

REPUBLIC OF KENYA



MANDERA COUNTY GOVERNMENT

COUNTY TREASURY

BUDGET IMPLEMENTATION STATUS REPORT

**FULL YEAR REPORT
FY 2021/2022**

JULY, 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

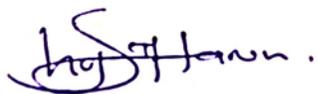
I am pleased to present the Budget Implementation Report for the fourth quarter of the Financial Year (FY) 2021/2022. The report fulfils the County's obligation under Section 166 of the Public Finance Management Act 2012 to prepare and publish quarterly budget implementation reports. The law specifies that these reports shall contain both financial and non-financial information.

This is the fourth report in FY 2021/2022 and presents information on budget performance by the departments in the period July 2021 to June 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 as the year rolled on towards the end of the financial period. There are several factors that were responsible for the slow implementation of the County programs mostly as a result of releases of funds from the National Treasury and delay in the 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 forthcoming first quarter of the FY 2022/2023. I urge all the departmental chief officers 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. We anticipate that 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 June 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 30th June 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

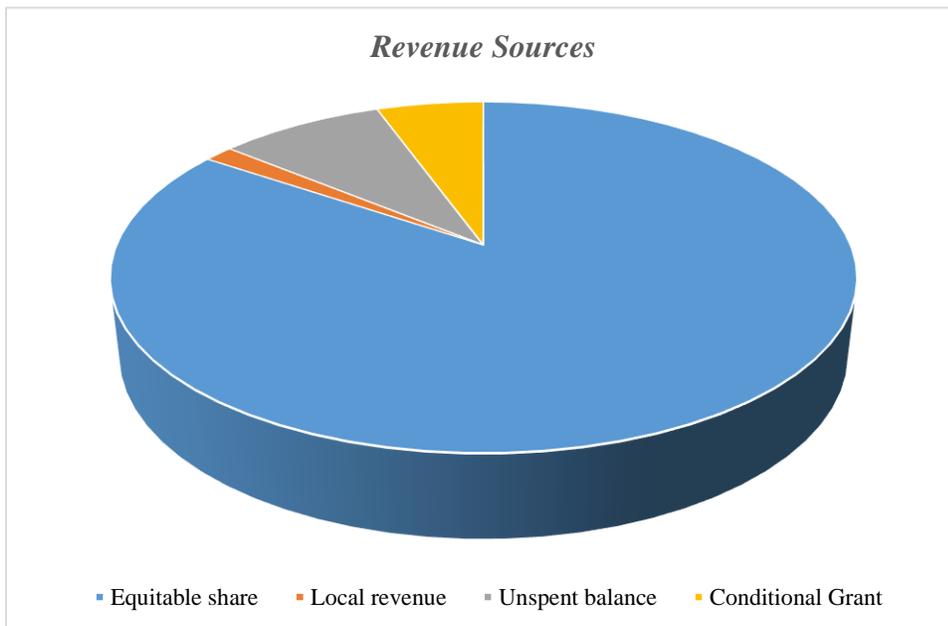
The County had an approved budget of Kshs. 13,283,669,213 which comprised of Kshs. 7,827,475,277 (59%) for recurrent expenditure and Kshs. 5,456,193,936 (41%) allocation for development expenditure. The County, therefore, met the minimum requirements of PFM Act

section 107 (2) which requires that at least 30% of the County budget to be dedicated for development.

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 Estimates	%
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	Shelved projects from 2020/2021	60,000,000.00	0%
	Shelved projects from 2020/2021	10,431,876.00	0%
	On-Going Projects funds b/f from 2020/2021	729,267,722	5%
	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%
	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health -B/f 2020/2021	17,747,030.00	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	0%
	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	188,988,383.00	1%
	Conditional Grant from KDSP(balance from B//F	5,353,751.00	0%
	World Bank Emergency locust response Project(ENRP)	52,925,333	0%
	Kenya Devolution Support Program Allocation for 2021/2022	141,844,646	1%
	Insurance claim Received	5,880,000	0%
	RMLF B/F	20,108,508	0%

	Kenya urban and Institutional Grant b/f 2020/2021	4,510,210	0%
	Kenya Urban and Institutional Grant b/f	46,311,374	0%
	TOTAL	13,283,669,213	100%

Source: County Treasury, Mandera County Government

2.2 Revenue Performance Analysis

During the FY 2021/2022, the County received Kshs. 10,295,151,990 as equitable share of revenue raised nationally and raised Kshs. 132,899,851 from own source revenue, had a cash balance of Kshs. 789,267,722 from FY 2020/2021 and received conditional grants amounting to Kshs. 433,632,950.

