



COUNTY GOVERNMENT OF MANDERA

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

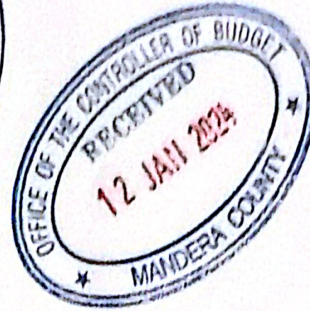
P.O. Box 13-70300, Mandera, Kenya,
Email: countytreasury@mandera.go.ke



MCG/CEC/FEP/OCB/2024/Vol.1 (12/01).

January 12, 2024

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



RE: MANDERA COUNTY GOVERNMENT HALF FINANCIAL YEAR 2023/2024 EXPENDITURE RETURNS.

I am delighted to present the Mandera County Government Half Financial Year 2023/2024 Expenditure Returns from July 2023 to December 2023.

This report is crucial for enabling your office to fulfill its mandate as outlined in Sections 9 and 16 of the Controller of Budget Act 2016.

Your prompt acknowledgment of receipt would be highly appreciated.

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

**HALF YEAR REPORT
FY 2023/2024**

JANUARY, 2024

County mission and vision

Vision

To be a regionally competitive and self- reliant county

Mission

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

Table of contents

Contents

Table of contents.....	3
Foreword.....	4
1.0 Introduction.....	5
1.1 Fiscal Outlook.....	5
2.0 Financial Analysis of County Budget Implementation.....	5
2.1 Budget Components.....	6
Table 1: Budget Components.....	6
2.2 Revenue Performance Analysis.....	7
2.3 Own Source Revenue Performance.....	7
Table 2: Total Local Revenue Collections for the Second Quarter of FY 2023/2024.....	7
Table 3: Monthly OSR Performance per Stream.....	8
2.4 Exchequer Issues.....	10
2.4 Conditional Grants.....	10
Table 4: Revenue Performance by Source (July 2023- December 2023).....	10
3.1 Expenditure by Economic Classification.....	12
3.2 Budget and Budget Performance by County Departments.....	12
3.2.1 Budget estimates.....	12
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.....	24
5.0 RECOMMENDATIONS.....	26

Foreword

I am pleased to present the Budget Implementation Report for the half year of the Financial Year (FY) 2023/2024. 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 second report in FY 2023/2024 and presents information on budget performance by the departments in the period July 2023 to December 2023. 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 the second quarter and by the end of December 2023, expenditure on both the development and recurrent programmes represented 32% of the County's approved budget. There are several factors that were responsible for the slow implementation of the County programs mostly as a result of late budget approval, delay in approval of Fund Requests by Office of the Controller of Budget and IFMIS connectivity challenges. With the above challenge having been addressed, the budget implementation is expected to be smooth in the third quarter of the FY 2023/2024. I urge the departments to move with speed in putting up measures to hasten the implementation of programmes especially for the development projects.

I also urge all our 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.



Ibrahim Mohamed Adan

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 2023 to December 2023.

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 31st December 2023 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 2023/2024 budget is that there would be improved revenue collection from local sources and timely release of funds by the National Treasury.

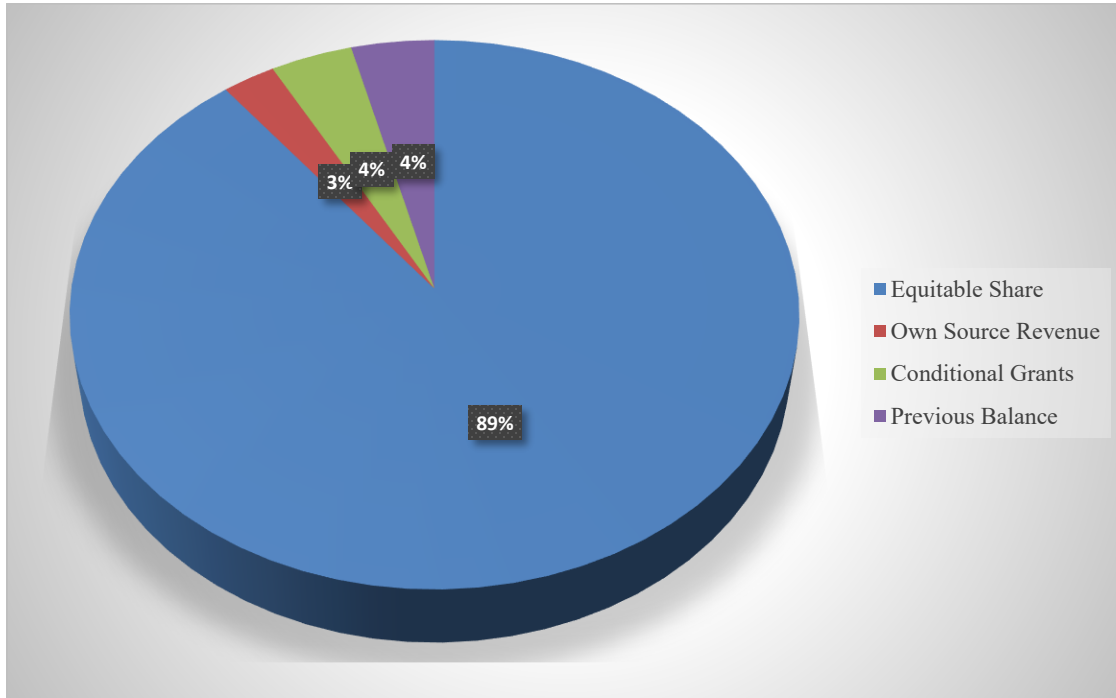
2.0 Financial Analysis of County Budget Implementation

