COUNTY GOVERNMENT OF GARISSA

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

FINANCIAL YEAR 2024/2025 FIRST QUARTER BUDGET IMPLEMENTATION REPORT



NOVEMBER 2024

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FOREWORD

The preparation of the First Quarter County Budget Implementation Review Report for the Financial Year 2024/2025 marks an important milestone in strengthening fiscal discipline, transparency, and accountability in the management of public resources within the County Government of Garissa. This report provides a comprehensive assessment of the County's financial performance for the period ended 30th September 2024, highlighting key achievements, emerging challenges, and strategic interventions required to enhance service delivery.

The County approved a budget of Kshs. 11.46 billion for the FY 2024/2025, with allocations of 37 per cent to development and 63 per cent to recurrent expenditure. During the first quarter, the County mobilized total resources amounting to Kshs. 2.35 billion, including equitable share, own source revenue, and cash balances brought forward from the previous financial year. Notably, the County registered a significant improvement in own source revenue collection, recording Kshs. 80.47 million, representing a growth of 87 per cent compared to a similar period in the previous financial year, largely driven by enhanced revenue administration and the operationalization of the Facility Improvement Financing framework.

On the expenditure side, the County utilized Kshs. 1.57 billion, representing 77 per cent of the funds released during the quarter. While recurrent expenditure performance remained relatively stable, development expenditure absorption stood at 10 per cent, reflecting the need to accelerate project implementation and strengthen procurement and contract management processes.

The report further highlights the continued challenge of pending bills, which stood at Kshs. 2.69 billion as at the close of FY 2023/2024, with a significant proportion attributable to development projects. This underscores the need for sustained efforts in commitment control, verification of liabilities, and prioritization of payments in line with the Public Finance Management framework.

As a County, we remain committed to prudent financial management, improved revenue mobilization, enhanced budget execution, and strict adherence to legal and regulatory frameworks. Moving forward, the County will focus on strengthening cash flow planning, automating revenue systems, improving payroll management, and accelerating development project implementation to ensure optimal utilization of public resources.

I wish to commend all departments and stakeholders for their dedication and contribution towards the preparation of this report. I urge all implementing agencies to take into consideration the recommendations herein to improve performance in subsequent quarters.



Hon Abass Ismail Khaar,
CECM-Finance and Economic Planning

ACKNOWLEDGEMENT

The successful preparation of the First Quarter County Budget Implementation Review Report for the Financial Year 2024/2025 is a result of collective efforts and strong collaboration among various departments and stakeholders within the County Government of Garissa.

This report has been prepared in line with the provisions of the Public Finance Management Act, 2012, and provides a detailed analysis of budget execution, revenue performance, expenditure trends, and programme implementation during the first quarter ended 30th September 2024. It serves as a key tool for monitoring fiscal performance and guiding evidence-based decision-making across the County.

I wish to sincerely acknowledge the leadership and strategic guidance provided by the County Executive Committee Member for Finance in ensuring effective coordination of the budget implementation process. Special appreciation is extended to the Directorate of Budget, Accounting Services, and Economic Planning teams for their technical input, data consolidation, and analysis that informed the preparation of this report.

Further appreciation goes to all County Departments, Fund Administrators, and spending units for timely submission of financial and non-financial data, which greatly enhanced the quality and reliability of the report. The collaboration between departments has been instrumental in ensuring that the report reflects an accurate and comprehensive picture of the County's fiscal performance.

The County also acknowledges the role of oversight institutions, particularly the Controller of Budget, whose guidance continues to strengthen accountability and transparency in public financial management.

As we move forward, there is need to enhance coordination in project implementation, improve absorption of development funds, strengthen internal controls, and address the challenges identified in this report, including pending bills management and payroll efficiency.

It is my expectation that this report will serve as a critical reference point for planning, policy formulation, and performance improvement in the subsequent quarters of the financial year.



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

EXECUTIVE SUMMARY

The First Quarter Budget Implementation Review Report for FY 2024/2025 presents an overview of the County Government of Garissa's fiscal performance for the period ended 30th September 2024.

The County approved a budget of Kshs. 11.46 billion, comprising Kshs. 4.2 billion for development expenditure and Kshs. 7.26 billion for recurrent expenditure. During the first quarter, the County mobilized a total of Kshs. 2.35 billion, representing 21 per cent of the annual budget. This included equitable share, own source revenue, and cash balances brought forward from the previous financial year.

Own Source Revenue performance improved significantly, with the County collecting Kshs. 80.47 million, representing 27 per cent of the annual target and an increase of 87 per cent compared to the same period in FY 2023/2024. This growth was largely driven by enhanced revenue administration measures and the operationalization of the Facility Improvement Financing framework.

Total expenditure during the quarter amounted to Kshs. 1.57 billion, representing 77 per cent of the funds released. Recurrent expenditure accounted for Kshs. 1.14 billion, while development expenditure amounted to Kshs. 428.61 million. The absorption rate for development expenditure stood at 10 per cent, indicating delays in project implementation.

The County's wage bill amounted to Kshs. 806.20 million, representing 40 per cent of total available revenue, which is within the recommended threshold. However, reliance on manual payroll systems for a portion of staff continues to pose risks to payroll integrity.

Pending bills remain a significant fiscal challenge, with outstanding obligations amounting to Kshs. 2.69 billion as at the end of FY 2023/2024. Development-related pending bills account for the largest share, highlighting the need for improved project planning, procurement compliance, and commitment control mechanisms.

