COUNTY GOVERNMENT OF GARISSA

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

FINANCIAL YEAR 2023/2024 COUNTY BUDGET IMPLEMENTATION REPORT

THE COUNTY TREASURY
COUNTY GOVERNMENT OF GARISSA
P. O. Box 563 - 70100,
GARISSA

AUGUST 2024

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PREFACE

The County Budget Implementation and Review Report (CBIRR) fulfil 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.

The CIBRR 2023/2024 presents information on budget performance by the departments at the beginning of the financial year 2023-2024. Information on budget performance is presented on aggregate and on individual department performance. The report provides details about revenue, expenditure, and capital projects. The information is provided at the program and subprogram level in a format that is consistent with the approved budget estimates.

The County's approved supplementary budget for FY 2023/24 was Kshs. 10.70 billion, comprising Kshs. 4.31 billion (40.3 per cent) and Kshs. 6.39 billion (59.7 per cent) allocation for development and recurrent programmes, respectively.

The total payments during the reporting period, the county spent Kshs. 7.19 billion from the CRF account, which comprised Kshs. 1.93 billion (44.8 per cent) for development programmes and Kshs. 5.26 billion (82.4 per cent) for recurrent programmes represented 80.6 per cent of the total funds released. The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs. 1.26 billion. The overall absorption capacity was 80.6%.

We need the stakeholders to actively examine this report to take necessary action towards the enhancement of transparency and accountability in the management of public resources, as enshrined in the Constitution and the 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.



Hon Abass Ismail Khaar,
CECM-Finance and Economic Planning

ACKNOWLEDGEMENT

The preparation of the County Budget Implementation Review Report for the Financial Year 2023/2024 marks a significant milestone in strengthening fiscal transparency, accountability, and evidence-based planning within the County Government of Garissa. This report has been developed through a collaborative and consultative process involving various departments and key officers whose commitment and technical expertise have been instrumental in its successful completion.

I wish to express my sincere appreciation to the County Executive Committee Member for Finance and Economic Planning for the strategic leadership and policy direction provided throughout the reporting period, which ensured alignment of the County's development priorities with the approved budget and legal frameworks, including the Public Finance Management Act, 2012.

Special recognition is extended to the County Chief Officer for Economic Planning, **Madam Hafsa Abullahi**, for her exemplary leadership, coordination, and oversight in guiding the preparation of this report. Her dedication to strengthening planning, monitoring, and evaluation systems has greatly enhanced the quality, credibility, and comprehensiveness of this review.

I also wish to acknowledge the invaluable contributions of the Director of Budget, **Mr. Ahmed Yussuf**, whose technical expertise in budget formulation, execution tracking, and fiscal analysis ensured that the report accurately reflects budget performance, absorption rates, and financial trends across departments. His diligence in consolidating financial data and ensuring consistency with approved estimates and supplementary budgets is highly appreciated.

Further appreciation is extended to the Director of Economic Planning, **Mr. Mohamed Guliye**, for his critical role in coordinating data collection, performance monitoring, and aligning departmental outputs with the County's development agenda. His efforts in integrating planning frameworks with budget implementation outcomes have been fundamental in presenting a holistic and results-oriented report.

The contribution of all County Departments, Accounting Officers, technical staff, and sector working groups is also highly appreciated. Their timely submission of data, reports, and supporting documentation made it possible to undertake a comprehensive analysis of both financial and non-financial performance during the period under review.

Finally, I acknowledge the support of oversight institutions, including the Controller of Budget and the County Assembly, whose guidance and scrutiny continue to strengthen public financial management and promote accountability in the use of public resources.

This report stands as a reflection of our collective commitment to prudent financial management, transparency, and continuous improvement in service delivery to the people of Garissa County.



HAFSA MOHAMUD ABDULLA,
Chief Officer – Economic Planning, Budget and Statistics
County Government of Garissa

ABBREVIATIONS

CBIRR- County Budget Implementation and Review Report
CRF - Consolidated Revenue Fund
FY- Financial Year
ICT- Information Communication and Technology
KUSP- Kenya Urban Support Programme FLLoCA-
Financing Locally Led Climate Action CCIS- County
Climate Institutional Support KCSAP- Kenya
Climate Smart Agricultural Project OSR- Own-
source revenue
FIF- Facility Improvement Fund

EXECUTIVE SUMMARY OF THE FY 2023/2024 BUDGET

The County's approved supplementary budget for FY 2023/24 was Kshs.10.70 billion, comprising Kshs. 4.31 billion (40.3 per cent) and Kshs. 6.39 billion (59.7 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 14.2 per cent compared to the previous financial year, when it was Kshs. 9.37 billion and comprised of Kshs.2.81 billion towards development expenditure and Kshs. 6.56 billion for recurrent expenditure.

To finance the budget, the County expects to receive Kshs. 8.25 billion (77.1) percent as the equitable share of revenue raised nationally, generating Kshs 230.0 million (2.1 percent from own sources of revenue, and a cash balance of Kshs.634.18 million (5.9 percent from FY 2022/23. The County also expects to receive Kshs.1.59 billion (14.8) percent allocation/conditional grants, which consists of Kshs.125 million Leasing of Medical Equipment, Kshs. 397 million Conditional Grant for Provision of fertilizer subsidy program, Kshs.250 million Conditional Grant for aggregated Industrial parks program, Kshs.845 thousand Unconditional Allocation for mineral Royalties, Kshs 90 million Kenya Climate Smart Agricultural Project (World Bank) KCSAP, Kshs 3 million Sweden Agricultural Sector Development Support Program (ASDSP) II, Kshs 13 million DANIDA Grant (Universal Healthcare in Devolved System Program), Kshs 128 million De-risking, Inclusion & Value Enhancement of Pastoral Economies in the Horn of Africa Projects (Drive Project), Kshs 169 million Emergency Locust Response Project (World Bank), Kshs 19.7 million conditional Grant for Transfer of Library Service, Kshs 600 million Water and Sanitation Development Project (World Bank), Kshs 11 million Financing Locally Led Climate Action Program (FLLoCA) County Climate Institutional Support (CCIS) Grant Level 1 (World Bank).

