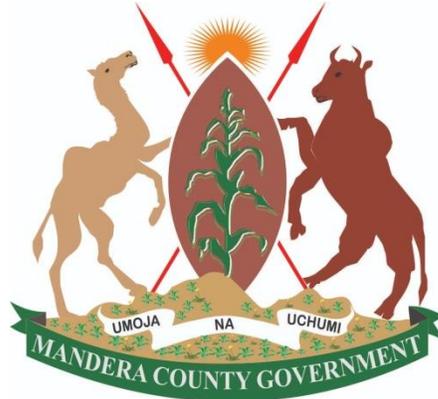


**REPUBLIC OF KENYA**



**MANDERA COUNTY GOVERNMENT**

**COUNTY TREASURY**

---

**BUDGET IMPLEMENTATION STATUS REPORT**

---

**FIRST QUARTER REPORT  
FY 2021/2022**

**OCTOBER, 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.

## 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.....	8
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 2021- September 2021).....	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.....	16
3.3 Budget Execution by Programmes and Sub-Programmes.....	17
4.0 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD.....	20
5.0 RECOMMENDATIONS.....	21

## **Foreword**

I am pleased to present the Budget Implementation Report for the first quarter of the Financial Year (FY) 2021/2022. 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 FY 2021/2022 and presents information on budget performance by the departments in the period July 2021 to September 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 approved supplementary budget.

The budget implementation was slow but recorded an improved performance in comparison with the first quarter of FY 2020/2021 which had zero development and recurrent activities undertaken for both the development and recurrent programmes. 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 2021/2022. 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.

**CPA Sulekha H. Harun**

**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 2021 to September 2021.

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 30<sup>th</sup> September 2021 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 2021/2022 budget is that there would be improved revenue collection from local sources and timely release of funds by the National Treasury.

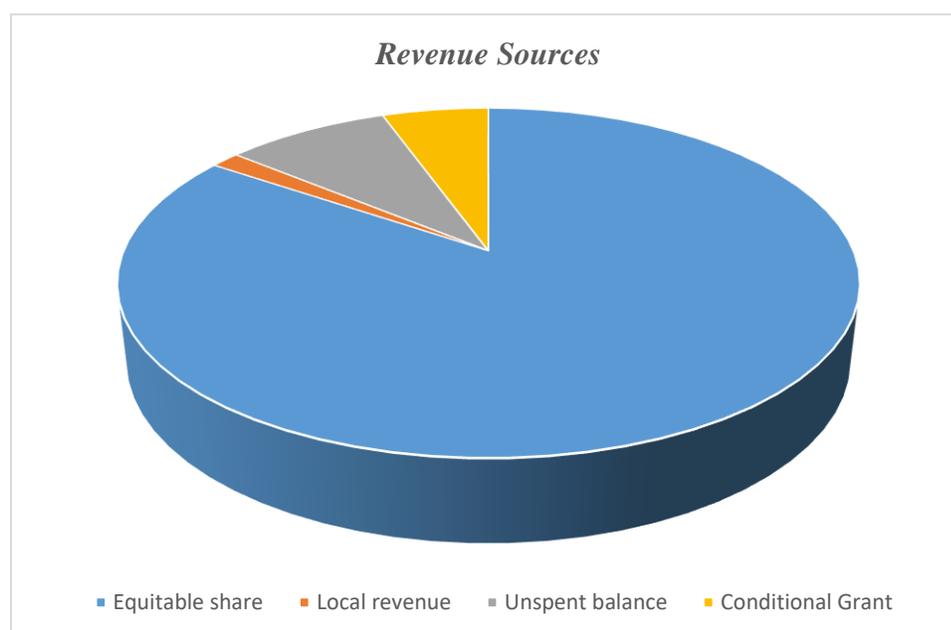
## **2.0 Financial Analysis of County Budget Implementation**

The County had an approved budget of Kshs. 13,254,971,045 which comprised of Kshs. 7,541,255,231 (57%) for recurrent expenditure and Kshs. 5,713,715,814 (43%) allocation for development expenditure.

