

REPUBLIC OF KENYA



MANDERA COUNTY GOVERNMENT

COUNTY TREASURY

BUDGET IMPLEMENTATION STATUS REPORT

THIRD QUARTER REPORT

FY 2023/2024

APRIL, 2024

County mission and vision

Vision

To be a regionally competitive and self- reliant county

Mission

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

Table of contents

Contents

Table of contents.....	3
Foreword.....	4
1.0 Introduction.....	5
1.1 Fiscal Outlook.....	5
2.0 Financial Analysis of County Budget Implementation	5
2.1 Budget Components.....	6
Table 1: Budget Components.....	6
2.2 Revenue Performance Analysis	7
2.3 Own Source Revenue Performance	7
Table 2: Total Local Revenue Collections for the Third Quarter of FY 2023/2024.....	7
Table 3: Monthly OSR Performance per Stream	9
2.4 Exchequer Issues.....	10
2.4 Conditional Grants	10
Table 4: Revenue Performance by Source (July 2023- March 2024).....	10
3.1 Expenditure by Economic Classification.....	12
3.2 Budget and Budget Performance by County Departments	12
3.2.1 Budget estimates	12
Table 5: Resource allocation among the ministries	13
3.2.2 Departmental Expenditure Analysis	14
3.2.2.1 Development expenditure performance by departments.....	15
3.2.2.2 Recurrent expenditure performance by departments	16
3.3 Budget Execution by Programmes and Sub-Programmes	17
4.0 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD.....	22
5.0 RECOMMENDATIONS	24

Foreword

I am pleased to present the Budget Implementation Report for the third 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 specifies that these reports shall contain both financial and non-financial information.

This is the third report in FY 2023/2024 and presents information on budget performance by the departments in the period July 2023 to March 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 in the second quarter and third quarter and by the end of March 2024, expenditure on both the development and recurrent programmes represented 52% of the County's approved budget. There are several factors that were responsible for the slow implementation of the County programs mostly as a result of late budget approval, delay in approval of Fund Requests by Office of the Controller of Budget and IFMIS connectivity challenges. With the above challenge having been addressed, the budget implementation is expected to be smooth in the fourth quarter of the FY 2023/2024. I urge the departments to move with speed in putting up measures to hasten the implementation of programmes especially for the development projects.

I also urge all our stakeholders to actively scrutinize this report in order to take necessary action towards enhancement of transparency and accountability in the management of public resources as enshrined in the constitution and PFM Act, 2012. This will go a long way in providing feedback towards efficient and effective service delivery and attainment of the County Government's objectives.

Ibrahim Mohamed Adan

County Executive Member for Finance and Economic Planning

1.0 Introduction

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

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 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.

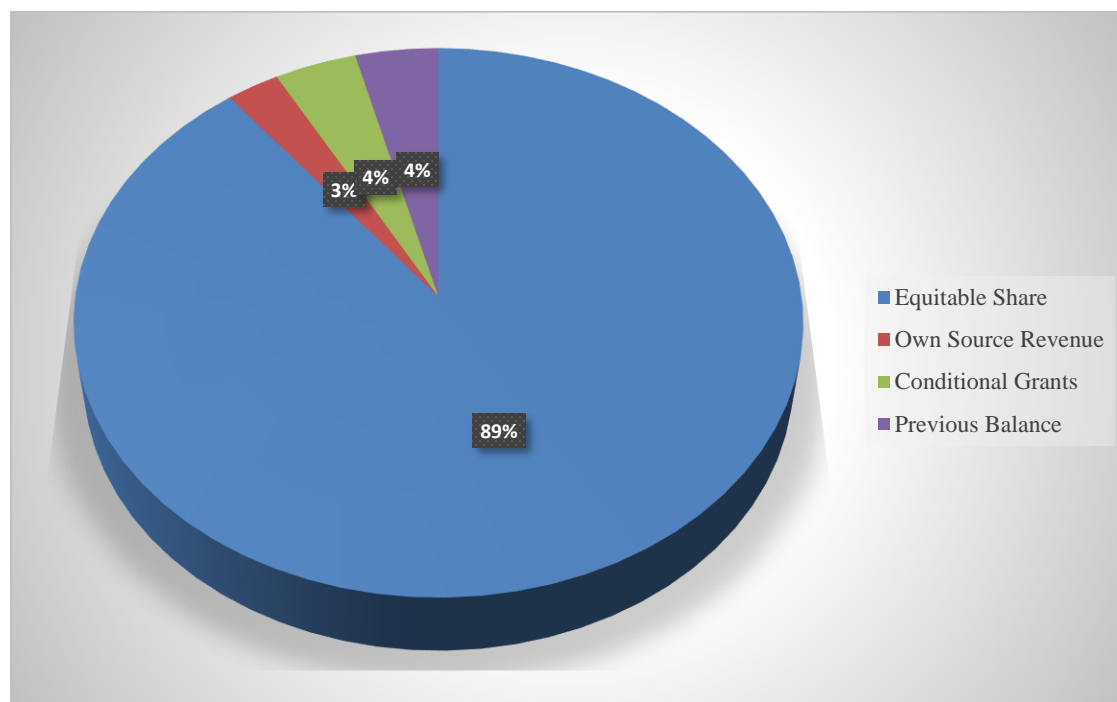
2.0 Financial Analysis of County Budget Implementation