In the FY 2023/24, the County received Kshs.7.59 billion as an equitable share of the revenue raised nationally, Kshs.684.80 million as additional allocations/conditional grants, a cash balance of Kshs.634.18 million from FY 2022/23 and raised Kshs. 260 million as own-source revenue (OSR). The raised OSR includes Kshs. 163 million as FIF and Kshs. 97.06 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs. 9.16 billion, as shown in Table 1.0.

In FY 2023/24, the County generated a total of Kshs. 260 million from its sources of revenue, including FIF. The increase can be attributed to the fact that the county economy had stabilized due to a decline in the adverse economic impact period in FY 2022/23, and was 113 per cent of the annual target. The increase in OSR can be attributed to Policy Reforms. The county managed to implement the FIF Act. The County also enhanced Revenue Collection efforts by improving the efficiency of FIF administration and collection processes, reducing tax evasion, and enhancing compliance, all of which aimed to enhance revenue mobilization.

Exchequer Issues.: The Controller of Budget approved withdrawals of Kshs.8.92 billion from the CRF account during the reporting period. The amount was for both recurrent and development programs.

Overall Expenditure Review During the reporting period, the County spent Kshs. 2.89 billion (32.3 per cent) for development programmes and Kshs.6.04 billion (67.7 per cent) for recurrent programmes.

Expenditure by Economic Classification Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs. 4.35 billion was released towards Employee Compensation and Kshs. 1.69 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs. 1.26 billion.

OVERVIEW OF THE BUDGET FOR 2023-2024

Garissa County's approved supplementary budget for FY 2023/24 stood at Kshs. 10.70 billion, of which Kshs. 4.31 billion (40.3%) was earmarked for development expenditure and Kshs. 6.39 billion (59.7%) for recurrent expenditure. Compared to the approved budget of Kshs. 9.37 billion in FY 2022/23, this represented an increase of 14.2%, reflecting an expanded fiscal framework during the year under review. Notably, development expenditure increased significantly from Kshs. 2.81 billion in FY 2022/23 to Kshs. 4.31 billion in FY 2023/24, indicating a stronger emphasis on capital investment and implementation of development projects, while recurrent expenditure reduced slightly from Kshs. 6.56 billion to Kshs. 6.39 billion.

To finance the FY 2023/24 budget, the County projected to receive Kshs. 8.25 billion (77.1%) as the equitable share of nationally raised revenue, Kshs. 1.59 billion (14.8%) as additional allocations and conditional grants, Kshs. 634.18 million (5.9%) as cash balances carried forward from FY 2022/23, and Kshs. 230.00 million (2.1%) from own source revenue. The locally generated revenue comprised Kshs. 139 million from ordinary own source collections and Kshs. 91 million from the Facility Improvement Fund generated by health facilities. Overall, this financing structure demonstrates that the County remained largely dependent on transfers from the National Government and donor-supported grants, with own source revenue contributing only a small proportion of the total resource envelope.

Revenue Performance

In the Financial Year 2023/24, the County's revenue performance reflects a strong reliance on external funding, particularly from the national government. The County received Kshs. 7.59 billion as its equitable share of revenue raised nationally, which formed the largest portion of its income. In addition, it obtained Kshs. 684.80 million in the form of conditional grants and additional allocations earmarked for specific programmes. The County also utilized a cash balance of Kshs. 634.18 million brought forward from the previous financial year (FY 2022/23), which helped supplement available resources. Locally generated revenue (Own Source Revenue) amounted to Kshs. 260.8 million, comprising Kshs. 151.91 million from the Facility Improvement Fund (mainly health-related collections) and Kshs. 97.06 million from ordinary revenue sources such as fees and charges. Overall, these revenue streams combined to provide a total of Kshs. 9.16 billion available for budget implementation during the period, highlighting both the County's dependence on national transfers and the relatively low contribution of internally generated revenue.

Table 1: Garissa County revenue performance in FY 2023/24

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	8,248,748,101	7,588,848,254	92
Subtotal		**8,248,748,101**	**7,588,848,254**	**92**
B	**Additional Allocations/Conditional Grants**			

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
1	Lease of medical equipment	124,723,404	-	-
2	Conditional Grant for the Provision of the Fertilizer Subsidy Program	3,965,101	-	-
3	Conditional grant for Transfer of Library services	19,694,322	-	-
4	Conditional Grant for aggregated Industrial parks program	250,000,000	102,500,000	41
5	Unconditional Allocation for Mineral Royalties	844,692	-	-
6	Kenya Climate Smart Agricultural Project (World Bank) KCSAP	90,000,000	-	-
7	Sweden Agricultural Sector Development Support Program (ASDSP)II	3,047,337	-	-
8	DANIDA Grant (Universal Healthcare in Devolved System Program	12,820,500	-	-
9	De-risking, inclusion &value Enhancement of Pastoral Economies in the Horn of Africa projects (Drive project)	128,454,980	-	-
10	Emergency Locust Response Project World Bank	169,365,353	168,180,619	99.3
11	Water and Sanitation Development Project (World Bank)	600,000,000	414,119,657	69
	Financing locally-led climate action program (FLLoCA) County climate Institutional support (CCIS) Grant level 1 (World Bank)	11,000,000	-	-
13	FLLOCA County Climate Resilience Investment (CCRI)	173,580,354	-	-
Subtotal		**1,587,496,043**	684,800,276	**43.1**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	139,000,000	97,056,232	69.8
2	Facility Improvement Fund (FIF)	91,000,000	163,763,811	166.9
Subtotal		**230,000,000**	**260,820,043**	**108.2**
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2022/23	634,176,980	634,176,980	100
Sub Total			**634,176,980**	**100**
Grand Total		**10,700,421,124**	**9,168,645,553**	**85.6**

