

**REPUBLIC OF KENYA**



**MANDERA COUNTY GOVERNMENT**

**COUNTY TREASURY**

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**BUDGET IMPLEMENTATION REPORT**

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**FIRST NINE MONTHS  
OF FY 2020/2021**

**APRIL 2021**

## **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.

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## **Foreword**

I am pleased to present the County Budget Implementation Review Report (CBIRR) for the First Nine Months of the Financial Year (FY) 2020/2021. 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 report presents information on budget performance by the departments in the period 1st July 2020 to March 2021. 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 original approved budget.

The budget implementation was slow with zero development and recurrent activities undertaken in the first quarter. An improved performance was, however, reported in the second and third quarters for both the development and recurrent programmes. There are several factors that are responsible for the slow implementation of the County programs mostly as a result of delay in the release of funds from the National Treasury occasioned by the impasse in the approval of the Division of Revenue Bill (DORA) and CARA, 2020 by Parliament in line with the timelines in law. With the above challenge having been addressed, the budget implementation is expected to be smooth in final quarter of the FY 2020/2021. I urge the departments to move with speed in putting up mechanisms to hasten the implementation 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.

**Zulekha Harun Hulbale**

**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 2020 to March 2021.

The report presents revenue and expenditure performance by the County. 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 31<sup>st</sup> March 2021 for internal consumption and performance appraisal. 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 2020/2021 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 13,319,725,092 which consisted of Kshs. 7,169,045,514 (54%) for recurrent expenditure and Kshs. 6,150,679,578 (46%) for Development.

## 2.1 Budget Components

In order to finance the budget, the County expects to get Kshs. 10,222,950,000 equitable share of revenue allocated by Commission on Revenue Allocation, Local revenue of Kshs. 200,037,792 and various conditional grants in amount of Kshs 1.5 billion. Further Kshs. 1.39 billion relates to projects brought forwards from the financial year 2019/2020.

**Table 1: Budget Components**

The table summarizes county revenues for FY 2019/2020 budget

<b>MANDERA COUNTY GOVERNMENT BUDGET ESITMATE FOR FY 2020/2021</b>				
<b>REVENUE SUMMARY 2020/2021 FY</b>		<b>2019/2020</b>	<b>2020/2021 Approved</b>	<b>Percentage</b>
<b>Funding Types</b>	<b>Revenue summary By Sources</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>%</b>
Equitable Sharable Revenue	Equitable share of Revenue	10,222,950,000	10,222,950,000	77%
Own Source Revenue	Local Revenue Collections	183,559,629	200,037,792	2%
Unutilized Exchequer from 2018/2019 FY	On-Going Development Projects funds b/f from 2017/2018 - 2021/2020	1,210,949,522	883,762,901	7%
	2019/2020 FY Projects that could not be implemented	163,769,117	-	0%
Conditional Grant by National Government Institutions	Road Maintenance Fuel Levy (Conditional Grant)	290,185,219	304,694,480	2%
	Road Maintenance Fuel Levy (Conditional Grant) B/F from 19/20 - Fund Released		160,026,064	1%
	Development of youth Polytechnics	22,113,298	15,049,894	0%
	Sweden -Agricultural Sector Development Support Program (ASDSP) II - Co Funding	-	2,500,000	0%
	Grant of Kshs 5 for Covid- 19 Responses among the 47 Counties – Manderla Share	-	91,323,000	1%
	Medical Staff Allowances	-	31,845,000	0%
	Foregone user fees in Health Facilities in rural Area (Conditional Grant)	25,474,920	25,474,920	0%
Conditional Grants - Development Partners	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health	65,351,998	144,609,161	1%
	Danida Funding for Health sector - Transforming Health care - Universal Health	30,281,250	29,070,000	0%
	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health 2017/2018 - Amount in SPA	-	9,604,002	0%
	World Bank/Japan Funding for Health sector - Transforming Health care -	-	14,826,792	0%