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

2.1 Budget Components

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

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



Source: County Treasury, Mandera County Government

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

Table 1: Budget Components

The table summarizes county revenues for FY 2023/2024 budget

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

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

Source: County Treasury, Mandera County Government

2.2 Revenue Performance Analysis

During the first nine months of the FY 2023/2024, the County received Kshs. 6,747,251,154 as equitable share of revenue raised nationally and raised Kshs. 110,120,481 from own source revenue.

2.3 Own Source Revenue Performance

The County Government targeted to collect Kshs. 336,533,846 from local sources during the FY 2023/2024. The actual achievement in the first nine months of the FY 2023/2024 was Kshs. 110,120,481 which translates to 33% of the targeted collection.

Table 2: Total Local Revenue Collections for the Third 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 THIRD QUARTER COUNTY OWN SOURCE REVENUE COLLECTION

Revenue Sources	Target 2023/2024	Total
Land rents	71,055,477	20,177,769
Plot Transfers/Sub-Divisions/Application Fees	52,590,771	12,471,086
Building plan	4,507,780	230,501
Miraa Movements	25,746,994	4,480,200
Single Business Permit	35,232,729	11,329,861
Markets stalls/Shades	17,948,637	5,530,463
Market Gates/Cess	2,314,519	423,180
Buspark/Taxis/Parking	3,069,313	798,285
Income from Quarries	2,184,181	872,600
Barriers	10,601,096	9,614,713
Livestock Markets Auction	6,984,555	4,220,550
Livestock Movement	12,416,647	4,988,700
Slaughter fees and Charges	13,924,152	2,817,700
Produce Cess	3,872,038	1,763,722
Agriculture Mechanization/Hire of Equipment	1,850,193	264,000
Rental income	1,421,293	506,190
Tender Fees	4,503,226	6,228,415
Public Health	6,138,958	2,588,648
Hospital collection	51,785,008	20,107,481
Income from Water Management	8,386,281	706,417
Grand Total	336,533,846	110,120,481

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, Barriers, Tender fees, Market stalls, Livestock movements, and Miraa Movements. The worst performing streams were Building Plans, Taxi/parking fees, Agriculture Mechanization/Hire of Equipment, Public Health, Market Gates/Cess, Income from Water Management, and Income from Quarries. The monthly collection breakdown is shown in table that follows.

