

REPUBLIC OF KENYA



MANDERA COUNTY GOVERNMENT

COUNTY TREASURY

BUDGET IMPLEMENTATION STATUS REPORT

**FIRST NINE MONTHS REPORT
FY 2021/2022**

APRIL, 2022

County mission and vision

Vision

To be a regionally competitive and self- reliant county

Mission

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

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Foreword

I am pleased to present the Budget Implementation Report for the third 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 third report in FY 2021/2022 and presents information on budget performance by the departments in the period July 2021 to March 2022. Information on budget performance is presented on aggregate and on individual department performance. The report also includes performance trends, which present a useful trajectory of revenue and expenditure performance.

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

The budget implementation was slow but recorded an improved performance in comparison with the first nine months of year of the FY 2020/2021 whose expenditure on both the development and recurrent programmes represented 49% 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 delay in the release of funds from the National Treasury and approval of Fund Requests by Office of the Controller of Budget. With the above challenge having been addressed, the budget implementation is expected to be smooth in the final fourth quarter of the FY 2021/2022. 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.

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 March 2022.

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

Compiled by the Mandera County Treasury after consultation with all the County departments, the report presents the status of budget execution as at 31st March 2022 for internal consumption and performance appraisal purposes. It also offers valuable information to members of the public on budget implementation and the County Assembly, which is bestowed, with the oversight mandate on utilization of public funds.

1.1 Fiscal Outlook

The fiscal assumption underlying the FY 2021/2022 budget is that there would be improved revenue collection from local sources and timely release of funds by the National Treasury.

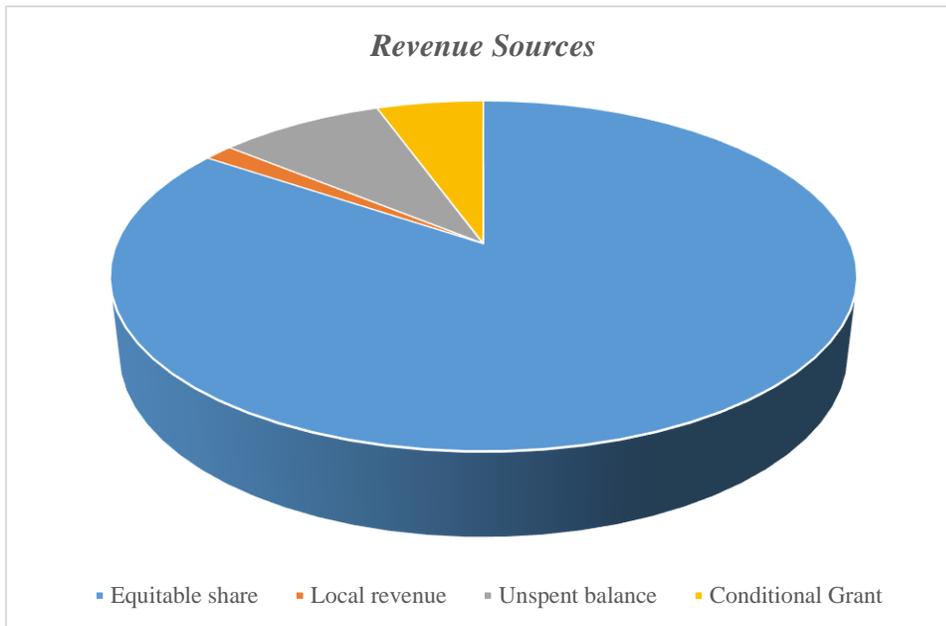
2.0 Financial Analysis of County Budget Implementation

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, generate Kshs. 200,037,792 (2 percent) from own sources of revenue, and had a cash balance of Kshs. 789,267,722 (6 percent) from FY 2020/2021. The County also expected to receive Kshs. 1,075,282,933 (8 percent) as “other revenues” which consist of Conditional Grants from the National Government.

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%
Unutilized Exchequer from 2020/2021 FY	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%
Conditional Grants - Development Partners	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%
		TOTAL	13,254,971,045

Source: County Treasury, Mandera County Government

2.2 Revenue Performance Analysis

During the first nine months of the FY 2021/2022, the County received Kshs. 5,611,503,076 as equitable share of revenue raised nationally and raised Kshs. 107,553,765 from own source revenue, had a cash balance of Kshs. 789,267,722 from FY 2020/2021 and received conditional grants amounting to Kshs. 190,656,020.