Unversal Health b/f 2018/2019. Amount not yet released			
Kenya Devolution support Program (KDSP) B/F (from 17/2018) - Amount n SPA		4,295,329	0%
Danida Funding for Health sector - Transforming Health care - Universal Health - Covid - 19 Support	-	11,305,000	0%
Kenya Devolution Support Program - Level I	30,000,000	45,000,000	0%
Kenya Devolution Support Program b/f	235,542,828		0%
Kenya Devolution Support Program for 2018/2019 funds to be released in 2020/2021	58,673,488	58,673,488	0%
Kenya Urban Development Support Program	175,819,500	175,819,500	1%
Kenya Urban Institutional grant	8,800,000		0%
Kenya Climate smart Agriculture Project (NEDI)	200,000,000	324,000,000	2%
Sweden - Agricultural Sector Development Support Program (ASDSP) II	22,822,072	14,548,048	0%
Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F - amount yet to be released		49,173,647	0%
Agricultural Sector Development Support Program (ASDSP) (Conditional Grant) B/F - Amount in SPA		6,387,012	0%
Kenya Devolution Support Program b/f - Amount in SPA - Malbe and Lafey Hospital		84,075,528	1%
Conditional Grant from KDSP(balance from 6,100,000) B//F		640,901	0%
Kenya Urban Support Program (Conditional Grant) b/f - Not Released		98,923,344	1%
Kenya Urban Institutional grant b/f from 2019/2020		8,800,000	0%
Kenya Devolution Support Program		143,000,000	1%
Kenya Urban Development Support Program b/f from 2019/2020 (50,066,573 not Released while 79,242,718 not yet released)		129,309,291	1%
Kenya Devolution Support Program - Level I b/f from 2019/2020		30,000,000	0%
Kenya Urban and Institutional Grant b/f	41,200,000		0%
<b>GRAND TOTAL</b>	<b>13,118,313,035</b>	<b>13,319,725,092</b>	<b>100%</b>

## 2.2 Revenue Performance Analysis

During the first nine months of FY 2020/2021, the County received Kshs. 5,939,533,950 as equitable share of revenue raised nationally, raised Kshs. 109,108,870 from own source revenue, and had a cash balance of Kshs. 507,089,450 from FY 2019/2020. The County also received Kshs. 456,536,631 as conditional grant funds during the reporting period. The total funds available for budget implementation amounted to Kshs. 7,012,268,902.

## 2.3 Own Source Revenue Performance

The County Government targeted to collect Kshs. 200,037,791 from local sources during FY 2020/2021. The actual achievement during the first nine months of the financial year was Kshs. 109,108,870 which translates to 55% of the targeted collection. This represented an increase from Kshs. 87,848,740 generated in the first nine months of FY 2019/2020.

<b>MANDERA COUNTY GOVERNMENT</b>	
<b>LOCAL REVENUE COLLECTION FOR NINE MONTHS (JUNE 2020-MARCH 2021)</b>	
<b>RECEIPTS</b>	<b>Cumulative amount</b>
<b>Stream</b>	<b>Kshs</b>
Land Rent	25,768,145
Hospital Collection	22,268,897
Single Business Permit	11,169,110
Land Transfer	10,717,900
Miraa Movement	9,322,910
Markets stalls	5,260,557
Slaughter Charges	4,733,130
Barrier Cess	3,647,349
Livestock Movement	3,359,647
Livestock Market Auction	3,133,590
Water Charges	2,422,150
Public Health	1,439,558
Market Shades	1,137,100
Produce Cess	1,044,913
Market Rental Income	915,150
Building Plan Approval	883,800
Parking Fee	849,735
Natural Resources Charges	582,429
Agricultural Mechanization Services	294,000
Market Gate	158,800
<b>TOTAL</b>	<b>109,108,870</b>



**Table 2: OSR Performance per Stream**

In the period under review, the County's top performing streams included Land rates, Hospital collections, Single Business Permits, Land Transfers, Miraa movements, Market stalls and Slaughter charges. Notable nosedive in revenue collection was on income from Income from Water Management, tender documents, parking fees, income from queries. The monthly collection breakdown is shown in table below.