Key challenges identified during the quarter include:

- Low absorption of development funds
- Delays in exchequer releases
- Accumulation of pending bills
- Weak payroll controls and reliance on manual systems
- Use of commercial bank accounts contrary to PFM regulations

To address these challenges, the County will prioritize:

- Automation of revenue collection systems
- Strengthening cash flow planning and forecasting
- Verification and structured settlement of pending bills
- Full integration of staff into automated payroll systems
- Enhanced monitoring and evaluation of development projects

INTRODUCTION

This report presents the First Quarter Budget Implementation Review for the County Government of Garissa for the Financial Year 2024/2025, covering the period from 1st July 2024 to 30th September 2024.

The report has been prepared pursuant to the requirements of the Public Finance Management Act, 2012 and provides a comprehensive analysis of revenue performance, expenditure trends, budget absorption, programme implementation, and key fiscal challenges affecting budget execution.

The objective of this report is to:

- Assess the County's financial performance against approved budget estimates
- Evaluate the efficiency of resource utilization
- Identify challenges affecting budget implementation
- Provide recommendations to improve fiscal performance

The report draws data from the County Treasury, departmental financial reports, and other official records, ensuring accuracy and reliability of the information presented.

Overview of FY 2024/25 Budget

The Garissa County approved FY 2024/25 budget is Kshs.11.46 billion. It comprised Kshs.4.2 billion (37 per cent) and Kshs.7.26 billion (63 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs. 0.76 billion (7 per cent) from the FY 2023/24 budget com-prised a development budget of Kshs.4.31 billion and a recurrent budget of Kshs.6.39 billion. The increase in the budget was attributed to the rise in Equitable Share from Kshs.8.2 to Kshs.8.55 billion, an increase in OSR from Kshs.230 million to Kshs.300 million, and the increase in carry forward for two months.

The Garissa County Government budget will be financed from different sources of revenue. These include; Kshs.8.56 billion (75 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.27 billion as additional allocations, a cash balance of Kshs.1.33 billion (12 per cent) brought forward from FY 2023/24, and Kshs.300 million (2.6 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.160 million (1 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.140 million (1 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.44.

Revenue Performance

In the first quarter of FY 2024/25, the County received Kshs.2.35 billion to fund recurrent and development ac-tivities. The equitable share from the national government was Kshs. 701.14 million, and its own source revenue (OSR) collection was Kshs. 80.47 million. In addition, the County had a cash balance of Kshs. 1.57 billion from FY 2023/24, including Kshs.659.9 million June 2024 disbursement disbursed in July 2024.

Analysis of the total OSR collection of Kshs. 80.47 million indicates Facilities Improvement Financing (FIF) of Kshs. 57.79 million and Kshs.22.68 million as ordinary OSR. Table 3.44 summarises the total revenue available to the county government during the first quarter of FY 2024/25 performance.

Table 1: Garissa County revenue performance in the first quarter of FY 2024/25

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**	8,555,015,575	701,143,589	8
Subtotal		8,555,015,575	701,143,589	8
B	**Additional Allocations**			
	Framework for the management Of Food Sys-tem Resilience Project – (FSRP)-IDA FOR FY 2024/2025	173,076,923	0	0
	DANIDA Grant-Primary health care in a devolved context	10,822,500	0	0
	Kenya Devolution Support Program KDSP11	37,500,000	0	0
	Kenay Urban Support Prorgam -KUSP UIG	35,000,000	0	0
	Framework for Management Of UNFPA Grant FOR GOK/UNFPA 10TH Country Programme for FY 2024/25	9,620,000	0	0
	Emergency Locust Response Project World Bank (ELRP)	142,500,000	0	0

	Water and Sanitation Development Project (World Bank) WSDP	450,000,000	0	0
	Financing locally-led climate action program (FLLoCA) County climate Institutional support (CCRI	137,000,000	0	0
	Financing locally-led climate action program (FLLoCA) County Climate Institutional support (CCIS) Grant level 1 (World Bank)	11,000,000	0	0
	Road Maintenance Levy Fund (RMLF)	188,410,093	0	0
	Conditional Grant Community Health Promoters	74,520,000	0	0
	Transfer of museum Function	2,462,567	0	0
	Mineral Royalties	621,261	0	0
Subtotal		**1,272,533,344**	**0**	**0**
C	**Own Source Revenue**			
	Ordinary Own Source Revenue	140,000,000	22,680,111	16
	Facility Improvement Fund (FIF)	160,000,000	57,788,652	36
Subtotal		300,000,000	80,468,763	**27**
D	**Other Sources of Revenue**			
	Unspent balance from FY 2023/24	1,332,681,087	1,566,887,583	118
Grand Total		**11,460,230,006**	2,348,499,934	**21**

Source: *Garissa County Treasury*

The County has governing legislation on the operation of FIF.

Figure 1 shows the trend in own-source revenue collection from the First Quarter of FY 2018/19 to the First Quarter of FY 2024/25.