## 2.1 Budget Components

In order to finance the budget, the County expected to receive Kshs. 11,190,382,598 (84 percent) as the equitable share of revenue raised nationally, Kshs. 732,456,200.01 (6 percent) as total Conditional Grants, generate Kshs. 200,037,792 (2 percent) from own sources of revenue, and a cash balance of Kshs. 1,132,094,455 (9 percent) from FY 2020/2021.

**Figure 1: Expected Sources of Budget Financing in FY 2021/2022**



*Source: County Treasury, Mandera County Government*

The major source of revenue for the County was national sharable revenue making up 84%. Total conditional CARA allocations and unspent balances made up 15% 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 2021/2022 budget

REVENUE SUMMARY 2021/2022 FY		2021/2022 Approved	%
Funding Types	Revenue summary By Sources	Kshs	%
Equitable Sharable Revenue	Equitable share of Revenue	11,190,382,598	84%
Own Source Revenue	Local Revenue Collections	200,037,792	2%

<b>Unutilized Exchequer from 2020/2021 FY</b>	On-Going Projects funds b/f from 2020/2021	60,000,000	0%
	On-Going Projects funds b/f from 2020/2021	729,267,722	6%
	Sweden -Agricultural Sector Development Support Program (ASDSP) II - Co Funding	500,000	0%
<b>Conditional Grants - Development Partners</b>	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health	54,586,272	0%
	Danida Funding for Health sector - Transforming Health care - Universal Health	22,650,375	0%
	UNFPA- 9th County Programme implementation	4,432,000	0%
	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health -	262,571	0%
	Kenya Devolution support Program (KDSP) B/F (from 17/2018) - Amount n SPA	4,295,329	0%
	Kenya Devolution Support Program b/f 2020/2021	143,000,000	1%
	Kenya Climate smart Agriculture Project (NEDI)	298,883,700	2%
	Sweden -Agricultural Sector Development Support Program (ASDSP) II	32,096,096	2%
	Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F 2019/2020	49,173,647	0%
	Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F 2020/2021	218,112,057	0%
	Conditional Grant from KDSP (balance from B//F	6,209,534	2%
	World Bank Emergency locust response Project(ENRP)	52,925,333	0%
	Kenya Devolution Support Program Allocation for 2021/2022	141,844,646	0%
	Kenya Urban and Institutional Grant b/f	46,311,374	1%
		<b>TOTAL</b>	<b>13,254,971,045</b>

Source: County Treasury, Mandera County Government

## 2.2 Revenue Performance Analysis

During the first three months of the FY 2020/2021, the County received Kshs. 1,846,413,129 as equitable share of revenue raised nationally, raised Kshs. 36,454,021 from own source revenue, and had a cash balance of Kshs. 1,132,094,455 from FY 2020/2021.

## 2.3 Own Source Revenue Performance

The County Government targeted to collect Kshs. 200,037,792 from local sources during the FY 2021/2022. The actual achievement in the first three months of the FY 2021/2021 was Kshs. 36,454,021 which translates to 18% of the targeted collection.

**Table 2: Total Local Revenue Collections for the First Quarter of FY 2020/2021**

The table below summarizes comparisons between actual local revenue collections in the FY 2021/2022 and what was realized for the period under review.

### **FY 2021/2022 TOTAL COUNTY OWN SOURCE GENERATED RECEIPTS FOR FIRST QUARTER**

<b>Sub-Revenue Source</b>	<b>Target 2021/2022</b>	<b>Total Collections –Quarter One</b>
Land rents	47,399,995	7,945,570
Plot Transfers/Sub-Divisions/Application Fees	27,692,722	4,687,100
Miraa Movements	7,263,768	3,769,723
single Business Permit	23,084,457	790,500
Markets stalls	6,257,201	2,508,700
Market Gates	734,936	35,221
Market Shades	3,536,802	459,000
Buspark/Taxis	1,150,000	381,146
Income from Quarries	805,000	106,350
Building plan	-	152,000
Barriers	8,317,387	1,484,702
Livestock Markets	4,180,908	538,493
Livestock Movement	7,885,796	1,437,320
Slaughter fees and Charges	9,716,214	1,429,100
Produce Cess	635,704	156,402
Agriculture Mechanization/Hire of Equipment	1,380,000	97,400
Income from Sale of Tenders documents	837,765	195,000
Rental income	-	830,900
Tender	5,448,082	-
Public Health	3,900,150	168,025
Hospital collection	30,892,981	7,728,019
Income from Water Management	8,917,923	1,553,350
<b>Grand Total</b>	<b>200,037,792</b>	<b>36,454,021</b>