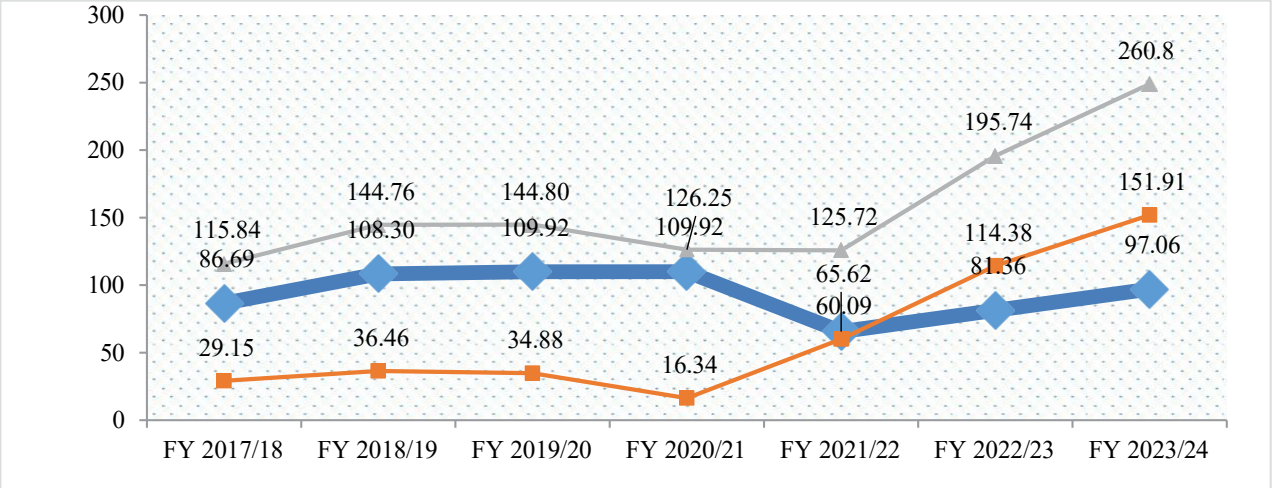


Figure 1. 1: Trend in own source revenue collection from the FY 2017/18

In FY 2023/24, the County generated a total of Kshs.248.97 million from its sources of revenue, including FIF. This amount represented an increase of 27.2 per cent compared to Kshs.195.74 million realized in a similar period in FY 2022/23 and was 108.2 per cent of the annual target and 3.3 per cent

of the equitable revenue share disbursed during the period.
The increase in OSR can be attributed to Policy Reforms. The county managed to implement the FIF Act. The County also enhanced Revenue Collection efforts by improving the efficiency of FIF administration and collection processes, reducing tax evasion, and enhancing compliance, all of which aimed to enhance revenue mobilization.
The revenue streams that contributed the highest OSR receipts are shown in Figure 1.2 below

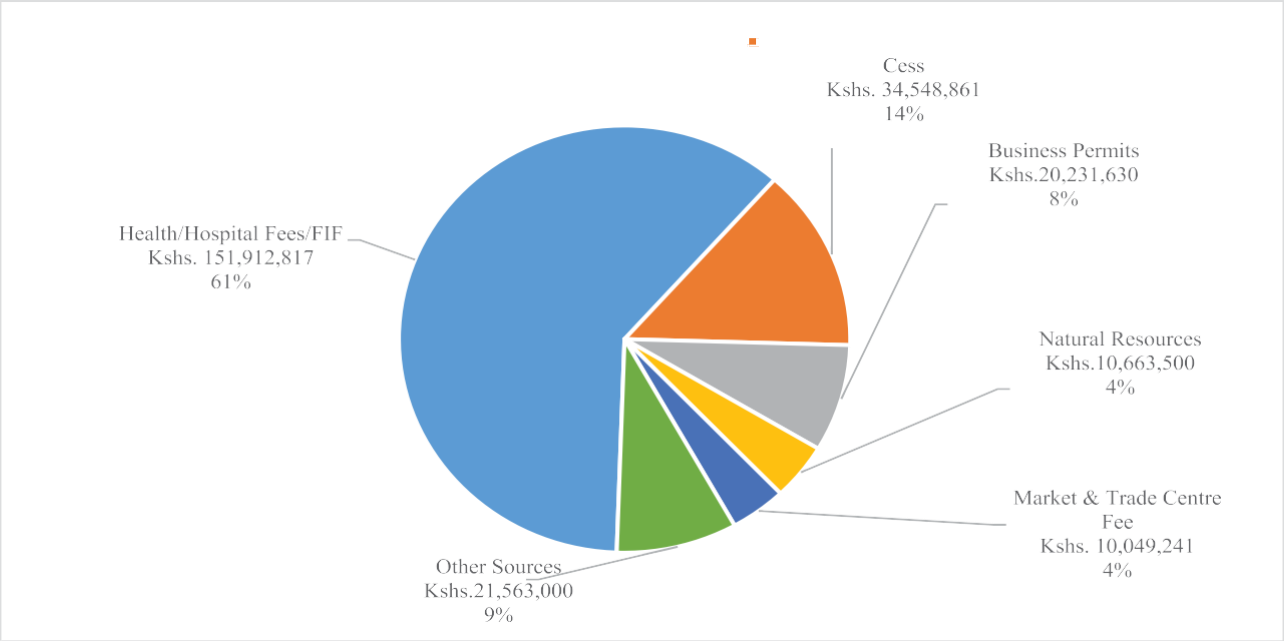


Figure 1. 2: Top streams of own source revenue

The highest revenue stream of Kshs.151.91 million was from Health (Hospital Fees/FIF), contributing 61.0 per cent of the total OSR receipts during the reporting period.

Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.8.92 billion from the CRF account comprised Kshs.2.89 billion (32.3 per cent) for development programmes and Kshs.6.04 billion (67.7 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.4.35 billion was released towards Employee Compensation and Kshs.1.69 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.1.26 billion.

County Expenditure Review

The County spent Kshs.7.19 billion on development and recurrent programmes in the reporting period. The expenditure represented 80.6 per cent of the total funds released by the CoB and comprised

Kshs.1.93 billion and Kshs.5.26 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 44.8 per cent, while recurrent expenditure represented 82.4 per cent of the annual recurrent expenditure budget.

Settlement of Pending Bills

As at the close of the Financial Year 2023/2024, the County Budget Implementation Review Report (CBIRR) indicates that the County had accumulated pending bills amounting to Kshs. 2,690,151,812, comprising Kshs. 1,998,306,899 for development expenditure and Kshs. 691,844,913 for recurrent expenditure. This reflects a significant level of outstanding financial obligations, with development-related projects accounting for the largest share of unpaid bills.

During the financial year, the County made efforts to settle part of these obligations, paying a total of Kshs. 615.73 million, of which Kshs. 446.56 million related to development expenditure and Kshs. 169.17 million to recurrent expenditure. Despite these payments, a substantial balance remained outstanding at year-end, indicating continued pressure on the County's financial position.

The CBIRR therefore highlights that while progress was made in reducing pending bills, the overall stock remains high, largely driven by development expenditures. This underscores the need for enhanced commitment control, improved cash flow management, and strict adherence to the provisions of the Public Finance Management Act, 2012 to ensure that pending bills are effectively managed and gradually reduced.

Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.48 billion on employee compensation, Kshs.868.67 million on operations and maintenance, and Kshs.1.86 billion on development activities. Similarly, the County Assembly spent Kshs.555.76 million on employee compensation, Kshs.361.56 million on operations and maintenance, and Kshs.69.20 million on development activities, as shown in Table 3.44.

Table 2: Summary of budget and expenditure by economic classification

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**5,425,325,102**	**963,731,729**	**4,345,239,484**	**917,318,652**	**80.1**	**95.2**
Compensation to Employees	3,806,570,004	590,399,420	3,476,565,453	555,760,488	91.3	94.1
Operations and Maintenance	1,618,755,098	373,332,309	868,674,031	361,558,164	53.7	96.8
Development Expenditure	**4,158,273,645**	**153,000,000**	**1,862,468,258**	**69,202,630**	**44.8**	**45.2**
Total	**9,583,598,747**	**1,116,731,729**	**6,207,707,742**	**986,521,282**	**64.8**	**88.3**

***Source**: Garissa County Treasury*

Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.03 billion, or 44.2 per cent of the

available revenue, which amounted to Kshs.9.13 billion. This expenditure represented a decrease from Kshs.4.77 billion reported in FY 2022/23. The wage bill included Kshs.1.94 billion paid to health sector employees, translating to
48.1 per cent of the total wage bill.

Figure 27 shows the trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24.

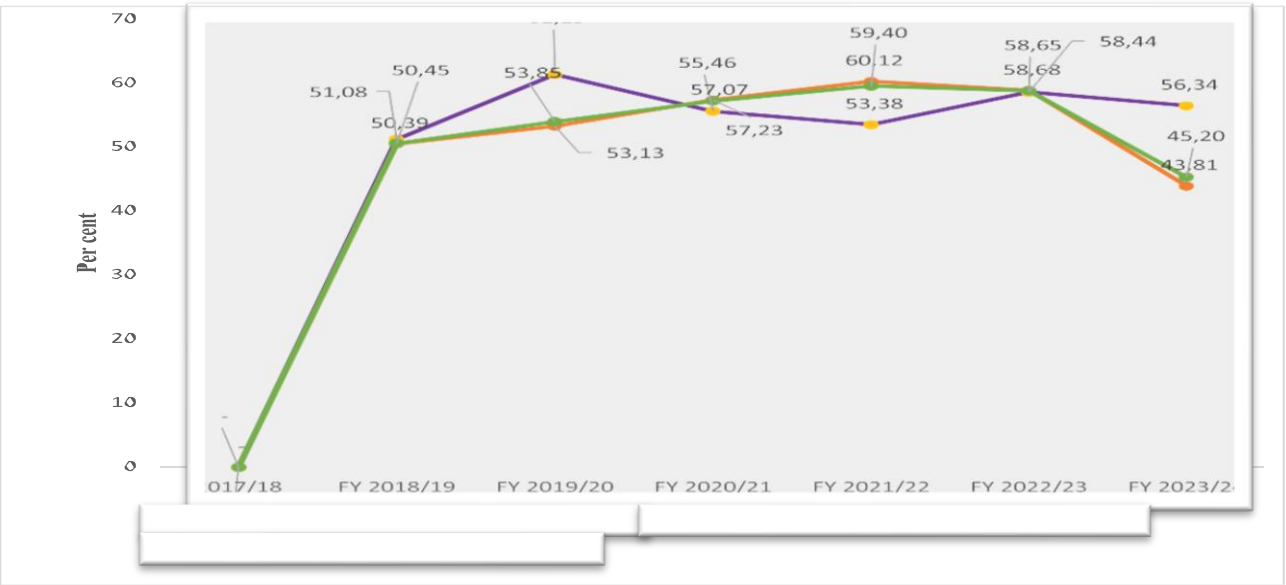


Figure 1. 3: Percentage of wage bill to total revenue from FY 2017/18 to FY 2023/24

Source: Garissa County Treasury

Further analysis indicates that PE costs amounting to Kshs.3.55 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.480.38 million was processed through manual payrolls. The manual payrolls accounted for 11.9 per cent of the total PE cost.