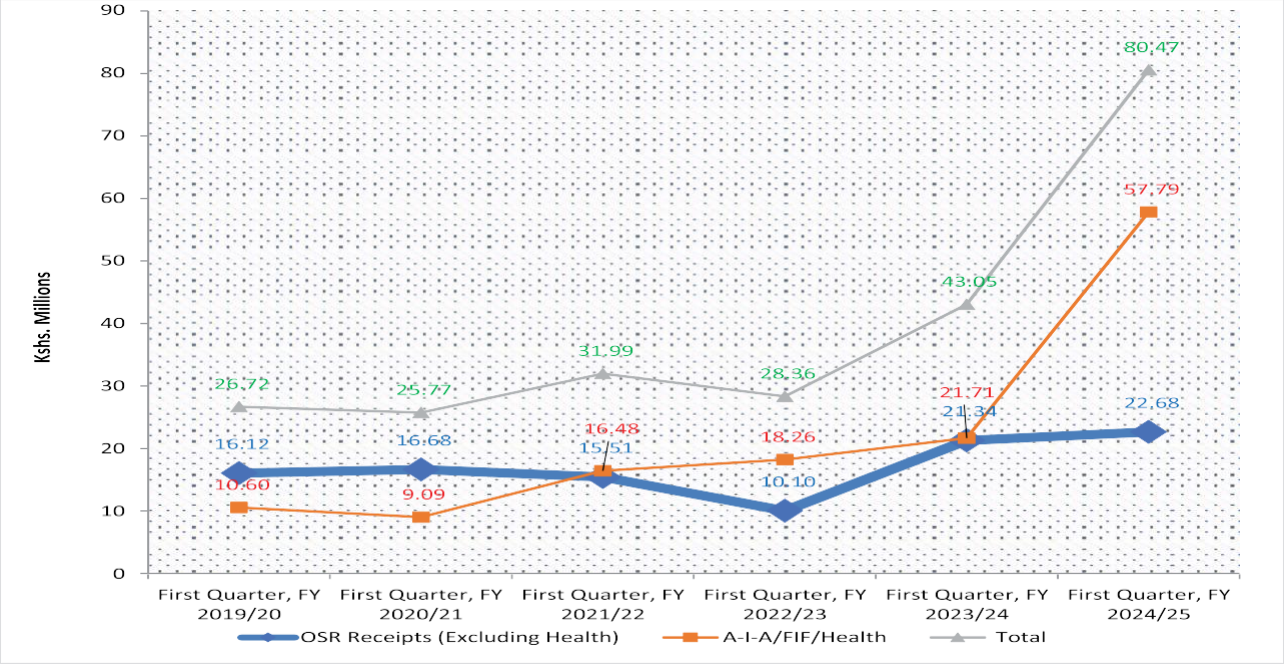


Figure 1: Trend in own source revenue collection from the first quarter of FY 2018/19 to the first quarter of FY 2024/25

Source: *Garissa County Treasury*

During the first quarter of FY 2024/25, the County generated Kshs.80.47 million from its revenue sources, including FIF. This amount was an increase of 87 per cent compared to Kshs.43.05 million realised in a similar period in FY 2023/24, which was 27 per cent of the annual target and 12 per cent

of the equitable revenue share disbursed.

The increase in OSR is attributed to the enactment of the FIF Act. The timely supply of drugs has occasioned seamless operations in health facilities, thus increasing revenue generation from user charges and public health fees. There has also been continuous engagement and follow-up with taxpayers and enhanced supervision and internal control systems in revenue collection. Also, the opening of gypsum excavation, the land registration process, and adequate staff recruitment have enhanced the ability to raise more OSR.

The revenue streams which contributed the highest OSR receipts are shown in Figure 2.

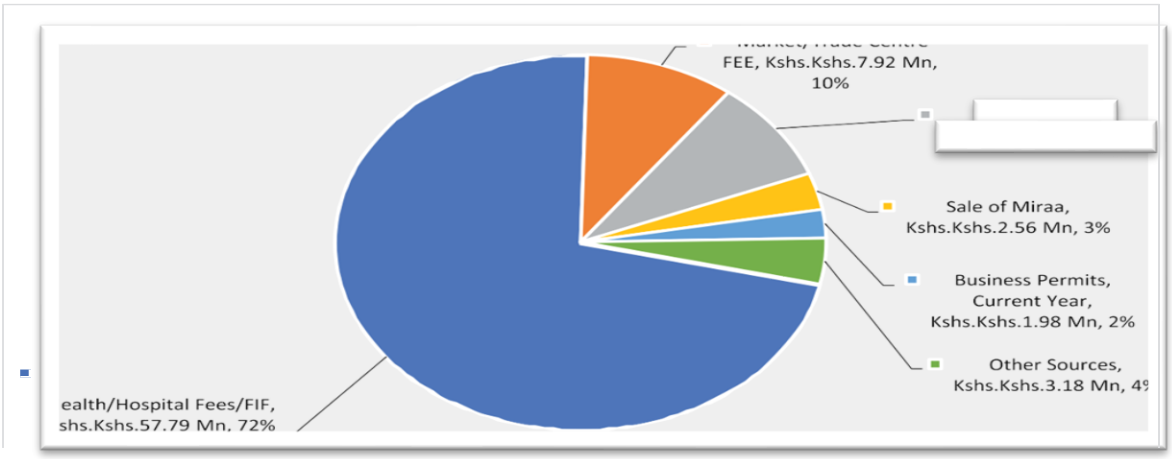


Figure 2: Top streams of own source revenue in the first quarter FY 2024/25

The highest revenue stream, Kshs.57.79 million, was from Health (Hospital Fees/ FIF), which contributed 72 per cent of the total OSR receipts during the reporting period.

Borrowing by the County

The County Government has yet to borrow so far.

Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.2.04 billion from the CRF account during the reporting period, which comprised Kshs.646.70 million (32 per cent) for development programmes and Kshs.1.39 billion (68 per cent) for recurrent programmes in the first quarter of FY 2024/25. Analysis of the recurrent exchequers released in the first three months of FY 2024/25 indicates that Kshs.1.07 billion was released towards employee compensation and Kshs.323.37 million for operations and maintenance expenditure.