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 full FY 2021/2021 was Kshs. 132,899,851 which translates to 66% of the targeted collection.

Table 2: Total Local Revenue Collections for the Fourth 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 FOURTH QUARTER

MANDERA COUNTY GOVERNMENT		
OWN SOURCE REVENUE COLLECTION FOR THE FINANCIAL YEAR 2021/2022		
Revenue Sources	Target 2021/2022	Actual 2021/2022
Land rents	45,399,995	28,188,138
Plot Transfers/Sub-Divisions/Application Fees	26,692,722	15,358,460
Miraa Movements	12,483,768	12,693,123
Single Business Permit	22,084,457	10,537,400
Markets stalls	6,757,201	5,891,650
Market Shades	3,036,802	1,585,800
Market Gates	534,936	148,899
Buspark/Taxis/Parking	1,200,000	1,303,080
Income from Quarries	1,005,000	1,326,056

Building plan	1,500,000	842,000
Barriers	6,317,387	4,583,413
Livestock Markets Auction	4,280,908	1,975,058
Livestock Movement	7,785,796	6,298,755
Slaughter fees and Charges	8,116,214	5,893,958
Produce Cess	1,235,704	854,705
Agriculture Mechanization/Hire of Equipment	1,300,000	169,400
Income from Sale of Tenders documents	737,765	210,944
Rental income	1,400,000	1,638,417
Tender	4,558,082	339,000
Public Health	3,800,150	574,227
Hospital collection	32,892,981	29,072,568
Income from Water Management	6,917,923	3,414,800
Grand Total	200,037,792	132,899,851

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

MANDERA COUNTY GOVERNMENT														
OWN SOURCE REVENUE COLLECTION FOR THE FINANCIAL YEAR 2021/2022														
Revenue Sources	Target 2021/2022	July	August	September	October	November	December	January	February	March	April	May	June	Total
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	905,100	1,171,410	1,553,500	28,188,138
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	782,445	860,000	1,138,000	15,358,460
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	746,425	778,690	891,950	12,693,123
Single Business Permit	22,084,457	781,100	271,900	388,700	94,200	74,600	1,000	1,118,700	2,282,400	3,032,200	1,239,500	895,700	357,400	10,537,400
Markets stalls	6,757,201	589,300	524,000	503,400	496,800	518,700	568,800	449,900	289,200	411,700	216,300	809,850	513,700	5,891,650
Market Shades	3,036,802	105,500	847,300	398,200	111,100		55,600	32,000	18,100		18,000			1,585,800
Market Gates	534,936	19,210	16,011		14,200	30,000	7,290	6,720		36,860	10,948	7,240	420	148,899
Buspark/Taxis/Parking	1,200,000	102,706	180,650	97,790	102,047	34,000	110,938	162,408	130,500	131,541	101,750	71,050	77,700	1,303,080
Income from Quarries	1,005,000	74,000	106,350	125,000	130,936	80,100	116,750	118,170	104,950	130,850	78,600	140,500	119,850	1,326,056
Building plan	1,500,000	42,000	26,000	84,000	103,000	86,000	72,000	84,000	96,000	84,000	58,000	65,000	42,000	842,000
Barriers	6,317,387	435,785	344,110	500,807	365,255	402,323	502,534	252,138	320,880	437,220	364,495	447,620	210,246	4,583,413
Livestock Markets Auction	4,280,908	343,850	97,100	97,543	76,450	77,144	218,350	332,785	192,150	189,900	113,086	101,350	135,350	1,975,058
Livestock Movement	7,785,796	602,400	498,635	336,285	215,785	282,050	749,350	1,636,400	676,300	328,100	193,200	350,250	430,000	6,298,755
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	525,900	444,200	503,900	5,893,958
Produce Cess	1,235,704	39,400	45,502	71,500	91,600	68,575	164,260	102,120	28,000	71,360	105,088	15,300	52,000	854,705
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												210,944	210,944
Rental income	1,400,000			430,000	122,600	114,300			225,000	501,317	132,600	112,600		1,638,417
Tender	4,558,082											130,000	209,000	339,000
Public Health	3,800,150	39,325	88,200	40,500	8,600	9,700	18,100	64,103	148,099	104,500	10,000	27,100	16,000	574,227
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	1,800,811	2,118,326	2,206,302	29,072,568
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	130,500	86,300	155,800	3,414,800
Grand Total	200,037,792	12,645,100	12,152,700	12,737,421	10,096,106	10,255,196	10,566,144	12,795,890	12,520,076	14,141,922	7,532,748	8,632,486	8,824,062	132,899,851

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 June 2022 amounting to Kshs. 14,894,122 followed by the month of March 2022 in

which Kshs. 14,141,922 was collected while the least collection was in the month of April 2022 amounting to Kshs. 7,532,748.

