

REPUBLIC OF KENYA



MANDERA COUNTY GOVERNMENT

COUNTY TREASURY

BUDGET IMPLEMENTATION STATUS REPORT

**FIRST QUARTER REPORT
FY 2022/2023**

OCTOBER, 2022

County mission and vision

Vision

To be a regionally competitive and self- reliant county

Mission

To strategically position ourselves as a county guided by innovative competitiveness in order to achieve progressive, wealthy, healthy, cohesive and secure county.

Table of contents

Contents

Table of contents.....	3
Foreword.....	4
1.0 Introduction.....	5
1.1 Fiscal Outlook.....	5
2.0 Financial Analysis of County Budget Implementation.....	5
2.1 Budget Components.....	6
Table 1: Budget Components.....	6
2.2 Revenue Performance Analysis	7
2.3 Own Source Revenue Performance	8
Table 3: Monthly OSR Performance per Stream	9
2.4 Exchequer Issues.....	10
2.4 Conditional Grants	10
Table 4: Revenue Performance by Source (July 2022- September 2022)	10
3.1 Expenditure by Economic Classification.....	12
3.2 Budget and Budget Performance by County Departments	13
3.2.1 Budget estimates	13
Table 5: Resource allocation among the ministries	13
3.2.2 Departmental Expenditure Analysis	14
3.2.2.1 Development expenditure performance by departments.....	15
3.2.2.2 Recurrent expenditure performance by departments	15
3.3 Budget Execution by Programmes and Sub-Programmes	16
4.0 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD.....	19
5.0 RECOMMENDATIONS	20

Foreword

I am pleased to present the Budget Implementation Report for the first quarter of the Financial Year (FY) 2022/2023. The report fulfils the County's obligation under Section 166 of the Public Finance Management Act 2012 to prepare and publish quarterly budget implementation reports. The law specifies that these reports shall contain both financial and non-financial information.

This is the first report in the FY 2022/2023 and presents information on budget performance by the County departments in the period July 2022 to September 2022. Information on budget performance is presented on aggregate and on individual department performance. The report also includes performance trends, which present a useful trajectory of revenue and expenditure performance.

The report provides details about revenue, expenditure, and capital projects. Reporting is also done on key targets and indicators from the approved supplementary budget.

The budget implementation was slow and recorded a similar performance in comparison with the first quarter of FY 2021/2022 though zero development programmes were undertaken in this quarter. There are several factors that were responsible for the slow implementation of the County programs mostly as a result of delay in the release of funds from the National Treasury. With the above challenge having been addressed, the budget implementation is expected to be smooth in the second quarter of the FY 2022/2023. I urge the departments to move with speed in putting up mechanisms to accelerate the implementation of programmes especially for development projects. I also urge stakeholders to actively scrutinize this report in order to take necessary action towards enhancement of transparency and accountability in the management of public resources as enshrined in the constitution and PFM Act, 2012. This will go a long way in providing feedback towards efficient and effective service delivery and attainment of the County Government's objectives.

Mohamed Ali Omar

Ag. County Executive Member for Finance and Economic Planning

1.0 Introduction

This Budget Implementation Report is prepared in conformity with Article 228(6) of the Constitution of Kenya, 2010 and Section 39(8) of the Public Finance Management Act, 2012's requirement that counties report on the implementation progress of their budgets. It covers the period July 2022 to September 2022.

The report presents revenue and expenditure performance by the Mandera County Government. Revenue is disintegrated by source while expenditure is analyzed by economic classification. It also highlights the County government's activities for the period under review and seeks to objectively review budget implementation in the county by highlighting performance of revenues, transfers received from the National Government and actual expenditure. Key issues that affect budget implementation during the financial year are identified and appropriate recommendations made on how the issues can be addressed to enhance efficiency and effectiveness in budget execution.