As of September 30, 2024, the County Government's cash balance in the CRF account was Kshs. 792.67 million.

County Expenditure Review

The County spent Kshs.1.57 billion on development and recurrent programmes in the reporting period. The expenditure represented 77 per cent of the total funds released by the CoB and comprised Kshs. 428.61 million and Kshs.1.14 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 10 per cent, while

recurrent expenditure represented 16 per cent of the annual recurrent expenditure budget.

Settlement of Pending Bills

As at the 30th June 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.

Expenditure by Economic Classification

During the first quarter of FY 2024/25, the County Executive spent Kshs.765.41 million on employee compen-sation, Kshs.319.63 million on operations and maintenance, and Kshs.428.61 million on development activi-ties. Similarly, the County Assembly spent Kshs.40.80 million on employee compensation, Kshs.19.20 million on operations and maintenance, and did not spend on development activities, as shown in Table 3.45.

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	**6,175,462,183**	**1,083,780,817**	**1,085,033,123**	**59,999,811**	**18**	**6**
Compensation to Employees	4,018,691,551	694,580,507	765,405,923	40,798,584	19	6
Operations and Maintenance	2,156,770,632	389,200,310	319,627,200	19,201,227	15	5
Development Expenditure	**3,917,987,006**	**283,000,000**	**428,611,317**	-	11	0
Total	**10,093,449,189**	**1,366,780,817**	**1,513,644,440**	**59,999,811**	15	4

***Source**: Garissa County Treasury*

Expenditure on Employees' Compensation

In the first quarter of FY 2024/25, expenditure on employee compensation was Kshs.806.20 million, or 40 per cent of the available revenue of Kshs.2.04 billion. This expenditure represented a decrease from Kshs.1.02 bil-lion reported in a similar period in FY 2023/24. The wage bill included Kshs.339.90 million paid to the health sector employees, translating to 42 per cent of the total wage bill.

Figure 27 shows the trend of personnel expenditures as a percentage of total revenue from the first quarter of FY 2017/18 to the first quarter of FY 2024/25.

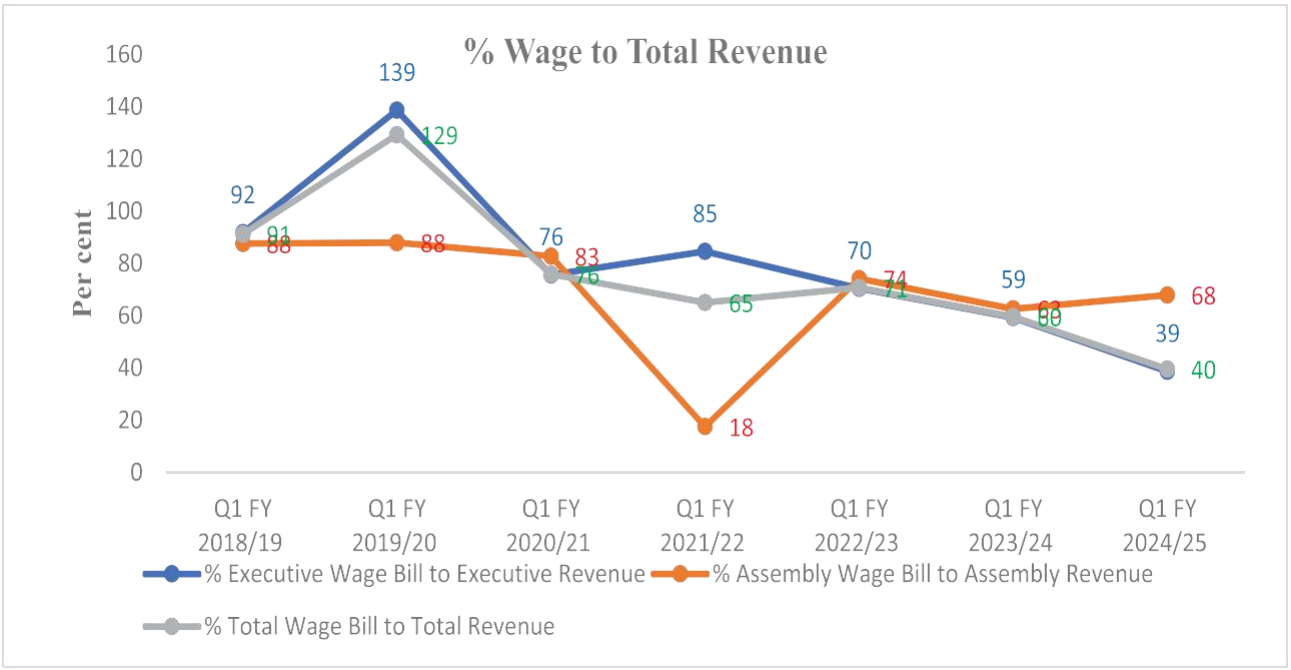


Figure 3: Percentage of wage bill to total revenue from the first quarter of FY 2018/19 to the first quarter of FY 2024/25

Source: *Garissa County Treasury*

Further analysis indicates that PE costs amounting to Kshs.618.61 million were processed through the Integrat-ed Personnel and Payroll Database (IPPD) system while Kshs.187.59 million was processed through manual payrolls. The manual payrolls accounted for 23 per cent of the total PE cost.