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 nine months of the FY 2021/2021 was Kshs. 107,553,765 which translates to 54% of the targeted collection.

Table 2: Total Local Revenue Collections for the Third Quarter of FY 2021/2022

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 THIRD QUARTER

Sub-Revenue Source	Target for FY 2021/2022	Total Collections (July 2021- March 2022)
Land rents	47,399,994.50	24,558,128
Plot Transfers/Sub-Divisions/Application Fees	27,692,722.30	12,578,015
Miraa Movements	7,263,767.75	10,276,058
single Business Permit	23,084,457.30	8,139,110
Markets stalls	6,257,200.60	4,648,400
Market Gates	734,936.25	130,291
Market Shades	3,536,802.00	1,247,900
Bus park/Taxis	1,150,000.00	1,052,580
Income from Quarries	805,000.00	988,106
Building plan	-	677,000
Barriers	8,317,387.38	3,561,052
Livestock Markets	4,180,908.38	1,625,272
Livestock Movement	7,885,795.96	5,325,305
Slaughter fees and Charges	9,716,214.42	4,419,958
Produce Cess	635,704.36	683,517
Agriculture Mechanization/Hire of Equipment	1,380,000.00	169,400
Income from Sale of Tenders documents	837,765.00	-
Rental income	-	963,217

Tender	5,448,082.40	-
Public Health	3,900,150.00	521,127
Hospital collection	30,892,980.80	22,947,129
Income from Water Management	8,917,922.50	3,042,200
Grand Total	200,037,791.89	107,553,765

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, Plot/Land Transfers, Miraa Movements, Single Business Permits, Livestock Movement, Market stalls, and Slaughter fees charges. The worst performing streams were Produce Cess, Building Plans, Public Health, and Agriculture Mechanization Services. The monthly collection breakdown is shown in table that follows.

Mandera County Government FY 2021/2022 3rd Quarter Own Source Revenue Performance (Monthly Analysis)

Revenue Sources	Target 2021/2022	July	August	September	October	November	December	January	February	March	Actual As at 31 March 2022
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.				Kshs.
Land rents	45,399,995	3,228,301	2,458,859	3,542,646	2,332,503	2,903,554	2,015,583	2,343,175	2,835,569	2,897,938	24,558,128
Plot Transfers/Sub-Divisions/Application Fees	26,692,722	1,711,000	1,443,000	1,275,000	1,210,000	1,185,315	1,529,000	1,585,000	1,076,100	1,563,600	12,578,015
Miraa Movements	12,483,768	1,292,000	1,278,125	1,199,598	1,200,000	1,280,625	1,020,000	1,189,710	900,000	916,000	10,276,058
single Business Permit	22,084,457	129,900	271,900	388,700	94,700	74,600	-	1,118,710	2,278,400	3,782,200	8,139,110
Markets stalls	6,757,201	508,800	1,147,300	666,600	427,900	495,400	498,500	324,900	307,300	271,700	4,648,400
Market Gates	534,936	19,210	16,011		14,200	30,000	7,290	6,720	-	36,860	130,291
Market Shades	3,036,802	186,000	224,000	235,000	180,000		125,900	157,000	-	140,000	1,247,900
Buspark/Taxis	1,200,000	102,706	180,650	97,790	102,047	34,000	110,938	162,408	130,500	131,541	1,052,580
Income from Quarries	1,005,000	74,000	106,350	125,000	130,936	80,100	116,750	118,170	104,950	131,850	988,106
Building plan	1,500,000	42,000	26,000	84,000	103,000	86,000	72,000	84,000	96,000	84,000	677,000
Barriers	6,317,387	435,785	344,110	500,807	365,255	402,323	502,534	252,138	320,880	437,220	3,561,052
Livestock Markets Auction	4280908.375	343850	97100	97543	76450	77,144	218,350	332,785	192,150	189,900	1,625,272
Livestock Movement	7,785,796	602,400	498,635	336,285	215,785	282,050	749,350	1,636,400	676,300	328,100	5,325,305
Slaughter fees and Charges	8,116,214	437,800	505,300	486,000	502,100	555,150	453,700	517,600	476,100	486,208	4,419,958
Produce Cess	1,235,704	39,400	45,502	71,500	91,600	68,575	164,260	102,120	28,000	72,560	683,517
Agriculture Mechanization/Hire of Equipments	1,300,000	67,000	30,400	-	44,000	28,000	-	-	-	-	169,400
Income from Sale of Tenders documents	737,765	-	-	-	-	-	-	-	-	-	-
Rental income	1,400,000	-	-	-	122,600	114,300			225,000	501,317	963,217
Tender	4,558,082	-	-	-	-	-	-	-	-	-	-
Public Health	3,800,150	39,325	88,200	40,500	8,600	9,700	18,100	64,103	148,099	104,500	521,127
Hospital collection	32,892,981	2,397,423	2,731,608	2,603,752	2,568,930	2,307,960	2,606,889	2,553,961	2,551,278	2,625,328	22,947,129
Income from Water Management	6,917,923	337,000	659,650	556,700	306,000	217,100	356,000	247,000	169,450	193,300	3,042,200
Grand Total	200,037,792	11,993,900	12,152,700	12,307,421	10,096,606	10,231,896	10,565,144	12,795,900	12,516,076	14,894,122	107,553,765