Compiled by the Mandera County Treasury after consultation with all the County departments, the report presents the status of budget execution as at 30th September 2022 for internal consumption and performance appraisal purposes. It also offers valuable information to members of the public on budget implementation and the County Assembly, which is bestowed, with the oversight mandate on utilization of public funds.

1.1 Fiscal Outlook

The fiscal assumption underlying the FY 2022/2023 budget is that there would be improved revenue collection from local sources and timely release of funds by the National Treasury.

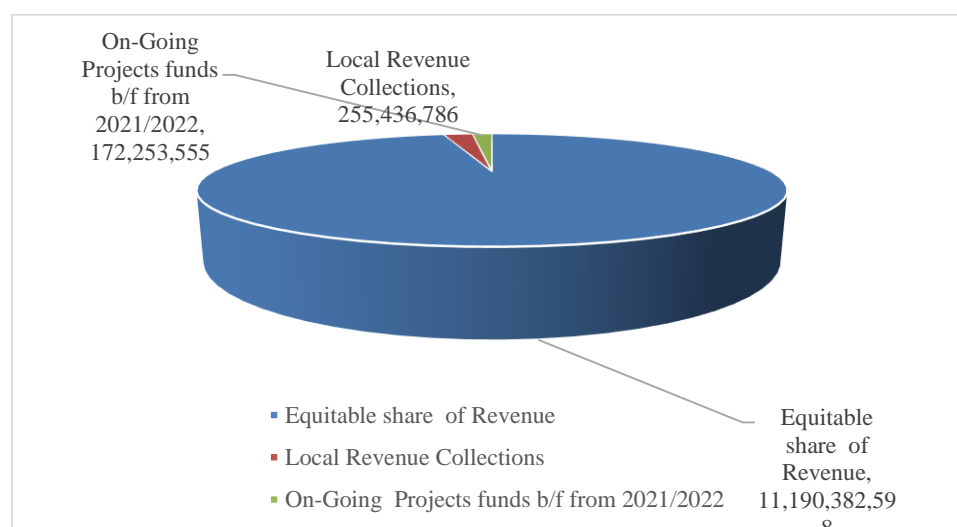
2.0 Financial Analysis of County Budget Implementation

The County had an approved budget of Kshs. 11,618,072,939 which comprised of Kshs. 7,397,383,203 (64%) for recurrent expenditure and Kshs. 4,220,689,736 (36%) allocation for development expenditure.

2.1 Budget Components

In order to finance the budget, the County expected to receive Kshs. 11,190,382,598 (96 percent) as the equitable share of revenue raised nationally, generate Kshs. 255,436,786 (2 percent) from own sources of revenue, and other revenue (ongoing projects) of Kshs. 172,253,555 (1 percent) from FY 2021/2022.

Figure 1: Expected Sources of Budget Financing in FY 2022/2023



Source: County Treasury, Mandera County Government

The major source of revenue for the County was national sharable revenue making up 96%. Other revenue from Financial Year 2021/2022 made up 1% of the budget while the County's annual local revenue was expected to finance only 2% of the budget.

Table 1: Budget Components

The table summarizes county revenues for FY 2022/2023 budget

REVENUE SUMMARY 2022/2023 FY		2022/2023 APPROVED	%
Funding Types	Revenue summary By Sources	Kshs	%
Equitable Sharable Revenue	Equitable share of Revenue	11,190,382,598	96%
Own Source Revenue	Local Revenue Collections	255,436,786	2%
Unutilized Exchequer from 2021/2022 FY	Shelved projects from 2020/2021		0%
	Shelved projects from 2020/2021		0%

