

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF MANDERA

THE COUNTY TREASURY

BUDGET IMPLEMENTATION STATUS REPORT

FOURTH QUARTER REPORT

FY 2023/2024

JULY, 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.

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Foreword

I am pleased to present the Budget Implementation Report for the fourth quarter 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 stipulate that these reports shall contain both financial and non-financial information. This is the fourth quarter report in FY 2023/24 and presents information on budget performance by departments from July 2023 to June 2024. 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 from the second quarter of FY 2023/24. Expenditure on both development and recurrent programmes represented 90% of the approved budget.

Several factors contributed to the slow implementation of the County programs; late budget approval, delay in exchequer releases by the National Treasury and IFMIS connectivity challenges. With the above challenges having been addressed, the budget implementation is expected to be smooth in the first quarter of the FY 2024/25.

I urge the departments to move with speed in putting up measures to hasten the implementation of programmes especially for the development projects.

The county treasury urges all its 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 M. Adan

CECM Finance and Economic Planning

1.0 Introduction

This Budget Implementation Report is prepared in conformity with Article 228(6) of the Constitution of Kenya, 2010 and Section 39(8) of the Public Finance Management Act, 2012's requirement that counties report on the implementation progress of their budgets. It covers the period July 2023 to June 2024.

The report presents revenue and expenditure performance by the County Government of Mandera. Revenue is disintegrated by source while expenditure is analyzed by economic classification. It also highlights the County government's activities for the period under review and seeks to objectively review budget implementation in the county by highlighting performance of revenues, transfers received from the National Government and actual expenditure.

Key issues that affect budget implementation during the financial year are identified and appropriate recommendations made on how the issues can be addressed to enhance efficiency and effectiveness in budget execution.

Compiled by the County Treasury after consultation with all the County departments, the report presents the status of budget execution as at 30th June 2024 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.

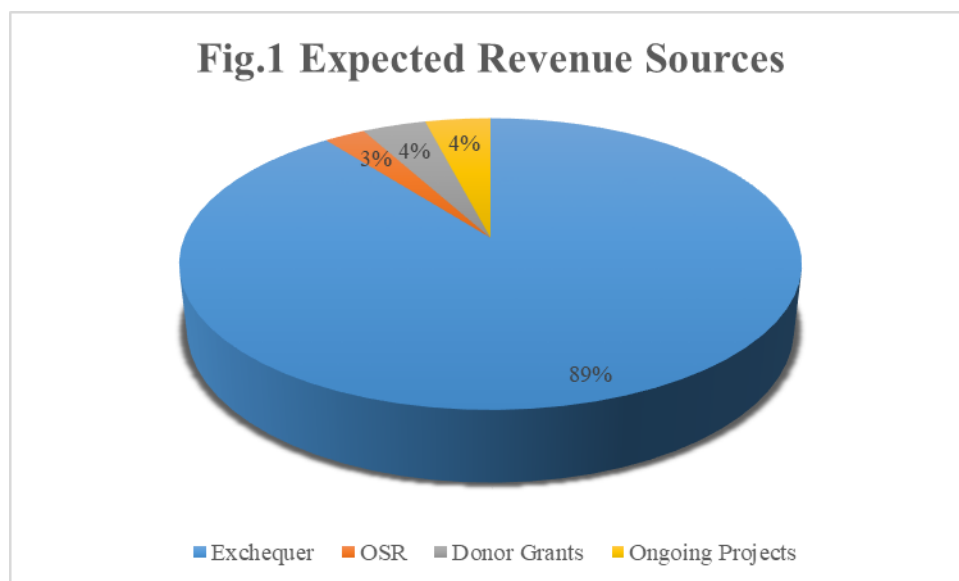
2.0 Financial Analysis of County Budget Implementation