The County had an approved budget of Kshs. 13,014,216,880 which comprised of Kshs. 7,970,529,324 (61%) for recurrent expenditure and Kshs. 5,043,687,556 (39%) allocation for development expenditure.

2.1 Budget Components

In order to finance the budget, the County expected to receive Kshs. 11,633,191,646 (89 percent) as the equitable share of revenue raised nationally, generate Kshs. 336,533,846 (3 percent) from own sources of revenue, receive Kshs. 519,461,460 (4 percent) from various conditional grants, and other revenue (ongoing projects) of Kshs. 525,029,928 (4 percent) from FY 2022/2023.

Figure 1: Expected Sources of Budget Financing in FY 2023/2024



Source: County Treasury, Mandera County Government

The major source of revenue for the County was national sharable revenue making up 89%. Other revenue from Financial Year 2022/2023 and Conditional grants each made up 4% of the budget while the County's annual local revenue was expected to finance only 3% of the budget.

Table 1: Budget Components

The table summarizes county revenues for FY 2023/2024 budget

Revenue summary By Sources	Amount (Kshs)
Equitable share	11,633,191,646
Own Source Revenue Projections	336,533,846
On-Going Projects funds b/f from 2022/2023	525,029,928

Allocation for Mineral royalties	1,028
DANIDA Grant - Primary Health Care	18,653,250
Kenya Climate smart Agriculture Project (NEDI)	90,000,000
Sweden -Agricultural Sector Development Support Program (ASDSP) II	2,257,207
Sweden -Agricultural Sector Development Support Program (ASDSP) II - National Government Contribution	2,000,000
World Bank Emergency locust response Project (ELRP)	180,282,153
FLOCCA County Climate Institutional Support Grant	11,000,000
FLOCCA balance from FY 2022/2023 in SP Account	6,644,937
KDSP balance in SP Account	851,785
De-Risking and Value Enhancement (DRIVE)	72,541,980
Conditional Grant for Aggregated Industrial Parks Programme	100,000,000
Conditional Grant for Provision of Fertilizer Subsidy Programme	13,777,962
Kenya Urban and Institutional Grant b/f	21,451,158
TOTAL	13,014,216,880

Source: County Treasury, Mandera County Government

2.2 Revenue Performance Analysis

During the first six months of the FY 2023/2024, the County received Kshs. 4,827,774,534 as equitable share of revenue raised nationally and raised Kshs. 51,476,911 from own source revenue.

2.3 Own Source Revenue Performance

The County Government targeted to collect Kshs. 336,533,846 from local sources during the FY 2023/2024. The actual achievement in the first six months of the FY 2023/2024 was Kshs. 51,476,911 which translates to 15% of the targeted collection.

Table 2: Total Local Revenue Collections for the Second Quarter of FY 2023/2024

The table below summarizes comparisons between targeted local revenue collections in the FY 2023/2024 and what was realized for the period under review.