	On-Going Projects funds b/f from 2021/2022	172,253,555	1%
	Sweden -Agricultural Sector Development Support Program (ASDSP) II - Co Funding		0%
Conditional Grants - Development Partners	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health		0%
	Danida Funding for Health sector - Transforming Health care - Universal Health		0%
	UNFPA- 9th County Programme implementation		0%
	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health -		0%
	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health - B/f 2020/2021		0%
	Kenya Devolution support Program (KDSP) B/F (from 17/2018) - Amount n SPA		0%
	Kenya Devolution Support Program b/f 2020/2021		0%
	Kenya Climate smart Agriculture Project (NEDI)		0%
	Sweden -Agricultural Sector Development Support Program (ASDSP) II		0%
	Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F 2019/2020		0%
	Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F 2020/2021		0%
	Conditional Grant from KDSP(balance from B//F		0%
	World Bank Emergency locust response Project(ENRP)		0%
	Kenya Devolution Support Program Allocation for 2021/2022		0%
	Insurance claim Received		0%
	RMLF B/F		0%
	Kenya urban and Institutional Grant b/f 2020/2021		0%
	Kenya Urban and Institutional Grant b/f		0%
	TOTAL	11,618,072,939	100%

Source: County Treasury, Mandera County Government

2.2 Revenue Performance Analysis

During the first three months of the FY 2022/2023, the County received Kshs. 1,846,413,129 as equitable share of revenue raised nationally and raised Kshs. 25,705,461 from own source revenue.

2.3 Own Source Revenue Performance

The County Government targeted to collect Kshs. 255,436,786 from local sources during the FY 2022/2023. The actual achievement in the first three months of the FY 2022/2023 was Kshs. 25,705,461 which translates to 10% of the targeted collection.

Table 2: Total Local Revenue Collections for the First Quarter of FY 2022/2023

The table below summarizes comparisons between actual local revenue collections in the FY 2022/2023 and what was realized for the period under review.



FY 2022/2023 TOTAL COUNTY OWN SOURCE GENERATED RECEIPTS FOR FIRST QUARTER

Revenue Sources	Target FY 2022/2023	Total collections – Quarter one
Land rents	55,000,000	5,882,007
Plot Transfers/Sub-Divisions/Application Fees	35,000,000	4,353,503
Building plan	3,000,000	91,000
Miraa Movements	19,000,000	2,023,800
Single Business Permit	26,000,000	774,200
Markets stalls	9,757,201	1,780,150
Market Shades	3,488,000	135,000
Market Gates/Cess	1,708,000	21,560
Buspark/Taxis/Parking	2,265,000	252,800
Income from Quarries	1,885,001	93,050
Barriers	9,149,000	862,642
Livestock Markets Auction	4,598,001	348,910
Livestock Movement	8,174,000	723,950
Slaughter fees and Charges	9,187,001	1,356,220
Produce Cess	2,549,000	198,869
Agriculture Mechanization/Hire of Equipment	1,218,000	-
Income from Sale of Tenders documents	1,921,001	-
Rental income	2,500,000	129,100
Tender	6,000,000	-
Public Health	4,057,716	20,500
Hospital collection	35,000,000	6,356,800
Income from Water Management	13,979,865	301,400
Grand Total	255,436,786	25,705,461

Source: Department of revenue services, Mandera County Government

Table 3: Monthly OSR Performance per Stream

In the period under review, the County's top performing streams included Hospital collections, Land rates, Land Transfers, Miraa Movements, Market stalls, and Slaughter fees charges. Notable nosedive in revenue collection was on income from sale of Tender documents, Single Business Permit, Public Health, Livestock Movements, Income from Quarries, market shades and market gates. The monthly collection breakdown is shown in table that follows.