Source: Department of Revenue Services, Mandera County Government

From the above analysis, the highest County Own Source Revenue collection was realized in the month of March 2022 amounting to Kshs. 14,894,122 followed by the month of January 2022 in

which Kshs. 12,795,900 was collected while the least collection was in the month of October 2021 amounting to Kshs. 10,096,606.

The following challenges were encountered in the local revenue collections:

- Insecurity due to terror attacks affected revenue collection activities
- Drought affected collection of livestock and agricultural related revenues
- Border closures due to the general insecurity in the region
- Political challenges

2.4 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs. 5,611,503,076 from the County Revenue Fund (CRF) account, which was 50% of the approved allocations. This amount was meant to fund both development and recurrent expenditures.

2.4 Conditional Grants

The County received Conditional Grants amounting to Kshs. 190,656,020 in the reporting period.

Table 4: Revenue Performance by Source (July 2021- March 2022)

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	5,611,503,076	5,578,879,522	50%
2	Local Revenue Collections	200,037,792	107,553,765	92,484,027	54%
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 Progam (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	2,500,000	29,596,096	8%
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%
	TOTAL	13,254,971,045	6,698,980,583	6,555,990,462	51%

Source: County Treasury, Mandera County Government

An analysis of the table indicates that the County generated a total of Kshs. 107,553,765 from own revenue sources in the first nine months of the FY 2021/2022. The low collection is attributed to the severe drought that impacted the local economy which was declared a national disaster by his excellency President Uhuru Kenyatta and the adverse effects of the Coronavirus pandemic.

3.0 Overall Expenditure Analysis

The overall Mandera County Government's expenditure for the period ending 31st March, 2022 amounted to Kshs. 7,054,182,794.90 out of which Kshs. 1,048,501,094.96 was for Operations & Maintenance and Kshs. 2,650,830,471 was for Personnel Emoluments. Transfers amounting to Kshs. 1,186,809,838 were made to the County entities. Expenditures amounting to Kshs. 2,168,041,390.94 were utilized on development programmes.