FY 2023/2024 TOTAL HALF YEAR COUNTY OWN SOURCE REVENUE COLLECTION

Revenue Sources	Target 2023/2024	Total
-----------------	------------------	-------

Land rents	71,055,477	13,118,595
Plot Transfers/Sub-Divisions/Application Fees	52,590,771	8,201,086
Building plan	4,507,780	12,000
Miraa Movements	25,746,994	2,402,700
Single Business Permit	35,232,729	549,900
Markets stalls/Shades	17,948,637	2,140,810
Market Gates/Cess	2,314,519	198,010
Buspark/Taxis/Parking	3,069,313	575,200
Income from Quarries	2,184,181	467,500
Barriers	10,601,096	4,464,443
Livestock Markets Auction	6,984,555	2,060,700
Livestock Movement	12,416,647	1,792,200
Slaughter fees and Charges	13,924,152	1,895,300
Produce Cess	3,872,038	1,037,210
Agriculture Mechanization/Hire of Equipment	1,850,193	96,000
Rental income	1,421,293	324,150
Tender Fees	4,503,226	-
Public Health	6,138,958	73,200
Hospital collection	51,785,008	11,543,721
Income from Water Management	8,386,281	524,186
Grand Total	336,533,846	51,476,911

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 rents, Hospital collection, Plot Transfers/Sub-Divisions/Application Fees, Barriers, and Miraa Movements. The worst performing streams were Single Business Permits, Building Plans, Taxi/parking fees,

Agriculture Mechanization/Hire of Equipment, Public Health, Market Gates/Cess, and Income from Quarries.

The monthly collection breakdown is shown in table that follows.

MANDERA COUNTY GOVERNMENT								
HALF YEAR OWN SOURCE REVENUE COLLECTION FY 2023/2024								
Revenue Sources	Target 2023/2024	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023	Total
Land rents	71,055,477	3,029,458	2,759,008	2,144,584	2,170,575	1,399,320	1,615,650	13,118,595
Plot Transfers/Sub-Divisions/Applica tion Fees	52,590,771	1,631,247	1,839,339	1,320,500	1,430,000	880,000	1,100,000	8,201,086
Building plan	4,507,780	-	-	-	12,000	-	-	12,000
Miraa Movements	25,746,994	666,900	578,700	501,500	280,300	55,000	320,300	2,402,700
Single Business Permit	35,232,729	123,800	260,800	49,900	53,400	52,000	10,000	549,900
Markets stalls/Shades	17,948,637	626,010	610,600	358,700	196,200	139,000	210,300	2,140,810
Market Gates/Cess	2,314,519	43,000	37,050	32,550	32,860	25,000	27,550	198,010
Buspark/Taxis/Pa rking	3,069,313	124,450	135,000	158,000	54,450	35,000	68,300	575,200
Income from Quarries	2,184,181	123,200	107,700	92,000	45,800	8,000	90,800	467,500
Barriers	10,601,096	899,028	1,238,780	1,349,040	343,050	240,250	394,295	4,464,443
Livestock Markets Auction	6,984,555	576,600	481,450	345,900	214,850	180,900	261,000	2,060,700
Livestock Movement	12,416,647	554,450	508,250	352,100	160,100	42,550	174,750	1,792,200
Slaughter fees and Charges	13,924,152	463,600	394,100	329,000	249,600	217,200	241,800	1,895,300
Produce Cess	3,872,038	358,700	250,460	225,950	62,810	42,510	96,780	1,037,210
Agriculture Mechanization/Hi re of Equipment	1,850,193	-	10,000	50,000	24,000	-	12,000	96,000
Rental income	1,421,293	70,300	64,300	61,100	54,200	31,600	42,650	324,150
Tender Fees	4,503,226	-	-	-	-	-	-	-
Public Health	6,138,958	16,700	9,600	21,700	14,400	-	10,800	73,200
Hospital collection	51,785,008	2,466,740	2,907,240	2,453,810	1,332,660	1,321,601	1,061,670	11,543,721
Income from Water Management	8,386,281	78,658	191,407	125,703	50,108	34,210	44,100	524,186
Grand Total	336,533,846	11,852,841	12,383,784	9,972,037	6,781,363	4,704,141	5,782,745	51,476,911

Source: Department of Revenue Serices, Mandera County Government

From the above analysis, the highest County Own Source Revenue collection was realized in the month of August 2023 amounting to Kshs. 12,383,784 followed by the month of July 2023 in which Kshs. 11,852,841 was collected while the least collection was in the month of November 2023 amounting to Kshs. 4,704,141.