The County had an approved Supplementary budget of Kshs. 13,000,831,007 which comprised of Kshs. 8,285,923,159 (64%) for recurrent expenditure and Kshs. 4,714,907,848 (36%) 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. 330,533,846 (3 percent) from own sources of revenue, receive Kshs. 512,075,587 (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	330,533,846
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)	-
Sweden -Agricultural Sector Development Support Program (ASDSP) II	2,257,207

Sweden -Agricultural Sector Development Support Program (ASDSP) II - National Government Contribution	-
RMLF b/f	2,262,955
World Bank Emergency locust response Project (ELRP)	180,282,153
FLOCCA County Climate Institutional Support Grant	11,000,000
FLOCCA CCIR Grant FY 2023/2024 Allocations	182,351,172
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	-
Conditional Grant for Provision of Fertilizer Subsidy Programme	13,777,962
Kenya Urban and Institutional Grant b/f	21,451,158
TOTAL	13,000,831,007

Source: County Treasury, Mandera County Government

2.2 Revenue Performance Analysis

During the FY 2023/2024, the County received Kshs. 10,702,536,315 as equitable share of revenue raised nationally and raised Kshs. 168,260,948 from own source revenue.

2.3 Own Source Revenue Performance

The County Government targeted to collect Kshs. 330,533,846 from local sources during the FY 2023/2024. The actual achievement in the FY 2023/2024 was Kshs. 168,260,948 which translates to 51% of the targeted collection.

Table 2: Total Local Revenue Collections for the Fourth 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 FOURTH QUARTER COUNTY OWN SOURCE REVENUE COLLECTION

Revenue Sources	Target	2023/2024	Total Collection
Land rents		71,055,477	42,531,111
Plot Transfers/Sub-Divisions/Application Fees		52,590,771	16,401,101
Building plan		4,507,780	264,001

Miraa Movements	25,746,994	6,205,400
Single Business Permit	35,232,729	15,716,074
Market Stalls/ Shades	17,948,637	7,417,640
Market Gates/Cess	2,314,519	566,340
Buspark/Taxis/Parking	3,069,313	867,665
Income from Quarries	2,184,181	1,106,400
Barriers	10,601,096	13,809,823
Livestock Markets Auction	6,984,555	4,998,350
Livestock Movement	12,416,647	6,433,078
Slaughter fees and Charges	13,924,152	3,526,000
Produce Cess	3,872,038	2,268,832
Agriculture Mechanization/Hire of Equipment	1,850,193	364,000
Rental income	1,421,293	507,190
Tender Fees	4,503,226	15,636,615
Public Health	6,138,958	2,987,849
Hospital collection	51,785,008	25,762,342
Income from Water Management	2,386,281	891,137
Grand Total	330,533,846	168,260,948

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, Single Business Permit, Tender Fees, Barriers, Market stalls, Livestock movements, Miraa Movements, and Livestock market auction.

The worst performing streams were Building Plans, Taxi/parking fees, Agriculture Mechanization/Hire of Equipment, rental income, Market Gates/Cess, Income from Water Management, produce cess, and Income from Quarries.

The monthly collection breakdown is shown in table that follows.



MANDERA COUNTY GOVERNMENT



OWN SOURCE REVENUE COLLECTION FY 2023/2024 (AS AT THE END OF QUARTER FOUR)