MANDERA COUNTY GOVERNMENT: OWN SOURCE REVENUE MONTHLY COLLECTIONS FOR JULY 2020 TO MARCH 2021											
Revenue Source	Target 2020/2021	July	August	September	October	November	December	January	February	March	Total collection As at 31st March 2021
Land rents	47,399,995	3,369,000	3,486,650	3,657,600	3,235,820	1,708,410	2,625,900	2,412,820	2,181,680	3,090,265	25,768,145
Plot Transfers/Sub-Divisions/Application Fees	27,692,722	1,325,000	1,462,000	1,319,000	781,950	1,676,950	1,096,000	855,000	762,500	1,439,500	10,717,900
Miraa Movements	7,263,768	978,000	988,000	958,000	962,000	951,000	1,071,000	1,244,700	1,149,000	1,021,210	9,322,910
Single Business Permit	23,084,457	1,258,700	1,413,200	683,900	232,000	57,000	148,500	1,645,900	2,912,100	2,817,810	11,169,110
Markets stalls	6,257,201	292,800	441,100	1,257,100	596,800	624,757	567,300	457,100	448,300	575,300	5,260,557
Market Gates	734,936	9,410	-	-	-	19,110	34,560	52,450	23,070	20,200	158,800
Market Shades	3,536,802	132,800	104,600	110,900	-	174,800	162,000	120,000	120,000	212,000	1,137,100
Buspark/Taxis/Parking	1,150,000	54,275	44,200	82,950	111,800	56,200	137,850	104,650	115,650	142,160	849,735
Income from Quarries/Natural Resources	805,000	63,200	48,700	52,200	63,280	38,100	141,569	56,030	21,000	98,350	582,429
Building plan	-	175,500	55,000	399,300	36,000	32,000	36,000	42,000	40,000	68,000	883,800
Barriers	8,317,387	431,660	429,280	362,000	330,950	497,582	478,383	331,692	325,520	460,282	3,647,349
Livestock Market Auction	4,180,908	386,400	317,200	325,400	362,510	428,650	424,550	348,550	272,630	267,700	3,133,590
Livestock Movement	7,885,796	681,050	503,500	276,550	235,600	302,280	406,000	431,750	347,247	175,670	3,359,647
Slaughter fees and Charges	9,716,214	575,500	524,600	523,480	575,300	558,250	603,900	497,100	367,000	508,000	4,733,130
Produce Cess	635,704	174,000	90,800	108,888	113,000	21,500	61,625	147,360	160,150	167,590	1,044,913
Agriculture Mechanization/Hire of Equipments	1,380,000	14,000	-	132,000	-	3,000	18,000	-	-	127,000	294,000
Income from Sale of Tenders documents	837,765	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	169,150	190,000	190,000	183,000	183,000	915,150
Tender	5,448,082	-	-	-	-	-	-	-	-	-	-
Public Health	3,900,150	224,808	190,450	117,800	7,000	9,800	7,000	194,300	495,400	193,000	1,439,558
Hospital collection	30,892,981	1,943,566	2,011,340	2,550,768	2,805,270	2,653,450	2,822,939	2,685,724	2,386,340	2,409,500	22,268,897
Income from Water Management	8,917,923	277,250	282,800	401,000	222,000	208,500	180,000	185,000	270,000	395,600	2,422,150
<b>Grand Total</b>	<b>200,037,792</b>	<b>12,366,919</b>	<b>12,393,420</b>	<b>13,318,836</b>	<b>10,671,280</b>	<b>10,190,489</b>	<b>11,213,076</b>	<b>12,002,126</b>	<b>12,580,587</b>	<b>14,372,137</b>	<b>109,108,870</b>

## 2.4 Exchequer Issues

The Controller of Budget approved withdrawal of an exchequer of Kshs. 5,939,533,950 from the CRF account, which was 58 per cent of the Approved Budget. This amount was meant to fund both development and recurrent expenditures and represented an increase from Kshs. 3,618,924,300 (28 per cent) approved in the first nine months of FY 2019/2020.

## 2.5 Conditional Grants

The County received Kshs. 456,536,631 as conditional grants. This comprised of Kshs. 14,535,000 from Danida Funding for Health sector, Kshs. 50,066,573 from Kenya Urban Support Programme, Kshs 100,455,119 from Kenya Climate Smart Agriculture Project (KCSAP), Kshs. 14,303,172 from Agricultural Sector Development Support Program(ASDSP), Kshs. 45,000,000 from Kenya Devolution Support Programm(KDSP), Kshs. 72,304,581 from Transforming Health System(THS), Kshs. 152,347,240 from Kenya Roads Board Fuel Levy Fund and Kshs. 7,524,947 for Rehabilitation of Village Polytechnics.