The following challenges were encountered in the local revenue collections:

- Insecurity due to terror attacks affected revenue collection activities as it led to closure of quarries and border closures with Somalia and Ethiopia
- Natural calamities. Drought affected collection of livestock and agricultural related revenues. El-Nino destroyed crop produce and farm infrastructure
- General tough economic conditions
- Understaffing and insufficient legislation to reinforce establishment and enforcement of new revenue streams

2.4 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs. 4,827,774,534 from the County Revenue Fund (CRF) account, which was 42% of the approved allocations. This amount represented an increase from Kshs. 4,588,056,862 received in the FY 2022/2023 and was meant to fund both development and recurrent expenditures.

2.4 Conditional Grants

The County received Kshs. 500,000 as Conditional Grants in the reporting period.

Table 4: Revenue Performance by Source (July 2023- December 2023)

No	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Variance (Kshs.)	Remarks
		A	B	C=A-B	
1	Equitable share of Revenue	11,633,191,646	4,827,774,534	6,805,417,112	42%
2	Local Revenue Collections	336,533,846	51,476,911	285,954,846	15%

3	On-Going Projects funds b/f from 2022/2023	525,029,928	525,029,928	-	100%
4	Sweden -Agricultural Sector Development Support Program (ASDSP) II - Co Funding	4,257,207	500,000	3,757,207	12%
5	DANIDA Grant - Primary Health Care	18,653,250	-	18,653,250	0%
6	FLOCCA balance from FY 2022/2023 in SP Account	6,644,937	6,644,937	-	100%
7	KDSP balance in SP Account	851,785	851,785	-	100%
8	Kenya Climate smart Agriculture Project (NEDI)	90,000,000	-	90,000,000	0%
9	World Bank Emergency locust response Project(ENRP)	180,282,153	-	180,282,153	0%
10	FLLoCA	11,000,000	-	11,000,000	0%
11	De-Risking and Value Enhancement (DRIVE)	72,541,980			
12	Conditional Grant for Aggregated Industrial Parks Programme	100,000,000			
13	Conditional Grant for Provision of Fertilizer Subsidy Programme	13,777,962			
14	Allocation for Mineral royalties	1,028	-	1,028	0%
15	Kenya Urban and Institutional Grant b/f	21,451,158	21,451,158	-	100%
	TOTAL	13,014,216,880	5,433,729,253	7,395,065,596	42%

Source: County Treasury, Mandera County Government

An analysis of the table indicates that the County generated a total of Kshs. 51,476,911 from own revenue sources in the first six months of the FY 2023/2024. This amount represented an increase of Kshs. 2,874,124 compared to Kshs. 48,602,787 realized in the first six months of the FY 2022/2023.

3.0 Overall Expenditure Analysis

The overall Mandera County Government's expenditure for the period ending 31st December, 2023 amounted to Kshs. 4,127,766,558 out of which Kshs. 763,698,574 was for Operations & Maintenance and Kshs. 2,314,743,166 was for Personnel Emoluments. Transfers amounting to Kshs. 293,375,488 were made to the County entities. Expenditures amounting to Kshs. 755,949,330 were utilized on development programmes.