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 Land rates, Hospital collections, Land Transfers, Single Business Permits, Miraa Movements, Market stalls, Income from Water Management, barriers, livestock market and Slaughter fees charges. Notable nosedive in revenue collection was on income from sale of Tender documents, Agriculture Mechanization Services, Income from Quarries, market shades and market gates. The monthly collection breakdown is shown in table that follows.

<b>MANDERA COUNTY LOCAL REVENUE COLLECTIONS FOR QUARTER 1 FY 2021/2022</b>					
<b>Sub-Revenue Source</b>	<b>Target 2021/2022</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>Total</b>
Land rents	47,399,995	2,761,201	2,458,859	2,725,510	<b>7,945,570</b>
Plot Transfers/Sub-Divisions/Application Fees	27,692,722	1,969,100	1,443,000	1,275,000	<b>4,687,100</b>
Miraa Movements	7,263,768	1,292,000	1,278,125	1,199,598	<b>3,769,723</b>
single Business Permit	23,084,457	129,900	271,900	388,700	<b>790,500</b>
Markets stalls	6,257,201	694,800	1,147,300	666,600	<b>2,508,700</b>
Market Gates	734,936	19,210	16,011	-	<b>35,221</b>
Market Shades	3,536,802	-	224,000	235,000	<b>459,000</b>
Buspark/Taxis	1,150,000	102,706	180,650	97,790	<b>381,146</b>
Income from Quarries	805,000	-	106,350	-	<b>106,350</b>
Building plan	-	42,000	26,000	84,000	<b>152,000</b>
Barriers	8,317,387	514,785	344,110	625,807	<b>1,484,702</b>
Livestock Markets	4,180,908	343,850	97,100	97,543	<b>538,493</b>
Livestock Movement	7,885,796	602,400	498,635	336,285	<b>1,437,320</b>
Slaughter fees and Charges	9,716,214	437,800	505,300	486,000	<b>1,429,100</b>
Produce Cess	635,704	39,400	45,502	71,500	<b>156,402</b>
Agriculture Mechanization/Hire of Equipment	1,380,000	67,000	30,400	-	<b>97,400</b>
Income from Sale of Tenders documents	837,765	130,000	-	65,000	<b>195,000</b>
Rental income	-	74,000	-	756,900	<b>830,900</b>
Tender	5,448,082	-	-	-	<b>-</b>
Public Health	3,900,150	39,325	88,200	40,500	<b>168,025</b>
Hospital collection	30,892,981	2,397,423	2,731,608	2,598,988	<b>7,728,019</b>
Income from Water Management	8,917,923	337,000	659,650	556,700	<b>1,553,350</b>
<b>Grand Total</b>	<b>200,037,792</b>	<b>11,993,900</b>	<b>12,152,700</b>	<b>12,307,421</b>	<b>36,454,021</b>

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 September 2021 amounting to Kshs. 12,307,421 while the least collection was in the month of June 2021 amounting to Kshs. 11,993,900.

## 2.4 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs. 1,846,413,129 from the County Revenue Fund (CRF) account, which was 17% of the approved allocations. This amount represented an increase of 52% from Kshs. 879,173,700 received in the FY 2020/2021 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 2021- September 2021)**