3.1 Expenditure by Economic Classification

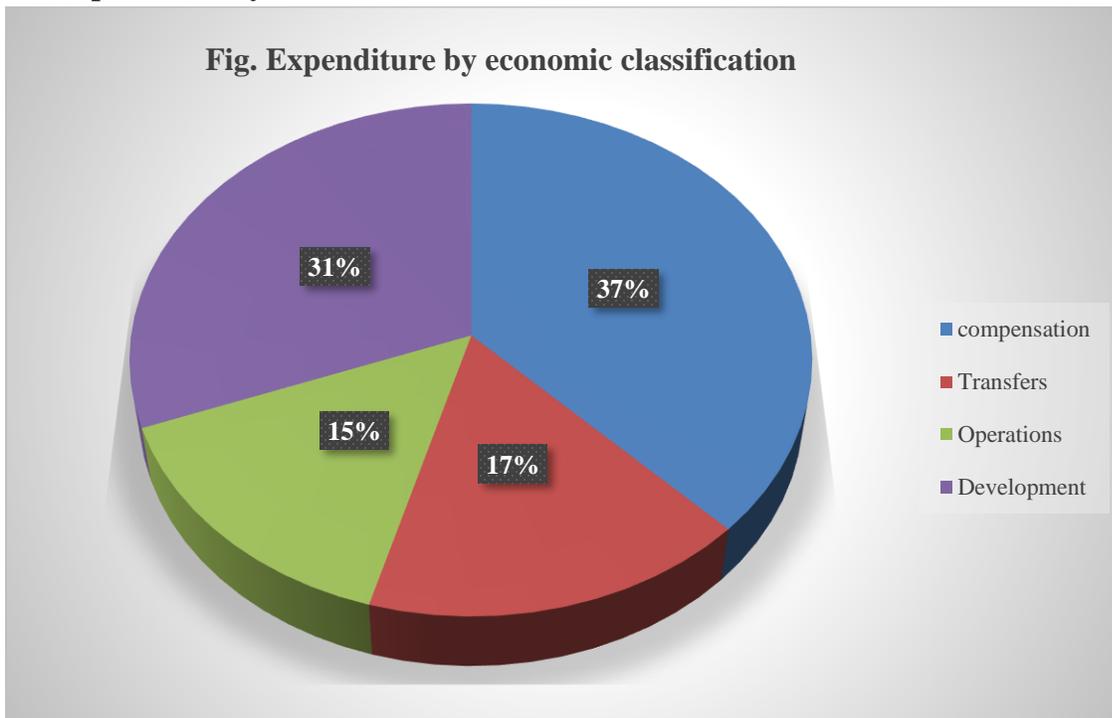


Figure 2: Expenditure by Economic Classification

From the analysis of the above figure, expenditures on Development projects had the highest utilization at 37% of the total expenditure incurred in the first nine months of the FY 2021/2022 while expenditures on Personnel Emoluments accounted for 31% of the total expenditure. Expenditure of 17% was incurred on operations and maintenance while Transfers to County Entities accounted for 15% 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 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%
GRAND TOTAL	13,211,360,847	7,541,255,231	5,713,715,814	13,254,971,045	100%

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. 7,054,182,794.90 on both development and recurrent activities. This absorption accounted for 53% of the total approved budget.

Departments	Budgeted Amount	Recurrent Expenditure	Development Expenditure	Total Expenditure
Ministry of Agriculture Livestock and Fisheries	1,167,934,250.26	131,346,373.75	174,884,365.40	306,230,739.15
Ministry of Education, Culture and Sports	753,685,520.90	219,241,503.45	92,633,701.00	311,875,204.45
Ministry of Gender, Youth and Social Service	174,522,396.20	46,810,372.40	13,870,000.00	60,680,372.40
Ministry of Finance	1,033,572,590.78	494,940,620.42	236,914,152.00	731,854,772.42
Ministry of Health Services	2,645,478,980.42	1,452,523,577.55	308,551,104.00	1,761,074,681.55
Ministry of Trade, Investments Industrializations and Cooperative Development	146,447,935.91	50,816,600.90	17,839,764.00	68,656,364.90
County Assembly	1,083,301,739.35	-	-	-

Lands, Housing and Physical Planning	481,575,649.62	344,603,591.92	15,000,000.00	359,603,591.92
Office of the Governor and Deputy Governor	502,211,082.90	355,092,902.97	-	355,092,902.97
County Public Service Board	146,762,495.04	61,414,861.80	33,191,181.84	94,606,043.64
Ministry of Public Service, Management and Devolved Unit	1,554,352,184.38	1,152,087,566.01	47,880,000.00	1,199,967,566.01
Public Works Roads and Transport	1,526,662,098.58	106,485,745.69	660,603,301.70	767,089,047.39
Ministry of Water, Environment and Natural Resources	2,038,464,120.56	470,777,687.10	566,673,821.00	1,037,451,508.10
GRAND TOTAL	13,254,971,044.90	4,886,141,403.96	2,168,041,390.94	7,054,182,794.90

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. 2,168,041,390.94 representing 38% of the development vote was utilized during first nine months of the financial year. Only three Ministries were able to incur expenditure above 50%. These were the Ministry of Lands, Housing and Physical Planning at 61%, and the Ministry of Finance and Economic Planning, and County Public Service Board which incurred an expenditure of 55% and 54% respectively. The worst performers were the Ministry of Agriculture Livestock and Fisheries, and the Ministry of Gender, Youth and Social Service at 19% and 13% respectively.