Revenue Sources	Target 2023/2024	July	August	September	October	November	December	January	February	March	April	May	June	Total
Land rents	71,055,477	3,029,458	2,759,008	2,145,658	2,170,575	1,399,320	1,615,650	2,221,529	2,692,455	2,144,977	2,862,246	15,642,709	3,847,525	42,531,111
Plot Transfers/Sub-Divisions/Application Fees	52,590,771	1,631,247	1,839,339	1,320,501	1,430,000	880,000	1,100,000	1,434,000	1,581,500	1,254,500	1,140,000	1,670,000	1,120,015	16,401,101
Building plan	4,507,780	-	-	-	12,000	-	-	70,501	109,500	38,500	-	-	33,500	264,001
Miraa Movements	25,746,994	666,900	578,700	501,500	280,300	55,000	320,300	766,600	770,900	540,000	429,200	850,000	446,000	6,205,400
Single Business Permit	35,232,729	123,800	260,800	49,900	53,400	52,000	10,000	3,338,700	4,893,431	2,547,830	1,663,600	1,064,853	1,657,760	15,716,074
Market Stalls/Shades	17,948,637	688,150	610,600	358,700	196,200	139,000	210,300	784,533	1,541,160	1,063,960	501,000	664,100	659,937	7,417,640
Market Gates/Cess	2,314,519	43,000	37,050	32,550	32,860	25,000	27,550	62,694	84,890	77,586	51,000	47,160	45,000	566,340
Buspark/Taxis/Parking	3,069,313	124,450	135,000	158,000	54,450	34,000	68,300	73,134	90,109	59,842	13,850	43,730	12,800	867,665
Income from Quarries	2,184,181	123,200	107,700	92,000	45,800	8,000	90,800	163,400	136,500	105,200	42,500	26,900	164,400	1,106,400
Barriers	10,601,096	899,028	1,238,780	1,349,040	343,050	240,250	394,295	1,275,553	1,952,987	1,921,730	1,369,420	1,382,340	1,443,350	13,809,823
Livestock Markets Auction	6,984,555	676,600	581,450	345,900	214,850	180,900	261,000	891,950	672,700	595,200	163,000	236,800	178,000	4,998,350
Livestock Movement	12,416,647	554,450	508,250	352,100	160,100	42,550	174,750	985,600	823,700	1,387,200	454,000	459,600	530,778	6,433,078
Slaughter fees and Charges	13,924,152	463,600	394,100	329,000	249,600	217,200	241,800	346,900	293,000	282,500	231,600	248,100	228,600	3,526,000
Produce Cess	3,872,038	458,700	350,460	325,950	62,810	42,510	96,780	334,222	199,090	193,200	51,970	58,320	94,820	2,268,832
Agriculture Mechanization/Hire of Equipment	1,850,193	-	10,000	50,000	24,000	-	12,000	34,000	31,000	103,000	56,000	14,000	30,000	364,000
Rental income	1,421,293	70,300	64,300	61,100	54,200	31,600	42,650	64,890	45,670	71,480	1,000	-	-	507,190
Tender Fees	4,503,226	-	-	-	-	-	-	347,465	2,842,683	2,958,267	2,912,000	6,320,000	256,200	15,636,615
Public Health	6,138,958	16,700	9,600	21,700	14,400	-	10,800	571,500	1,115,788	828,160	96,901	78,300	224,000	2,987,849
Hospital collection	51,785,008	2,466,740	2,907,240	2,453,810	1,332,660	1,321,601	1,061,670	2,856,450	2,896,980	2,810,330	1,366,580	1,826,570	2,461,711	25,762,342
Income from Water Management	2,386,281	178,658	191,407	125,703	50,108	34,210	44,100	71,407	60,720	50,104	51,860	22,860	10,000	891,137
Grand Total	330,533,846	12,214,981	12,583,784	10,073,112	6,781,363	4,703,141	5,782,745	16,695,028	22,834,763	19,033,566	13,457,727	30,656,342	13,444,396	168,260,948

Source: Department of Revenue Services, Mandera County

From the above analysis, the highest County Own Source Revenue collection was realized in the month of May 2024 amounting to Kshs. 30,656,342 followed by the month of February 2024 in which Kshs. 22,834,763 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 infrastructures.
- 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. 10,702,536,315 from the County Revenue Fund (CRF) account, which was 92% of the approved allocations. This amount represented a decrease from Kshs. 11,190,382,598 received in the FY 2022/2023 and was meant to fund both development and recurrent expenditures.

2.4 Conditional Grants

The County received Kshs. 361,948,592 as Conditional Grants in the reporting period.