The County Assembly did not spend Kshs. 30.97 million on committee sitting allowances for the 49 MCAs against the annual budget allocation. The County Assembly had 19 House 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.130 million to county-established funds in FY 2024/25, or 1 per cent of the County's overall budget. Further, the County allocated Kshs.60 million to the Emergency Fund (0.5 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Figure 3 summarizes each established Fund's budget allocation and performance during the reporting period.

Table 3: Performance of County established funds in the first quarter of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Quarter of FY 2024/25 (Kshs.)	Actual Expenditure in First Quarter of FY 2024/25 (Kshs.)	Cumulative disburse-ments to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/ No.)
	County Executive Established Funds					
1	Disaster Management Fund/Emergency	60,000,000	-	-	-	-
2	Bursary Fund	50,000,000	50,000,000	50,000,000		YES
3	Micro and Small Enterprises Develop-ment Revolving Fund	20,000,000	-	-	-	-
	County Assembly Established Funds					

	Total	**130,000,000**	**50,000,000**	**50,000,000**		

Note: Cumulative disbursements to a fund include all monies that the county treasury has transferred to the Fund since its inception to the reporting period.

During the reporting period, the CoB did not receive quarterly financial reports from Disaster Management Fund/Emergency and Micro and Small Enterprises Development Revolving Fund Administrators, as indicated in Table 3.46, contrary to the requirement of Section 168 of the PFM Act, 2012. The administration cost of the Bursary Fund was within the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Fi-nance Management (County Governments) Regulations, 2015.

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

Expenditure on Operations and Maintenance

Figure 4 summarizes the Operations and Maintenance expenditure by major categories.

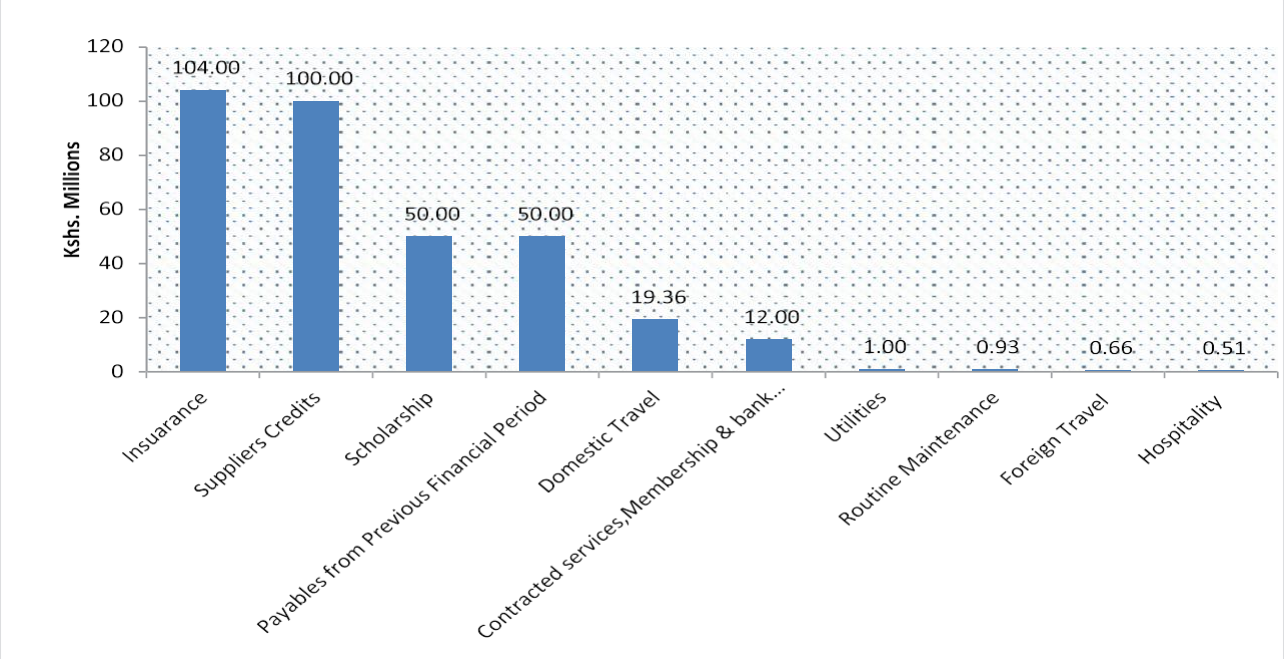


Figure 4: Garissa County Operations and Maintenance Expenditure by Major Categories

Source: *Garissa County Treasury*

Expenditure on domestic travel amounted to Kshs.19.36 million and comprised Kshs.17.37 million spent by the County Assembly and Kshs.1.99 million by the County Executive. Expenditure on foreign travel amounted to Kshs.0.66 million, all spent by the County Assembly. Expenditure on foreign travel is summarised in Table 4**.**

Table 4: Summary of highest Expenditure on foreign travel in the first quarter of FY 2024/25

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	1	25th to 28th August 2024	To attend the 8th International Conference on Social Science, Humanities and Education	Britain	660,828

Source: Garissa County Treasury and Garissa County Assembly

Facility Improvement Financing

During the period under review, the County reported collecting Kshs.57.79 million as FIF, which was 36 per cent of the annual target of Kshs.160 million. The collected amount was retained and utilised at the source in

accordance with the Facility Improvement Financing Act, 2023. The County has developed regulations to op-erationalise the FIF Act of 2023.

The Health Facilities did provide a report on the utilisation of the FIF during the reporting period, according to Section 18 (e) of the FIF Act, 2023.

The expenditure by the Health Facilities amounted to Kshs.57.79 million, as shown in Table 5.