The following challenges were encountered in the local revenue collections:

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

2.4 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs. 10,295,151,990 from the County Revenue Fund (CRF) account, which was 92% 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. 433,632,950 in the reporting period.

Table 4: Revenue Performance by Source (July 2021- June 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	10,295,151,990	895,230,608	92%
2	Local Revenue Collections	200,037,792	132,899,851	67,137,941	66%
3	Shelved projects from 2020/2021	60,000,000.00	60,000,000	-	100%
4	Shelved projects from 2020/2021	10,431,876.00	10,431,876	-	100%
5	On-Going Projects funds b/f from 2020/2021	729,267,722	729,267,722	-	100%
6	Sweden -Agricultural Sector Development Support Progam (ASDSP) II - Co Funding	500,000		500,000	0%
7	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health	54,586,272	54,187,185	399,087	99%

8	Danida Funding for Health sector - Transforming Health care - Universal Health	22,650,375	11,325,188	11,325,187	50%
9	UNFPA- 9th County Programme implementation	4,432,000		4,432,000	0%
10	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health	262,571		262,571	0%
11	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health - B/f 2020/2021	17,747,030.00		17,747,030	0%
12	Kenya Devolution support Program (KDSP) B/F (from 17/2018) - Amount n SPA	4,295,329	4,295,329	-	100%
13	Kenya Devolution Support Program b/f 2020/2021	143,000,000		143,000,000	0%
14	Kenya Climate smart Agriculture Project (NEDI)	298,883,700	145,484,885	153,398,815	49%
15	Sweden -Agricultural Sector Development Support Program (ASDSP) II	32,096,096	10,522,896	21,573,200	33%
16	Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F 2019/2020	49,173,647		49,173,647	0%
17	Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F 2020/2021	188,988,383.00		188,988,383	0%
18	Conditional Grant from KDSP(balance from B//F	5,353,751.00		5,353,751	0%
19	World Bank Emergency locust response Project(ENRP)	52,925,333	19,661,447	33,263,886	37%
20	Kenya Devolution Support Program Allocation for 2021/2022	141,844,646	141,844,646	-	100%
21	Insurance claim Received	5,880,000	5,880,000	-	100%
22	RMLF B/F	20,108,508		20,108,508	0%
23	Kenya urban and Institutional Grant b/f 2020/2021	4,510,210		4,510,210	0%
24	Kenya Urban and Institutional Grant b/f	46,311,374	46,311,374	-	100%
	TOTAL	13,283,669,213	11,667,264,389	1,616,404,824	88%

Source: County Treasury, Mandera County Government

An analysis of the table indicates that the County generated a total of Kshs. 132,899,851 from own revenue sources in 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 and locust reinvasion in the county.

3.0 Overall Expenditure Analysis

The overall Mandera County Government's expenditure for the period ending 30th June, 2022 amounted to Kshs. 11,718,411,768.15 out of which Kshs. 3,077,169,073.77 was for Operations & Maintenance and Kshs. 2,945,863,520.57 was for Personnel Emoluments. Transfers amounting to Kshs. 1,709,878,091.65 were made to the County entities. Expenditures amounting to Kshs. 3,985,501,082 were utilized on development programmes.