	MANDERA COUNTY GOVERNMENT				
	OWN SOURCE REVENUE COLLECTION FY 2022/2023				
Revenue Sources	Target 2022/2023	July	August	September	Total
Land rents	55,000,000	2,275,556	1,806,951	1,799,500	5,882,007
Plot Transfers/ Subdivisions/ Application Fees	35,000,000	1,114,000	1,105,000	2,134,503	4,353,503
Building plan	3,000,000	24,000	31,000	36,000	91,000
Miraa Movements	19,000,000	571,000	676,000	776,800	2,023,800
Single Business Permit	26,000,000	420,500	84,000	269,700	774,200
Markets stalls	9,757,201	857,950	400,800	521,400	1,780,150
Market Shades	3,488,000			135,000	135,000
Market Gates/Cess	1,708,000	8,360	710	12,490	21,560
Buspark/Taxis/Parking	2,265,000	69,750	60,950	122,100	252,800
Income from Quarries	1,885,001	20,000	31,000	42,050	93,050
Barriers	9,149,000	343,862	281,300	237,480	862,642
Livestock Markets Auction	4,598,001	190,750	73,050	85,110	348,910
Livestock Movement	8,174,000	300,850	243,700	179,400	723,950
Slaughter fees and Charges	9,187,001	415,380	473,300	467,540	1,356,220
Produce Cess	2,549,000	53,199	44,520	101,150	198,869
Agriculture Mechanization/Hire of Equipment	1,218,000				

Income from Sale of Tenders documents	1,921,001				-
Rental income	2,500,000	129,100			129,100
Tender	6,000,000				-
Public Health	4,057,716	17,400	1,200	1,900	20,500
Hospital collection	35,000,000	2,453,553	2,445,147	1,458,100	6,356,800
Income from Water Management	13,979,865	76,900	118,500	106,000	301,400
Grand Total	255,436,786	9,342,110	7,877,128	8,486,223	25,705,461

Source: Department of Revenue Services, Mandera County Government

During the first quarter, the highest County Own Source Revenue collection was realized in the month of July 2022 amounting to Kshs. 9,342,110 while the least collection was in the month of August 2022 amounting to Kshs. 7,877,128.

2.4 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs. 1,846,413,127 from the County Revenue Fund (CRF) account, which was 16% of the approved allocations. This amount represented a slight increase from Kshs. 1,846,413,129 received in the FY 2021/2022 and was meant to fund both development and recurrent expenditures.

2.4 Conditional Grants

The County did not receive any Conditional Grants during the reporting period.

Table 4: Revenue Performance by Source (July 2022- September 2022)

Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Variance (Kshs.)	Remarks
	A	B	C=A-B	
Equitable share of Revenue	11,190,382,598	1,846,413,127	9,343,969,471	16%
Local Revenue Collections	255,436,786	25,705,461	229,731,325	10%
On-Going Projects funds b/f from 2021/2022	172,253,555	-	172,253,555	-

Sweden -Agricultural Sector Development Support Program (ASDSP) II - Co Funding	-	-	-	-
World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health	-	-	-	-
Danida Funding for Health sector - Transforming Health care - Universal Health	-	-	-	-
UNFPA- 9th County Programme implementation	-	-	-	-
World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health -	-	-	-	-
World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health -B/f 2020/2021	-	-	-	-
Kenya Devolution support Program (KDSP) B/F (from 17/2018) - Amount n SPA	-	-	-	-
Kenya Devolution Support Program b/f 2020/2021	-	-	-	-
Kenya Climate smart Agriculture Project (NEDI)	-	-	-	-
Sweden -Agricultural Sector Development Support Program (ASDSP) II	-	-	-	-
Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F 2019/2020	-	-	-	-
Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F 2020/2021	-	-	-	-
Conditional Grant from KDSP(balance from B//F	-	-	-	-
World Bank Emergency locust response Project(ENRP)	-	-	-	-
Kenya Devolution Support Program Allocation for 2021/2022	-	-	-	-
Kenya urban and Institutional Grant b/f 2020/2021	-	-	-	-
TOTAL	11,618,072,939	1,872,118,588	9,745,954,351	16%

Source: County Treasury, Mandera County Government

An analysis of the table indicates that the County generated a total of Kshs. 25,705,461 from own revenue sources in the first three months of the FY 2022/2023. This amount represented a decrease of Kshs. 10,748,560 compared to Kshs. 36,454,021 realized in the first three months of the FY 2021/2022.

