



COUNTY GOVERNMENT OF MANDERA

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

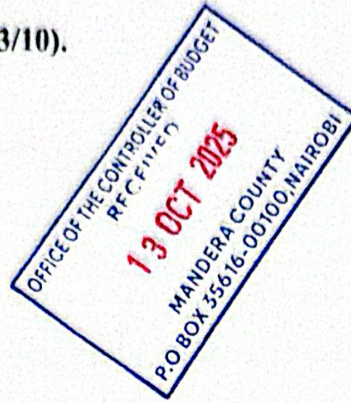
P.O. Box 13-70300, Mandera, Kenya,
Email: countytreasury@mandera.go.ke



MCG/CEC/FEP/OCB/2025/Vol.2 (13/10).

October 13th, 2025

FCCA (Dr.) Margaret Nyakango,
Controller of Budget,
Office of the Controller of Budget,
P.O. Box 35616-00100,
Nairobi.



RE: MANDERA COUNTY GOVERNMENT QUARTER 1 FINANCIAL YEAR 2025/2026 EXPENDITURE RETURNS.

I am writing to submit the Mandera County Government Quarter 1 of the Financial Year 2025/2026 Expenditure Returns for the period July 2025 – September 2025 in accordance with Sections 9 and 16 of the Controller of Budget Act 2016.

Your review of this report will help your office fulfill its mandate.

Please confirm receipt.

Regards,



Ibrahim Mohamed Adan
County Executive Committee Member for Finance and Economic Planning.
Mandera County Government.

Ibrahim M. Adan
CECM - Finance and Economic Planning

REPUBLIC OF KENYA



MANDERA COUNTY GOVERNMENT

COUNTY TREASURY

BUDGET IMPLEMENTATION STATUS REPORT

**FIRST QUARTER REPORT
FY 2025/2026**

OCTOBER, 2025

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 Budget Implementation Report for the first quarter of the Financial Year (FY) 2025/2026. 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 2025/2026 and presents information on budget performance by the County departments in the period July 2025 to September 2025. 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 2024/2025 though a slight improved performance was recorded on development programmes 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 budget approval and delayed disbursement of the equitable share by the National Treasury. We expect the above challenges to be addressed and the budget implementation to be smooth in the second quarter of the FY 2025/2026.

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 Ibrahim Mohamed Adan, OGW.

CECM - 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 2025 to September 2025.

The report presents revenue and expenditure performance by the County Government of Mandera. 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 2025 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 2025/2026 budget is that there would be improved revenue collection from local sources and timely release of funds by the National Treasury.

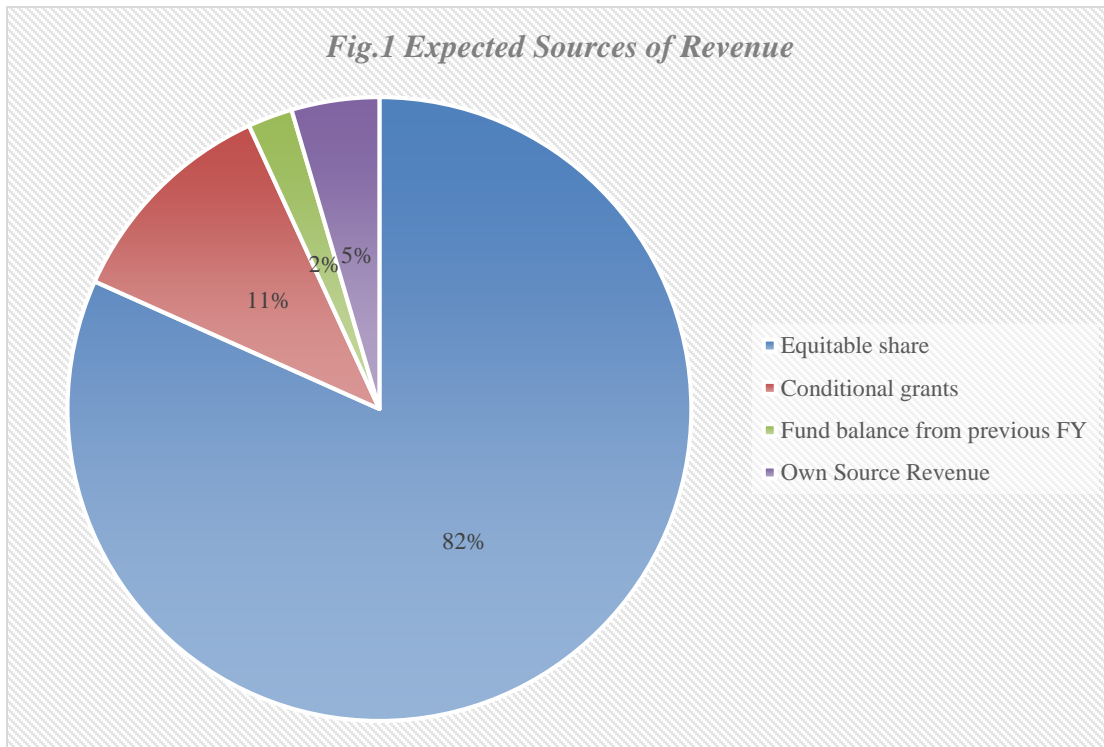
2.0 Financial Analysis of County Budget Implementation

The County had an approved budget of Kshs. 15,011,672,920 which comprised of Kshs. 9,570,929,793 (64%) for recurrent expenditure and Kshs. 5,440,743,127 5,942,163,959 (36%) allocation for development expenditure.

2.1 Budget Components

In order to finance the budget, the County expected to receive Kshs. 12,265,064,993 (82 percent) as the equitable share of revenue raised nationally, generate Kshs. 682,525,007 (5 percent) from own sources of revenue, receive Kshs. 1,716,529,671 (11 percent) from various conditional grants, and other revenue (ongoing projects/fund balances carried forward) of Kshs. 347,553,249 (2 percent) from FY 2024/2025.

Figure 1: Expected Sources of Budget Financing in FY 2025/2026



Source: County Treasury, Mandera County Government

The major source of revenue for the County was national sharable revenue making up 82%. Fund balances from the Financial Year 2024/2025 and Conditional grants made up 2% and 11% of the budget respectively while the County's annual local revenue was expected to finance only 5% of the budget.