3.1 Expenditure by Economic Classification

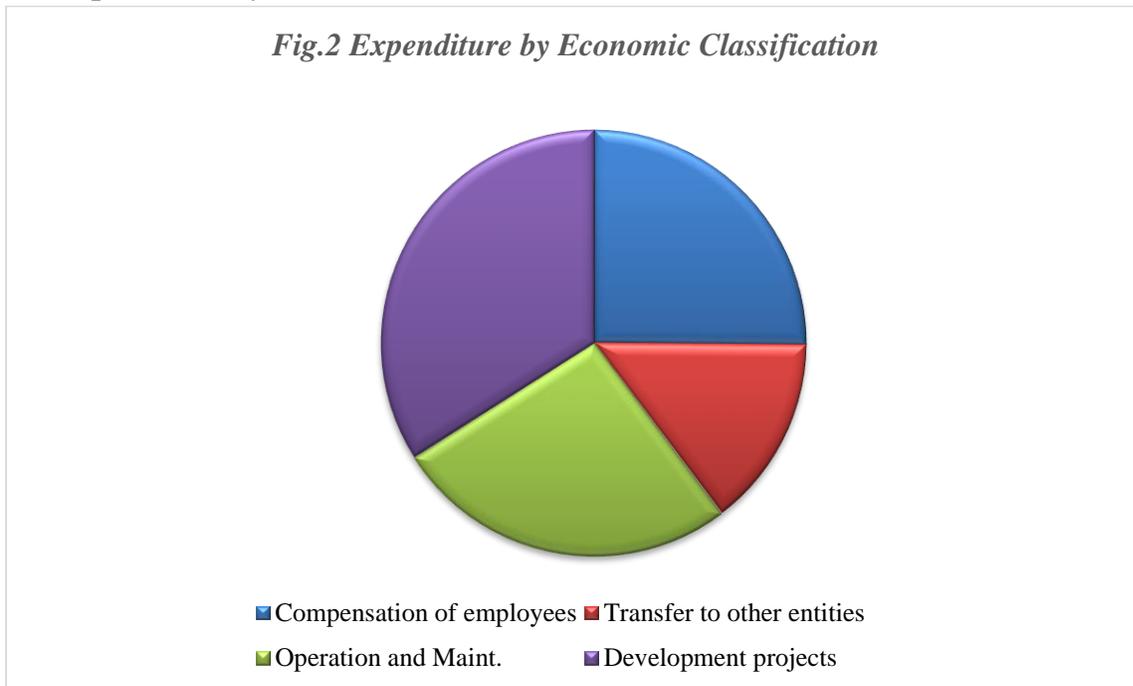


Figure 2: Expenditure by Economic Classification

From the analysis of the figure above, expenditures on Development projects had the highest utilization at 34% of the total expenditure incurred in the FY 2021/2022 while expenditures on Operations and Maintenance accounted for 26% of the total expenditure. Expenditure of 25% was incurred on Personnel Emoluments 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

Departments	Total Departmental Allocation 2021/2022	Recurrent Expenditure	Development Expenditure	New Total Departmental Allocation 2021/2022
Ministry of Agriculture Livestock and Fisheries	1,167,934,250.26	217,540,268.22	915,897,697.90	1,133,437,966.12
Ministry of Education, Culture and Sports	753,685,520.90	447,230,807.01	319,692,015.00	766,922,822.01
Ministry of Gender, Youth and Social Service	174,522,396.20	66,223,934.16	108,000,000.00	174,223,934.16
Ministry of Finance	1,033,572,590.78	956,717,524.69	430,300,000.00	1,387,017,524.69
Ministry of Health Services	2,645,478,980.42	1,861,340,444.60	684,575,394.32	2,545,915,838.92
Ministry of Trade, Investments Industrialization s and Cooperative Development	146,447,935.91	63,938,515.99	92,793,432.40	156,731,948.39
County Assembly	1,083,301,739.35	911,048,184.00	172,253,555.35	1,083,301,739.35
Lands, Housing and Physical Planning	481,575,649.62	461,675,648.92	24,410,210.70	486,085,859.62

Office of the Governor and Deputy Governor	502,211,082.90	484,379,825.42	-	484,379,825.42
County Public Service Board	146,762,495.04	78,280,341.48	62,000,000.00	140,280,341.48
Ministry of Public Service, Management and Devolved Unit	1,554,352,184.38	1,359,221,935.42	103,193,187.02	1,462,415,122.44
Public Works Roads and Transport	1,526,662,098.58	125,702,275.21	1,100,859,021.00	1,226,561,296.21
Ministry of Water, Environment and Natural Resources	2,038,464,120.56	794,175,571.46	1,442,219,422.00	2,236,394,993.46
GRAND TOTAL	13,254,971,044.90	7,827,475,276.59	5,456,193,935.69	13,283,669,212.28

The highest beneficiary of the FY 2021/2022 budget allocation was the Ministry of Health Services getting Kshs 2,545,915,839 (19 percent), Ministry of Water, Environment and Natural Resources getting Kshs 2,236,394,993 (17 percent), Ministry of Public Service, Management and Devolved Unit got Kshs. 1,462,415,122 (11 percent), Ministry of Finance and Economic Planning got Kshs. 1,387,017,525 (10 percent), Ministry of Public Works Roads and Transport were allocated Kshs 1,226,561,296 (9 percent) while the Ministry of Agriculture Livestock and Fisheries and the County Assembly got Kshs. 1,133,437,966 (9 percent) and Kshs. 1,083,301,739 (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. 11,718,411,768.15 on both development and recurrent activities. This absorption accounted for 88% of the total approved budget.