Table 4: Revenue Performance by Source (July 2023- June 2024)

Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Variance (Kshs.)	Remarks
	A	B	C=A-B	
Equitable share of Revenue	11,633,191,646	10,702,536,315	930,655,331	92%
Local Revenue Collections	330,533,846	168,260,948	162,272,898	51%
On-Going Projects funds b/f from 2022/2023	525,029,928	525,029,928	-	100%

Sweden -Agricultural Sector Development Support Program (ASDSP) II - Co Funding	2,257,207	500,000	1,757,207	22%
FLOCCA CCIR Grant FY 2023/2024 Allocations	182,351,172	182,351,172		
DANIDA Grant - Primary Health Care	18,653,250	-	18,653,250	0%
FLOCCA balance from FY 2022/2023 in SP Account	6,644,937	6,644,937	-	100%
KDSP balance in SP Account	851,785	851,785		100%
Kenya Climate smart Agriculture Project (NEDI)	-	-	-	0%
World Bank Emergency locust response Project(ENRP)	180,282,153	179,097,420	1,184,733	99%
FLLoCA	11,000,000	-	11,000,000	0%
De-Risking and Value Enhancement (DRIVE)	72,541,980			
Conditional Grant for Aggregated Industrial Parks Programme	-			
Conditional Grant for Provision of Fertilizer Subsidy Programme	13,777,962			
RMLF b/f	2,262,955	-		
Allocation for Mineral royalties	1,028	-	1,028	0%
Kenya Urban and Institutional Grant b/f	21,451,158	21,451,158	-	100%
TOTAL	13,000,831,007	11,786,723,662	1,125,524,448	91%

Source: County Treasury, Mandera County Government

An analysis of the table indicates that the County generated a total of Kshs. 168,260,948 from own revenue sources in the FY 2023/2024. This amount represented an increase of Kshs. 45,732,014 compared to Kshs. 122,528,934 realized in the FY 2022/2023.

3.0 Overall Expenditure Analysis

The overall Mandera County Government's expenditure for the period ending 30th June, 2024 amounted to Kshs. 11,733,655,727 out of which Kshs. 2,947,632,241 was for Operations & Maintenance and Kshs 4,111,115,606 was for Personnel Emoluments. Transfers amounting to Kshs. 2,007,731,334 were made to the County entities. Expenditures amounting to Kshs. 2,667,176,545 were utilized on development programmes.