Table 1: Budget Components

The table summarizes county revenues for FY 2025/2026 budget

Revenue summary By Sources	Amount (Kshs)
Equitable share	12,265,064,993
Own Source Revenue Projections	360,000,000
Facility Improvement Financing (FIF)	322,525,007
On-Going Projects funds B/f from previous year	347,553,249
Allocation for Mineral royalties	1,028
DANIDA Grant - Primary Health Care	16,473,000
DANIDA Grant - Primary Health Care for FY 2023/2024 (Not received)	18,653,250
DANIDA Grant - Primary Health Care (B/f)	15,746,250
Community Health Promoters Program	18,540,000
Kenya Agricultural Business Development Project	10,918,919
Kenya Urban Support Project (KUSP) – UDG	142,013,441
Food Systems Resilience Project -(FSRP)	246,153,846
FSRP B/f	70,127,131
FLOCCA County Climate Institutional Support Grant	11,000,000
FLOCCA CCIR Grant FY 2023/2024 Allocations B/f (Amount in SPA)	16,507,427
FLOCCA CCIR Grant FY 2023/2024 and FY 2024/25 Allocations	227,938,965
Conditional Grant for Aggregated Industrial Parks Programme	250,000,000
Kenya Devolution Support Programme 2 (KDSP II) Level 2 grant	352,500,000
Kenya Devolution Support Programme 2 (KDSP II)	37,500,000
Roads Maintenance Fuel Levy	192,647,255
Kenya Urban Support Project (KUSP) – UIG	35,000,000
Kenya Urban Support Project (KUSP) - UIG b/f	35,000,000
Basic Salary Arrears for County Governments Health Workers	19,809,159
TOTAL	15,011,672,920

Source: County Treasury, Mandera County Government

2.2 Revenue Performance Analysis

During the first six months of the FY 2025/2026, the County received Kshs. 2,204,278,414 and Kshs 134,690,108 as equitable share of revenue raised nationally and conditional grant respectively and raised Kshs. 75,520,996 from own source revenue.

2.3 Own Source Revenue Performance

The County Government targeted to collect Kshs. 682,525,007 from local sources during the FY 2025/2026. The actual achievement in the first three months of the FY 2025/2026 was Kshs. 75,520,996 which translates to 11% of the targeted collection.

Table 2: Total Local Revenue Collections for the First Quarter of FY 2025/2026

The table below summarizes comparisons between targeted local revenue collections in the FY 2025/2026 and what was realized for the period under review.

Revenue Sources	Annual Target FY 2024/2025	Total collections – Quarter one
Land rents	76,640,271	6,755,750
Plot Tranfers/Sub-Divisions/Application Fees	27,590,500	4,023,500
Building plan	3,270,000	50,000
Miraa Movements	9,034,500	1,210,000
Single Business Permit	37,402,728	1,209,100
Market Stalls/ Shades	18,148,637	2,212,740
Market Gates/Cess	1,400,650	67,575
Buspark/Taxis/Parking	1,200,000	20,790
Income from Quarries	1,084,180	333,200
Barriers	25,735,950	5,090,327
Livestock Markets Auction	8,984,555	1,186,610
Livestock Movement	15,416,646	2,407,640
Slaughter fees and Charges	8,924,150	1,126,109
Produce Cess	3,872,037	360,470
Agriculture Mechanization/Hire of Equipments	1,850,196	195,000
Rental income	1,915,000	927,418
Tender Fees	45,500,000	738,692
Public Health	4,200,000	169,200
Fire Service Fees	2,580,000	21,000
Income from Water Management	65,250,000	9,787,814
Grand Total	360,000,000	37,892,935
HOSPITAL COLLECTIONS-FIF		
Hospital Collections -FIF/SHA	322,525,007	13,363,722
Insurance Claims-Referrals		7,404,611
Insurance Claims-Level 2 & 3		16,731,228
Public Health	-	128,500
Sub-Total	322,525,007	37,628,061
Grand Total	682,525,007	75,520,996

Source: Department of revenue services, Mandera County Government

Table 3: Monthly OSR Performance per Stream

The table below shows the monthly revenue collection for the first quarter of the FY 2024/2025 against the actual total revenue raised during the same period the financial year 2023/2024. The monthly collection breakdown is shown in table that follows.