No	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Variance (Kshs.)	Remarks
		A	B	C=A-B	
1	Equitable share of Revenue	11,190,382,598	1,856,844,905	9,333,537,693	17%
2	Local Revenue Collections	200,037,792	36,454,021	163,583,771	18%
3	On-Going Projects funds b/f from 2020/2021	60,000,000	60,000,000	-	100%
4	On-Going Projects funds b/f from 2020/2021	729,267,722	729,267,722	-	100%
5	Sweden -Agricultural Sector Development Support Program (ASDSP) II - Co Funding	500,000	-	500,000	0%
6	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health	54,586,272	-	54,586,272	0%
7	Danida Funding for Health sector - Transforming Health care - Universal Health	22,650,375	-	22,650,375	0%
8	UNFPA- 9th County Programme implementation	4,432,000	-	4,432,000	0%
9	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health -	262,571	-	262,571	0%
10	Kenya Devolution support Program (KDSP) B/F (from 17/2018) - Amount n SPA	4,295,329	-	4,295,329	0%

11	Kenya Devolution Support Program b/f 2020/2021	143,000,000	-	143,000,000	0%
12	Kenya Climate smart Agriculture Project (NEDI)	298,883,700	-	298,883,700	0%
13	Sweden -Agricultural Sector Development Support Program (ASDSP) II	32,096,096	-	32,096,096	0%
14	Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F 2019/2020	49,173,647	-	49,173,647	0%
15	Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F 2020/2021	218,112,057	-	218,112,057	0%
16	Conditional Grant from KDSP(balance from B//F	6,209,534	-	6,209,534	0%
17	World Bank Emergency locust response Project(ENRP)	52,925,333	-	52,925,333	0%
18	Kenya Devolution Support Program Allocation for 2021/2022	141,844,646	141,844,646	-	100%
19	Kenya Urban and Institutional Grant b/f	46,311,374	46,311,374	-	100%
	<b>TOTAL</b>	<b>13,254,971,045</b>	<b>2,870,722,668</b>	<b>10,384,248,377</b>	<b>22%</b>

Source: County Treasury, Mandera County Government

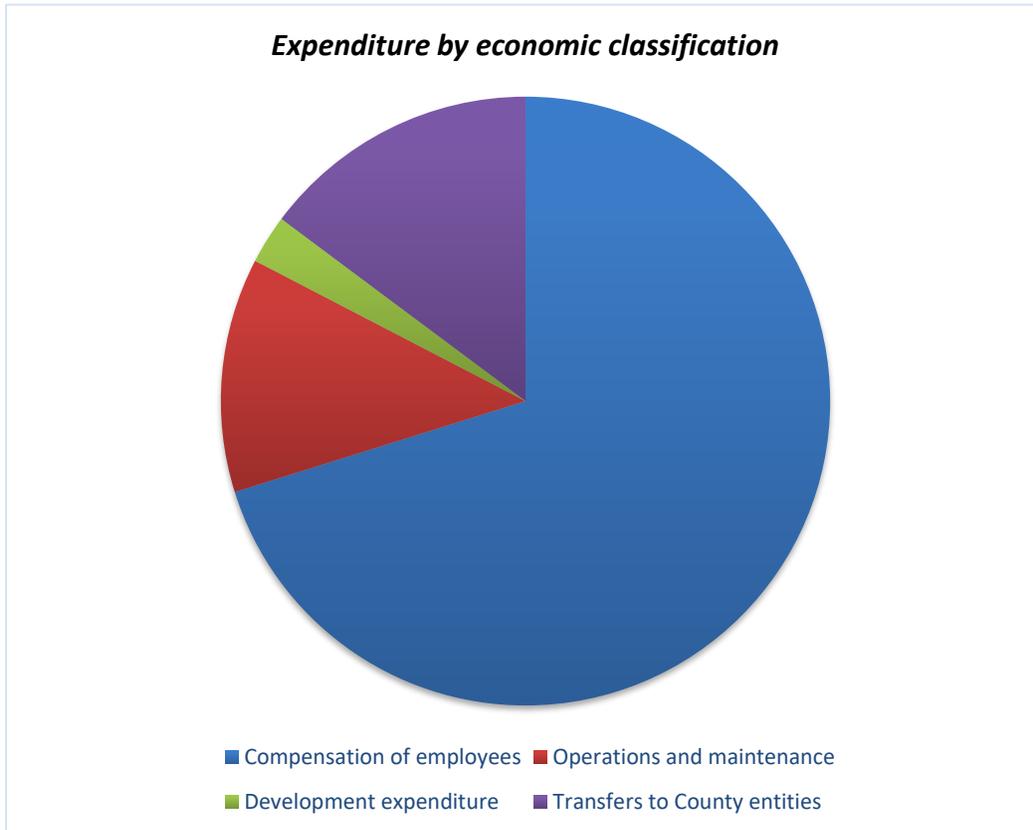
An analysis of the table indicates that the County generated a total of Kshs. 36,454,021 from own revenue sources in the first three months of the FY 2021/2022. This amount represented a decrease of Kshs. 1,625,154 compared to Kshs. 38,079,175 realized in the first three months of the FY 2020/2021. The decline is attributed to the severe drought that impacted the local economy which was declared a national disaster by his excellency President Uhuru Kenyatta