Departments	Budgeted Amount 2021/2022	Recurrent Expenditure	Development Expenditure	Total Expenditure
Ministry of Agriculture Livestock and Fisheries	1,133,437,966.12	182,916,596.56	450,065,080.68	632,981,677.24

Ministry of Education, Culture and Sports	766,922,822.01	439,663,600.45	183,304,697.00	622,968,297.45
Ministry of Gender, Youth and Social Service	174,223,934.16	66,195,506.40	105,370,000.00	171,565,506.40
Ministry of Finance	1,387,017,524.69	956,717,523.32	326,414,152.00	1,283,131,675.32
Ministry of Health Services	2,545,915,838.92	1,818,484,682.19	455,943,935.92	2,274,428,618.11
Ministry of Trade, Investments Industrializations and Cooperative Development	156,731,948.39	62,502,935.90	59,339,764.00	121,842,699.90
County Assembly	1,083,301,739.35	-	-	-
Lands, Housing and Physical Planning	486,085,859.62	465,165,438.92	15,000,000.00	480,165,438.92
Office of the Governor and Deputy Governor	484,379,825.42	478,837,413.07	-	478,837,413.07
County Public Service Board	140,280,341.48	76,900,925.40	61,999,995.84	138,900,921.24
Ministry of Public Service, Management and Devolved Unit	1,462,415,122.44	1,301,418,985.31	93,093,187.02	1,394,512,172.33
Public Works Roads and Transport	1,226,561,296.21	123,332,085.69	841,357,608.70	964,689,694.39
Ministry of Water, Environment and Natural Resources	2,236,394,993.46	789,082,250.10	1,393,612,661.00	2,182,694,911.10
GRAND TOTAL	13,283,669,212.28	6,761,217,943.31	3,985,501,082.16	10,746,719,025.47

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. 5,442,851,936. An expenditure of Kshs. 3,985,501,082 representing 73% of the development vote was utilized during the financial year. The County Public Service Board had the absorption rate during the year at 100% followed by the Ministry of Gender, Youth and Social Service at 98%. These were followed by Ministry of Water, Environment and Natural Resources and Ministry of Public Service, Management and Devolved Unit at 97 and 90% respectively. The worst performing departments were the Ministry of Education, Culture and Sports and the Ministry of Agriculture Livestock and Fisheries at 57% and 49% 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

Departments	Approved Amount 2021/2022	Development Expenditure	Utilization %
Ministry of Agriculture Livestock and Fisheries	915,897,697.90	450,065,080.68	49%
Ministry of Education, Culture and Sports	319,692,015.00	183,304,697.00	57%
Ministry of Gender, Youth and Social Service	108,000,000.00	105,370,000.00	98%
Ministry of Finance	430,300,000.00	326,414,152.00	76%
Ministry of Health Services	684,575,394.32	455,943,935.92	67%
Ministry of Trade, Investments Industrializations and Cooperative Development	92,793,432.40	59,339,764.00	64%
County Assembly	172,253,555.35	-	0%
Lands, Housing and Physical Planning	24,410,210.70	15,000,000.00	61%
County Public Service Board	62,000,000.00	61,999,995.84	100%
Ministry of Public Service, Management and Devolved Unit	103,193,187.02	93,093,187.02	90%
Public Works Roads and Transport	1,100,859,021.00	841,357,608.70	76%
Ministry of Water, Environment and Natural Resources	1,442,219,422.00	1,393,612,661.00	97%
GRAND TOTAL	5,456,193,935.69	3,985,501,082.16	73%

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 FY 2021/2022. The County had a total recurrent budget of Kshs. 7,840,817,277. An expenditure of Kshs. 6,761,217,943 representing 86% of the recurrent vote was utilized during the period under review. Only one Ministries incurred expenditure less than 84%. Ministry of Lands, Housing and Physical Planning, Ministry of Finance and Economic Planning, and Ministry of Gender, Youth and Social Service all recorded a 100% absorption rate. These were followed by Ministry of Water, Environment and Natural Resources and Office of the Governor and Deputy Governor at 99%. The worst performing department was the Ministry of Agriculture Livestock and Fisheries at 84%. 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.