FIRST QUARTER OWN SOURCE REVENUE COLLECTION FY 2025/2026

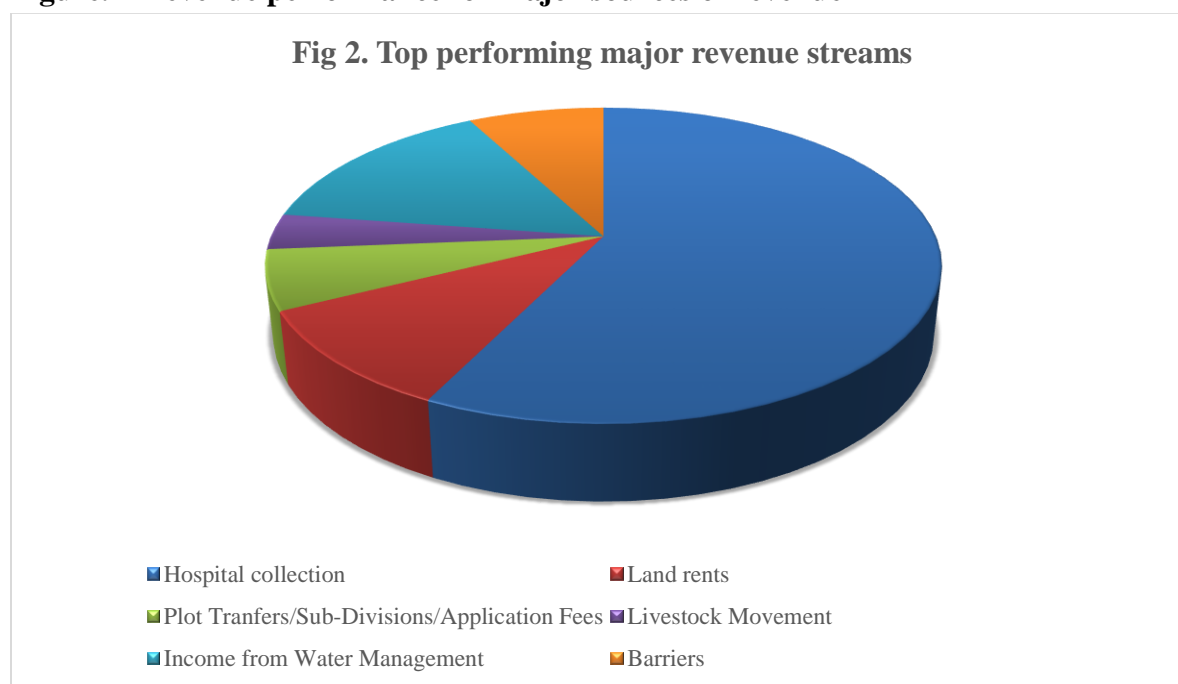
Revenue Sources	Approved Target	Jul-25	Aug-25	Sep-25	Total
Land rents	76,640,271	1,912,250	1,864,000	2,979,500	6,755,750
Plot Tranfers/Sub-Divisions/Application Fees	27,590,500	1,291,000	1,240,500	1,492,000	4,023,500
Building plan	3,270,000	15,000	23,000	12,000	50,000
Miraa Movements	9,034,500	450,000	310,000	450,000	1,210,000
Single Business Permit	37,402,728	611,000	183,500	414,600	1,209,100
Market Stalls/ Shades	18,148,637	780,120	703,120	729,500	2,212,740
Market Gates/Cess	1,400,650	-	-	67,575	67,575
Buspark/Taxis/Parking	1,200,000	-	-	20,790	20,790
Income from Quarries	1,084,180	74,200	120,300	138,700	333,200
Barriers	25,735,950	1,761,200	1,461,731	1,867,396	5,090,327
Livestock Markets Auction	8,984,555	402,360	364,600	419,650	1,186,610
Livestock Movement	15,416,646	737,600	760,500	909,540	2,407,640
Slaughter fees and Charges	8,924,150	371,159	351,750	403,200	1,126,109
Produce Cess	3,872,037	174,910	73,460	112,100	360,470
Agriculture Mechanization/Hire of Equipment	1,850,196	150,000	22,000	23,000	195,000
Rental income	1,915,000	559,618		367,800	927,418
Tender Fees	45,500,000	738,692	-	-	738,692
Public Health	4,200,000	44,000	57,400	67,800	169,200
Fire Service Fees	2,580,000	7,000	5,000	9,000	21,000
Income from Water Management	65,250,000	2,685,942	3,293,922	3,807,950	9,787,814

Grand Total	360,000,000	12,766,051	10,834,783	14,292,101	37,892,935
HOSPITAL COLLECTIONS AFTER FIF ACT.					
HOSPITAL COLLECTIONS -FIF/SHA	322,525,007	4,306,503	3,935,203	5,122,016	13,363,722
Insurance Claims-Referrals		3,168,526	1,407,997	2,828,088	7,404,611
Insurance Claims-Level 2 & 3		-	16,731,228	-	16,731,228
Public Health	-	40,900	27,800	59,800	128,500
Sub-Total	322,525,007	7,515,929	22,102,228	8,009,904	37,628,061
Grand Total	682,525,007	20,281,980	32,937,011	22,302,005	75,520,996

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 August 2025 amounting to Kshs. 32,937,011 while the least collection was in the month of July 2024 amounting to Kshs. 20,281,980.

Figure. 2 Revenue performance for major sources of revenue



In the period under review, the County’s top performing streams included Hospital collection, Land rents, Plot Transfers, Livestock movement, Income from water management, and Barriers.

Notable nosedive in revenue collection was on Public Health, Agriculture Mechanization, Market Gates/Cess, Rental income, Income from Quarries, and Taxis/Parking fees.

Table 4: Revenue for the quarter against target for the quarter

Revenue Sources	Annual Target FY 2024/2025	First Quarter Target	Total collections – Quarter one	Q1 Variance from Q1 Target
Land rents	76,640,271	19,160,068	6,755,750	12,404,318
Plot Transfers/Sub-Divisions/Application Fees	27,590,500	6,897,625	4,023,500	2,874,125
Building plan	3,270,000	817,500	50,000	767,500
Miraa Movements	9,034,500	2,258,625	1,210,000	1,048,625
Single Business Permit	37,402,728	9,350,682	1,209,100	8,141,582
Market Stalls/ Shades	18,148,637	4,537,159	2,212,740	2,324,419
Market Gates/Cess	1,400,650	350,163	67,575	282,588
Buspark/Taxis/Parking	1,200,000	300,000	20,790	279,210
Income from Quarries	1,084,180	271,045	333,200	(62,155)
Barriers	25,735,950	6,433,988	5,090,327	1,343,661
Livestock Markets Auction	8,984,555	2,246,139	1,186,610	1,059,529
Livestock Movement	15,416,646	3,854,162	2,407,640	1,446,522
Slaughter fees and Charges	8,924,150	2,231,038	1,126,109	1,104,929
Produce Cess	3,872,037	968,009	360,470	607,539
Agriculture Mechanization/Hire of Equipment	1,850,196	462,549	195,000	267,549
Rental income	1,915,000	478,750	927,418	(448,668)
Tender Fees	45,500,000	11,375,000	738,692	10,636,308
Public Health	4,200,000	1,050,000	169,200	880,800
Fire Service Fees	2,580,000	645,000	21,000	624,000

Income from Water Management	65,250,000	16,312,500	9,787,814	6,524,686
Grand Total	360,000,000	90,000,000	37,892,935	52,107,065
HOSPITAL COLLECTIONS-FIF				
Hospital Collections -FIF/SHA	322,525,007	80,631,252	13,363,722	43,003,191
Insurance Claims-Referrals			7,404,611	
Insurance Claims-Level 2 & 3			16,731,228	
Public Health	-		128,500	
Sub-Total	322,525,007	80,631,252	37,628,061	43,003,191
Grand Total	682,525,007	170,631,252	75,520,996	95,110,256

Source: Directorate of Revenue Services, Mandera County

2.4 Explanations for the revenue performance

Some revenue sources recorded a positive variance from target, while others performed below expectations. For instance, the impressive growth in income from water management is attributed to the recent designation of the Ministry of Water Services as a revenue receiver, with both municipalities assuming this responsibility last year.