### 3.0 Overall Expenditure Analysis

The overall Mandera County Government's expenditure for the period ending 30<sup>th</sup> September, 2021 amounted to Kshs. 1,646,927,450 out of which Kshs. 247,738,264 was for Operations & Maintenance and Kshs. 1,155,631,377 was for Personnel Emoluments. Transfers amounting to Kshs. 243,557,808 were made to the County entities. This comprised of transfer of Kshs. 157,557,808 and Kshs. 26,000,000 to the County Assembly and Mandera Water and Sewerage Company respectively for their operations while Mandera Municipality received Kshs. 30,000,000

for the same. ELWASCO and Elwak Municipality received Kshs. 15,000,000 each. Expenditures amounting to Kshs. 39,853,374 were utilized on development programmes.

### 3.1 Expenditure by Economic Classification



**Figure 2: Expenditure by Economic Classification**

From the analysis of the above figure, expenditures on Personnel Emoluments had the highest utilization at 70% of the total expenditure incurred in the first three months of the FY 2021/2022 while Transfers to other County entities accounted for 15% of the total expenditure. Expenditure of 12% was incurred on operations and maintenance while expenditure on development projects was at 3%.

## 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 2021/2022 the County Departments were funded in line with the ceilings captured in the 2021 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 2021/2022.

**Table 5: Resource allocation among the ministries**

SUMMARY OF DEPARTMENTAL BUDGET ALLOCATIONS FOR FY 2021/2022					
Departments	Total Allocations 2020/2021	Recurrent Expenditure	Development Expenditure	Total Allocations 2021/2022	%
Ministry of Agriculture Livestock and Fisheries	1,098,923,122	222,912,879	945,021,372	1,167,934,250	9%
Ministry of Education, Culture and Sports	642,467,888	433,993,506	319,692,015	753,685,521	6%
Ministry of Gender, Youth and Social Service	207,638,978	69,522,396	105,000,000	174,522,396	1%
Ministry of Finance	636,753,203	603,272,591	430,300,000	1,033,572,591	8%
Ministry of Health Services	2,781,082,213	1,957,903,586	687,575,394	2,645,478,980	20%
Ministry of Trade, Investments Industrializations and Cooperative Development	151,327,021	68,654,504	77,793,432	146,447,936	1%
County Assembly	977,053,564	911,048,184	172,253,555	1,083,301,739	8%
Lands, Housing and Physical Planning	653,474,004	457,165,439	24,410,211	481,575,650	4%
Office of the Governor and Deputy Governor	466,713,498	502,211,083	-	502,211,083	4%
County Public Service Board	82,079,319	84,762,495	62,000,000	146,762,495	1%
Ministry of Public Service, Management and Devolved Unit	1,537,120,403	1,451,158,997	103,193,187	1,554,352,184	12%

Public Works Roads and Transport	1,437,399,370	138,404,873	1,388,257,226	1,526,662,099	12%
Ministry of Water, Environment and Natural Resources	2,539,328,264	640,244,699	1,398,219,422	2,038,464,121	15%
<b>GRAND TOTAL</b>	<b>13,211,360,847</b>	<b>7,541,255,231</b>	<b>5,713,715,814</b>	<b>13,254,971,045</b>	<b>100%</b>