3.1 Expenditure by Economic Classification

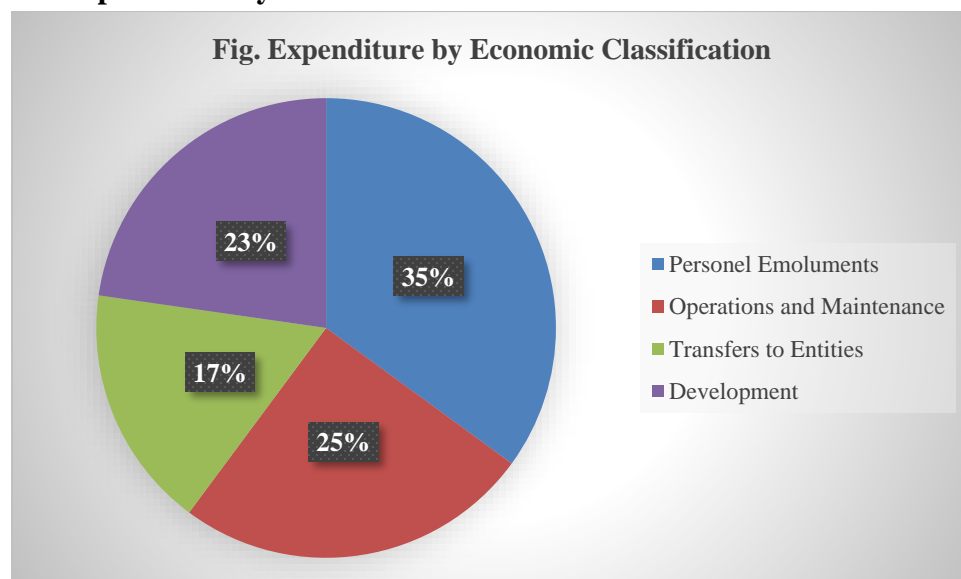


Figure 2: Expenditure by Economic Classification

From the analysis of the above figure, expenditures on Personnel Emoluments had the highest utilization at 35% of the total expenditure incurred in the FY 2023/2024 while expenditures on operations and maintenance accounted for 25% of the total expenditure. Expenditure of 23% was incurred on development projects while Transfers to County Entities accounted for 17% 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 Allocations
Ministry of Agriculture, Livestock and Fisheries	259,552,152	453,260,302	712,812,454
Ministry of Education and Human Capital Development	1,119,910,345	212,468,894	1,332,379,239
Ministry of Social Development	93,657,611	605,498,642	699,156,253
Ministry of Finance and Economic Planning	409,280,122	36,753,275	446,033,397
Ministry of Health Services	2,321,225,903	343,623,509	2,664,849,412
Ministry of Trade and Cooperative Development	68,150,868	164,264,774	232,415,642
County Assembly	753,911,204	259,088,796	1,013,000,000
Ministry of Lands and Urban Development	228,161,485	506,321,814	734,483,299
Office of the Governor and Deputy Governor	497,889,646	-	497,889,646
Office of the County Secretary	66,502,802	-	66,502,802
Office of the County Attorney	97,180,939	-	97,180,939
County Public Service Board	73,218,148	7,731,342	80,949,490
Ministry of Public Service Management, Devolved Units and Community Cohesion	1,620,814,447	36,600,000	1,657,414,447
Ministry of Roads, Transport and Public Works	307,112,294	395,404,819	702,517,113
Ministry of Water, Energy, Environment and Climate Change	369,355,193	1,693,891,681	2,063,246,874
GRAND TOTAL	8,285,923,159	4,714,907,848	13,000,831,007

Source: County Treasury, Mandera County Government

The highest beneficiary of the FY 2023/2024 budget allocation was the Ministry of Health Services getting Kshs 2,664,849,412 (20 percent), Ministry of Water, Environment and Natural Resources getting Kshs 2,063,246,874 (16 percent), Ministry of Public Service, Management and Devolved Unit got Kshs. 1,657,414,447 (13 percent), Ministry of Education and Capacity Development were allocated Kshs 1,332,379,239 (10 percent), while the County Assembly got Kshs. 1,013,000,000 (8 percent). Other departments were allocated below 6 percent.

3.2.2 Departmental Expenditure Analysis

During the period under review, the county executive incurred expenditures totaling to Kshs. 11,733,155,727 on both development and recurrent activities. This absorption accounted for 90% of the total approved budget.

Departments	Total Allocation (Kshs)	Recurrent Expenditure (Kshs)	Development Expenditure (Kshs)	Total Expenditure (Kshs)
Ministry of Agriculture, Livestock and Fisheries	712,812,454	231,056,802	313,208,767	544,265,569
Ministry of Education and Human Capital Development	1,332,379,239	1,072,585,264	178,695,023	1,251,280,287
Ministry of Social Development	699,156,253	89,536,298	528,000,000	617,536,298
Ministry of Finance and Economic Planning	446,033,397	377,748,265	30,000,000	407,748,265
Ministry of Health Services	2,664,849,412	2,206,108,772	293,072,349	2,499,181,121
Ministry of Trade and Cooperative Development	232,415,642	62,661,577	53,449,412	116,110,989
County Assembly	1,013,000,000	748,345,700	206,447,383	954,793,083
Ministry of Lands and Urban Development	734,483,299	195,335,090	455,340,145	650,675,235
Office of the Governor and Deputy Governor	497,889,646	470,890,561		470,890,561
Office of the County Secretary	66,502,802	66,500,000		66,500,000
Office of the County Attorney	97,180,939	76,180,000		76,180,000
County Public Service Board	80,949,490	73,218,148	-	73,218,148
Ministry of Public Service Management, Devolved Units and Community Cohesion	1,657,414,447	1,617,434,379	36,600,000	1,654,034,379
Ministry of Roads, Transport and Public Works	702,517,113	181,210,886	272,005,975	453,216,861
Ministry of Water, Energy, Environment and Climate Change	2,063,246,874	349,281,806	1,548,243,126	1,897,524,932
GRAND TOTAL	13,000,831,007	7,818,093,548	3,915,062,180	11,733,155,727