Other streams, such as hospital collections, are expected to surpass targets in the next quarter following the enactment and implementation of the Mandera County Facility Improvement Financing Act, 2023. Additional revenue enhancement efforts are also underway to reduce the negative variance.

The biggest concern is the underperformance in land rates, plot transfers, and building plans despite the county putting in place intense enforcement mechanisms including automation.

2.5 Recommended Revenue Enhancement Strategies

- **Targeted Public Awareness and Engagement:** Educating stakeholders on their obligations and the benefits of timely payments, such as improved local services. Clear, accessible information can encourage voluntary compliance and build community support.
- **Revenue Collection Targets and Incentives:** Setting specific, achievable targets for collection agents and introducing incentives for meeting or exceeding goals, will improve motivation and accountability.
- **Policy and Regulatory Improvements:** Reviewing and streamlining regulations governing these revenue streams to eliminate complex, outdated procedures that hinder

collection. Additionally, setting up penalties for non-compliance will encourage prompt payment.

- **Data-Driven Decision Making:** Collecting and analyzing data on peak times, locations, and patterns to optimize staffing, adjust rates, and ensure that collection mechanisms are tailored to specific revenue streams.
- Enforce more compliance efforts
- Improve or advance the automation system/measures
- Boosting security in collaboration with the national government

2.6 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs. 1,686,486,806 from the County Revenue Fund (CRF) account during the reporting period. This comprised Kshs. 269,150,000 for development programmes and Kshs. 1,417,336,806 for recurrent programmes. The recurrent exchequers released in the first three months of FY 2024/25 comprised Kshs. 1,098,990,892 released towards employee compensation and Kshs. 318,345,914 for operations and maintenance expenditure.

2.7 Conditional Grants

The County received Kshs 134,690,108 as Conditional Grants during the reporting period.

Table 5: Revenue Performance by Source (July 2025- September 2025)

S/No.	Revenue Category	Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Budget Allocation (%)
A	Equitable Share of Revenue Raised Nationally	12,265,064,993	1,974,907,846	16
	Subtotal	12,265,064,993	1,974,907,846	16
B	Additional Allocations			
1	Roads Maintenance Fuel Levy	192,647,255	70,127,132	36
2	Kenya Urban Support Project (KUSP) - UIG b/f	35,000,000	32,309,300	92
3	FLOCCA CCIR Grant FY 2023/2024 Allocations B/f (Amount in SPA)	16,507,427	16,507,428	100
4	DANIDA Grant - Primary Health Care (B/f)	15,746,250	15,746,250	100
5	Kenya Devolution Support Programme 2 (KDSP II) Level 2 grant	352,500,000	-	-
6	Conditional Grant for Aggregated Industrial Parks Programme	250,000,000	-	-

S/No.	Revenue Category	Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Budget Allocation (%)
7	Food Systems Resilience Project - (FSRP)	246,153,846	-	-
8	FLOCCA CCIR Grant FY 2023/2024 and fy 2024/25 Allocations	227,938,965	-	-
9	Kenya Urban Support Project (KUSP) – UDG	142,013,441	-	-
10	FSRP b/f	70,127,131	-	-
11	Kenya Devolution Support Programme 2 (KDSP II)	37,500,000	-	-
12	Kenya Urban Support Project (KUSP) – UIG	35,000,000	-	-
13	Basic Salary Arrears for County Governments Health Workers	19,809,159	-	-
14	DANIDA Grant - Primary Health Care for FY 2023/2024 (Not received)	18,653,250	-	-
15	Community Health Promoters Program	18,540,000	-	-
16	DANIDA Grant - Primary Health Care	16,473,000	-	-
17	FLOCCA County Climate Institutional Support Grant	11,000,000	-	-
18	Kenya Agricultural Business Development Project	10,918,919	-	-
19	Allocation for Mineral royalties	1,028	-	-
Subtotal		1,716,529,671	134,690,110	8
C	Ordinary Own Source Revenue (OSR)			
1	Land rents	76,640,271	6,755,750	9
2	Plot Transfers/Sub-Divisions/Application Fees	27,590,500	4,023,500	15
3	Building plan	3,270,000	50,000	2
4	Miraa Movements	9,034,500	1,210,000	13
5	Single Business Permit	37,402,728	1,209,100	3
6	Market Stalls/ Shades	18,148,637	2,212,740	12
7	Market Gates/Cess	1,400,650	67,575	5
8	Buspark/Taxis/Parking	1,200,000	20,790	2
9	Income from Quarries	1,084,180	333,200	31
10	Barriers	25,735,950	5,090,327	20
11	Livestock Markets Auction	8,984,555	1,186,610	13
12	Livestock Movement	15,416,646	2,407,640	16
13	Slaughter fees and Charges	8,924,150	1,126,109	13
14	Produce Cess	3,872,037	360,470	9
15	Agriculture Mechanization/Hire of Equipments	1,850,196	195,000	11
16	Rental income	1,915,000	927,418	48
17	Tender Fees	45,500,000	738,692	2
18	Public Health	4,200,000	169,200	4
19	Fire Service Fees	2,580,000	21,000	1
20	Income from Water Management	65,250,000	9,787,814	15
Subtotal		360,000,000	37,892,935	11

S/No.	Revenue Category	Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Budget Allocation (%)
D	Facility Improvement Fund (FIF)			
1	Hospital Collections	322,525,007	13,363,722	4
2	Insurance Claims-Referrals		7,404,611	-
3	Insurance Claims-Level 2 & 3		16,731,228	-
4	Public Health		128,500	-
Subtotal		322,525,007	37,628,061	12
F	Balance Brought Forward from FY 2024/25			
1	Balance at CRF	347,553,249	347,553,249	100
2	County Executive Refunds to CRF	-	-	0
3	County Assembly Refunds to CRF	-	-	0
Subtotal		347,553,249	347,553,249	100
Grand Total		15,011,672,920	2,532,672,201	17

Source: County Treasury, Mandera County Government

An analysis of the table indicates that the County generated a total of Kshs. 75,520,996 from own revenue sources in the first three months of the FY 2025/2026. This amount represented an increase of Kshs. 32,839,212 compared to Kshs. 42,681,784 realized in the first three months of the FY 2024/2025.