3.0 Overall Expenditure Analysis

The overall Mandera County Government's expenditure for the period ending 30th September, 2022 amounted to Kshs. 1,659,389,353 out of which Kshs. 19,937,666 was for Operations & Maintenance and Kshs. 1,509,473,091 was for Personnel Emoluments. Transfers amounting to Kshs. 129,978,597 were made to the Mandera County Assembly for their operations. In the quarter, no expenditures were utilized on development programmes.

3.1 Expenditure by Economic Classification

Out of the total expenditures, the expenditures on salaries amounted to 23%, whereas the use of goods expenditures and transfers to other county entities amounted to 23% and 16% respectively. A total of Kshs. 4,435,868,920 was incurred on development expenditures during the period.

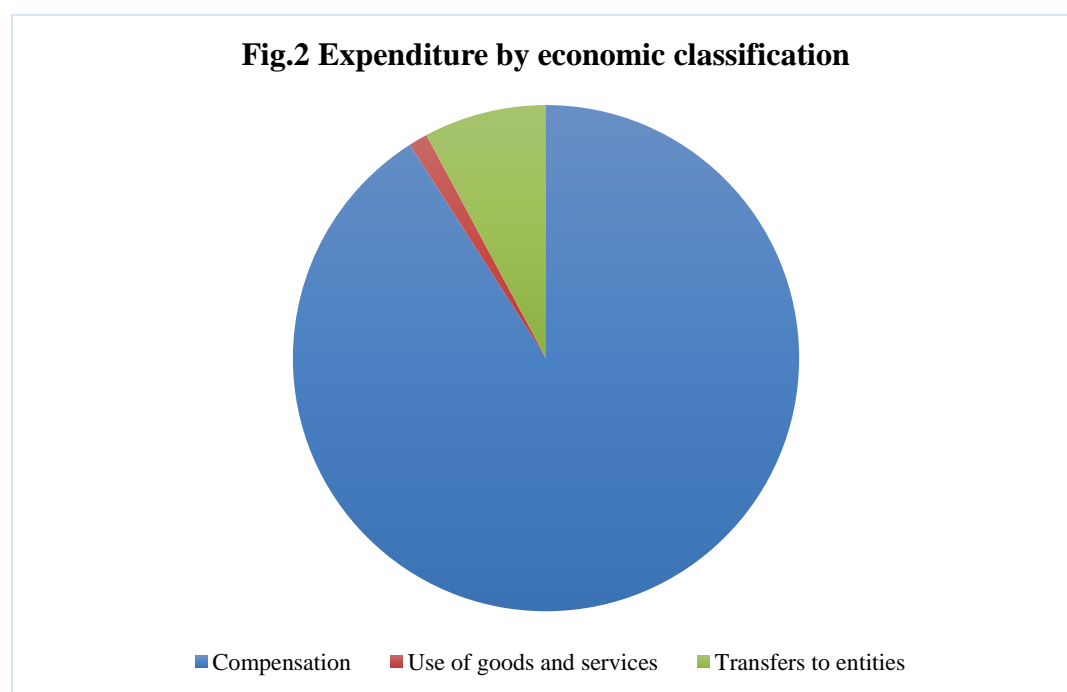


Figure 2: Expenditure by Economic Classification

From the analysis of the above figure, expenditures on Personnel Emoluments had the highest utilization at 91% of the total expenditure incurred in the first three months of the FY 2021/2022 while Transfers to other County entities accounted for 8% of the total expenditure. Expenditure of 1% was incurred on operations and maintenance while there was no expenditure on development projects.

3.2 Budget and Budget Performance by County Departments

3.2.1 Budget estimates

The County Government's mandate as stipulated by the Constitution of Kenya is discharged by Departments through implementation of projects and programs. These projects and programs are allocated funds through County Budgeting process. In the FY 2022/2023 the County Departments were funded in line with the ceilings captured in the 2022 County Fiscal Strategy Paper drawn to champion key priority programmes highlighted in the second Mandera County Integrated Development Plan (2018-2022).