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. 4,714,907,848. An expenditure of Kshs. 3,915,062,180 representing 83% of the development vote was utilized during the financial year. Eight ministries were able to incur expenditure above 80%. The Ministry of Public Service Management, Devolved Units and Community Cohesion incurred the highest expenditure with an absorption rate of 100% followed by the Ministry of Water, Energy, Environment and Climate Change at an absorption rate of 91%. The Ministry of Lands and Urban Development, the Ministry of Social Development, and the Ministry of Health Services incurred an expenditure of 90%, 86% and 85% respectively. The worst performers were the Ministry of Roads, Transport and Public Works, the Ministry of Agriculture, and the Ministry of Trade and Cooperative Development, which had an expenditure of 69%, 69%, and 33% respectively 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. heavy El-Nino
- General insecurity problems from Al-Shabaab terrorists

The table 7 analyses development expenditure performance by ministries

Departments	Budgted Amount (Kshs)	Expenditure (Kshs)	Utilization (%)
Ministry of Agriculture, Livestock and Fisheries	453,260,302	313,208,767	69%
Ministry of Education and Human Capital Development	212,468,894	178,695,023	84%
Ministry of Social Development	605,498,642	528,000,000	87%
Ministry of Finance and Economic Planning	36,753,275	30,000,000	82%
Ministry of Health Services	343,623,509	293,072,349	85%
Ministry of Trade and Cooperative Development	164,264,774	53,449,412	33%
County Assembly	259,088,796	206,447,383	80%

Ministry of Lands and Urban Development	506,321,814	455,340,145	90%
Office of the Governor and Deputy Governor	-		0%
Office of the County Secretary	-		0%
Office of the County Attorney	-		0%
County Public Service Board	7,731,342	-	0%
Ministry of Public Service Management, Devolved Units and Community Cohesion	36,600,000	36,600,000	100%
Ministry of Roads, Transport and Public Works	395,404,819	272,005,975	69%
Ministry of Water, Energy, Environment and Climate Change	1,693,891,681	1,548,243,126	91%
Grand Total	4,714,907,848	3,915,062,180	83%

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 2023/2024. The County had a total recurrent budget of Kshs. 7,970,529,324. An expenditure of Kshs. 7,818,093,548 representing 94% of the recurrent vote was utilized during the period under review. Eight ministries recorded an absorption above 95%. The Ministry of Public Service Management and Devolved Unit, the County Public Service Board and Office of the County Secretary recorded the highest overall absorption rate at 100% each followed by the County Assembly at 99%, the Ministry of Education and Human Capital Development and the Ministry of Social Development at 96%. The Ministry of Health Services and the Office of the Governor and Deputy Governor at 95% each. The Office of the County Attorney and the Ministry of Roads, Transport and Public Works were the lowest spenders of the recurrent budget during the period at an absorption rate of 78% and 59% respectively.