The County Assembly spent Kshs.22.40 million on committee sitting allowances for the 49 MCAs, including the Speaker, against the annual budget allocation of Kshs.30.83 million. The average monthly sitting allowance was Kshs.38,089 per MCA. The County Assembly has established 19 Committees.

County Emergency Fund and County-Established Funds

Section 116 of the PFM Act 2012 allows County governments to establish other public funds with approval from the County Executive Committee and the County Assembly. The County allocated Kshs.160 million to county-established funds in FY 2023/24, constituting 1.5 per cent of the County's overall budget. Further, the County allocated Kshs.70 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012.

Table 3 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3: Performance of county establishment funds in the FY 2023/24

S/No.	Name of the Fund	Approved Supplementary Budget II Allocation in FY 2023/24 (Kshs.)	Exchequer Issues in FY 2023/24 (Kshs.)	Actual Expenditure in FY 2023/24 (Kshs.)	Cumulative disburse-ments to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1	Disaster Management Fund/Emergency	70,000,000	70,000,000	-	70,000,000	No
2	Bursary Fund	50,000,000	50,000,000	-	50,000,000	No
3	Micro and Small Enterprises Development Revolving Fund	40,000,000	40,000,000	-	40,000,000	No
	Totals	**160,000,000**	**160,000,000**	**-**	**160,000,000**	

***Source**: Garissa County Treasury*

During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of all funds, as indicated in Table 3.43, contrary to the requirement of Section 168 of the PFM Act, 2012.

The County government uses commercial bank accounts to operate the above-established public funds contrary to Regulations 82(1)(b) of the PFM (County Governments) Regulations, 2015, which require that County government bank accounts must be opened and maintained at the Central Bank of Kenya.

Expenditure on Operations and Maintenance

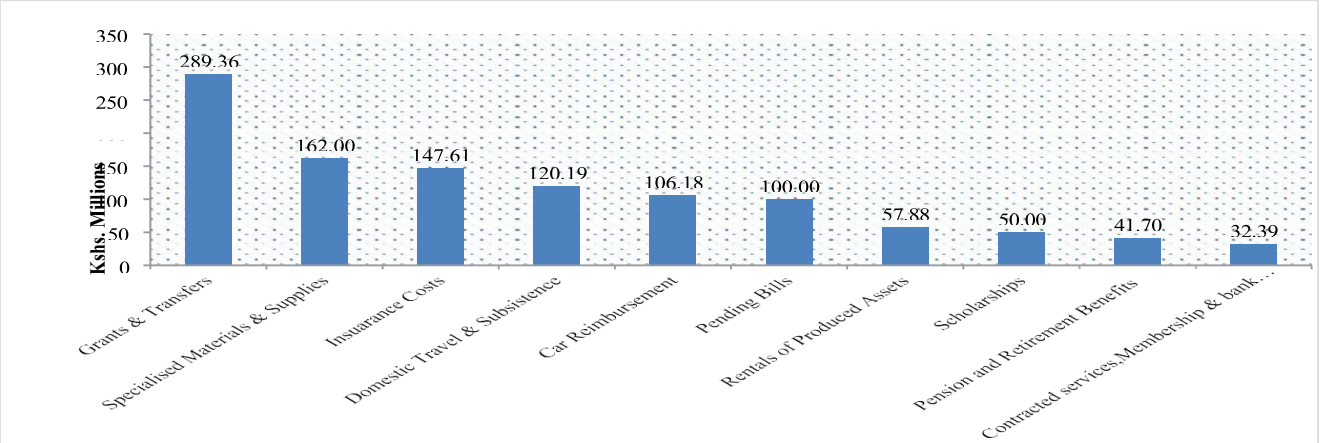


Figure 1. 4: Garissa County operations and maintenance expenditure by major categories

***Source**: Garissa County Treasury*

Expenditure on domestic travel amounted to Kshs.120.19 million and comprised Kshs.106.72 million spent by the County Assembly and Kshs.13.47 million by the County Executive. Expenditure on foreign travel amounted to Kshs.13.56 million and comprised Kshs.9.75 million by the County Assembly and Kshs.3.82 million by the

Table 4: Summary of highest expenditure on foreign travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	1	3rd July to 14th July 2023	Attended Parliamentary Proceedings and Procedures workshop in Lusaka, Zambia	Lusaka Zambia	912,537.00
County Assembly	4	24th Aug to 27th August 2023	Attended the 8th International Conference on Social Sciences, Humanities and Education held in Oxford, United Kingdom	Britain	2,705,938.00
County Assembly	1	20/9/2023 - 28/9/2023	IFPSM World Summit	Italy	850,512.00
County Assembly	1	23th Feb to 27th Feb 2024	African Youth Leadership Diplomatic Conference in Addis Ababa, Ethiopia	Ethiopia	489,000
County Executive	1	24th Nov to 1st December 2023	CECM Water, Environment, Natural Resources and Climate Change/ National Chairperson Caucus of County CECs to attend the 28th UN Climate Change Conference for 7 DAYS.	UAE, Dubai	761,725

Source: *Garissa County Treasury and Garissa County Assembly*

The operations and maintenance costs include an expenditure of Kshs7.00 million on Legal fees/Dues, arbitration, and compensation payments.