Table 5 shows the breakdown of county's budget per ministry in FY 2022/2023.

Table 5: Resource allocation among the ministries

SUMMARY OF BUDGET FOR FY 2022/2023			
Departments	Recurrent Expenditure	Development Expenditure	Total Departmental Allocation 2022/2023
Ministry of Agriculture Livestock and Fisheries	172,227,684.58	253,678,883.85	425,906,568.43
Ministry of Education, Culture and Sports	448,404,157.76	180,569,360.00	628,973,517.76
Ministry of Gender, Youth and Social Service	66,426,606.00	32,744,700.00	99,171,306.00
Ministry of Finance	568,425,508.00	68,595,000.00	637,020,508.00
Ministry of Health Services	2,296,631,899.00	358,487,275.00	2,655,119,174.00

Ministry of Trade, Investments Industrializations and Cooperative Development	44,941,550.00	10,500,000.00	55,441,550.00
County Assembly	864,090,152.00	322,253,555.35	1,186,343,707.35
Lands, Housing and Physical Planning	72,681,452.00	395,015,000.00	467,696,452.00
Office of the Governor and Deputy Governor	408,731,948.73	-	408,731,948.73
County Public Service Board	71,904,836.80	50,900,000.00	122,804,836.80
Ministry of Public Service, Management and Devolved Unit	1,756,148,460.14	33,832,407.70	1,789,980,867.84
Public Works Roads and Transport	148,498,494.00	974,552,223.90	1,123,050,717.90
Ministry of Water, Environment and Natural Resources	478,270,454.24	1,539,561,330.30	2,017,831,784.54
GRAND TOTAL	7,397,383,203.25	4,220,689,736.10	11,618,072,939.35

The highest beneficiary of the FY 2022/2023 budget allocation was the Ministry of Health Services getting Kshs 2,655,119,174 (23 percent), Ministry of Water, Environment and Natural Resources getting Kshs 2,017,831,785 (17 percent), Ministry of Public Service, Management and Devolved Unit got Kshs. 1,789,980,868 (15 percent), Ministry of Public Works Roads and Transport were allocated Kshs 1,123,050,718 (10 percent), while the County Assembly got Kshs. 1,186,343,707 (10 percent). Other departments were allocated below 5 percent.

3.2.2 Departmental Expenditure Analysis

During the period under review, the county Government incurred expenditures totaling to Kshs. 1,659,389,353 on recurrent activities. This absorption accounted for 14% of the total approved budget.

Departments	Budgeted Amount	Recurrent Expenditure	Development Expenditure	Total Expenditure
County Assembly	1,186,343,707.35	129,978,597.00	-	129,978,597.00
Agriculture Livestock and Fisheries	425,906,568.43	46,104,914.88	-	46,104,914.88

Education, Culture and Sports	628,973,517.76	108,280,625.00	-	108,280,625.00
Gender, Youth and Social Service	99,171,306.00	11,015,495.00	-	11,015,495.00
Finance	637,020,508.00	98,500,950.05	-	98,500,950.05
Health Services	2,655,119,174.00	622,890,552.93	-	622,890,552.93
Trade, Investments Industrializations and Cooperative Development	55,441,550.00	12,288,105.00	-	12,288,105.00
Lands, Housing and Physical Planning	467,696,452.00	20,809,710.00	-	20,809,710.00
Office of the Governor	408,731,948.73	98,276,095.45	-	98,276,095.45
County Public Service Board	122,804,836.80	14,232,104.00	-	14,232,104.00
Public Service, Management and Devolved Unit	1,789,980,867.84	393,567,538.63	-	393,567,538.63
Public Works Roads and Transport	1,123,050,717.90	46,032,716.75	-	46,032,716.75
Water, Environment and Natural Resources	2,017,831,784.54	57,474,281.61	-	57,474,281.61
TOTAL	11,618,072,939.35	1,659,451,686.29	-	1,659,451,686.29

Source: County Treasury, Mandera County Government

3.2.2.1 Development expenditure performance by departments

In the FY 2022/2023, the County's gross development budget was Kshs. 4,220,689,736. No expenditure was incurred on the development vote during first three months of the financial year.