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 Amount (Kshs)	Expenditure (Kshs)	Utilization (%)
Ministry of Agriculture, Livestock and Fisheries	259,552,152	231,056,802	89%
Ministry of Education and Human Capital Development	1,119,910,345	1,072,585,264	96%
Ministry of Social Development	93,657,611	89,536,298	96%
Ministry of Finance and Economic Planning	409,280,122	377,748,265	92%
Ministry of Health Services	2,321,225,903	2,206,108,772	95%
Ministry of Trade and Cooperative Development	68,150,868	62,661,577	92%
County Assembly	753,911,204	748,345,700	99%
Ministry of Lands and Urban Development	228,161,485	195,335,090	86%
Office of the Governor and Deputy Governor	497,889,646	470,890,561	95%
Office of the County Secretary	66,502,802	66,500,000	100%
Office of the County Attorney	97,180,939	76,180,000	78%
County Public Service Board	73,218,148	73,218,148	100%
Ministry of Public Service Management, Devolved Units and Community Cohesion	1,620,814,447	1,617,434,379	100%
Ministry of Roads, Transport and Public Works	307,112,294	181,210,886	59%
Ministry of Water, Energy, Environment and Climate Change	369,355,193	349,281,806	95%
Grand Total	8,285,923,159	7,818,093,548	94%

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 June 2024 of the FY 2023/2024.

Programme	Sub-Programme	Description	Approved Estimates FY 2023/24 (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	105013410	General Administration & Support Services	131,187,804	122,696,802	8,491,002	94%
	111013410	Livestock Resources Management and Development	195,842,980	123,301,000	72,541,980	63%
	112013410	Crop Management and Development	308,360,913	221,351,358	87,009,555	72%
	113013410	Irrigation Development and Management	77,420,757	77,416,409	4,348	100%
			712,812,454	544,765,569	168,046,885	76%
Lands, Housing and Physical Development	114013410	Administration Services	67,013,160	59,186,765	7,826,395	88%
	115013410	Land Use Planning and Survey	111,148,981	44,277,105	66,871,876	40%

	116013410	Physical Planning housing and urban development	453,051,158	443,941,365	9,109,793	98%
	117013410	Solid Waste Management	103,270,000	103,270,000	-	100%
			734,483,299	650,675,235	83,808,064	89%
Roads, Public Works and Transport	204013410	Administrative Services	169,082,294	144,710,886	24,371,408	86%
	205013410	Road And Air Transport Infrastructure Development	500,078,693	288,799,849	211,278,844	58%
	206013410	Public Works Management	33,356,126	19,706,126	13,650,000	59%
			702,517,113	453,216,861	249,300,253	65%
Trade and Cooperative Development	306013410	General Administration and Planning	45,550,587	40,061,577	5,489,010	88%
	307013410	Cooperative Development and Promotion	27,100,281	20,600,000	6,500,281	76%
	308013410	Trade Development and Promotion	159,764,774	55,449,412	104,315,362	35%
			232,415,642	116,110,989	116,304,653	50%
Health Services	404013410	Administrative Services	1,528,134,758	1,451,670,877	76,463,881	95%

	405013410	Preventive, Promotive and Reproductive Health Services	211,914,813	172,055,555	39,859,258	81%
	406013410	Curative Rehabilitative and Refferal Services	924,799,841	875,454,689	49,345,152	95%
			2,664,849,412	2,499,181,121	165,668,291	94%
Education and Human Capital	503013410	General Administration & Support Services	997,854,875	950,615,264	47,239,611	95%
	506013410	Early Childhood Education	302,974,364	269,115,023	33,859,341	89%
	507013410	Vocational and Technical Training Services	25,050,000	25,050,000	-	100%
	508013410	Education Support Services	6,500,000	6,500,000	-	100%
			1,332,379,239	1,251,280,287	81,098,952	94%
County Executive Services	County Executive Services	Management of County Affairs	497,889,646	470,890,561	26,999,085	95%
			497,889,646	470,890,561	26,999,085	95%
Office of the County Secretary	Policy, Leadership and Executive Coordination	Leadership and executive coordination	66,502,802	66,500,000	2,802	100%
			66,502,802	66,500,000	2,802	100%