MANDERA COUNTY GOVERNMENT											
QUARTER THREE OWN SOURCE REVENUE COLLECTION FY 2023/2024											
Revenue Sources	Target 2023/2024	July	August	September	October	November	December	January	February	March	Total
Land rents	71,055,477	3,029,458	2,759,008	2,144,584	2,170,575	1,399,320	1,615,650	2,221,529	2,692,455	2,145,190	20,177,769
Plot Transfers/Sub-Divisions/App	52,590,771	1,631,247	1,839,339	1,320,500	1,430,000	880,000	1,100,000	1,434,000	1,581,500	1,254,500	12,471,086
Building plan	4,507,780	-	-	-	12,000	-	-	70,501	109,500	38,500	230,501
Miraa Movements	25,746,994	666,900	578,700	501,500	280,300	55,000	320,300	766,600	770,900	540,000	4,480,200
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	11,329,861
Markets stalls/Shades	17,948,637	626,010	610,600	358,700	196,200	139,000	210,300	784,533	1,541,160	1,063,960	5,530,463
Market Gates/Cess	2,314,519	43,000	37,050	32,550	32,860	25,000	27,550	62,694	84,890	77,586	423,180
Buspark/Taxis/Parking	3,069,313	124,450	135,000	158,000	54,450	35,000	68,300	73,134	90,109	59,842	798,285
Income from Quarries	2,184,181	123,200	107,700	92,000	45,800	8,000	90,800	163,400	136,500	105,200	872,600
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	9,614,713
Livestock Markets Auction	6,984,555	576,600	481,450	345,900	214,850	180,900	261,000	891,950	672,700	595,200	4,220,550
Livestock Movement	12,416,647	554,450	508,250	352,100	160,100	42,550	174,750	985,600	823,700	1,387,200	4,988,700
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	2,817,700
Produce Cess	3,872,038	358,700	250,460	225,950	62,810	42,510	96,780	334,222	199,090	193,200	1,763,722
Agriculture Mechanization/Hire	1,850,193	-	10,000	50,000	24,000	-	12,000	34,000	31,000	103,000	264,000
Rental income	1,421,293	70,300	64,300	61,100	54,200	31,600	42,650	64,890	45,670	71,480	506,190
Tender Fees	4,503,226	-	-	-	-	-	-	347,465	2,922,683	2,958,267	6,228,415
Public Health	6,138,958	16,700	9,600	21,700	14,400	-	10,800	571,500	1,115,788	828,160	2,588,648
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	20,107,481
Income from Water Managemen	8,386,281	78,658	191,407	125,703	50,108	34,210	44,100	71,407	60,720	50,104	706,417
Grand Total	336,533,846	11,852,841	12,383,784	9,972,037	6,781,363	4,704,141	5,782,745	16,695,028	22,914,763	19,033,779	110,120,481

Source: Department of Revenue Serices, Mandera County Government

From the above analysis, the highest County Own Source Revenue collection was realized in the month of February 2024 amounting to Kshs. 22,914,763 followed by the month of March 2024 in which Kshs. 19,033,779 was collected while the least collection was in the month of November 2023 amounting to Kshs. 4,704,141.

The following challenges were encountered in the local revenue collections:

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

2.4 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs. 6,747,251,154 from the County Revenue Fund (CRF) account, which was 58% of the approved allocations. This amount represented an increase from Kshs. 5,539,239,385 received in the FY 2022/2023 and was meant to fund both development and recurrent expenditures.

2.4 Conditional Grants

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

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

No	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)	Variance (Kshs.)	Remarks
		A	B	C=A-B	
1	Equitable share of Revenue	11,633,191,646	6,747,251,154	4,885,940,492	58%
2	Local Revenue Collections	336,533,846	110,120,481	226,413,365	33%

3	On-Going Projects funds b/f from 2022/2023	525,029,928	525,029,928	-	100%
4	Sweden -Agricultural Sector Development Support Program (ASDSP) II - Co Funding	4,257,207	500,000	3,757,207	12%
5	DANIDA Grant - Primary Health Care	18,653,250	-	18,653,250	0%
6	FLOCCA balance from FY 2022/2023 in SP Account	6,644,937	6,644,937	-	100%
7	KDSP balance in SP Account	851,785	851,785	-	100%
8	Kenya Climate smart Agriculture Project (NEDI)	90,000,000	-	90,000,000	0%
9	World Bank Emergency locust response Project(ENRP)	180,282,153	-	180,282,153	0%
10	FLLoCA	11,000,000	-	11,000,000	0%
11	De-Risking and Value Enhancement (DRIVE)	72,541,980			
12	Conditional Grant for Aggregated Industrial Parks Programme	100,000,000			
13	Conditional Grant for Provision of Fertilizer Subsidy Programme	13,777,962			
14	Allocation for Mineral royalties	1,028	-	1,028	0%
15	Kenya Urban and Institutional Grant b/f	21,451,158	21,451,158	-	100%
	TOTAL	13,014,216,880	7,411,849,443	5,416,047,495	57%

Source: County Treasury, Mandera County Government

An analysis of the table indicates that the County generated a total of Kshs. 110,120,481 from own revenue sources in the first nine months of the FY 2023/2024. This amount represented an increase of Kshs. 21,017,694 compared to Kshs. 89,102,787 realized in the first nine months of the FY 2022/2023.