Development Expenditure

In the FY 2023/24, the County reported an expenditure of Kshs.1.93 billion on development programmes, representing an increase of 20.9 per cent compared to FY 2022/23, when the County spent Kshs.1.60 billion. The table below summarises development projects with the highest expenditure in the reporting period.

Table 5: Garissa County list of development projects with highest expenditure

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
1	Water, Environment and Natural Resources	Proposed Qone-Modogashe pipeline project,	Lagdera	457,911,266	182,769,790	39.9
2	County Assembly	Construction of Buildings-Construction of Additional office block extension	County Assembly	98,570,082	95,565,592	95
3	Trade, Tourism, Investment and Industrialization	Aggregated industrial parks program	Township	490,600,000	80,000,000	16.3
4	Health and Sanitation	Proposed Construction of Mother and Child Hospital,	Township	663,678,404	50,000,000	7.5
5	County Assembly	Proposed Construction of Chambers at the County Assembly offices	County Assembly	43,164,658	35,000,000	90
6	Water, Environment and Natural Resources	Proposed Maramutu Water Project at Garissa Township.	Township	38,275,602	25,365,000	66.3
7	Health and Sanitation	Proposed Renovation and Expansion of Eye Unit	Township	24,497,668	19,937,386	81.4
8	Water, Environment and Natural Resources	Proposed ADC Water Project at Garissa Township	Township	24,680,552	17,883,388	72.5
9	Health and Sanitation	Proposed Construction of Outpatient Unit at Bulla Medina Health Centre	Township	19,354,345	15,500,000	80.1
10	Roads, Transport and public works	Proposed construction of new box culvert at Dobale Road	Township	15,866,360	13,486,398	85.0

Source: Garissa County Treasury

Budget Performance by Department

Table 3.48 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 6: Garissa County Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock & Pastoral	128.31	517.82	119.37	221.16	99.30	217.80	83.2	98.5	77.4	42.1
Gender, Social Service and Sport	46.21	70.00	38.80	-	27.58	-	71.1	-	59.7	-
Roads, Transport & Public Works	46.07	288.00	35.42	152.22	24.05	163.94	67.9	107.7	52.2	56.9
Education, Information & ICT	515.21	119.69	487.15	36.84	456.12	32.63	93.6	88.6	88.5	27.3
Lands, Physical Planning and Urban Development	358.04	205.00	351.30	175.41	353.04	51.60	100.5	29.4	98.6	25.2
Finance and Economic Planning	1,032.16	741.18	920.03	614.59	596.06	481.39	64.8	78.3	57.7	64.9
Health and Sanitation	2,464.76	324.72	2,447.92	196.68	2,258.69	144.74	92.3	73.6	91.6	44.6
Trade, Investments Development and Tourism	75.00	440.00	61.20	142.50	61.67	142.50	100.8	100.0	82.2	32.4
Water, Environment and Natural Resources	220.80	1,436.86	200.58	1,276.70	171.74	627.86	85.6	49.2	77.8	43.7
County Affairs, Public Service and Intergovernmental Relations	504.77	-	429.63	-	270.99	-	63.1	-	53.7	-
County Public Service Board	34.07	15.00	27.80	-	26.00	-	93.5	-	76.3	-
County Assembly	963.73	153.00	917.32	69.20	917.32	69.20	100.0	100.0	95.2	45.2
Totals	**6,389.15**	**4,311.27**	**6,036.53**	**2,885.30**	**5,262.56**	**1,931.67**	**87.2**	**66.9**	**82.4**	**44.8**

***Source**: Garissa County Treasury*

Analysis of expenditure by departments shows that the Department of Finance and Economic Planning recorded the highest absorption rate of development budget at 64.9 per cent, followed by the Department of Roads, Transport & Public Works at 56.9 per cent. The Department of Lands, Physical Planning and Urban Development had the highest percentage of recurrent expenditure to budget at 98.6 per cent, while the Department of Roads, Transport & Public Works had the lowest at 52.2 per cent.

Budget Execution by Programmes and Sub-Programmes

Table 3.49 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 7: Garissa County budget execution by programs and sub-programs

Programme (CP)	Sub-Programme (CSP)	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Department of Agriculture, Livestock & Pastoral							
CP 1: Administration	CSP 1.1 Agriculture Administration & Support Services	61,442,159	163,000,000	43,946,433	49,622,223	71.5	30.4
CP 2: Agriculture Department	CSP 2.1: Extension and Exhibition	1,000,000	-	300,000	-	30.0	-
	CSP 2.2: Irrigation Development	11,412,438	-	10,562,438	-	92.6	-
CP 3: Co-operatives	CSP 3.1: Co-operatives	600,000	-	-	-	-	-
CP 4: Fisheries Department	CSP 4.1: Fisheries	-	-	-	-	-	-
CP 5: Livestock Department	CSP5.1: Livestock	47,259,147	169,365,353	43,438,470	168,180,619	91.9	99.3
	CSP 5.2: Livestock Production	3,050,000	128,454,980	800,000	-	26.2	-
	CSP5.3: Veterinary Services	3,350,000	30,000,000	250,000	-	7.5	-
	CSP 5.4: Livestock Value Chains Development	-	27,000,000	-	-	-	-
	Sub Total	**128,313,744**	**517,820,333**	**99,297,341**	**217,802,842**	**77.4**	**42.1**
Department Gender, Social Service and Sport							
CP 1: Administration Operations and Maintenance	CSP 1.1: Children	1,500,000	4,000,000	-	-	-	-
	CSP 1.2: Culture and Heritage	1,500,000	5,000,000	-	-	-	-
	CSP 1.3: Library and Museum	3,263,600	50,000,000	871,365	-	26.7	-
CP 2: Cinemas	CSP 2.1: Cinemas Headquarters	1,500,000	3,000,000	-	-	-	-
CP 3: Cultural activities	CSP 3.1 Administration And Support Services	35,422,346	-	26,708,832	-	75.4	-
CP 4: Social Protection Cultural Promotion and Preservation	CSP 4.1: Social Protection	3,025,000	8,000,000	-	-	-	-
	Sub-Total	**46,210,946**	**70,000,000**	**27,580,197**	**-**	**59.7**	**-**
Department Roads, Transport & Public Works							
CP1: Administration & Support Services	**CSP 1.1: Administration & Services**	31,406,400	-	21,882,800	-	69.7	-
CP 2: Transport services	CSP 2.1: Roads	2,417,200	288,000,000	517,200	163,935,634	21.4	56.9
	CSP 2.2: Transport	2,000,000	-	650,000	-	32.5	-
CP3: Public Works & Housing	CSP3.1: Public Works	10,250,000	-	1,000,000	-	9.8	-
	Sub-Total	**46,073,600**	**288,000,000**	**24,050,000**	**163,935,634**	**52.2**	**56.9**
Department of Education, Information & ICT							
CP1. General Administration & Support Services	CSP1.1 Administration	444,889,663	-	423,088,122	-	95.1	-
CP2. Education Development	CSP 2.1 ECD and Schools	44,234,909	90,000,000	30,000,000	32,634,858	67.8	36.3