Office of the County Attorney	Legal and Public Sector Advisory Services	Legal and advisory services	97,180,939	76,180,000	21,000,939	78%
			97,180,939	76,180,000	21,000,939	78%
County Public Service Board	716013410	Ethics, Governance and Public Service Values	80,949,490	73,218,148	-	90%
			80,949,490	73,218,148	-	90%
County Assembly	Legislation and Representation	Legislation and Representation	1,013,000,000	954,793,082	58,206,918	94%
			1,013,000,000	954,793,082	58,206,918	94%
Finance and Economic Planning	Administration Planning	Administrative and Planning Services	291,758,120	266,690,183	25,067,937	91%
	718013410	Accounting Services	62,996,967	56,130,951	6,866,016	89%
	718023410	Financial Services and Report	3,900,000	3,900,000	-	100%
	718033410	Internal Audit Services	2,800,000	2,800,000	-	100%
	718043410	Supply Chain Management Affairs	12,000,000	12,000,000	-	100%
	718053410	County Asset Management system	2,800,000	2,800,000	-	100%
	719013410	County Economic Planning and Statistics	27,127,131	27,127,131	-	100%

	720013410	Revenue Collection and Enhancement	23,400,000	23,400,000	-	100%
	721013410	ICT and E-Government Services	19,251,179	12,900,000	6,351,179	67%
			446,033,397	407,748,265	38,285,132	91%
County Public Service Management	Administration Planning	Administration and Support Services	1,509,538,379	1,509,538,379	(0)	100%
	Enforcement Services	Devolved Governance and Enforcement Services	108,546,068	105,166,000	3,380,068	97%
	Civic Education	Civic Education and Public Participation	7,500,000	7,500,000	-	100%
	Re-radicalization	De-Radicalization and Countering Violence	17,030,000	17,030,000	-	100%
	Conflict Management	Community Cohesion and Conflict Management	14,800,000	14,800,000	-	100%
			1,657,414,447	1,654,034,379	3,380,068	100%
Social Development	Administration Planning	Administration and Support Services	36,592,335	36,471,298	121,037	100%
	Gender and Social Services	Women Empowerment and Affirmative Action	12,500,000	9,000,000	3,500,000	72%
	Youth Affairs	Youth Empowerment and Sports	33,575,276	16,075,000	17,500,276	48%

	Gender and Culture Promotion	Culture and Gender Development promotion	24,350,000	20,350,000	4,000,000	84%
	Special Programmes	Disaster Preparedness and Management	592,138,642	535,640,000	56,498,642	90%
			699,156,253	617,536,298	81,619,955	88%
Water, Energy, Environment and Climate Change	Administration Planning	Administrative Services	177,693,266	158,619,879	19,073,387	89%
	Water Services	Water and Sewerage Management	1,504,487,990	1,385,513,685	118,974,305	92%
	Energy	Energy and Natural Resources	23,200,000	9,700,000	13,500,000	42%
	Environmental Protection	Environment and Climate Change	357,865,618	343,691,368	14,174,250	96%
			2,063,246,874	1,897,524,932	165,721,942	92%
		GRAND TOTAL	13,000,831,007	11,733,655,727	1,259,443,938	90%

Source: County Treasury, Mandera County Government

The sub programmes that performed well based on expenditure absorption were Irrigation Development and Management, Education Support Services, Vocational and Technical Training Services, Leadership and executive coordination, Supply Chain Management Affairs, Financial Services and Report , civic education, deradicalization and conflict management at 100% each while Youth Empowerment and Sports, Land Use Planning and Survey, and Trade Development and Promotion performed poorly at 48%, 40%, and 35% respectively.

4.0 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD

Mandera County Government experienced several challenges that affected budget implementation during 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. The supplementary budget was also approved late in the month of May 2024, unfavourably affecting the implementation process.

Slow release of funds from National Treasury

By the end of the fourth quarter of the FY 2023/2024, the County had not received its June 2024 equitable share allocations. 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.