The highest beneficiary of the FY 2021/2022 budget allocation was the Ministry of Health Services getting Kshs 2,645,478,980 (20 percent), Ministry of Water, Environment and Natural Resources getting Kshs 2,038,464,121 (15 percent), Ministry of Public Service, Management and Devolved Unit got Kshs. 1,554,352,184 (12 percent), Ministry of Public Works Roads and Transport were allocated Kshs 1,526,662,099 (12 percent), Ministry of Agriculture Livestock and Fisheries and got Kshs. 1,167,934,250 (9 percent) while the County Assembly and Ministry of Finance and economic planning got Kshs. 1,083,301,739 (8 percent) and Kshs. 1,033,572,591 (8%) respectively. Other departments were allocated below 6 percent.

### 3.2.2 Departmental Expenditure Analysis

During the period under review, the county Government incurred expenditures totaling to Kshs. 1,646,927,450 on both development and recurrent activities. This absorption accounted for 12% of the total approved budget.

Departments	Budgeted Amount	Recurrent Expenditure	Development Expenditure	Total Expenditure
County Assembly	1,083,301,739.35	157,557,808.00	-	157,557,808.00
Agriculture Livestock and Fisheries	1,167,934,250.26	39,430,873.80	-	39,430,873.80
Education, Culture and Sports	753,685,520.90	87,995,848.40	-	87,995,848.40
Gender, Youth and Social Service	174,522,396.20	8,339,722.20	-	8,339,722.20
Finance	1,033,572,590.78	175,379,865.30	35,208,498.00	210,588,363.30
Health Services	2,645,478,980.42	530,900,317.90	-	530,900,317.90
Trade, Investments Industrializations and	146,447,935.91	15,347,375.90	-	15,347,375.90

Cooperative Development				
Lands, Housing and Physical Planning	481,575,649.62	61,915,903.00	-	61,915,903.00
Office of the Governor	502,211,082.90	86,057,926.67	-	86,057,926.67
County Public Service Board	146,762,495.04	11,334,243.80	-	11,334,243.80
Public Service, Management and Devolved Unit	1,554,352,184.38	296,389,095.69	7,499,300.00	303,888,395.69
Public Works Roads and Transport	1,526,662,098.58	37,158,715.74	-	37,158,715.74
Water, Environment and Natural Resources	2,038,464,120.56	96,411,955.60	-	96,411,955.60
<b>TOTAL</b>	<b>13,254,971,044.90</b>	<b>1,604,219,652.00</b>	<b>42,707,798.00</b>	<b>1,646,927,450.00</b>

Source: County Treasury, Mandera County Government

### 3.2.2.1 Development expenditure performance by departments

In the FY 2021/2022, the County's gross development budget was Kshs. 5,713,715,814.34. An expenditure of Kshs. 42,707,798.00 representing 1% of the development vote was utilized during first three months of the financial year. Only two Ministries were able to incur expenditure. These were the Ministry of Finance and Economic Planning and the Ministry of Public Service, Management and Devolved Unit which spent Kshs. 35,208,498 (8%) and Kshs. 7,499,300 (7%) respectively. The following factors were responsible for low absorption rate;

- Delays in approval of request for funds by office of controller of budget
- Natural calamities e.g. persistent drought in the County

The table 7 analyses development expenditure performance by ministries

Departments	Approved Budget	Expenditure	Utilization
County Assembly	172,253,555.35	-	0%
Agriculture Livestock and Fisheries	945,021,371.55	-	0%
Education, Culture and Sports	319,692,015.00	-	0%

Gender, Youth and Social Service	105,000,000.00	-	0%
Finance and Economic Planning	430,300,000.00	35,208,498.00	8%
Health Services	687,575,394.32	-	0%
Trade, Investments Industrializations and Cooperative Development	77,793,432.40	-	0%
Lands, Housing and Physical Planning	24,410,210.70	-	0%
Public Service, Management and Devolved Unit	103,193,187.02	7,499,300.00	7%
County Public Services Board	62,000,000.00	-	0%
Public Works Roads and Transport	1,388,257,226.00	-	0%
Water, Environment and Natural Resources	1,398,219,422.00	-	0%
<b>TOTAL</b>	<b>5,713,715,814.34</b>	<b>42,707,798.00</b>	<b>1%</b>