3.0 Overall Expenditure Analysis

The overall Mandera County Government's expenditure for the period ending 31st March, 2024 amounted to Kshs. 7,374,375,795 out of which Kshs. 2,128,363,654 was for Operations & Maintenance and Kshs. 2,862,718,097 was for Personnel Emoluments. Transfers amounting to Kshs. 587,653,714 were made to the County entities. Expenditures amounting to Kshs. 1,795,640,330 were utilized on development programmes.

3.1 Expenditure by Economic Classification

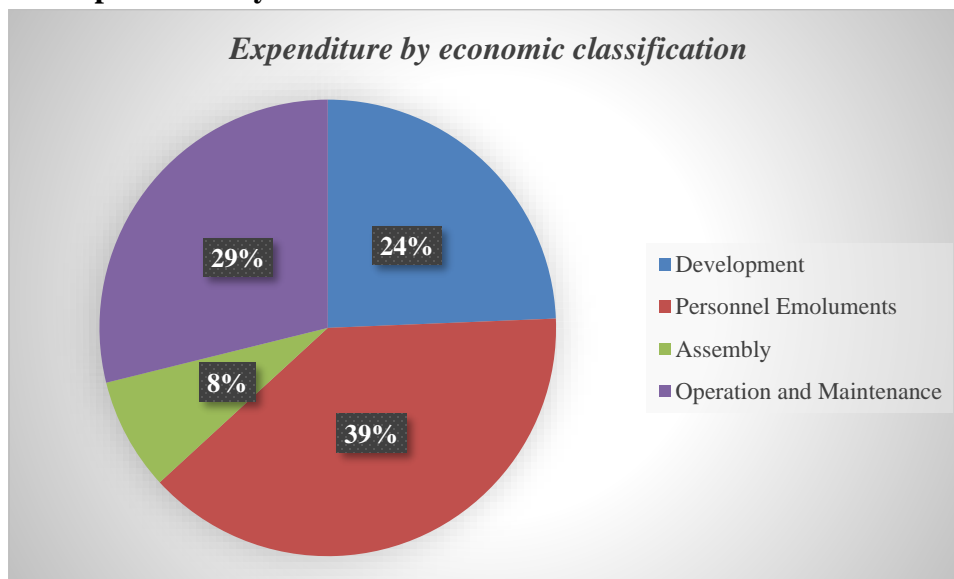


Figure 2: Expenditure by Economic Classification

From the analysis of the above figure, expenditures on Personnel Emoluments had the highest utilization at 39% of the total expenditure incurred in the first nine months of the FY 2023/2024 while expenditures on operations and maintenance accounted for 29% of the total expenditure. Expenditure of 24% was incurred on development projects while Transfers to County Entities accounted for 8% of the total overall expenditure.

3.2 Budget and Budget Performance by County Departments

3.2.1 Budget estimates

The County Government's mandate as stipulated by the Constitution of Kenya is discharged by Departments through implementation of projects and programs. These projects and programs are

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

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

Table 5: Resource allocation among the ministries

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

Source: County Treasury, Mandera County Government

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

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

3.2.2 Departmental Expenditure Analysis

During the period under review, the county executive incurred expenditures totaling to Kshs. 6,786,722,081 on both development and recurrent activities. This absorption accounted for 52% of the total approved budget.

Departments	Total Department Allocation (Ksh)	Recurrent Expenditure (Ksh)	Development Expenditure (Ksh)	Total Expenditure (Ksh)
County Assembly	1,133,000,000	-	-	-
Agriculture Livestock and Irrigation	856,965,547	160,240,173	48,401,000	208,641,173
Education and Human Capital Development	1,274,048,540	731,675,497	53,619,000	785,294,497
Social Development	704,343,614	62,357,611	382,830,000	445,187,611
Finance and Economic Planning	411,812,303	271,758,873	14,000,000	285,758,873
Health Services	2,427,788,412	1,405,687,775	185,123,509	1,590,811,284
Trade and Cooperative Development	326,204,466	44,554,719	24,000,000	68,554,719
Lands and Housing Development	763,667,392	103,747,778	293,499,900	397,247,678
Office of the Governor	447,179,685	335,437,615	-	335,437,615
Office of the County Secretary	82,502,802	29,700,000	-	29,700,000
Office of the County Attorney	177,190,939	46,260,000	-	46,260,000
County Public Service Board	83,949,490	52,546,144	-	52,546,144
Public Service Management and Devolved Unit	1,594,379,939	1,341,913,108	1,600,000	1,343,513,108
Public Works Roads and Transport	847,056,095	138,481,959	83,995,921	222,477,880
Water, Environment and Natural Resources	1,884,127,656	266,720,500	708,571,000	975,291,500
TOTAL	13,014,216,880	4,991,081,751	1,795,640,330	6,786,722,081