	CSP 2.2 Vocational Training Centre	3,001,200	5,000,000	-	-	-	-
CP3. ICT, Information & Libraries	CSP3.1: Information Research and Statistics	23,082,733	24,694,322	3,027,971	-	13.1	-

Programme (CP)	Sub-Programme (CSP)	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Sub-Total	**515,208,505**	**119,694,322**	**456,116,093**	**32,634,858**	**88.5**	**27.3**
Department Lands, Physical Planning and Urban Development							
CP1: Administration and Services	CSP 1.1 Urban Administration and Support Services	294,155,273	-	283,017,576	-	96.2	-
CP2: Land & Physical planning	CSP 2.1 Lands Services	8,000,000	10,000,000	500,000	-	6.3	-
	CSP 2.2 Physical planning	12,374,997	-	959,320	-	7.8	
CP 3: Urban development	CSP 3.0 Urban Development and Infrastructure	2,500,000	-	-	-	-	-
	CSP 3.1 Urban Disaster & Risk Management	7,664,626	-	6,500,000	-	84.8	-
	CSP 3.2 Urban Sanitation Services	1,350,000	-	68,000	-	5.0	-
	CSP 3.4 Municipalities	32,000,000	195,000,000	62,000,000	51,600,000	193.8	26.5
	Sub-Total	**358,044,896**	**205,000,000**	**353,044,896**	**51,600,000**	**98.6**	**25.2**
Department of Finance and Economic Planning							
CP1: Administration & Support Services	CSP 1.1 Administration	684,025,320	741,176,980	405,172,861	481,390,000	59.2	64.9
CP2: Public Finance Management	CSP2.1 Accounting Services	3,713,739	-	853,450	-	23.0	-
	CSP2.2 Budget Formulation	11,180,000	-	1,376,960	-	12.3	-
	CSP2.3 Audit Services	6,462,600	-	670,300	-	10.4	-
	CSP2.4 Revenue	142,127,781	-	123,567,321	-	86.9	-
	CSP2.5 Supply Chain Management	5,630,000	-	547,600	-	9.7	-
P3: Economic Planning	CSP 3.1 Planning & M&E	31,086,000	-	7,051,000	-	22.7	-
P4: Donor Co-ordinations	CSP 4.1: Donor Co-ordinations	2,000,000	-	-	-	-	-
P8: Special Programs	CSP 8.1: Special Program	145,930,648	-	56,822,985	-	38.9	-
	Sub-Total	**1,032,156,088**	**741,176,980**	**596,062,477**	**481,390,000**	**57.7**	**64.9**
Department of Health and Sanitation							
CP 1: Administration Finance and HR	CSP1.1: Administration Finance and HR	2,122,250,159	-	1,987,783,624	-	93.7	-
CP 2: Preventive and Promotive Health	CSP 2.1: Level Five Hospital	180,000,000	234,723,404	136,188,117	56,000,000	75.7	23.9
	CSP 2.2: Sub Counties	162,510,500	90,000,000	134,716,770	88,744,243	82.9	98.6
	Sub-Total	**2,464,760,659**	**324,723,404**	**2,258,688,511**	**144,744,243**	**91.6**	**44.6**
Department Trade, Investments Development and Tourism							
CP 1: Administration and policy formulation	CSP 1.1: Administration	69,047,996	-	59,300,255	-	85.9	-
	CSP 1.2: Industrialization and Investment	1,800,000	400,000,000	-	102,500,000	-	25.6
	CSP 1.3: Micro Enterprise	1,600,000	40,000,000	1,410,000	40,000,000	88.1	100.0

	CSP 1.4: Tourism	1,802,259	-	962,135	-	53.4	-
CP 2: Trade Department	CSP 2.1: Trade	750,000	-	-	-	-	-
	Sub-Total	**75,000,255**	**440,000,000**	**61,672,390**	**142,500,000**	**82.2**	**32.4**
Department of Water, Environment and Natural Resources							