3.0 Overall Expenditure Analysis

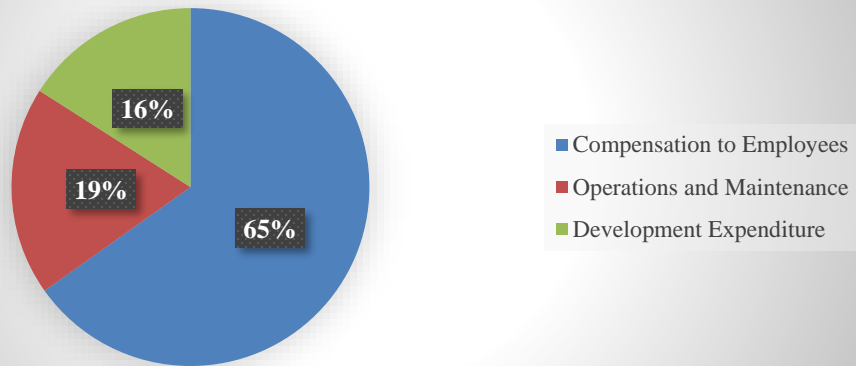
The County spent Kshs. 1,686,486,806 on development and recurrent programmes in the reporting period. The expenditure represented 100 per cent of the total funds released by the CoB and comprised of Kshs. 269,150,000 and Kshs. 1,417,336,806 on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 5 per cent, while recurrent expenditure represented 16 per cent of the annual recurrent expenditure budget.

3.1 Expenditure by Economic Classification

Out of the total expenditures, the expenditures on compensation to employees amounted to 65%, whereas the use of goods expenditures amounted to 19%. A total of Kshs. 269,150,000 was incurred on development expenditures during the period representing 16%.

Figure 3: Expenditure by Economic Classification

Fig.3 Expenditure by economic classification



From the analysis of the above figure, expenditures on Personnel emoluments had the highest utilization at 65% of the total expenditure incurred in the first three months of the FY 2025/2026 while expenditure on Operations and Maintenance accounted for 19% of the total expenditure and expenditure on the development vote had an absorption of 16%.

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 2025/2026 the County Departments were funded in line with the ceilings captured in the 2024 County Fiscal Strategy Paper drawn to champion key priority programmes highlighted in the third Manderu County Integrated Development Plan (2023-2027).

Table 6 shows the breakdown of county’s budget per ministry in FY 2025/2026.

Table 6: Resource allocation among the ministries

Approved Budget Estimates FY 2025/26			
Departments	Recurrent Expenditure	Development Expenditure	Total Allocation 2025/26
Ministry of Agriculture, Livestock and Fisheries	286,099,217.00	572,290,531.00	858,389,748.00
Ministry of Education and Human Capital Development	1,124,704,757.00	248,299,808.00	1,373,004,565.00

Ministry of Social Development	388,346,459.00	166,961,849.00	555,308,308.00
Ministry of Finance and Economic Planning	439,597,429.00	22,800,000.00	462,397,429.00
Ministry of Health Services	2,736,848,001.00	362,317,243.00	3,099,165,244.00
Ministry of Trade and Cooperative Development	80,832,237.00	323,539,780.00	404,372,017.00
County Assembly	917,936,058.00	50,000,000.00	967,936,058.00
Ministry of Lands and Urban Development	213,693,940.00	729,814,961.00	943,508,901.00
County Executive Services	521,004,376.00	-	521,004,376.00
Office of the County Secretary	134,034,068.00	427,728,165.00	561,762,233.00
Office of the County Attorney	91,500,000.00	-	91,500,000.00
County Public Service Board	57,510,911.00	5,000,000.00	62,510,911.00
Ministry of Public Service Management, Devolved Units and Community Cohesion	1,996,690,090.00	6,000,000.00	2,002,690,090.00
Ministry of Roads, Transport and Public Works	237,107,953.00	558,435,355.00	795,543,308.00
Ministry of Water, Energy, Environment and Climate Change	345,024,297.00	1,967,555,435.00	2,312,579,732.00
GRAND TOTAL	9,570,929,793.00	5,440,743,127.00	15,011,672,920.00

Source: County Treasury, Mandera County Government

The highest beneficiary of the FY 2025/2026 budget allocation was the Ministry of Health Services getting Kshs 3,099,165,244 (21 percent), Ministry of Water, Environment and Natural Resources getting Kshs 2,312,579,732 (15 percent), Ministry of Public Service Management got Kshs. 2,002,690,090 (13 percent), Ministry of Education and Human Capital Development were allocated Kshs 1,373,004,565 (9 percent), while the Ministry of Agriculture, Livestock and Fisheries, and County Assembly got Kshs. 943,508,901 (6 percent) and Kshs. 967,936,058 (6 percent) respectively. Other departments were allocated 6 percent and below.

3.2.2 Departmental Expenditure Analysis (Against Annual Target)

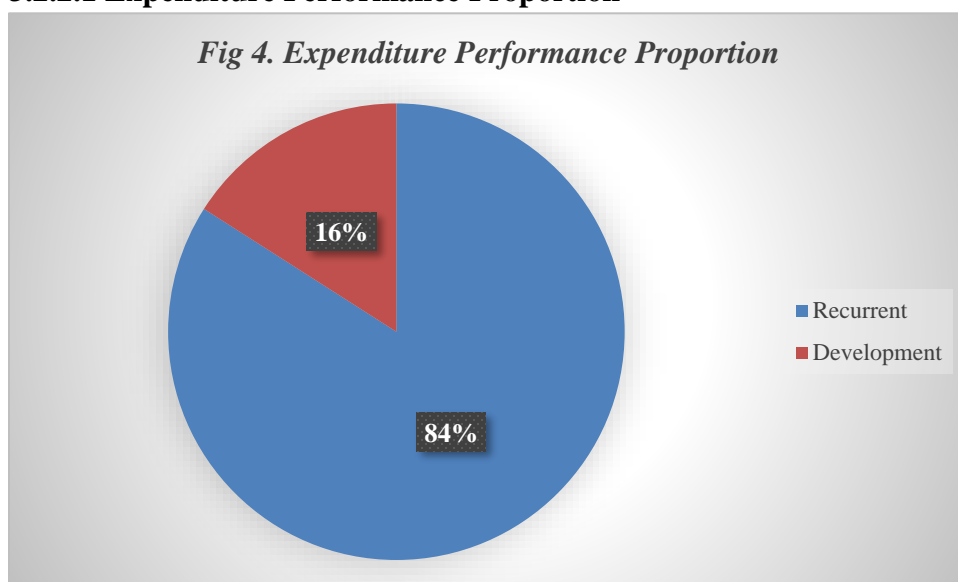
During the quarter under review, the County Government incurred an expenditure of Kshs. 1,417,336,806 on recurrent expenditure and Kshs. 269,150,000 on the development vote as tabulated below.