Source: County Treasury, Mandera County Government

3.2.2.1 Development expenditure performance by departments

In the FY 2023/2024, the County's gross development budget was Kshs. 5,043,687,556. An expenditure of Kshs. 1,795,640,330 representing 36% of the development vote was utilized during first nine months of the financial year. Only two ministries were able to incur expenditure above 50%. The Ministry of Social Development incurred the highest expenditure with an absorption rate of 63% followed by the Ministry of Lands and Housing at an absorption rate of 52%. The Ministry of Water, Environment and Natural Resources, and the Ministry of Health Services incurred an expenditure of 47% and 42% respectively. The worst performers were the Ministry of Trade and Cooperative Development, the Ministry of Agriculture, and the Ministry of Public Service Management which had an expenditure of 9%, 8%, and 4% 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. persistent drought in the County followed by the heavy El-Nino
- General insecurity problems from Al-Shabaab terrorists

The table 7 analyses development expenditure performance by ministries

Departments	Budgeted	Expenditure	Utilization
County Assembly	259,088,796	-	0%
Agriculture Livestock and Irrigation	604,284,765	48,401,000	8%
Education and Human Capital Development	198,561,582	53,619,000	27%
Social Development	605,498,642	382,830,000	63%
Finance and Economic Planning	36,753,275	14,000,000	38%
Health Services	439,082,121	185,123,509	42%
Trade and Cooperative Development	257,314,774	24,000,000	9%
Lands and Housing Development	561,321,814	293,499,900	52%
Office of the Governor	-	-	0%
Office of the County Secretary	-	-	0%
Office of the County Attorney	-	-	0%
County Public Service Board	10,731,342	-	0%

Public Service Management and Devolved Unit	39,126,453	1,600,000	4%
Public Works Roads and Transport	515,230,720	83,995,921	16%
Water, Environment and Natural Resources	1,516,693,272	708,571,000	47%
TOTAL	5,043,687,556	1,795,640,330	36%

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 2023/2024. The County had a total recurrent budget of Kshs. 7,970,529,324. An expenditure of Kshs. 4,991,081,751 representing 63% of the recurrent vote was utilized during the period under review. Six ministries recorded an absorption above 70%. The Ministry of Public Service Management and Devolved Unit recorded the highest overall absorption rate at 86% followed by the Office of the Governor and Deputy Governor, and the Ministry of Water, Environment and Natural Resources at 75% and 73% respectively. The Ministry of Finance and Economic Planning and the County Public Service Board recorded an absorption of 72% each while the Ministry of Health Services recorded an absorption of 71% each. The Office of the County Secretary and the Office of the County Attorney were the lowest spenders of the recurrent budget during the period at an absorption rate of 36% and 26% 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	Expenditure	Utilization %
County Assembly	873,911,204.00	-	0%
Agriculture Livestock and Irrigation	252,680,782.00	160,240,173.05	63%
Education and Human Capital Development	1,075,486,958.00	731,675,497.00	68%
Social Development	98,844,972.00	62,357,611.05	63%
Finance and Economic Planning	375,059,028.00	271,758,872.70	72%

Health Services	1,988,706,291.00	1,405,687,774.50	71%
Trade and Cooperative Development	68,889,692.00	44,554,719.00	65%
Lands and Housing Development	202,345,578.00	103,747,778.05	51%
Office of the Governor	447,179,685.00	335,437,615.20	75%
Office of the County Secretary	82,502,802.00	29,700,000.00	36%
Office of the County Attorney	177,190,939.00	46,260,000.00	26%
County Public Service Board	73,218,148.00	52,546,144.45	72%
Public Service Management and Devolved Unit	1,555,253,486.00	1,341,913,107.66	86%
Public Works Roads and Transport	331,825,375.00	138,481,958.65	42%
Water, Environment and Natural Resources	367,434,384.00	266,720,499.55	73%
TOTAL	7,970,529,324.00	4,991,081,750.85	63%

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 March 2024 of the FY 2023/2024.