**Table 3: Revenue Performance by Source (July 2020- March 2021)**

MANDERA COUNTY GOVERNMENT				
FY 2020/2021 REVENUE PERFORMANCE REPORT				
No.	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Percentage
1	Equitable share of Revenue	10,222,950,000.00	5,939,533,950	58%
2	Local Revenue Collections	200,037,791.89	109,108,870	55%
3	On-Going Development Projects funds b/f from 2017/2018 - 2021/2020	883,762,901.00	507,089,450.20	57%
4	Road Maintenance Fuel Levy (Conditional Grant)	304,694,480.00	152,347,240	50%
5	Road Maintenance Fuel Levy (Conditional Grant) B/F from 19/20 - Fund Released	160,026,063.50	-	100%
6	Development of youth Polytechnics	15,049,894.00	7,524,947	50%
7	Sweden -Agricultural Sector Development Support Progam (ASDSP) II - Co Funding	2,500,000.00	-	0%
8	Grant of Kshs 5 for Covid- 19 Responses among the 47 Counties – Mander Share	91,323,000.00	-	100%
9	Medical Staff Allowances	31,845,000.00	-	100%

10	Foregone user fees in Health Facilities in rural Area (Conditional Grant)	25,474,920.00	-	0%
11	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health	144,609,161.00	72,304,581	50%
12	Danida Funding for Health sector - Transforming Health care - Universal Health	29,070,000.00	-	0%
13	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health 2017/2018 - Amount in SPA	9,604,001.80	-	0%
14	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health b/f 2018/2019. Amount not yet released	14,826,791.80	14,535,000.00	98%
15	Kenya Devolution support Program (KDSP) B/F (from 17/2018) - Amount n SPA	4,295,329.00		0%
16	Danida Funding for Health sector - Transforming Health care - Universal Health - Covid - 19 Support	11,305,000.00	-	0%
17	Kenya Devolution Support Program - Level I	45,000,000.00	45,000,000.00	100%
18	Kenya Devolution Support Program for 2018/2019 funds to be released in 2020/2021	58,673,488.00	-	0%
19	Kenya Urban Development Support Program	175,819,500.00	50,066,572.70	28%
20	Kenya Climate smart Agriculture Project (NEDI)	324,000,000.00	100,455,118.75	31%
21	Sweden -Agricultural Sector Development Support Program (ASDSP) II	14,548,048.00	14,303,172	98%
22	Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F - amount yet to be released	49,173,646.50	-	0%
23	Agricultural Sector Development Support Program (ASDSP) (Conditional Grant) B/F - Amount in SPA	6,387,012.00	-	0%
24	Kenya Devolution Support Program b/f - Amount in SPA - Malbe and Lafey Hospital	84,075,528.00	-	0%
25	Conditional Grant from KDSP(balance from 6,100,000) B//F	640,901.00	-	0%

26	Kenya Urban Support Program (Conditional Grant) b/f - Not Released	98,923,344.00	-	0%
27	Kenya Urban Institutional grant b/f from 2019/2020	8,800,000.00	-	0%
28	Kenya Devolution Support Program	143,000,000.00	-	0%
29	Kenya Urban Development Support Program b/f from 2019/2020 (50,066,573 not Released while 79,242,718 not yet released)	129,309,290.95	-	0%
30	Kenya Devolution Support Program - Level I b/f from 2019/2020	30,000,000.00	-	0%
<b>TOTAL</b>		<b>13,319,725,092.44</b>	<b>7,012,268,902</b>	<b>53%</b>