3.2.2.2 Recurrent expenditure performance by departments

The County performed well in the execution of the recurrent budget in the first quarter of the FY 2022/2023. The County had a total recurrent budget of Kshs. 7,397,383,203.25. An expenditure of Kshs. 1,659,451,686.29 representing 22% of the recurrent vote was utilized during first three months of the financial year. The Ministry of Health Services recorded the highest overall absorption rate at 38% followed by the Ministry of Public Service Management at 24%.

Other Ministries recorded an absorption of less than 8% with the Ministry of Gender, Youth and Social Service and the Ministry of Lands, Housing and Physical Planning the lowest spenders of recurrent budget in the first quarter at an absorption rate of 1% each.

Overall, the recurrent vote performed better than the development vote.

The following factors were responsible for low absorption rate;

- Delays in approval of request for funds by office of controller of budget
- Slow release of funds from national treasury

- Technical challenges in application of IFMIS

The table 7 analyses recurrent expenditure performance by ministries.

Departments	Budgeted Amount	Recurrent Expenditure
County Assembly	864,090,152.00	129,978,597.00
Agriculture Livestock and Fisheries	172,227,684.58	46,104,914.88
Education, Culture and Sports	448,404,157.76	108,280,625.00
Gender, Youth and Social Service	66,426,606.00	11,015,495.00
Finance	568,425,508.00	98,500,950.05
Health Services	2,296,631,899.00	622,890,552.93
Trade, Investments Industrializations and Cooperative Development	44,941,550.00	12,288,105.00
Lands, Housing and Physical Planning	72,681,452.00	20,809,710.00
Office of the Governor	408,731,948.73	98,276,095.45
County Public Service Board	71,904,836.80	14,232,104.00
Public Service, Management and Devolved Unit	1,756,148,460.14	393,567,538.63
Public Works Roads and Transport	148,498,494.00	46,032,716.75
Water, Environment and Natural Resources	478,270,454.24	57,474,281.61
TOTAL	7,397,383,203.25	1,659,451,686.29

Source: County Treasury, Mandera County Government

3.3 Budget Execution by Programmes and Sub-Programmes

Table 8 shows a summary of the budget execution by programmes and sub-programmes between July 2022 to September 2022 of FY 2022/2023.

Programme	Sub-Programme	Description	Approved Estimates FY 2022/23 (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)	Absorption Rate (% Total Expenditure to Approved Estimates)
			A	B	C=A-B	D=B/A*100
Agricultural and Livestock Sector Support	Food security Initiatives	Agricultural Infrastructure, Conservation and Research	253,678,884.00	0.00	253,678,884.00	0%

	Livestock Production	Livestock Agricultural Sector Support	47,050,000.00	4,830,570.00	42,219,430.00	10%
			300,728,884.00	0.00	253,678,884.00	0%
Administration Services	Administration and Compensation	Administration Services	3,280,625,131.00	892,499,890.60	2,388,125,240.40	27%
	Sub Total		3,280,625,131.00	892,499,890.60	2,388,125,240.40	27%
Trade, Cooperatives and Investment Sector Support	Trade Development and Promotion	Trade Development	55,441,550.00	12,288,105.00	43,153,445.00	22%
			55,441,550.00	12,288,105.00	43,153,445.00	22%
Youth Rehabilitation and Development	Youth Affairs	Youth Development Programmes and Policy	32,744,700.00	0	32,744,700.00	0%
			32,744,700.00	0.00	32,744,700.00	0%
ECDE and Sports Development Services	Early Childhood Development Education (ECDE)	ECDE Infrastructure	180,569,360.00	0	180,569,360.00	0%
			180,569,360.00	0.00	180,569,360.00	0%
Physical Infrastructure Development	Health Infrastructure	Infrastructure Construction, Expansion and Maintenance	358,487,275.00	0	358,487,275.00	0%
	Land Survey	Infrastructure & Equipment	395,015,000.00	32,000,000	363,015,000.00	8%
	Physical Infrastructure	Infrastructure Construction,	1,399,233,188.00	0	1,399,233,188.00	0%