Table 7: Total Expenditure Analysis

Department	Budget Allocation (Kshs.Millions)		Expenditure (Kshs. Millions)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	917.94	50.00	62.93	-	7	-
County Executive Services	521.00	-	79.43	-	15	-
Finance and Economic Planning	439.60	22.80	71.88	-	16	-
Agriculture, Livestock and Fisheries	286.10	572.29	36.83	-	13	-
Water, Energy, Environment and Natural Resources	345.02	1,967.56	71.30	134.15	21	7
Education and Human Capital Development	1,124.70	248.30	283.87	-	25	-
Health Services	2,736.85	362.32	504.41	2.00	18	1
Lands and Urban Development	213.69	729.81	16.87	133.00	8	18
Roads, Transport and Works Roads	237.11	558.44	36.35	-	15	-
Social Development	388.35	166.96	15.60	-	4	-
Public Service Management	1,996.69	6.00	274.04	-	14	-
County Public Service Board	57.51	5.00	11.06	-	19	-
Trade and Cooperative Development	80.83	323.54	11.38	-	14	-
Office of the County Secretary	134.03	427.73	4	-	3	-
Office of the County Attorney	91.50	-	0.32	-	0	-
Total	9,570.93	5,440.74	1,480.27	269.15	15	5

Source: County Treasury, Mandera County Government

3.2.2.1 Expenditure Performance Proportion



Source: Mandera County Treasury

3.2.2.2 Development expenditure performance by departments

An expenditure amounting to Kshs. 269,150,000 representing 5% of the development budget was incurred on the development vote during the quarter under review. The Ministry of Lands and Urban Development recorded the highest overall absorption rate at 18% followed by the Ministry of Water, Environment and Climate Change and Ministry of Health Services at 7% and 1% respectively.

The following factors were responsible for low absorption rate in the quarter;

- Late fund releases
- Late budget approval
- Technical challenges in application of IFMIS
- Technical challenges in application of E-GP
- Poor network connectivity

The table 8 analyses recurrent expenditure performance by ministries.

Table 8: Development Expenditure Analysis

Departments	Development Expenditure	Development Expenditure	Perntage of performance
Ministry of Agriculture, Livestock and Fisheries	572,290,531.00		0%
Ministry of Education and Human Capital Development	248,299,808.00		0%

Ministry of Social Development	166,961,849.00		0%
Ministry of Finance and Economic Planning	22,800,000.00		0%
Ministry of Health Services	362,317,243.00	2,000,000.00	1%
Ministry of Trade and Cooperative Development	323,539,780.00		0%
County Assembly	50,000,000.00		0%
Ministry of Lands and Urban Development	729,814,961.00	133,000,000.00	18%
County Executive Services	-		0%
Office of the County Secretary	427,728,165.00		0%
Office of the County Attorney	-		0%
County Public Service Board	5,000,000.00		0%
Ministry of Public Service Management, Devolved Units and Community Cohesion	6,000,000.00		0%
Ministry of Roads, Transport and Public Works	558,435,355.00		0%
Ministry of Water, Energy, Environment and Climate Change	1,967,555,435.00	134,150,000.00	7%
GRAND TOTAL	5,440,743,127.00	269,150,000.00	5%

Source: County Treasury, Mandera County Government

3.2.2.3 Recurrent expenditure performance by departments

The County performed well in the execution of the recurrent budget in the first quarter of the FY 2025/2026. The County had a total recurrent budget of Kshs. 9,570,929,793. An expenditure of Kshs. 1,417,336,806 representing 15% of the recurrent vote was utilized during first three months of the financial year.

The Ministry of Education and Human Capital Development recorded the highest overall absorption rate at 23% followed by the County Public Service Board at 19%. These were followed by the Ministry of Health Services and the Ministry of Finance and Economic Planning at 18% each.

Other Ministries recorded an absorption of less than 17% with the Office of the County Secretary and Office of the County Attorney the lowest spenders of recurrent budget in the first quarter at an absorption rate of 5% and 1% respectively. Overall, the recurrent vote performed better than the development vote.

The following factors were responsible for low absorption rate;

- Late budget approval
- Delay in fund disbursements from the National Government

- Technical challenges in application of IFMIS
- Poor network connectivity

The table 9 analyses recurrent expenditure performance by ministries.

Table 9: Recurrent Expenditure Analysis

Departments	Recurrent Expenditure	Recurrent Expenditure	Percentage of absorption
Ministry of Agriculture, Livestock and Fisheries	286,099,217.00	36,830,000.00	13%
Ministry of Education and Human Capital Development	1,124,704,757.00	283,870,000.00	25%
Ministry of Social Development	388,346,459.00	15,600,000.00	4%
Ministry of Finance and Economic Planning	439,597,429.00	71,880,000.00	16%
Ministry of Health Services	2,736,848,001.00	504,410,000.00	18%
Ministry of Trade and Cooperative Development	80,832,237.00	11,380,000.00	14%
County Assembly	917,936,058.00		0%
Ministry of Lands and Urban Development	213,693,940.00	16,870,000.00	8%
County Executive Services	521,004,376.00	79,430,000.00	15%
Office of the County Secretary	134,034,068.00	4,000,000.00	3%
Office of the County Attorney	91,500,000.00	320,000.00	0%
County Public Service Board	57,510,911.00	11,060,000.00	19%
Ministry of Public Service Management, Devolved Units and Community Cohesion	1,996,690,090.00	274,036,806.00	14%
Ministry of Roads, Transport and Public Works	237,107,953.00	36,350,000.00	15%
Ministry of Water, Energy, Environment and Climate Change	345,024,297.00	71,300,000.00	21%
GRAND TOTAL	9,570,929,793.00	1,417,336,806.00	15%

Source: County Treasury, Mandera County Government

3.3 Budget Execution by Programmes and Sub-Programmes

Table 10 shows a summary of the budget execution by programmes and sub-programmes between July 2024 to September 2024 of FY 2025/2026.