Programme (CP)	Sub-Programme (CSP)	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
CP1: Administration Department	CSP 1: Administration	160,056,361	43,000,000	132,004,831	-	82.5	-
CP2: Natural Resource Management	CSP 2.1: Environment and Natural Resources	43,148,025	253,580,354	28,735,574	253,580,354	66.6	100.0
	CSP 2.2: Land Reclamation	12,600,000	30,000,000	11,000,000	-	87.3	-
CP 3: Water Infrastructure Development	CSP 3.1: Irrigation Services	5,000,000	30,000,000	-	-	-	-
	CSP 3.2: Water Infrastructure	-	1,080,278,252	-	374,280,327	-	34.6
	Sub-Total	**220,804,386**	**1,436,858,606**	**171,740,405**	**627,860,681**	**77.8**	**43.7**
Department of County Affairs, Public Service and Intergovernmental Relation							
CP1: Administration and Planning	CSP 1.1: County Attorney	48,200,000	-	15,000,000	-	31.1	-
	CSP 1.2: Human Resource	91,891,478	-	71,876,000	-	78.2	-
	CSP 1.3: Street Lighting Headquarters	70,656,215	-	51,000,000	-	72.2	-
	CSP 1.4: Governor's Office	113,900,000	-	25,356,700	-	22.3	-
	CSP 1.5: Deputy Governors Office	40,120,000	-	15,869,435	-	39.6	-
	CSP 1.6: Donor Coordination	16,780,548	-	12,750,000	-	76.0	-
	CSP 1.7: Intergovernmental and Institutional Relations	18,812,430	-	9,000,000	-	47.8	-
	CSP 6.1: Administration-Operations and Sub-County Offices	104,410,000	-	70,133,079	-	67.2	-
	Sub-Total	**504,770,671**	**-**	**270,985,214**	**-**	53.7	-
Department County Public Service Board							
CP1: County Public Service Board	CSP 1.1: Administration and Services	34,072,000	15,000,000	26,001,960	-	76.3	-
	Sub-Total	**34,072,000**	**15,000,000**	**26,001,960**	**-**	**76.3**	**-**
Department County Assembly							
CP1: Administration and Support Services	CSP 1.1 Speaker's Office	115,138,309	-	113,599,743	-	98.7	-
	CSP 1.2 Clerks Offices	414,767,417	153,000,000	394,909,654	69,202,630	95.2	45.2
	CSP 1.4 Administration Service	51,645,004	-	47,802,992	-	92.6	-
	CSP 1.5 Procedures and Committee Services	55,806,828	-	55,806,828	-	100.0	-
	CSP 1.6 County Assembly Secretariat	27,979,720	-	20,829,133	-	74.4	-
	CSP 1.7 MCAS Affairs	298,394,451	-	284,370,302	-	95.3	-
	Sub-Total	**963,731,729**	**153,000,000**	**917,318,652**	**69,202,630**	**95.2**	**45.2**
Grand Total		**6,389,147,479**	**4,311,273,645**	**5,262,558,136**	**1,931,670,888**	**82.4**	**44.8**

Sub-programmes with the highest levels of implementation based on absorption rates were Micro Enterprise, Environment and Natural Resources in the Department of Trade, Investments Development and Tourism and Water, Environment and Natural Resources, respectively, all at 100 per cent, Livestock in the sub-department of Livestock under Agriculture, Livestock & Pastoral Department at 99.3 per cent, Sub Counties sub-programme Preventive and Promotive Health Programme in the Department of Health and Sanitation at 98.6 per cent, and Administration under Administration & Support Services Programme in the Finance and Economic Planning Department at 64.9 per cent of budget allocation.

Accounts Operated Commercial Banks

The County government operated 11 accounts with commercial banks. This is contrary to Regulations 82(1)(b) of the PFM (County Governments) Regulations, 2015, which requires that County government bank accounts be opened and maintained at the Central Bank of Kenya. The only exemption is for imprest bank accounts for petty cash and revenue collection.

Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the COB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The complete report was received on 2nd August 2024
2. Failure by Fund Administrators to submit quarterly financial and non-financial reports to the COB within the timelines provided in law, which is against the requirement of Section 168 of the PFM Act, 2012. The reports for the Disaster Management/Emergency Fund, Bursary Fund and Micro and Small Enterprises Development Revolving Fund were not submitted to the Controller of Budget.
3. High wage bills accounted for 44.0 per cent of the County's total revenue in FY 2023/24, which is above the ceiling provided in law.
4. Use of manual payroll. Personnel emoluments amounting to Kshs.480.38 million were processed through the manual payroll, accounting for 11.9 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where there is a lack of proper controls.
5. Low expenditure on development budget which was 26.8 per cent of total expenditure.

The County should implement the following recommendations to improve budget execution.

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Ogce of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*
2. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
3. *The County Leadership should develop strategies to ensure the wage bill is within the legal limit of 35*

per cent of total revenue as provided under Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.

4. *The Government requires that salaries be processed through the IPPD system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their stag. The County Public Service Board should regulate stag engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved stag establishment should be maintained.*
5. *The County should prioritize expenditure on development projects in order to acheive the 30 per cent threshold in law.*

Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 percent of the County's total revenue.

In the FY 2023/24, expenditure on employee compensation was Kshs. 4.03 billion, or 44.2 per cent of the available revenue, which amounted to Kshs.9.13 billion. This expenditure represented a decrease from Kshs. 4.77 billion reported in FY 2022/23. The wage bill included Kshs. 1.94 billion paid to health sector employees, translating to 48.1 per cent of the total wage bill. Further analysis indicates that PE costs amount to Kshs. 3.55 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.480.38 million was processed through manual payroll. The manual payroll accounted for 11.9 per cent of the total PE cost.

The County Assembly spent Kshs. 22.40 million on committee sitting allowances for the 49 MCAs, including the Speaker, against the annual budget allocation of Kshs.30.83 million. The average monthly sitting allowance was Kshs. 38,089 per MCA. The County Assembly has established 19 Committees.

Development Expenditure

In the FY 2023/24, the County reported an expenditure of Kshs.1.93 billion on development programmes, representing an increase of 20.9 per cent compared to FY 2022/23, when the County spent Kshs. 1.60 billion.