		Expansion and Maintenance				
			2,152,735,463.00	32,000,000.00	2,120,735,463.00	1%
General Administration & Support Services	Administration, planning and support services	General Administration & Support Services	3,597,396,070.00	500,210,812.09	2,884,162,068.85	14%
			3,597,396,070.00	500,210,812.09	2,884,162,068.85	14%
Water Provision Services	Water Supply	Water Storage Structures	1,990,371,784.00	92,474,281.60	1,897,897,502.40	5%
			1,990,371,784.00	92,474,281.60	1,897,897,502.40	5%
Solar Energy and Environmental Services	Environmental Management Services	Environment and Natural Resources	27,460,000.00	0	27,460,000.00	0%
			27,460,000.00	0.00	27,460,000.00	0%
	Total		11,618,072,942.00	1,529,473,089.29	9,828,526,663.65	13%

Source: County Treasury, Mandera County Government

The programmes that performed well based on expenditure absorption was Administration and Compensation at 27%, Trade Development at 22%, and Administration, planning and support services. Other programmes performed poorly.

4.0 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD

Mandera County Government experienced several challenges that affected budget implementation during the first quarter of the financial year 2022/2023. These are:

Slow release of funds from National Treasury

Delay in disbursement of funds from the National Treasury was a major hindrance to the implementation of County Programmes during the quarter. This particularly affected implementation of development activities in the reporting period.

IFMIS connectivity challenges

Recurring IFMIS breakdowns decelerate the approval of procurement requests and lead to delays in payments to suppliers thus slowing down the County's ability to absorb funds in a timely manner.

Natural Calamities

The adverse economic impact of the Coronavirus pandemic, locust re-invasions, persistent drought, and other natural calamities did not only affect smooth implementation of the planned programmes in the budget but also hampered revenue collection efforts.

High public expectation

Increased awareness of members of the public on their rights through numerous public participation and community engagement programmes has seen an increase in agitation for better service delivery hence creating expectation pressure. This was further intensified by the political activities and change in leadership both at the National and County levels.

Under-performance of own revenue collection

This was due to, amongst other reasons the poor economic status of the residents in this county as well as the increase in prices of commodities. With Covid-19 having dwindled economic potential and the persistent biting drought in the region rendering residents needy, the OSR collection efforts didn't meet expectations. Insecurity in the region also affected collections of revenues greatly.

5.0 RECOMMENDATIONS

The County has made progress in addressing some of the challenges previously identified as affecting budget implementation. The following lessons learnt in the prior financial periods shall be replicated in the budget implementations:

- The County Government should liaise and cooperate with the National Government for timely release of funds as per disbursement schedule to foster smooth operations and successful project implementations.
- The County Government should also liaise with the Controller of Budget to avoid limitations in expenditure to ensure proper implementation of planned projects.
- The County should come up with measures to address underperformance in own source revenue collection so as to ensure the approved budget is fully financed.
- Departments tasked with revenue collection should capacity build their human capital so as to increase their efficiency and productivity.
- Civic education- building the capacities for communities to understand the roles played by both the National and County Government to avoid scenarios where the residents demand the County Government starts planning and financing of functions under the National Government or vice versa.
- Engage the National Government to invest in the security sector to curb attacks from militia groups.