Programme	Sub-Programme	Approved Estimates FY 2025/26		Actual Expenditure as of 30th September 2025		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Agriculture, Livestock and Fisheries						-	-
General Administration & Support Services	General Administration & Support Services	158,423,134	-	34,833,589	-	22	-
Livestock Resources Management and Development	Livestock Resources Management and Development	51,000,000	103,923,885	700,000	-	1	-
Food Security and Sustainable Agriculture	Crop Management and Development	36,300,000	408,366,646	700,000	-	2	-
Irrigation Development and Management	Irrigation Development and Management	40,376,083	60,000,000	600,000	-	1	-
	Sub Total	286,099,217	572,290,531	36,833,589	-	13	-
Land and Urban Development						-	-
General Administration & Support Services	General Administration & Support Services	65,159,061	-	15,920,555	-	24	-
Land Use Planning and Survey	Land Use Planning and Survey	14,550,000	27,301,520	450,000	-	3	-
Physical Planning housing and urban development	Physical Planning housing and urban development	2,700,000	702,513,441	500,000	133,000,000	19	19
Solid Waste Management	Solid Waste Management	131,284,879	-	-	-	-	-
	Sub-Total	213,693,940	729,814,961	16,870,555	133,000,000	8	18.2
Roads, Public Works and Transport						-	-
General Administration & Support Services	General Administration & Support Services	150,923,002	-	35,654,576	-	24	-
Road And Air Transport Infrastructure Development	Road And Air Transport Infrastructure Development	78,684,951	479,744,964	150,000	-	0	-
Public Works Management	Public Works Management	7,500,000	78,690,391	550,000	-	7	-
	Sub-Total	237,107,953	558,435,355	36,354,576	-	15	-
Trade and Cooperative Development						-	-
General Administration and Planning	General Administration and Planning	47,132,237	-	10,625,582	-	23	-
Cooperative Development and Promotion	Cooperative Development and Promotion	25,200,000	25,000,000	450,000	-	2	-
Trade Development and Promotion	Trade Development and Promotion	8,500,000	298,539,780	300,000	-	4	-
	Sub-Total	80,832,237	323,539,780	11,375,582	-	14	-
Health Services						-	-
General Administration and Planning	General Administration and Planning	1,855,418,494	-	375,983,012	-	20	-

Programme	Sub-Programme	Approved Estimates FY 2025/26		Actual Expenditure as of 30th September 2025		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Preventive, Promotive and Reproductive Health Services	Preventive, Promotive and Reproductive Health Services	193,404,500	147,059,949	550,000	2,000,000	0	1
Curative Rehabilitative and Referral Services	Curative Rehabilitative and Referral Services	688,025,007	215,257,294	127,876,970	-	19	-
	Sub-Total	2,736,848,001	362,317,243	504,409,982	2,000,000	18	1.36
Education and Human Capital Development						-	-
General Administration and Planning	General Administration and Planning	1,035,954,757	-	283,019,575		27	-
Early Childhood Education	Early Childhood Education	66,750,000	178,249,914	350,000	-	1	-
Vocational and Technical Training Services	Vocational and Technical Training Services	18,500,000	70,049,894	300,000	-	2	-
Education Support Services	Education Support Services	3,500,000	-	200,000	-	6	-
	Sub-Total	1,124,704,757	248,299,808	283,869,575	-	25	-
County Executive Services						-	-
Management of County Affairs	General Administration and Planning	521,004,376	-	79,428,652	-	15	-
	Sub-Total	521,004,376	-	79,428,652	-	15	-
Office of the County Secretary						-	-
Policy, Leadership and Executive Coordination	Leadership and executive coordination	134,034,068	427,728,165	4,000,000	-	3	-
	Sub-Total	134,034,068	427,728,165	4,000,000	-	3	-
Office of the County Attorney						-	-
Legal and Public Sector Advisory Services	Legal and advisory services	91,500,000	-	323,200	-	0	-
	Sub-Total	91,500,000	-	323,200	-	0.35	-
County Public Service Board						-	-
Ethics, Governance and Public Service Values	Ethics, Governance and Public Service Values	57,510,911	5,000,000	11,057,784	-	19	-
	Sub-Total	57,510,911	5,000,000	11,057,784	-	19	-
County Assembly						-	-
Legislation and Representation	Legislation and Representation	917,936,058	50,000,000	62,932,370	-	7	-
	Sub-Total	917,936,058	50,000,000	62,932,370	-	7	-
Finance and Economic Planning						-	-
General Administration and Planning	Administration Planning	310,949,429	-	70,875,419	-	23	-
Public Finance Management	Accounting Services	6,500,000	8,000,000	500,000	-	8	-