Programme	Sub-Programme	Description	Approved Estimates FY 2022/23 (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)	%
			A	B	C=A-B	D=B/A*100
Agriculture, Livestock and Irrigation	105013410	General Administration & Support Services	121,096,434	92,390,173	28,706,261	76%
	111013410	Livestock Resources Management and Development	206,367,443	77,671,000	128,696,443	38%
	112013410	Crop Management and Development	473,817,322	30,230,000	443,587,322	6%
	113013410	Irrigation Development and Management	55,684,348	8,350,000	47,334,348	15%
			856,965,547	208,641,173	648,324,374	24%
	114013410	Administration Services	59,567,253	44,977,778	14,589,475	76%

Lands, Housing and Physical Development	115013410	Land Use Planning and Survey	111,148,981	10,199,900	100,949,081	9%
	116013410	Physical Planning housing and urban development	508,051,158	291,400,000	216,651,158	57%
	117013410	Solid Waste Management	84,900,000	50,670,000	34,230,000	60%
			763,667,392	397,247,678	366,419,714	52%
Roads, Public Works and Transport	204013410	Administrative Services	150,295,375	109,031,959	41,263,416	73%
	205013410	Road And Air Transport Infrastructure Development	661,904,594	106,895,921	555,008,673	16%
	206013410	Public Works Management	34,856,126	6,550,000	28,306,126	19%
			847,056,095	222,477,880	624,578,215	26%
Trade and Cooperative Development	306013410	General Administration and Planning	40,489,411	30,294,719	10,194,692	75%
	307013410	Cooperative Development and Promotion	20,650,281	4,360,000	16,290,281	21%
	308013410	Trade Development and Promotion	265,064,774	33,900,000	231,164,774	13%
			326,204,466	68,554,719	257,649,747	21%
Health Services	404013410	Administrative Services	1,410,585,931	1,049,364,371	361,221,561	74%
	405013410	Preventive, Promotive and Reproductive Health Services	216,694,813	87,572,000	129,122,813	40%
	406013410	Curative Rehabilitative and Referral Services	800,507,668	453,874,913	346,632,755	57%
			2,427,788,412	1,590,811,284	836,977,128	66%
Education and Human Capital	503013410	General Administration & Support Services	952,691,488	672,405,497	280,285,991	71%
	506013410	Early Childhood Education	289,607,052	101,939,000	187,668,052	35%
	507013410	Vocational and Technical Training Services	25,250,000	5,050,000	20,200,000	20%

	508013410	Education Support Services	6,500,000	5,900,000	600,000	91%
			1,274,048,540	785,294,497	488,754,043	62%
Office of the Governor	County Executive Services	Management of County Affairs	447,179,685	335,437,615	111,742,070	75%
			447,179,685	335,437,615	111,742,070	75%
Office of the County Secretary	Policy, Leadership and Executive Coordination	Leadership and executive coordination	82,502,802	29,700,000	52,802,802	36%
			82,502,802	29,700,000	52,802,802	36%
Office of the County Attorney	Legal and Public Sector Advisory Services	Legal and advisory services	177,190,939	46,260,000	130,930,939	26%
			177,190,939	46,260,000	130,930,939	26%
County Public Service Board	716013410	Ethics, Governance and Public Service Values	83,949,490	52,546,144	31,403,346	63%
			83,949,490	52,546,144	31,403,346	63%
County Assembly	Legislation and Representation	Legislation and Representation	1,133,000,000	-	1,133,000,000	0%
			1,133,000,000	-	1,133,000,000	0%
Finance and Economic Planning	Administration Planning	Administrative and Planning Services	290,703,038	213,908,873	76,794,165	74%
	718013410	Accounting Services	39,553,275	16,550,000	23,003,275	42%
	718023410	Financial Services and Report	3,200,000	2,700,000	500,000	84%
	718033410	Internal Audit Services	2,800,000	1,900,000	900,000	68%
	718043410	Supply Chain Management Affairs	12,000,000	11,650,000	350,000	97%
	718053410	County Asset Management system	2,800,000	2,100,000	700,000	75%
	719013410	County Economic Planning and Statistics	20,804,811	8,300,000	12,504,811	40%
	720013410	Revenue Collection and Enhancement	20,400,000	16,550,000	3,850,000	81%