3.1 Expenditure by Economic Classification

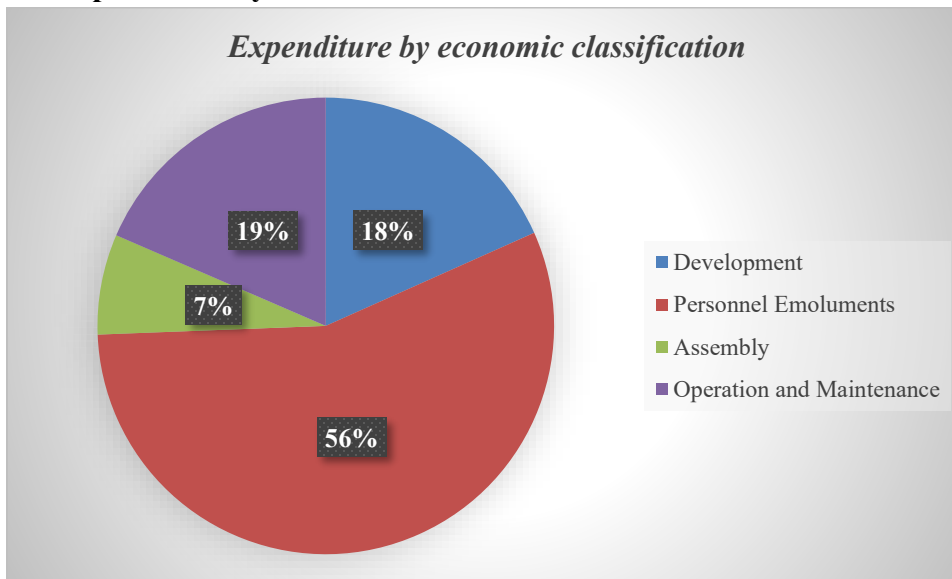


Figure 2: Expenditure by Economic Classification

From the analysis of the above figure, expenditures on Personnel Emoluments had the highest utilization at 56% of the total expenditure incurred in the first six months of the FY 2023/2024 while expenditures on operations and maintenance accounted for 19% of the total expenditure. Expenditure of 18% was incurred on development projects while Transfers to County Entities accounted for 7% of the total overall expenditure.

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

Table 5 shows the breakdown of county's budget per ministry in FY 2023/2024.

Table 5: Resource allocation among the ministries

SUMMARY OF BUDGET FOR FY 2023/2024			
Departments	Recurrent Expenditure	Development Expenditure	Total Departmental Allocation 2023/2024
Ministry of Agriculture, Livestock and Fisheries	252,680,782	604,284,765	856,965,547
Ministry of Education and Human Capital Development	1,075,486,958	198,561,582	1,274,048,540
Ministry of Social Development	98,844,972	605,498,642	704,343,614
Ministry of Finance and Economic Planning	375,059,028	36,753,275	411,812,303
Ministry of Health Services	1,988,706,291	439,082,121	2,427,788,412
Ministry of Trade and Cooperative Development	68,889,692	257,314,774	326,204,466
County Assembly	873,911,204	259,088,796	1,133,000,000
Ministry of Lands and Urban Development	202,345,578	561,321,814	763,667,392
Office of the Governor and Deputy Governor	447,179,685	-	447,179,685
Office of the County Secretary	82,502,802	-	82,502,802
Office of the County Attorney	177,190,939	-	177,190,939
County Public Service Board	73,218,148	10,731,342	83,949,490
Ministry of Public Service Management, Devolved Units and Community Cohesion	1,555,253,486	39,126,453	1,594,379,939
Ministry of Roads, Transport and Public Works	331,825,375	515,230,720	847,056,095
Ministry of Water, Energy, Environment and Climate Change	367,434,384	1,516,693,272	1,884,127,656
GRAND TOTAL	7,970,529,324	5,043,687,556	13,014,216,880

Source: County Treasury, Mandera County Government

The highest beneficiary of the FY 2023/2024 budget allocation was the Ministry of Health Services getting Kshs 2,427,788,412 (19 percent), Ministry of Water, Environment and Natural Resources getting Kshs 1,884,127,656 (14 percent), Ministry of Public Service, Management and Devolved

Unit got Kshs. 1,594,379,939 (12 percent), Ministry of Education and Capacity Development were allocated Kshs 1,274,048,540 (10 percent), while the County Assembly got Kshs. 1,133,000,000 (9 percent). Other departments were allocated below 7 percent.

3.2.2 Departmental Expenditure Analysis

During the period under review, the county Government incurred expenditures totaling to Kshs. 4,127,766,558 on both development and recurrent activities. This absorption accounted for 32% of the total approved budget.

Departments	Total Departmental Allocation (Ksh)	Recurrent Expenditure (Ksh)	Development Expenditure (Ksh)	Total Expenditure (Ksh)
County Assembly	1,133,000,000	293,375,488	32,102,821	325,478,309
Agriculture Livestock and Irrigation	856,965,547	107,424,069	45,000,000	152,424,069
Education and Human Capital Development	1,274,048,540	397,459,372	8,000,000	405,459,372
Social Development	704,343,614	35,379,978	94,852,000	130,231,978
Finance and Economic Planning	411,812,303	168,611,057	-	168,611,057
Health Services	2,427,788,412	821,381,601	74,123,509	895,505,110
Trade and Cooperative Development	326,204,466	27,953,151	-	27,953,151
Lands and Housing Development	763,667,392	49,722,983	219,800,000	269,522,983
Office of the Governor	447,179,685	211,758,440	-	211,758,440
Office of the County Secretary	82,502,802	13,700,000	-	13,700,000
Office of the County Attorney	177,190,939	30,030,000	-	30,030,000
County Public Service Board	83,949,490	32,940,301	-	32,940,301
Public Service Management and Devolved Unit	1,594,379,939	913,426,174	-	913,426,174
Public Works Roads and Transport	847,056,095	101,320,841	8,000,000	109,320,841
Water, Environment and Natural Resources	1,884,127,656	167,333,771	274,071,000	441,404,771
TOTAL	13,014,216,880	3,371,817,228	755,949,330	4,127,766,558

