000,000	2,000,000	500,000
	sub-total	5,000,000		5,000,000	3,000,000	2,000,000	500,000
Program 5: Health Infrastructure; DEVELOPMENT							
3110202	Non-Residential Buildings (Hospitals, Health centres, dispensaries)	153,585,549		140,500,000	110,500,000	30,000,000	17,600,000
3110202	Emergency construction and renovation(Hospitals, Health Centres, dispensaries and sanitary facilities)	2,400,000		2,400,000	-	2,400,000	-
3111101	Purchase of Medical and Dental Equipment - for Mother & Child, Subcounty Hospitals and completed health facilities	105,889,570		105,889,570	80,889,570	25,000,000	15,000,000
	sub-total	261,875,119		248,789,570	191,389,570	57,400,000	32,600,000
	Total	1,005,901,279		992,815,730	452,815,730	290,000,000	250,000,000

Digest

1. Role of the County Allocation of KSh 9.7M under FIF Expenditure Balances C/F

Issue:

- ✚ The county allocation of KSh 9.7M is shown under FIF Expenditure by Health Facilities – Balances C/F, yet the concept of carry-forward (C/F) implies unspent funds from the previous year.

Critique:

- ✚ Carry-forward funds should not attract a fresh county allocation unless they were deliberately withheld and are now being disbursed.
- ✚ It is unclear why new county funds (9.7M) are being mixed with FIF balances, as these balances should represent own-source revenue raised by facilities from past operations.
- ✚ This raises questions of double accounting or misclassification: Is this truly an allocation or a fund adjustment?

Recommendation:

Department should clarify whether the KSh 9.7M is:

- ✚ An actual new county disbursement, or
- ✚ An adjustment or reclassification of already existing facility balances.

2. Inconsistency in FIF Expenditures: KSh 135.8M vs Proposed Estimates of KSh 250M

Issue:

- ✚ The distribution of FIF expenditures is reported as KSh 135.8M, yet the proposed total is KSh 250M.

Critique:

- ✚ A gap of KSh 114.2M is unexplained.
- ✚ The KSh 250M includes carry-forward balances but these are being reclassified or added again as a distinct sub-item.
- ✚ The balance carried forward should not be re-budgeted as new expenditure unless clearly justified by specific activities.
- ✚ This overlap suggests either double counting, or a lack of clear demarcation between new FIF income and prior year balances.

Recommendation:

- ✚ The department must disaggregate the KSh 250M clearly into: opening balances, new collections (projections), and perhaps specify expenditure timelines.

3. Redundancy of Carry-Forward (C/F) Item in the Presence of Full Allocation

Issue:

- ✚ If KSh 250M in FIF balances C/F is fully proposed for expenditure, why still show it as a separate sub-item?

Critique:

- ✚ This appears to duplicate the same funds under two entries: one as "FIF Expenditure Balances C/F" and again in the overall proposed estimates
- ✚ Carry-forward funds should appear once either as opening fund balances or within the proposed expenditure not both.

Recommendation:

- ✚ The department must remove redundancy and instead show the opening balance schedule elsewhere, not as a budget line item.

4. Discrepancy in Infrastructure Budget (Program 5): Submitted KSh 153.5M vs Distribution KSh 140.5M

Issue:

- ✚ There's a KSh 13M variance in non-residential buildings budget.

Critique:

- ✚ It is unclear why submitted estimates are higher than the amount shown in the distribution of expenditures.
- ✚ If this is due to pending procurement, or unfunded gaps, or adjustments due to absorption limits it must be clearly explained.

Recommendation:

- ✚ Clarify whether the KSh 13M was cut during budgeting approval, or still under negotiation or reallocation within the department.

5. Concern: Is the Distribution of 250M C/F Already Incurred?

Issue:

- ✚ If these expenditures are already incurred, and appear in the current year's distribution, it suggests high liquidity (250M within 2 months).

Implication:

- ✚ This translates to a monthly collection capacity of KSh 125M and implies potential to collect KSh 1.5B annually.
- ✚ This contradicts the submitted projection of KSh 290M for the entire year.

Critique:

Either the revenue projection of KSh 290M is grossly understated, or the KSh 250M in balances were not truly collected within the last two months, but carried from multiple past months or years.

Recommendation:

The department should provide a cash flow timeline of the KSh 250M FIF to show how quickly it was raised or reconcile why the projection is KSh 290M if the real potential appears much higher.

Conclusion

The department's estimates and distribution raise multiple financial management and transparency concerns. Specifically:

- ✚ Potential double-counting or budget misclassification.
- ✚ Lack of clarity between actual collected revenue vs proposed expenditure.
- ✚ Unrealistic revenue projection compared to demonstrated collection capacity.
- ✚ A need for better reconciliation of carry-forward balances, program allocations, and actual disbursements.