	721013410	ICT and E-Government Services	19,551,179	12,100,000	7,451,179	62%
			411,812,303	285,758,873	126,053,430	69%
County Public Service Management	Administration Planning	Administration and Support Services	1,442,477,418	1,273,927,003	168,550,415	88%
	Enforcement Services	Devolved Governance and Enforcement Services	111,072,521	37,156,105	73,916,416	33%
	Civic Education	Civic Education and Public Participation	7,500,000	5,800,000	1,700,000	77%
	Re-radicalization	De-Radicalization and Countering Violence	17,530,000	14,530,000	3,000,000	83%
	Conflict Management	Community Cohesion and Conflict Management	15,800,000	12,100,000	3,700,000	77%
			1,594,379,939	1,343,513,108	250,866,831	84%
Social Development	Administration Planning	Administration and Support Services	33,519,696	30,467,611	3,052,085	91%
	Gender and Social Services	Women Empowerment and Affirmative Action	9,000,000	5,800,000	3,200,000	64%
	Youth Affairs	Youth Empowerment and Sports	28,575,276	5,400,000	23,175,276	19%
	Gender and Culture Promotion	Culture and Gender Development promotion	27,850,000	10,650,000	17,200,000	38%
	Special Programmes	Disaster Preparedness and Management	605,398,642	392,870,000	212,528,642	65%
			704,343,614	445,187,611	259,156,003	63%
Water, Energy, Environment and Climate Change	Administration Planning	Administrative Services	162,772,457	120,020,500	42,751,957	74%
	Water Services	Water and Sewerage Management	1,636,036,012	833,171,000	802,865,012	51%

	Energy	Energy and Natural Resources	23,700,000	6,500,000	17,200,000	27%
	Environmental Protection	Environment and Climate Change	61,619,187	15,600,000	46,019,187	25%
			1,884,127,656	975,291,500	908,836,156	52%
		GRAND TOTAL	13,014,216,880	6,786,722,081	6,227,494,799	52%

Source: County Treasury, Mandera County Government

The sub programmes that performed well based on expenditure absorption were Supply Chain Management Affairs at 97%, Education Support Services at 91%, Administration and Support Services under Social Development at 91%, and Financial Services and Report at 84% while Trade Development and Promotion, Land Use Planning and Survey, Crop Management and Development, Trade Development and Promotion, and Education Support Services performed poorly at 13%, 9%, and 6% respectively.

4.0 IMPLEMENTATION CHALLENGES, LESSONS LEARNT AND WAY FORWARD

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

Delay in approval of budget

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

Slow release of funds from National Treasury

The delay in disbursement of funds from the National Treasury was a major hindrance to the implementation of County Programmes. This mainly affected implementation of development activities in the reporting period.

Delay in approval of Fund Requests

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

IFMIS connectivity challenges

Frequent IFMIS breakdowns decelerated the approval of procurement requests and lead to delays in payments to suppliers thus slowing down the County's ability to absorb funds in a timely and effective manner.

Natural Calamities

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

Under-performance of own revenue collection

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

revenue services which are tasked with local revenue collection and administration was critically understaffed. Insecurity in the region also affected collections of revenues greatly.

High public expectation

Increased awareness of members of the public on their rights through numerous public participation and community engagement programmes has seen an increase in agitation for better service delivery hence creating expectation pressure.

5.0 RECOMMENDATIONS

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

- The County Government should liaise and cooperate with the National Government for timely release of funds as per disbursement schedule to foster smooth operations and successful project implementations.
- The County Government should also liaise with the Controller of Budget to avoid limitations in expenditure to ensure proper implementation of planned projects.
- The County should come up with measures to address underperformance in own source revenue collection so as to ensure the approved budget is fully financed. OSR collections efforts can be heightened by putting in place mechanisms like proper enforcements, restructuring of revenue controls, mapping the revenue sources and enactment of relevant legislations.
- Civic education- building the capacities for communities to understand the roles played by both the National and County Government to avoid scenarios where the residents demand the County Government starts planning and financing of functions under the National Government or vice versa.
- Engage the National Government to invest in the security sector to curb attacks from militia groups.
- Departments should capacity build their human capital so as to increase their efficiency and productivity.
- The County should leverage on technology to enhance efficiency. Provision of enough ICT infrastructures is required to enhance the IFMIS network to avoid financial delays.