Programme	Sub-Programme	Approved Estimates FY 2025/26		Actual Expenditure as of 30th September 2025		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Financial Services and Report	2,500,000	-	-	-	-	-
	Internal Audit Services	2,300,000	-	-	-	-	-
	Supply Chain Management Affairs	6,500,000	-	-	-	-	-
	County Asset Management system	2,500,000	-	-	-	-	-
Economic Planning and Statistics	County Economic Planning and Statistics	30,500,000	-	150,000	-	0	-
Revenue Collection and Enhancement	Revenue Collection and Enhancement	64,748,000	10,000,000	-	-	-	-
ICT and E-Government Services	ICT and E-Government Services	13,100,000	4,800,000	350,000	-	3	-
	Sub-Total	439,597,429	22,800,000	71,875,419	-	16	-
County Public Service Management						-	-
General Administration and Planning	Administration Planning	1,975,390,090	-	273,936,191	-	14	-
Devolved Governance and Enforcement Services	Devolved Governance and Enforcement Services	-	6,000,000	-	-	-	-
Civic Education and Public Participation	Civic Education and Public Participation	-	-	-	-	-	-
De-Radicalization and Countering Violence	De-Radicalization and Countering Violence	-	-	-	-	-	-
Community Cohesion and Conflict Management	Community Cohesion and Conflict Management	21,300,000	-	100,000	-	0	-
	Sub-Total	1,996,690,090	6,000,000	274,036,191	-	14	-
Social Development						-	-
General Administration and Planning	Administration Planning	54,517,376	-	14,197,504	-	26	-
Women Empowerment and Affirmative Action	Women Empowerment and Affirmative Action	4,200,000	8,000,000	450,000	-	11	-
Youth Empowerment and Sports	Youth Empowerment and Sports	7,500,000	60,961,970	350,000	-	5	-
Culture and Gender Development promotion	Culture and Gender Development promotion	4,350,000	5,000,000	600,000	-	14	-
Disaster Preparedness and Management	Disaster Preparedness and Management	317,779,083	92,999,879	-	-	-	-
	Sub-Total	388,346,459	166,961,849	15,597,504	-	4	-
Water , Energy, Environment and Climate Change						-	-

Programme	Sub-Programme	Approved Estimates FY 2025/26		Actual Expenditure as of 30th September 2025		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
General Administration and Planning	Administration Planning	192,724,297	-	44,450,304	-	23	-
Water and Sewerage Management	Water and Sewerage Management	99,500,000	1,535,269,043	26,853,893	132,300,000	27	9
Energy and Natural Resources	Energy and Natural Resources	28,000,000	58,840,000	-	1,850,000	-	3
Environment and Climate Change	Environment and Climate Change	24,800,000	373,446,392	-	-	-	-
	Sub-Total	345,024,297	1,967,555,435	71,304,197	134,150,000	21	7
Grand Total		9,570,929,793	5,440,743,127	1,480,269,176	269,150,000	15	5

Source: County Treasury, Mandera County Government

The Sub-programmes with the highest levels of implementation based on absorption rates included General Administration in the Department of Education at 24 per cent and the department of Trade 23.5 per cent and in the Department of Water Services at 23 per cent per cent of budget allocation.

3.4 Expenditure on Employees' Compensation

The expenditure on employee compensation was Kshs. 1,098,990,892.

3.5 Settlement of Pending Bills

As of 1st July 2025, the County had pending bills totalling Kshs.2.4~~599~~⁵⁹³ billion. This comprised of Kshs.2.4~~599~~⁵⁹³ billion from the County Executive and Kshs.6.07 million from the County Assembly. The pending bills from the County Executive consisted of Kshs.1.02 billion for recurrent expenditures and Kshs.1.47 billion for development expenditures.

During the reporting period, the County Executive settled pending bills amounting to Kshs.382.01 million, all for recurrent programmes and Kshs3.85 million for Development projects. On the other hand, the County Assembly did not settle any pending bills. The outstanding pending bills as of 30th September 2025 was Kshs.2.11 billion for County Executive and Kshs.6.07 million for County Assembly.

Table 1.3: Mandera County Pending Bills as of 30th September 2025

		County Entity	Development (Kshs.)	Recurrent (Kshs.)	Total (Kshs.)
As at 1 July 2025 (End of FY 2024/25)	A	County Executive	1,309,515,262	1,184,279,219	2,493,794,481
		County Assembly		6,073,972	6,073,972
		Total	1,309,515,262	1,190,353,191	2,499,868,453
Pending bills scheduled to be	B	County Executive		382,121,300	382,121,300

settled in Q1 of FY 2025/26 according to the action plan		County Assembly			-
		Total	-	382,121,300	382,121,300
Amount paid in FY 2025/26	C	County Executive	3,850,000	382,011,405	385,861,405
		County Assembly			-
		Total	3,850,000	382,011,405	385,861,405
Pending Bills Incurred in First Quarter of FY 2025/26	D	County Executive	-	-	-
		County Assembly			-
		Total	-	-	-
Outstanding pending bills as of 30 September 2025	e=a-c*b	County Executive	1,305,665,262	802,267,814	2,107,933,076
		County Assembly	-	6,073,972.00	6,073,972.00
		Total	1,305,665,261.81	808,341,786.00	2,114,007,047.81

3.6 Some of the major development Projects to be implemented in the year

N o.	Sector	Project Name	Project Location	Expected Completion Date	Budget Allocation	Amount paid in FY 2025/26 (Kshs.)	Cumulative Expenditure as of 30 September 2025	Implementation status (%)
					(Kshs)			
1	Water and Environment	Rehabilitation of Fino, Damasa and Arabia water Supplies	Arabia	30th September 2025	20,000,000	20,000,000	20,000,000	100
2	Water and Environment	Rehabilitation of alungu bh1, lafey bh2, bida bh and arges awara bh	Lafey	30th September 2025	16,102,200	16,102,200	16,102,200	100
3	Water and Environment	Rehabilitation of kubi and olla boreholes	Mandera East	30th September 2025	11,498,523	11,498,523	11,498,523	100
4	Lands & Urban Development	Installation of solar street light at Aresa	Aresa	31st October 2025	2,000,000	1,850,000	1,850,000	93
5	Health Services	Rehabilitation of gojo dispensary	Gojo	31st October 2025	2,000,000	2,000,000	2,000,000	100

4.0 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD

The County Government of Mandera experienced several challenges that affected budget implementation during the first quarter of the financial year 2025/2026. These are:

Delay in fund disbursements by the National Treasury

The June 2025 allocation was received in the first quarter of the financial year leading to expenditure pressure such as salary arrears from the previous year.

Delay in approval of budget

The County's budget was approved late and this affected implementation of the recurrent expenditure since the late disbursed June 2025 allocation that was in the CRF could not be absorbed on time.

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.

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. Insecurity in the region that led to border closures with Somalia and Ethiopia also affected collections of revenues greatly.

High Pending Bills was also another huge challenge for the county.

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 continue liaising and cooperating 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 keep liaising 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.