Source: County Treasury, Mandera County Government

### 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 2021/2022. The County had a total recurrent budget of Kshs. 7,169,045,514.34. An expenditure of Kshs. 1,604,219,652.00 representing 22% of the recurrent vote was utilized during first three months of the financial year. The Ministry of Trade, Investments, Industrializations and Cooperative Development recorded the highest overall absorption rate at 31% followed by the the Ministry of Finance & Economic Planning and ICT and the Ministry of Education, Culture and Sports at 30% and 27% respectively.

The Ministry of Water, Environment and Natural Resources and the Ministry of Gender, Youth and Social Service were the lowest spenders of recurrent budget in the first quarter at an absorption rate of 13% and 11% respectively.

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

The following factors were responsible for low absorption rate;

- 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 adverse effects of the coronavirus pandemic

The table 8 analyses recurrent expenditure performance by ministries.

Departments	Approved Budget	Expenditure	Utilization
County Assembly	790,834,897.00	157,557,808.00	20%
Agriculture Livestock and Fisheries	238,840,955.91	39,430,873.80	17%

Education, Culture and Sports	325,863,122.45	87,995,848.40	27%
Gender, Youth and Social Service	73,515,054.65	8,339,722.20	11%
Finance and Economic Planning	586,750,086.31	175,379,865.30	30%
Health Services	2,042,920,853.04	530,900,317.90	26%
Trade, Investments Industrializations and Cooperative Development	49,492,635.86	15,347,375.90	31%
Lands, Housing and Physical Planning	317,415,231.62	61,915,903.00	20%
Office of the Governor	472,202,366.80	86,057,926.67	18%
County Public Service Board	69,602,672.49	11,334,243.80	16%
Public Service, Management and Devolved Unit	1,331,886,296.38	296,389,095.69	22%
Public Works Roads and Transport	154,109,033.33	37,158,715.74	24%
Water, Environment and Natural Resources	715,612,308.49	96,411,955.60	13%
<b>TOTAL</b>	<b>7,169,045,514.34</b>	<b>1,604,219,652.00</b>	<b>22%</b>

Source: County Treasury, Mandera County Government

### 3.3 Budget Execution by Programmes and Sub-Programmes

Table 9 shows a summary of the budget execution by programmes and sub-programmes between July 2021 to September 2021 of FY 2021/2022.

Programme	Sub-Programme	Approved Estimates FY 2021/22 (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)	Absorption Rate (% Total Expenditure to Approved Estimates)	Remarks
		A	B	C=A-B	D=B/A *100	
<b>Agricultural and Livestock Sector Support</b>	Agricultural Infrastructure, Conservation and Research	801,955,500.00	0	801,955,500.00	0%	
	Livestock Agricultural Sector Support	245,450,158.00	2,839,800.00	242,610,358.00	1%	
	<b>Sub Total</b>	<b>1,047,405,658.00</b>	<b>2,839,800.00</b>	<b>1,044,565,858.00</b>	<b>0%</b>	
<b>Cooperatives Development Programmes</b>	Cooperatives Agricultural Support	7,200,000.00	0	7,200,000.00	0%	
	<b>Sub Total</b>	<b>7,200,000.00</b>	<b>0.00</b>	<b>7,200,000.00</b>	<b>0%</b>	
<b>Trade Development</b>	Trade development & Promotion	139,247,936.00	18,078,980.90	121,168,955.10	13%	