Source: County Treasury, Mandera County Government

3.2.2.1 Development expenditure performance by departments

In the FY 2023/2024, the County's gross development budget was Kshs. 5,043,687,556. An expenditure of Kshs. 755,949,330 representing 15% of the development vote was utilized during first six months of the financial year. No ministry was able to incur expenditure above 50%. The Ministry of Lands and Housing Development incurred the highest expenditure with an absorption rate of 39%, followed by the Ministry of Water, Environment and Natural Resources, and the Ministry of Health Services which incurred an expenditure of 18% and 17% respectively. The worst performers were the Ministry of Trade and Cooperative Development, the Ministry of Finance, and the County Public Service Board which had zero expenditure under the development vote.

The following factors were responsible for low absorption rate;

- Late budget approval
- Delays in approval of request for funds by office of controller of budget
- Late releases of the exchequer by the National Treasury
- IFMIS related challenges
- Late initiation of procurement process and hence late initiation of development projects
- Natural calamities e.g. persistent drought in the County followed by the heavy El-Nino
- General insecurity problems from Al-Shabaab terrorists

The table 7 analyses development expenditure performance by ministries

Departments	Budgeted	Expenditure	Utilization
County Assembly	259,088,796	32,102,821	12%
Agriculture Livestock and Irrigation	604,284,765	45,000,000	7%
Education and Human Capital Development	198,561,582	8,000,000	4%
Social Development	605,498,642	94,852,000	16%
Finance and Economic Planning	36,753,275	-	0%
Health Services	439,082,121	74,123,509	17%
Trade and Cooperative Development	257,314,774	-	0%
Lands and Housing Development	561,321,814	219,800,000	39%
Office of the Governor	-	-	0%
Office of the County Secretary	-	-	0%
Office of the County Attorney	-	-	0%
County Public Service Board	10,731,342	-	0%
Public Service Management and Devolved Unit	39,126,453	-	0%

Public Works Roads and Transport	515,230,720	8,000,000	2%
Water, Environment and Natural Resources	1,516,693,272	274,071,000	18%
TOTAL	5,043,687,556	755,949,330	15%

Source: County Treasury, Mandera County Government

3.2.2.2 Recurrent expenditure performance by departments

In comparison to the development vote, the County performed well in the execution of the recurrent budget in the first six months of the FY 2023/2024. The County had a total recurrent budget of Kshs. 7,970,529,324. An expenditure of Kshs. 3,371,817,227 representing 42% of the recurrent vote was utilized during the period under review. The Ministry of Public Service Management and Devolved Unit recorded the highest overall absorption rate at 59% followed by the Office of the Governor and Deputy Governor, and the Ministry of Water, Environment and Natural Resources at 47% and 46% respectively. The Ministry of Finance and Economic Planning and the County Public Service Board recorded an absorption of 45% each. The Ministry of Agriculture Livestock and Irrigation recorded an absorption of 43% while both the Ministry of Trade and Cooperative Development as well as the Ministry of Health Services recorded an absorption of 41% each.

The Office of the County Secretary and the Office of the County Attorney were the lowest spenders of the recurrent budget during the period at an absorption rate of 17% each.

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

The following factors were responsible for the low absorption rate during the period;

- Delay in budget approval processes
- Slow release of funds from National Treasury
- Delays in approval of request for funds
- Technical and capacity challenges in application of IFMIS
- Network connectivity challenges
- Other expenditure pressures

The table 8 analyses recurrent expenditure performance by ministries.

Departments	Budgeted	Expenditure	Utilization %
County Assembly	873,911,204.00	293,375,488.00	34%
Agriculture Livestock and Irrigation	252,680,782.00	107,424,069.45	43%

Education and Human Capital Development	1,075,486,958	397,459,372	37%
Social Development	98,844,972	35,379,978	36%
Finance and Economic Planning	375,059,028	168,611,057	45%
Health Services	1,988,706,291.00	821,381,601.20	41%
Trade and Cooperative Development	68,889,692.00	27,953,151.00	41%
Lands and Housing Development	202,345,578.00	49,722,983.05	25%
Office of the Governor	447,179,685.00	211,758,440.20	47%
Office of the County Secretary	82,502,802.00	13700000	17%
Office of the County Attorney	177,190,939.00	30030000	17%
County Public Service Board	73,218,148	32,940,301	45%
Public Service Management and Devolved Unit	1,555,253,486.00	913,426,174.26	59%
Public Works Roads and Transport	331,825,375.00	101,320,840.65	31%
Water, Environment and Natural Resources	367,434,384.00	167,333,770.85	46%
TOTAL	7,970,529,324.00	3,371,817,227.60	42%

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 2023 to December 2023 of the FY 2023/2024.