*Source: Mandera County Treasury*

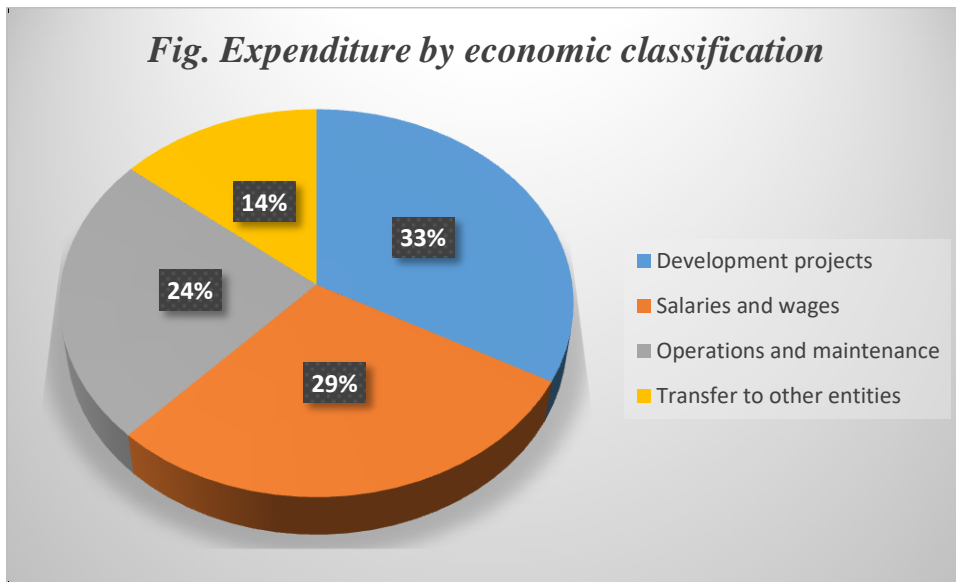
### **3.0 Expenditure Analysis**

The overall County expenditure for the period ending 31<sup>st</sup> March, 2021 amounted to Kshs 6,588,317,903 out of which Kshs. 1,484,165,920 was for Operation & Maintenance and Kshs. 1,899,970,069 for Personnel emoluments. Transfers amounting to Kshs. 408,636,774 and Kshs. 150,000,000 were made to the County Assembly and Mandera Water and Sewerage Company respectively for their operations while Mandera Municipality received Kshs. 140,000,000 for the same. Transfers of Kshs. 53,000,000 and Kshs. 36,000,000 were made to Elwak Municipality and Elwak Water and Sewerage Company respectively. A transfer of Kshs. 118,435,415 was also made to the Ministry of Health and Kshs. 25,690,000 were transferred to health facilities. Expenditures amounting to Kshs. 2,154,078,185 were utilized on development programmes. This represents an overall absorption rate of 49 percent against the FY 2020/2021 budget.

#### **3.1 Expenditure by Economic Classification**

Out of the total expenditures, the expenditures on salaries amounted to 29%, whereas use of goods expenditures amounted to 24% of the total expenditures. A total of Kshs. 2,154,078,185 was incurred on development expenditures during the period.

**Figure 1: Expenditure by Economic Classification**



From the analysis of the above figure, expenditure on development projects had the highest absorption at 33% while expenditure on salaries and wages as well as expenditures on Operation & Maintenance had an absorption rate of 29% and 24% respectively. Transfers to other county entities made up 14% of the total absorption in the period under review.

### **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 2020/2021 the County Departments were funded in line with the ceilings captured in the 2020 County Fiscal Strategy Paper drawn to champion key priority programmes highlighted in the second Mandera County Integrated Development Plan (2018-2022).

Table 4 shows the breakdown of county's budget per ministry in FY 2020/2021.

**Table 4: Resource allocation among the ministries**

The highest beneficiary of the FY 2020/2021 budget allocation was the Ministry of Health Services getting Kshs 2,923,464,913.12 (22 percent), followed by the Ministry of Water, Environment and Natural Resources getting Kshs 2,442,469,665.70 (18 percent) while both the Ministry of Public Service Management and the Ministry of Public Works, Roads and Transport were allocated Kshs 1,481,257,767.78 (11 percent) and Kshs. 1,462,771,004.19 (11 percent) respectively. Other departments were allocated below 10 percent.