Departments	Approved Amount 2021/2022	Recurrent Expenditure	Utilization %
Ministry of Agriculture Livestock and Fisheries	217,540,268.22	182,916,596.56	84%
Ministry of Education, Culture and Sports	447,230,807.01	439,663,600.45	98%
Ministry of Gender, Youth and Social Service	66,223,934.16	66,195,506.40	100%
Ministry of Finance	956,717,524.69	956,717,523.32	100%
Ministry of Health Services	1,861,340,444.60	1,818,484,682.19	98%
Ministry of Trade, Investments Industrializations and Cooperative Development	63,938,515.99	62,502,935.90	98%
County Assembly	911,048,184.00	-	0%
Lands, Housing and Physical Planning	461,675,648.92	465,165,438.92	101%
Office of the Governor and Deputy Governor	484,379,825.42	478,837,413.07	99%
County Public Service Board	78,280,341.48	76,900,925.40	98%

Ministry of Public Service, Management and Devolved Unit	1,359,221,935.42	1,301,418,985.31	96%
Public Works Roads and Transport	125,702,275.21	123,332,085.69	98%
Ministry of Water, Environment and Natural Resources	794,175,571.46	789,082,250.10	99%
GRAND TOTAL	7,827,475,276.59	6,761,217,943.31	86%

Source: County Treasury, Mandera County Government

3.3 Summary of Development Projects undertaken during the FY 2021/2022

Table 9 shows a summary of the mega development projects that were funded during the financial period under review.

Project Name	(Location of the Project)	Annual Budget Allocation FY 2021/22 (Kshs.)	Exchequer Issues to date (Kshs.)	Actual Expenditure to date (Kshs.)	Absorption (%)	Implementation Status
Construction of Rhamu Sub-County Headquarters	Mandera north subcounty	78,993,535	50,000,000	50,000,000	100%	complete
Operationalisation of HR Offices	mandera east	15,000,000	15,000,000	15,000,000	100%	complete
Proposed Construction Of 60,000M3 Har Dumayo Earth In Banisa, Mandera County	Banisa	31,000,000	31,000,000	31,000,000	100%	complete
Proposed Construction Of 20,000 M3 Earth Pan At Kubi Koyeti In Mandera West Sub County	Mandera West	10,000,000	10,000,000	10,000,000	100%	complete
Proposed Construction Of 30,000M3 Earth Pan At Adala Dimtu Earth Pan In Mandera West Sub County	Mandera West	15,500,000	10,000,000	10,000,000	65%	ongoing
Proposed Construction 30,000 M3 Earth Pan At Duse Bima In Mandera West Sub County	Mandera West	15,000,000	15,000,000	15,000,000	100%	complete
Proposed Construction Of 40,000M3	Banisa	20,000,000	19,991,880	19,991,880	100%	complete

Earth Pan At Baskorme In Banisa Sub County						
Proposed Construction 60,000M3 Earth Pan At Dadach Dheera In Mandera West Sub County	Mandera West	31,000,000	15,000,000	15,000,000	48%	ongoing
Proposed Construction Of 20,000 M3 Earth Pan At Fulaley In Lagsure In Mandera West	Mandera West	10,000,000	10,000,000	10,000,000	100%	complete
Proposed Construction Of 30,000M3 Qarsa Earth Pan In Mandera West Sub County	Mandera West	15,000,000	14,999,500	14,999,500	100%	complete
Proposed Desilting And Expansion Of 30,000M3 Of Dumayo Earth Pan In Banisa, Mandera County	Banisa	10,000,000	10,000,000	10,000,000	100%	ongoing
Proposed Expansion Of Duse Dam In Kutulo	Kutulo	31,000,000	30,976,930	30,976,930	100%	complete
Construction Expansion Of Masho Dam To 60,000M3 In Mandera West	Mandera West	20,000,000	19,999,380	19,999,380	100%	complete
Construction Expansion Of Chuqal Earth Pan To 60,000M3 In Banisa	Banisa	17,000,000	17,000,000	17,000,000	100%	complete
Construction Expansion Of 60,000M3 At Abuna Dam	Banisa	17,000,000	17,000,000	17,000,000	100%	ongoing
Proposed Water supply for Koromey farms irrigation infrastructure	Mdr East	33,246,005	33,246,005	33,246,005	100%	Completed
On-going Construction of	Mdr East	43,494,058	43,494,058	43,494,058	100%	Completed