Programme	Description	Approved Estimates FY 2022/23 (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)	Absorption Rate (% Total Expenditure to Approved Estimates)
		A	B	C=A-B	D=B/A*100
Agriculture, Livestock and Irrigation	General Administration & Support Services	121,096,434	61,824,069	59,272,365	51%
	Livestock Resources Management and Development	206,367,443	63,020,000	143,347,443	31%

	Crop Management and Development	473,817,322	23,680,000	450,137,322	5%
	Irrigation Development and Management	55,684,348	3,900,000	51,784,348	7%
		856,965,547	152,424,069	704,541,478	18%
Lands, Housing and Physical Development	Administration Services	59,567,253	29,972,983	29,594,270	50%
	Land Use Planning and Survey	111,148,981	2,550,000	108,598,981	2%
	Physical Planning housing and urban development	508,051,158	223,500,000	284,551,158	44%
	Solid Waste Management	84,900,000	13,500,000	71,400,000	16%
		763,667,392	269,522,983	494,144,409	35%
Roads, Public Works and Transport	Administrative Services	150,295,375	72,060,841	78,234,534	48%
	Road And Air Transport Infrastructure Development	661,904,594	32,660,000	629,244,594	5%
	Public Works Management	34,856,126	4,600,000	30,256,126	13%
		847,056,095	109,320,841	737,735,254	13%
Trade and Cooperative Development	General Administration and Planning	40,489,411	20,053,151	20,436,260	50%

	Cooperative Development and Promotion	20,650,281	2,900,000	17,750,281	14%
	Trade Development and Promotion	265,064,774	5,000,000	260,064,774	2%
		326,204,466	27,953,151	298,251,315	9%
Health Services	Administrative Services	1,410,585,931	644,796,360	765,789,571	46%
	Preventive, Promotive and Reproductive Health Services	800,507,668	53,652,000	746,855,668	7%
	Curative Rehabilitative and Referral Services	216,694,813	197,056,750	19,638,063	91%
		2,427,788,412	895,505,110	1,532,283,302	37%
Education and Human Capital	General Administration & Support Services	952,691,488	386,789,372	565,902,116	41%
	Early Childhood Education	91,045,470	12,270,000	78,775,470	13%
	Vocational and Technical Training Services	25,250,000	3,500,000	21,750,000	14%
	Education Support Services	205,061,582	2,900,000	202,161,582	1%
		1,274,048,540	405,459,372	868,589,168	32%
Office of the Governor	Management of County Affairs	447,179,685	211,758,440	235,421,245	47%

		447,179,685	211,758,440	235,421,245	47%
Office of the County Secretary	Leadership and executive coordination	82,502,802	13,700,000	68,802,802	17%
		82,502,802	13,700,000	68,802,802	17%
Office of the County Attorney	Legal and advisory services	177,190,939	30,030,000	147,160,939	17%
		177,190,939	30,030,000	147,160,939	17%
County Public Service Board	Ethics, Governance and Public Service Values	83,949,490	32,940,301	51,009,189	39%
		83,949,490	32,940,301	51,009,189	39%
County Assembly	Legislation and Representation	1,133,000,000	325,478,309	807,521,691	29%
		1,133,000,000	325,478,309	807,521,691	29%
Finance and Economic Planning	Administrative and Planning Services	290,703,038	131,571,106	159,131,932	45%
	Accounting Services	39,553,275	7,889,951	31,663,324	20%
	Financial Services and Report	3,200,000	2,300,000	900,000	72%
	Internal Audit Services	2,800,000	1,600,000	1,200,000	57%
	Supply Chain Management Affairs	12,000,000	7,600,000	4,400,000	63%
	County Asset Management system	2,800,000	1,800,000	1,000,000	64%