<b>MANDERA COUNTY GOVERNMENT APPROVED BUDGET FOR FY 2020/2021</b>				
	<b>Departmental Allocations</b>			
<b>Departments</b>	<b>Recurrent Expenditure</b>	<b>Development Expenditure</b>	<b>Total Allocation</b>	<b>%</b>
Ministry of Agriculture Livestock and Fisheries	238,840,955.91	897,587,062.78	1,136,428,018.69	9%
Ministry of Education, Culture and Sports	325,863,122.45	361,020,068.00	686,883,190.45	5%
Ministry of Gender, Youth and Social Service	73,515,054.65	123,890,988.00	197,406,042.65	1%
Ministry of Finance	586,750,086.31	51,825,600.00	638,575,686.31	5%
Ministry of Health Services	2,042,920,853.04	880,544,060.08	2,923,464,913.12	22%
Ministry of Trade, Investments Industrializations and Cooperative Development	49,492,635.86	135,957,580.50	185,450,216.36	1%
County Assembly	790,834,897.00	221,218,667.00	1,012,053,564.00	8%
Lands, Housing and Physical Planning	317,415,231.62	281,744,751.95	599,159,983.57	4%
Office of the Governor and Deputy Governor	472,202,366.80	-	472,202,366.80	4%
County Public Service Board	69,602,672.49	12,000,000.00	81,602,672.49	1%
Ministry of Public Service, Management and Devolved Unit	1,331,886,296.38	149,371,471.40	1,481,257,767.78	11%
Public Works Roads and Transport	154,109,033.33	1,308,661,970.86	1,462,771,004.19	11%
Ministry of Water, Environment and Natural Resources	715,612,308.49	1,726,857,357.21	2,442,469,665.70	18%
<b>GRAND TOTAL</b>	<b>7,169,045,514.34</b>	<b>6,150,679,577.78</b>	<b>13,319,725,092.12</b>	<b>100%</b>

*Source: Mander County Treasury*

### 3.2.2 Departmental Expenditures

During the period under review, the County Government incurred expenditures totaling to Kshs 6,588,317,903 on both development and recurrent programmes. This represented 49% of the county's approved budget.

#### 3.2.2.1 Development expenditure performance

The overall performance for the county's development budget stands at 35%. Funds totaling Kshs. 2,154,078,185.57 was spent across 11 spending units of the County Government. The Ministry of Water, Environment and Natural Resources recorded the highest overall absorption rate at 50% followed by the Ministry of Gender, Youth and Social Services at 46%. The Ministry of Health Services and the Ministry of Trade, Industrialization, and Cooperative Development recorded the fourth and fifth highest absorption rates at 36% each. Other Ministries performed dismally recording less than 33%.

The following factors were responsible for low absorption rate;

- Budget stalemate between the County Executive and the County Assembly which led to delays in the preparation and approval of the County's budget documents for FY 2020/2021.
- Delay in approval of FY 2020/2021 budget. During the period under review, the County could not make withdrawal funds for development expenditure.
- Slow and cumbersome tendering process
- Technical and capacity challenges in application of IFMIS
- Delays in approval of request for funds by office of controller of budget

The table 5 analyses development expenditure performance by ministries.

Departments	Development Approved	Development Expenditure	Percentage
County Assembly	221,218,667.00	-	0%

Ministry of Agriculture, Livestock and Fisheries	897,587,062.78	299,614,007.95	33%
Ministry of Education, Culture and Sports	361,020,068.00	59,024,947.00	16%
Ministry of Gender, Youth and Social Services	123,890,988.00	56,890,988.00	46%
Ministry of Finance & Economic Planning and ICT	51,825,600.00	-	0%
Ministry of Health Services	880,544,060.08	314,223,066.32	36%
Ministry of Trade, Investments, Industrialization, and Cooperative Development	135,957,580.50	49,201,497.50	36%
Lands, Housing Developments and Physical Planning	281,744,751.95	64,066,022.70	23%
Office of the Governor and Deputy Governor	-	-	0%
County Public Service Board	12,000,000.00	-	0%
Ministry of Public Service Management and Devolved Units	149,371,471.40	49,443,329.40	33%
Public Works Roads and Transport	1,308,661,970.86	398,252,921.92	30%
Ministry of Water, Energy, Environment, Natural Resources Tourism and Wildlife	1,726,857,357.21	863,361,404.78	50%
<b>GRAND TOTAL</b>	<b>6,150,679,577.78</b>	<b>2,154,078,185.57</b>	<b>35%</b>