The following factors were responsible for low absorption rate;

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

The table 7 analyses development expenditure performance by ministries

Department	Approved Budget	Expenditure	Utilization %
Ministry of Agriculture Livestock and Fisheries	945,021,371.55	174,884,365.40	19%
Ministry of Education, Culture and Sports	319,692,015.00	92,633,701.00	29%
Ministry of Gender, Youth and Social Service	105,000,000.00	13,870,000.00	13%

Ministry of Finance	430,300,000.00	236,914,152.00	55%
Ministry of Health Services	687,575,394.32	308,551,104.00	45%
Ministry of Trade, Investments Industrializations and Cooperative Development	77,793,432.40	17,839,764.00	23%
County Assembly	172,253,555.35	-	0%
Lands, Housing and Physical Planning	24,410,210.70	15,000,000.00	61%
Office of the Governor and Deputy Governor	-	-	0%
County Public Service Board	62,000,000.00	33,191,181.84	54%
Ministry of Public Service, Management and Devolved Unit	103,193,187.02	47,880,000.00	46%
Public Works Roads and Transport	1,388,257,226.00	660,603,301.70	48%
Ministry of Water, Environment and Natural Resources	1,398,219,422.00	566,673,821.00	41%
GRAND TOTAL	5,713,715,814.34	2,168,041,390.94	38%

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 nine months of the FY 2021/2022. The County had a total recurrent budget of Kshs. 7,541,255,231. An expenditure of Kshs. 4,886,141,403.96 representing 65% of the recurrent vote was utilized during the period under review. The Ministry of Finance & Economic Planning and ICT recorded the highest overall absorption rate at 82% followed by the Ministry of Public Service Management and Devolved Unit at 79% while Roads and Public Works recorded an absorption of 77%.

The Ministry of Education, Culture and Sports and the Ministry of Agriculture Livestock and Fisheries were the lowest spenders of the recurrent budget during the period at an absorption rate of 59% and 51% respectively. Overall, the recurrent vote performed better than the development vote.

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

- Slow release of funds from national treasury
- Delays in approval of request for funds by office of controller of budget
- Technical and capacity challenges in application of IFMIS
- Other expenditure pressures

The table 8 analyses recurrent expenditure performance by ministries.

Department	Approved Budget	Expenditure	Utilization %
Ministry of Agriculture Livestock and Fisheries	222,912,878.71	131,346,373.75	59%
Ministry of Education, Culture and Sports	433,993,505.90	219,241,503.45	51%
Ministry of Gender, Youth and Social Service	69,522,396.20	46,810,372.40	67%

Ministry of Finance	603,272,590.78	494,940,620.42	82%
Ministry of Health Services	1,957,903,586.10	1,452,523,577.55	74%
Ministry of Trade, Investments Industrializations and Cooperative Development	68,654,503.51	50,816,600.90	74%
County Assembly	911,048,184.00	-	0%
Lands, Housing and Physical Planning	457,165,438.92	344,603,591.92	75%
Office of the Governor and Deputy Governor	502,211,082.90	355,092,902.97	71%
County Public Service Board	84,762,495.04	61,414,861.80	72%
Ministry of Public Service, Management and Devolved Unit	1,451,158,997.36	1,152,087,566.01	79%
Public Works Roads and Transport	138,404,872.58	106,485,745.69	77%
Ministry of Water, Environment and Natural Resources	640,244,698.56	470,777,687.10	74%
GRAND TOTAL	7,541,255,230.56	4,886,141,403.96	65%

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 March 2022 of the FY 2021/2022.