	<b>Sub Total</b>	<b>139,247,936.00</b>	<b>18,078,980.90</b>	<b>121,168,955.10</b>	<b>13%</b>	
<b>Physical Infrastructure Development</b>	Infrastructure & Equipment	24,410,211.00	0	24,410,211.00	0%	
	Infrastructure Construction, Expansion and Maintenance	687,575,394.00	0	687,575,394.00	0%	
	Infrastructure Development and Expansion	103,193,187.00	9,499,300.00	93,693,887.00	9%	
	Infrastructure Development and Expansion	1,388,257,226.00	244,278,212.70	1,143,979,013.30	18%	
	<b>Sub Total</b>	<b>2,203,436,018.00</b>	<b>253,777,512.70</b>	<b>1,949,658,505.30</b>	<b>12%</b>	
<b>Youth Rehabilitation and Development</b>	Youth Development Programmes and Policy	105,000,000.00	0	105,000,000.00	0%	
	<b>Sub Total</b>	<b>105,000,000.00</b>	<b>0.00</b>	<b>105,000,000.00</b>	<b>0%</b>	
<b>Administration, Planning and Support Services</b>	General Administration & Support Services	2,391,897,091.00	230,037,890.38	2,161,859,200.62	10%	
	General Administration & Support Services	716,098,903.00	153,713,528.50	562,385,374.50	21%	
	<b>Sub Total</b>	<b>3,107,995,994.00</b>	<b>383,751,418.88</b>	<b>2,724,244,575.12</b>	<b>12%</b>	
<b>ECDE and Sports Development Services</b>	ECDE Infrastructure.	319,692,015.00	0	319,692,015.00	0%	
	<b>Sub Total</b>	<b>319,692,015.00</b>	<b>0.00</b>	<b>319,692,015.00</b>	<b>0%</b>	
<b>Legislation and Oversight Services</b>	County Assembly Administration offices	172,253,556.00	0	172,253,556.00	0%	
	<b>Sub Total</b>	<b>172,253,556.00</b>	<b>0.00</b>	<b>172,253,556.00</b>	<b>0%</b>	
<b>Financial Services</b>	Procurement Services	430,300,000.00	130,000,000.00	300,300,000.00	30%	
	<b>Sub Total</b>	<b>430,300,000.00</b>	<b>130,000,000.00</b>	<b>300,300,000.00</b>	<b>30%</b>	

<b>Administration and Compensation</b>	Administration Services	3,467,690,856.00	739,561,695.32	2,728,129,160.68	21%	
	Administration and Support Services	216,284,891.00	25,766,373.00	190,518,518.00	12%	
	<b>Sub Total</b>	<b>3,683,975,747.00</b>	<b>765,328,068.32</b>	<b>2,918,647,678.68</b>	<b>21%</b>	
<b>Water Provision Services</b>	Water Storage Structures	1,304,518,191.00	0	1,304,518,191.00	0%	
	Water provision services	616,020,707.00	93,151,669.20	522,869,037.80	15%	
	<b>Sub Total</b>	<b>1,920,538,898.00</b>	<b>93,151,669.20</b>	<b>1,827,387,228.80</b>	<b>5%</b>	
<b>Solar Energy and Environmental Services</b>	Street lighting	93,701,231.00	0	93,701,231.00	0%	
	Environmental Protection	24,223,992.00	0	24,223,992.00	0%	
	<b>Sub Total</b>	<b>117,925,223.00</b>	<b>0.00</b>	<b>117,925,223.00</b>	<b>0%</b>	
	<b>Grand Total</b>	<b>13,254,971,045.00</b>	<b>1,646,927,450.00</b>	<b>11,608,043,595.00</b>	<b>12%</b>	

*Source: County Treasury, Mandera County Government*

The programmes that performed well based on expenditure absorption were Financial Services at 30%, Administration and Compensation at 21%, Trade Development at 13%, Physical Infrastructure Development at 12% of budget allocation while ECDE and Sports Development Services, Solar Energy and Environmental Services, Agricultural and Livestock Sector Support and Legislation and Oversight Services 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 2021/2022. These are:

##### **Slow release of funds from National Treasury**

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

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

Recurrent 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 Coronavirus pandemic, locust re-invasions, persistent drought, and other natural calamities affected smooth implementation of the planned programmes in the budget.

##### **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.

##### **Under-performance of own revenue collection**

This was due to, amongst other reasons shortage of staff. The department of revenue services which are tasked with local revenue collection and administration was critically understaffed. Insecurity in the region also affected collections of revenues greatly.

## **5.0 RECOMMENDATIONS**

Mandera County Government 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 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 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 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.