### 3.2.2.2 Recurrent expenditure performance

The overall performance for the county's recurrent budget stands at 56%. Funds totaling to Kshs 3,997,282,479.25 was spent on the recurrent vote across all the 13 spending units of the County Government. The Ministry of Lands, Housing and Physical Planning recorded the highest overall absorption rate at 79% followed by the Ministry of Trade, Investments, Industrialization, and Cooperative Development at 74%. The County Public Service Board and the Ministry of Public Works Roads and Transport recorded the third and fourth highest absorption rates at 73% and 71% respectively. The Ministry of Agriculture, Livestock and Fisheries and the Ministry of Finance & Economic Planning and ICT were the worst performers recording 53% and 51% respectively. Overall, the recurrent vote performed better than the development vote.

The following factors were responsible for low absorption rate;

- Slow and cumbersome procurement process
- Technical and capacity challenges in application of IFMIS



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

The table 6 analyses recurrent expenditure performance by ministries.

<b>Departments</b>	<b>Recurrent Approved</b>	<b>Recurrent Expenditure</b>	<b>Percentage</b>
County Assembly	790,834,897.00	-	-
Ministry of Agriculture, Livestock and Fisheries	238,840,955.91	126,745,192.68	53%
Ministry of Education, Culture and Sports	325,863,122.45	209,467,435.23	64%
Ministry of Gender, Youth and Social Services	73,515,054.65	47,769,734.10	65%
Ministry of Finance & Economic Planning and ICT	586,750,086.31	300,210,886.09	51%
Ministry of Health Services	2,042,920,853.04	1,296,708,093.71	63%
Ministry of Trade, Investments, Industrialization, and Cooperative Development	49,492,635.86	36,473,167.00	74%
Lands, Housing Developments and Physical Planning	317,415,231.62	249,787,824.10	79%
Office of the Governor and Deputy Governor	472,202,366.80	258,078,439.61	55%
County Public Service Board	69,602,672.49	50,587,873.55	73%
Ministry of Public Service Management and Devolved Units	1,331,886,296.38	808,805,130.17	61%
Public Works Roads and Transport	154,109,033.33	109,202,811.39	71%
Ministry of Water, Energy, Environment, Natural Resources Tourism and Wildlife	715,612,308.49	503,445,891.62	70%
<b>GRAND TOTAL</b>	<b>7,169,045,514.34</b>	<b>3,997,282,479.25</b>	<b>56%</b>

#### **4.0 Implementation Challenges**

The county experienced several issues that affected budget implementation during the first nine months of the financial year 2020/2021. These are:

##### **Budget stalemate between the County Executive and the County Assembly**

There was stalemate on the approved budget between Assembly and executive which led to delays in the preparation and approval of the County's budget documents for FY 2020/2021. This adversely affected implementation of planned projects and programmes.

##### **Slow release of funds from national treasury**

There was delay by the National Treasury to disburse the equitable share of revenue raised nationally. This was occasioned by the impasse in the approval of the Division of Revenue Bill (DORA) and CARA, 2020 by Parliament in line with the timelines in law. This affected implementation of development activities.

##### **IFMIS connectivity challenges**

This slowed down approval of procurement requests and payment to suppliers.

##### **High public expectation**

Increased public awareness about their rights has seen an increase in agitation for better service delivery.

##### **Underperformance in own source revenue collection**

This was due to, amongst other reasons, insecurity issues, ineffective monitoring, shortage of staff and the negative impacts of the Coronavirus pandemic. The department of revenue services which are tasked with local revenue collection and administration was critically understaffed.

## **5.0 Recommendations**

The County has made progress in addressing some of the challenges previously identified as affecting budget implementation. The following are lessons learnt to be replicated in future budget implementations:

- The County should always involve other PFM stakeholders to settle the budget impasse so as to ensure timely preparation and approval of the key budget planning documents.
- The County Government should liaise with the National Government for timely release of funds as per disbursement schedule to foster smooth operations and project implementation.
- The County Government should to liaise with the Controller of Budget to avoid limitations in expenditure to ensure proper implementation of projects.
- The County should hasten budget implementation activities remaining six months of the financial year so as to ensure planned programmes are accomplished.
- The County should also devise and implement strategies to address own-source revenue performance so as to ensure the approved budget is fully financed.