Table 5: Breakdown of expenditure by health facilities in the first quarter of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Cost Sharing Hospitals			
1	Garissa County Referral Hospital	120,000,000	48,537,439	40
2	Iftin	7,000,000	1,589,600	23
3	Ijara	8,000,000	2,970,590	37
4	Dadaab	7,000,000	1,179,080	17
5	Balambala	1,000,000	244,800	25
6	Hulugho	1,000,000	280,000	28
7	Modogashe	3,000,000	1,391,513	46
8	Bura	3,000,000	585,980	20
	TOTAL	**150,000,000**	56,779,002	**40**
	Public Health			
1	Dadaab	1,500,000	283,200	19
2	Fafi	1,500,000	70,500	5
3	Ijara	500,000	34,900	7
4	Balambala	500,000	13,900	3
5	Modogashe	500,000	47,300	10
6	Township	5,000,000	539,850	11
7	Hulugho	500,000	20,000	4
	TOTAL	**10,000,000**	**1,009,650**	**10**
	Grand Total	**160,000,000**	**57,788,652**	**36**

Source: *Garissa County Treasury*

The Health Facility with the highest absorption rate was Modogashe Sub-County Hospital at 46 per cent.

Development Expenditure

In the First Quarter of FY 2024/25, the County reported spending Kshs.428.61 million on development pro-grammes, representing an increase of 14 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.377.50 million. Table 6 summarises development projects with the highest expenditure in the reporting period.

Table 6: Garissa County list of development projects with the highest expenditure

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
1	Roads, Transport and Public Works	Proposed Upgrading To Bitumen Standard Of Bulla Madina-Dobale Road	Township	39,219,844	12,000,000	-
2	Health and Sanitation	Proposed Construction of Mother and Child Hospital at Garissa Referral Hospital	Township	663,678,404	60,000,000	-

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
3	Trade, Investments and Enterprise Development	County Industrial Park		350,000,000	87,435,823	-
4	Water, Environment and Natural Resources	cf Proposed Qone-Modogashe Pipeline Project,	Lagdera	457,911,266	68,000,000	-
5	Water, Environment and Natural Resources	cf Proposed Construction of Boulragy Giraffe Sanctuary,	Township	20,000,000	20,000,000	-
6	Water, Environment and Natural Resources	cf Proposed augmentation and rehabilitation of Masalani water supply	Masalani	20,000,000	20,000,000	-
7	Water, Environment and Natural Resources	WSDP Project-World Bank(Host community)		450,000,000	98,595,330	-
8	Roads, Transport and Public Works	Proposed Installation of Solar Powered Street Lights in Lamu Road, Garissa Town	Township	22,936,680	6,000,000	-
9	Roads, Transport and Public Works	Proposed Demolition and Construction of Parking and Fencing at Qorahey Market	Township	19,467,404	7,971,943	-
10	Water, Environment and Natural Resources	Proposed Desilting At Bula Abass Water Pan	Lagdera	9,844,630	2,487,837	-

Source: *Garissa County Treasury*

Budget Performance by Department

Table 7 summarises the approved budget allocation, expenditure and absorption rate by departments in the first three months of FY 2024/25.

Table 7: 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	147.16	477.78	26.00	0.00	18.50	13.35	71.2	0.0	13	3
Culture, Gender, Youth & Sports	70.73	183.00	17.00	0.00	12.00	4.48	70.6	0.0	17	2
Roads, Transport and Public Works	84.82	450.51	17.50	25.97	11.00	31.84	62.9	122.6	13	7
Education, Information and ICT	385.51	157.10	157.00	0.00	156.50	0.00	99.7	0.0	41	0
Lands, Physical Planning and Urban Development	368.93	110.00	109.02	0.00	67.01	0.00	61.5	0.0	18	0
Finance & Economic Planning	1258.72	150.00	383.86	0.00	326.84	12.57	85.1	0.0	26	8

Health & Sanitation	2935.72	420.50	353.74	60.00	341.87	60.00	96.6	100.0	12	14
Trade, Investments and Enterprise Development	95.31	470.00	14.00	87.44	11.00	87.44	78.6	100.0	12	19
Water, Environment and Natural Resources	183.26	1472.10	42.00	473.29	14.00	187.22	33.3	39.6	8	13
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**
County Affairs, Public Service and Intergovern-mental Relations	589.56	12.00	197.46	0.00	124.09	0.00	62.8	0.0	21	0
County Public Service Board	55.74	15.00	11.01	0.00	2.21	0.00	20.1	0.0	4	0
Assembly	1083.78	283.00	60.00	0.00	60.00	31.71	100.0	0.0	6	11
Total	**7259.24**	**4200.99**	**1388.58**	**646.70**	**1145.03**	**428.61**	**82.5**	**66.3**	**16**	**10**

***Source**: Garissa County Treasury*

Analysis of expenditure by departments shows that the Department of Trade, Investments and Enterprise De-velopment recorded the highest absorption rate of development budget at 19 per cent, followed by the Depart-ment of Health and Sanitation at 14 per cent. The Department of Education, Information and ICT had the highest percentage of recurrent expenditure to budget at 41 per cent, while the Department of County Public Service Board had the lowest at 4 per cent.

Budget Execution by Programmes and Sub-Programmes

Table 8 summarises the budget execution by programmes and sub-programmes in the First Quarter of FY 2024/25.