the regional livestock Market						
Proposed Erection And Completion of Modern Slaughter House (Phase 2) In Mandera East Sub County	Mdr East	11,271,813	11,271,813	11,271,813	100%	Completed
Expansion and reconstruction of Slaughter House in Elwak	Elwak	55,000,000	55,000,000	55,000,000	100%	Ongoing
Construction of Kutulo (Malbe) Water Pan Irrigation Projects	Kutulo	45,913,468	45,913,468	45,913,468	100%	Completed
Proposed construction of 33No Housing unit and 33No toilets for vulnerable person in Lafey,Mandera North and Banisa Sub County	Lafey,Mandera North and Banisa	41,096,286	34,869,576.00	34,869,576.00	85%	Ongoing
Proposed construction of 57No Housing unit and 57No toilets for vulnerable person in Mandera East Sub County	Mandera East Sub County	55,991,100	44,203,500	44,203,500.00	80%	Ongoing
Proposed construction of 50No toilets for vulnerable person in in Neboi location in Mandera East Sub County	Mandera East Sub County	10,892,500	5,926,924	5,926,924.00	54%	Ongoing
Construction of County Public Service Board Offices	Mandera East	60,000,000	60,000,000	60,000,000	100%	Complete
proposed improvement of Takaba Airstrip	Mandera West	16,600,000	16,600,000.00	16,600,000.00	100%	Complete
proposed construction of lafey airstrip	Lafey	35,000,000	35,000,000.00	35,000,000.00	100%	Ongoing

Proposed Construction of a Box Culvert at Livestock Market Road	Mandera East	55,819,500	29,370,326.00	29,370,326.00	53%	Ongoing
Construction of Borehole 11, Falama - El ram Road-RMLF	Mandera South	19,899,510	19,899,510	19,899,510	100%	Complete
Construction of Box culvert/Celled drifts on Khalalio Road at Hareri	Mandera North	30,000,000.00	30,000,000.00	30,000,000.00	100%	Ongoing
proposed murraming and drift works at iyan abkula-arda halo road	Mandera West	28,000,000	28,000,000.00	28,000,000.00	100%	Ongoing
proposed construction of Banisa Airstrip	Banisa	28,500,000	28,500,000.00	28,500,000.00	100%	Complete
Construction of Dandu - Ires Teno - Gagaba - Sake – RMLF	mandera west	100,000,000.00	100,000,000.00	100,000,000.00	100%	Complete
Proposed grading and gvaelling of Access road to WFP compoud	Mandera East	2,500,000.00	2,500,000.00	2,500,000.00	100%	Complete
Opening Up Access Roads to KMTC and MTTC Area	Mandera East	59,000,000.00	59,000,000.00	59,000,000.00	100%	Complete
Low Volume seal tarmac road to Malka Punda and Parking at River Access Point (KUSP)	Mandera East	102,000,000.00	50,000,000.00	50,000,000.00	49%	Ongoing
Opening up and light grading of Mandera bypass road	Mandera East	57,000,000.00	57,000,000.00	57,000,000.00	100%	Complete
proposed construction of Rhamu airstrip	Mandera North	35,000,000	10,000,000.00	10,000,000.00	13%	Ongoing
Construction of Drift on Lagsure at Kiliwehiri	Banissa	12,801,620.00	12,801,620.00	12,801,620.00	100%	Complete
proposed construction of ceilled drift at dandu hospital access road	Mandera West	10,000,000	10,000,000.00	10,000,000.00	100%	Ongoing