	County Economic Planning and Statistics	20,804,811	5,000,000	15,804,811	24%
	Revenue Collection and Enhancement	20,400,000	8,450,000	11,950,000	41%
	ICT and E-Government Services	19,551,179	2,400,000	17,151,179	12%
		411,812,303	168,611,057	243,201,246	41%
County Public Service Management	Administration and Support Services	1,442,477,418	885,306,174	557,171,244	61%
	Devolved Governance and Enforcement Services	111,072,521	15,900,000	95,172,521	14%
	Civic Education and Public Participation	7,500,000	3,120,000	4,380,000	42%
	De-Radicalization and Countering Violence	17,530,000	4,300,000	13,230,000	25%
	Community Cohesion and Conflict Management	15,800,000	4,800,000	11,000,000	30%
		1,594,379,939	913,426,174	680,953,765	57%
Social Development	Administration and Support Services	33,519,696	19,469,978	14,049,718	58%

	Women Empowerment and Affirmative Action	9,000,000	4,100,000	4,900,000	46%
	Youth Empowerment and Sports	28,575,276	4,000,000	24,575,276	14%
	Culture and Gender Development promotion	27,850,000	4,750,000	23,100,000	17%
	Disaster Preparedness and Management	605,398,642	97,912,000	507,486,642	16%
		704,343,614	130,231,978	574,111,636	18%
Water, Energy, Environment and Climate Change	Administrative Services	162,772,457	80,033,771	82,738,686	49%
	Water and Sewerage Management	1,636,036,012	355,171,000	1,280,865,012	22%
	Energy and Natural Resources	23,700,000	3,400,000	20,300,000	14%
	Environment and Climate Change	61,619,187	2,800,000	58,819,187	5%
		1,884,127,656	441,404,771	1,442,722,885	23%
	GRAND TOTAL	13,014,216,880	4,127,766,558	8,886,450,322	32%

Source: County Treasury, Mandera County Government

The programmes that performed well based on expenditure absorption were Curative Rehabilitative and Referral Services at 91%, Administration and Support Services at 58%, Management of County Affairs at 47%, Physical Planning housing and urban development at 44%, Administration, planning and support services at 46%, and Public Finance Management at 41% of

budget allocation while Crop Management and Development, Land Use Planning and Survey, Trade Development and Promotion, and Education Support Services performed poorly.

3.4 Settlement of pending bills

At the beginning of FY 2023/24, the County had pending bills amounting to Kshs.3.01 billion, comprising Kshs.736.5 million for recurrent expenditure and Kshs.2.36 billion for development activities. In the first half of FY 2023/24, the county paid Kshs.137.14 million towards the payment of pending bills. Therefore, as of 31st December 2023, the outstanding amount was Kshs.2.96 billion.

4.0 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD

Mandera County Government experienced several challenges that affected budget implementation during the first half year of the financial year 2023/2024. These are:

Delay in approval of budget

The County's budget approval process was affected by the Mandera County Assembly Members' decision to suspend their sessions to protest withdrawal of allowances by the Salaries and Remuneration commission and push the national government to address their grievances.

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 mainly affected implementation of development activities in the reporting period.

Delay in approval of Fund Requests

Delays in the approval of the Fund Request processes were experienced from the Office of the Controller of Budget. This affected timely receipt of our exchequers and smooth undertaking of activities during the period under review.

IFMIS connectivity challenges

Frequent IFMIS breakdowns decelerated 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 and effective manner.

Natural Calamities

The calamitous persistent drought and famine, followed by the heavy El-Nino rains experienced in the Country affected smooth execution of the planned programmes in the budget.

Under-performance of own revenue collection

This was due to, amongst other reasons shortage of staff, poor coordination, insecurity, and unavailability of legislations to bolster the creation of new revenue streams. 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.

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.

5.0 RECOMMENDATIONS

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

- The County Government should liaise and cooperate with the National Government for timely release of funds as per disbursement schedule to foster smooth operations and successful project implementations.
- The County Government should also liaise with the Controller of Budget to avoid limitations in expenditure to ensure proper implementation of planned projects.
- The County should come up with measures to address underperformance in own source revenue collection so as to ensure the approved budget is fully financed. OSR collections efforts can be heightened by putting in place mechanisms like proper enforcements, restructuring of revenue controls, mapping the revenue sources and enactment of relevant legislations.
- 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.
- Departments should capacity build their human capital so as to increase their efficiency and productivity.
- The County should leverage on technology to enhance efficiency. Provision of enough ICT infrastructures is required to enhance the IFMIS network to avoid financial delays.