Table 8: Garissa County execution by programmes and sub-programmes

Programme	**Sub-Pro gramme**	**Approved Estimates (Kshs.)**		**Actual Expenditure (Kshs.)**		**Absorption Rate (%)**	
		Recurren t	**Devel op-me nt**	**Recurren t**	**Devel op-me nt**	**Recurre nt**	**Devel op-me nt**
Department of Agriculture, Livestock & pastoral							
Programme 1: CP1: Agriculture	CSP 1.1 Agriculture Admin-istration & Support Services	91,576,039	233,076,923	5,000,000	13,351,028	6	6
	CSP 1.2 Crop production and value chains	1,200,000				-	
	CSP 1.3 Agricultural Mecha-nization Services		37,200,000				-
CP2: Livestock	Sub- CSP 2.1 Livestock Administration and Support Service	47,180,760	177,500,000	13,500,000		29	-
	CSP 2.2 Livestock Produc-tion	2,550,000				-	

Pasto-ral Economy	CSP 2.3 Livestock Value Chains Development	500,000					
	CSP 2.4 Veterinary Service	3,350,000	30,000,000			-	-
CP3: Fish Production	CSP 3.1 Fisheries services	200,000				-	
CP 4: Cooperatives	CSP 4.1 Cooperatives Devel-opment	600,000				-	
	Sub Total	**147,156,798**	**477,776,923**	**18,500,000**	**13,351,028**	**13**	**3**
Department Culture, Gender, Youth & Sports							
CP1. Administration and support services	CSP 1.1 Administration and Support Services	65,937,181		12,000,000		18	
CP2. Gender and social services	CSP 2.1 Social Protection,	1,025,000	76,000,000		4,475,000	-	6
	CSP 2.2 Gender and Women Empowerment						
CP3. Cultural Pro-motion	CSP 3.1 Promotion and preservation of culture and Heritage						
Programme	**Sub-Pro gramme**	**Approved Estimates (Kshs.)**		**Actual Expenditure (Kshs.)**		**Absorption Rate (%)**	
		Recurrent	**Devel op-ment**	**Recurrent**	**Devel op-ment**	**Recurrent**	**Devel op-ment**
CP4. Youth and Sport Development	CSP4.1 Youth development	500,000				-	
	CSP4.2 Sports & talent development	3,263,600	107,000,000			-	-
	Sub-Total	**70,725,781**	**183,000,000**	**12,000,000**	**4,475,000**	**17**	**2**
Department Roads, Transport and Public Works							
CP1: Administration and support services	CSP 1.1 Administration and Services	75,653,420	65,000,000	11,000,000	31,836,358	**15**	**49**
CP2.0 Road and transport	CSP2.1 Roads	1,667,200	341,510,083			-	-
	CSP 2.2 Transport	1,500,000				-	
CP3 Public works &housing	CSP3.1 PUBLIC WORKS	6,000,000	44,000,000			-	-
	Sub-Total	**84,820,620**	**450,510,083**	**11,000,000**	**31,836,358**	**13**	**7**
Department of Education, Information and ICT							
CP1: General Admin-istration and support services	CSP1.1 Administration and Support Services	348,193,769		156,500,000		**45**	
CP2. Education Development	CSP 2.1 E.C.D	24,234,909	157,100,000			-	-
	CSP 2.2 Vocational Training	3,001,200				-	
CP3. ICT, Informa-tion and Libraries	CSP3.1 ICT, Information and Libraries	10,082,733				-	
	Sub-programme						

	Sub-Total	**385,512,611**	**157,100,000**	**156,500,000**		**41**	**-**
Department Lands, Physical Planning and Urban Development							
CP 1: Administration	CSP 1.1 Urban Administra-tion & Support Services	345,967,569		67,009,850		**19**	
CP 2: Lands & physi-cal planning	CSP 2.1 Lands Services	7,000,000				-	
	CSP 2.2 Physical Planning	7,450,000	50,000,000			-	-
CP 3: Urban Devel-opment	CSP 3.1 Urban Develop-ment and Infrastructure	1,500,000				-	
	CSP 3.2 Urban Disaster and Risk Management	6,114,626	60,000,000			-	-
	CSP 3.3 Urban Sanitation Services	900,000				-	
	Sub-Total	**368,932,195**	**110,000,000**	**67,009,850**		**18**	**-**
Department Finance & Economic Planning							
P1: Administration and Support Services	CSP1.1 Administration and Support Services	902,682,278	150,000,000	326,840,021	12,574,749	**36**	**8**
	CSP 1.2 Special Programmes	304,910,000				-	
P2: Public Finance Management	CSP 2.1 Accounting Services	3,713,739				-	
	CSP 2.2 Budget Formulation	8,890,719				-	
	CSP 2.3 Audit Services	5,362,600				-	
	CSP 2.4 Revenue Manage-ment	9,305,000				-	
	CSP 2.5 Supply Chain Mgt	7,630,000				-	
P3: Economic planning	CSP 3.1 Planning and M&E	11,730,000				-	
	CSP3.2 Statistics and Research	4,500,000				-	
	Sub-Total	**1,258,724,336**	**150,000,000**	**326,840,021**	**12,574,749**	**26**	**8**
Programme	**Sub-Pro gramme**	**Approved Estimates (Kshs.)**		**Actual Expenditure (Kshs.)**		**Absorption Rate (%)**	
		Recurrent	**Develop-ment**	**Recurrent**	**Develop-ment**	**Recurrent**	**Develop-ment**
Department of Health & Sanitation							
P1: Governance, quality assurance and support services	CSP 1.1 Administration And Support Services	2,628,768,727	420,500,000	341,873,453	60,000,000	**13**	**14**
	CSP 1.2 Health Information Systems	5,000,000				-	
	CSPS 1.3 policy Research and planning	5,000,000				-	
P2: Curative Services, Rehabilitative and Referal services	CSP 2.1 Health products and technologies	208,500,000				-	
	CSP 2.2 Rehabilitative services	11,500,000				-	
	CSP 2.3 Referal and Emer-gency Services	54,258,025				-	