Programme	Sub-Programme	Approved Estimates FY 2021/22 (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)	Absorption Rate (% Total Expenditure to Approved Estimates)
		A	B	C=A-B	D=B/A*100
Agricultural and Livestock Sector Support	Agricultural Infrastructure, Conservation and Research	801,955,500.00	120,945,007.40	681,010,492.60	15%
	Livestock Agricultural Sector Support	245,450,158.00	124,267,685.00	121,182,473.00	51%
	Sub Total	1,047,405,658.00	245,212,692.40	802,192,965.60	23%
Cooperatives Development Programmes	Cooperatives Agricultural Support	7,200,000.00	2,200,000.00	5,000,000.00	31%
	Sub Total	7,200,000.00	2,200,000.00	5,000,000.00	31%
Trade Development	Trade development & Promotion	139,247,936.00	63,622,904.90	75,625,031.10	46%
	Sub Total	139,247,936.00	63,622,904.90	75,625,031.10	46%
Physical Infrastructure Development	Infrastructure & Equipment	24,410,211.00	14,994,274.00	9,415,937.00	61%
	Infrastructure Construction, Expansion and Maintenance	687,575,394.00	283,257,481.00	404,317,913.00	41%

	Infrastructure Development and Expansion	103,193,187.00	63,769,580.00	39,423,607.00	62%
	Infrastructure Development and Expansion	1,388,257,226.00	708,005,345.00	680,251,881.00	51%
	Sub Total	2,203,436,018.00	1,070,026,680.00	1,133,409,338.00	49%
Youth Rehabilitation and Development	Youth Development Programmes and Policy	105,000,000.00	13,870,000.00	91,130,000.00	13%
	Sub Total	105,000,000.00	13,870,000.00	91,130,000.00	13%
Administration, Planning and Support Services	General Administration & Support Services	2,391,897,091.00	1,332,451,397.69	663,312,375.80	56%
	General Administration & Support Services	716,098,903.00	553,305,765.40	162,793,137.60	77%
	Sub Total	3,107,995,994.00	1,885,757,163.09	826,105,513.40	61%
ECDE and Sports Development Services	ECDE Infrastructure.	319,692,015.00	92,693,699.00	226,998,316.00	29%
	Sub Total	319,692,015.00	92,693,699.00	226,998,316.00	29%
Legislation and Oversight Services	County Assembly Administration offices	172,253,556.00	0	172,253,556.00	0%
	Sub Total	172,253,556.00	0.00	172,253,556.00	0%
Financial Services	Procurement Services	430,300,000.00	236,814,152.00	193,485,848.00	55%
	Sub Total	430,300,000.00	236,814,152.00	193,485,848.00	55%
Administration and Compensation	Administration Services	3,467,690,856.00	2,254,400,644.45	1,213,290,211.55	65%
	Administration and Support Services	216,284,891.00	149,724,344.00	66,560,547.00	69%
	Sub Total	3,683,975,747.00	2,404,124,988.45	1,279,850,758.55	65%
Water Provision Services	Water Storage Structures	1,304,518,191.00	896,892,973.87	407,625,217.13	69%
	Water provision services	616,020,707.00	93,151,669.20	522,869,037.80	15%
	Sub Total	1,920,538,898.00	990,044,643.07	930,494,254.93	52%
Solar Energy and Environmental Services	Street lighting	93,701,231.00	46,845,872.00	46,855,359.00	50%
	Environmental Protection	24,223,992.00	2,970,000.00	21,253,992.00	12%
	Sub Total	117,925,223.00	49,815,872.00	68,109,351.00	42%
	Grand Total	13,254,971,045.00	7,054,182,794.90	5,804,654,932.58	53%

Source: County Treasury, Mandera County Government

The programmes that performed well based on expenditure absorption were Administration and Compensation at 65%, Administration, Planning and Support Services at 61%, Financial Services at 55%, and Water Provision Services at 52% of budget allocation while ECDE and Sports

Development Services, Agricultural and Livestock Sector Support and Youth Rehabilitation and Development performed poorly.

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 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.

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 and recurrent 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 Coronavirus pandemic, locust re-invasions, calamitous persistent drought, and other natural calamities 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. 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 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.