re-channelling of Lag Warera seasonal River, Gabions in Takaba	mandera west	4,994,920.00	4,994,920.00	4,994,920.00	100%	Complete
Access Roads for Koromey farms	Mandera East	9,265,020.00	9,265,020.00	9,265,020.00	100%	Complete
Light Grading and Gravelling of Road at Khalafow Village	Banissa	40,658,520.00	40,658,520.00	40,658,520.00	100%	Complete
Construction and Opening up of Awacho Sambur - Kiliwehiri Road	Mandera West	63,500,000.00	63,500,000.00	63,500,000.00	100%	Complete
Construction of County Headquarters Gate	Mandera East	10,000,000	10,000,000.00	10,000,000.00	100%	Complete
Completion of County Headquarter	Mandera East	69,045,841	69,045,841.00	69,045,841.00	100%	Complete
Desilting of various dams countywide	Countywide	205,000,000	205,000,000.00	205,000,000.00	100%	Complete
Chain Linking Fencing of Islamic and Secular University land	Mandera East	30,000,000	28,840,603.00	28,840,603.00	96%	Ongoing
Construction of new Gate, Cabro the Road from the gate to the new admin block and the parking area at MTTI	Mandera East	29,861,996	29,861,996	29,861,996	100%	Complete
Proposed Construction of 3 No. Wards, Maternity Block, Laboratory Block & Store At Banisa Level IV Hospital At Banisa Sub County	Banisa	22,752,454	22,752,454.00	22,752,454.00	100%	Complete
Expansion of Arabia health facility	arabia	10,000,000	10,000,000	10,000,000	100%	Complete
Expansion of olla health facility	olla	10,000,000	10,000,000.00	10,000,000.00	100%	Completed
Expansion of guba health facility	guba	10,000,000	10,000,000.00	10,000,000.00	100%	Completed

Expansion of malka mari health facility	Malka mari	10,000,000	10,000,000.00	10,000,000.00	100%	Completed
Construction Of 30,000M3 Komor Qufa Earth Pan	Banisa	15,000,000	15,000,000	15,000,000	100%	complete

3.4 Budget Execution by Programmes and Sub-Programmes

Table 10 shows a summary of the budget execution by programmes and sub-programmes between July 2021 to June 2022 of the FY 2021/2022.

Programme/Sub-Programme	Approved Budget 2021/2022	Actual Expenditure 2021/2022	Budget utilization difference
	Kshs	Kshs	Kshs
Food security Initiatives	772,331,827.00	501,828,545.45	270,503,281.55
	772,331,827.00	501,828,545.45	270,503,281.55
Livestock Production	253,854,158.00	200,210,548.00	53,643,610.00
	253,854,158.00	200,210,548.00	53,643,610.00
Administration & Support Services	702,129,906.00	691,666,110.40	10,463,795.60
	2,307,913,251.00	2,266,685,017.20	41,228,233.80
	3,010,043,157.00	2,958,351,127.60	51,692,029.40
Administration and Compensation	2,806,319,287.00	2,747,864,649.57	70,288,686.80
	206,504,275.00	197,998,871.00	8,505,404.00
	3,012,823,562.00	2,945,863,520.57	78,794,090.80
Co-operative Development	6,450,000.00	6,012,800.00	437,200.00
	6,450,000.00	6,012,800.00	437,200.00
Trade Development and Promotion	149,781,948.00	116,033,238.90	33,748,709.10
	149,781,948.00	116,033,238.90	33,748,709.10
Youth Affairs	108,000,000.00	106,367,530.00	1,632,470.00
	108,000,000.00	106,367,530.00	1,632,470.00
Infrastructure Development	1,101,559,021.00	976,871,161.60	124,687,859.40
Land Survey	24,410,211.00	18,193,136.00	6,217,075.00
Health care Infrastructure	667,433,394.00	493,720,475.00	180,802,499.00
Physical Infrastructure	103,193,187.00	103,193,187.00	0.00
	1,896,595,813.00	1,591,977,959.60	311,707,433.40
Early Childhood Development Education (ECDE)	315,892,015.00	196,755,112.20	119,136,902.80
	315,892,015.00	196,755,112.20	119,136,902.80
Financial and procurement Services	430,300,000.00	328,598,670.00	101,701,330.00
	430,300,000.00	328,598,670.00	101,701,330.00

Water Supply	1,346,418,191.00	1,001,813,194.88	149,761,662.05
	769,951,579.00	761,353,709.10	8,597,869.90
	2,116,369,770.00	1,763,166,903.98	158,359,531.95
Solar Energy Services	103,701,231.00	103,701,231.00	0
Environmental Management Services	24,223,992.00	22,153,992.00	2,070,000.00
	127,925,223.00	125,855,223.00	2,070,000.00
County Assembly Oversight Services	1,083,301,740.00	877,390,588.85	205,911,151.15
	1,083,301,740.00	877,390,588.85	205,911,151.15
	13,283,669,213.00	11,718,411,768.15	1,389,337,740.15

Source: County Treasury, Mandera County Government

The programmes that performed well based on expenditure absorption were Administration and Compensation, Administration, Planning and Support Services, Financial Services and Water Provision Services 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 encountered numerous challenges that affected budget implementation during 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 deterrent 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.