P3: Preventive and promotive and RM-NCH services	Maternal, newborn, child health and nutrition services	11,075,645				-	
	Preventive and Promotive health services	11,618,450				-	
	Sub-Total	**2,935,720,847**	**420,500,000**	**341,873,453**	**60,000,000**	**12**	**14**
Department Trade, Investments and Enterprise Development							
CP1: Administration and Support Services	CSP1.1 Administration And Support Services	90,354,667	350,000,000	11,000,000	87,435,823	**12**	**25**
CSP 2.1 micro and small enterprises development	CSP 2.1 micro and small enterprises development	1,400,000	20,000,000			-	-
	CSP 2.2 Trade infrastructure and services	750,000				-	
CP3.Industrialisa-tion and Investment Programme	CSP 3.1 Industrialization and Investment Programme	1,400,000	100,000,000			-	-
CP 4: Tourism	**CSP 4.1 Tourism Devel-opment**	1,402,259				-	
	Sub-Total	**95,306,926**	**470,000,000**	**11,000,000**	**87,435,823**	**12**	**19**
Department of Water, Environment and Natural Resources							
CP1: Water Services	CSP1.1 Administration and Support Services	35,293,025	310,000,000	14,000,000	77,628,677	40	25
	CSP 1.2 Water Infrastruc-ture Development	1,100,000	785,100,000		98,595,330	-	13
CP2: Irrigation Services	CSP 2.1 Irrigation Devel-opment	12,350,000	377,000,000		11,000,000	-	3
	Sub-Total	**183,255,191**	**1,472,100,000**	**14,000,000**	**187,224,007**	**8**	**13**
Department of County Affairs, Public Service and Intergovernmental Relations							
CP1.Executive Services	CSP 1.1 Governor Oper-ations	60,400,000		8,000,000		**13**	
	CSP 1.2 Deputy Governor Operations	36,120,000		85,500,000		**237**	
	CSP 1.3County Secretary	49,656,215		6,500,000		**13**	
	CSP 1.4Operations & Sub-County Administration	254,302,589	12,000,000	5,000,000		**2**	-
	CSP 1.5Intergovernmental &public participation	56,812,430				-	
	CSP 1.6 County Attorney	28,500,000		12,000,000		**42**	
	CSP1.7 HRM DPT	86,491,478		7,094,824		**8**	
	CSP 1.8 Donor coordination	17,280,548				-	
	Sub-Total	**183,255,191**	**1,472,100,000**	**124,094,824**	-	**68**	
Department County Public Service Board							
Programme 1: Board services	CSP 1: Administration support services	55,743,617	15,000,000	2,214,975		**4**	-
		Approved (Kshs.)	**Estimates**	**Actual (Kshs.)**	**Expenditure**	**Absorption Rate (%)**	

Programme	Sub-Pro gramme	Recurren t	Devel op-me nt	Recurren t	Devel op-me nt	Recurre nt	Devel op-me nt
	Sub-Total	**55,743,617**	**15,000,000**	**2,214,975**		**4**	**-**
Department County Assembly							
General Administra-tion, Planning and Support Services	General Administration	1,083,780,817	283,000,000	59,999,811	31,714,352	**6**	**11**
	Sub-Total	**1,083,780,817**	**283,000,000**	**59,999,811**	**31,714,352**	**6**	**11**
Grand Total		**6,852,934,930**	**5,661,087,006**	**1,145,032,934**	**428,611,317**	**17**	**8**

***Source**: Garissa County Treasury*

Based on absorption rates for recurrent activities, the sub-programmes with the highest implementation levels were Administration and Support Services in the Department of Roads, Transport, and Public Works, with an absorption rate of 49 per cent, and Administration and Support Services in the Department of Trade, Invest-ments, and Enterprise Development, with an absorption rate of 26 per cent.

For development activities, the highest levels of implementation were: Administration and Support Services in the Department of Water, Environment, and Natural Resources, with an absorption rate of 26 per cent, and Administration and Support Services in the Department of Health and Sanitation, with an absorption rate of 14 per cent of the budget allocation.

Accounts Operated in Commercial Banks

The County government operated 11 accounts with commercial banks, of which two were for healthcare facil-ities.

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 ex-emption is for imprest bank accounts for petty cash and revenue collection bank accounts.

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. Automate the entire own-source revenue collection system by introducing digital payment platforms, real-time tracking systems, and electronic record-keeping. This will improve transparency, reduce leakages, and enhance accountability. Capacity building for staff and regular system audits should also be conducted to ensure effective implementation

2. Engage with the National Government more so the national Treasury to improve the

predictability and timeliness of exchequer disbursements. Additionally, establish a contingency fund or cash reserve to manage temporary cash flow gaps. Strengthen cash flow planning and adopt financial forecasting tools to better align expenditure with anticipated revenues.

3. Conduct a comprehensive audit of all pending bills using a multi-stakeholder verification committee. Develop clear criteria for verifying and prioritizing legitimate claims.

4. Accelerate the issuance of personal numbers for all staff, including casuals, to enable their integration into the national automated payroll system. In the meantime, introduce interim digital records and improve payroll controls. Regular payroll audits should be conducted to enhance integrity and accuracy.