COUNTY GOVERNMENT OF GARISSA

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

FINANCIAL YEAR 2024/2025 THE FIRST NINE MONTH BUDGET IMPLEMENTATION REPORT

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

MAY 2025

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FOREWORD

The preparation of this **First Nine Months Budget Implementation Review Report for FY 2024/2025** marks an important milestone in strengthening fiscal transparency, accountability, and prudent public financial management within the County Government of Garissa. This report provides a comprehensive assessment of the County's revenue performance, expenditure trends, and overall budget execution during the period under review.

During this period, the County operated within an approved budget of **Kshs. 11.46 billion**, reflecting continued commitment towards service delivery and socio-economic transformation. The County recorded total revenue receipts amounting to **Kshs. 6.68 billion**, demonstrating improved performance compared to the previous financial year. Notably, own-source revenue showed remarkable growth, largely driven by the operationalization of the Facility Improvement Fund and enhanced revenue administration systems.

On the expenditure side, the County achieved an overall absorption rate of **93% of funds released**, with sustained prioritization of key sectors such as Health, Water, Infrastructure, and Public Administration. However, development expenditure absorption remains relatively moderate, largely due to procurement timelines and project implementation challenges.

The County Government continues to address the issue of **pending bills**, which stood at **Kshs. 2.82 billion**, through structured payment plans and strengthened verification processes. This remains a key priority under our fiscal consolidation agenda in line with the **Public Finance Management Act, 2012** and ongoing reforms under the **Kenya Devolution Support Programme (KDSP)**.

Going forward, the County will focus on:

- Enhancing revenue automation and compliance
- Strengthening expenditure control and commitment management
- Accelerating project implementation
- Ensuring timely settlement of verified pending bills

I commend the Department of Finance and Economic Planning for the preparation of this report and reaffirm the County Executive's commitment to sound financial management and sustainable development.



Hon. Abass Ismail Khaar
County Executive Committee Member (CECM) – Finance and Economic Planning
Garissa County

ACKNOWLEDGEMENT

The successful preparation of the First Nine Months Budget Implementation Review Report for FY 2024/2025 is the result of collective effort, coordination, and dedication across various departments within the County Government of Garissa.

I wish to express my sincere appreciation to the Department of Finance and Economic Planning, whose technical leadership and commitment ensured the timely compilation and analysis of financial and performance data in line with statutory requirements.

Special recognition goes to:

- Director of Budget – Mr. Ahmed Yussuf, for coordinating the budget performance framework and ensuring alignment with approved estimates
- Director of Economic Planning – Mr. Mohamed Guliye, for spearheading data consolidation, policy linkage, and performance monitoring
- The Finance Team led by the Head of Treasury – Mr. Abdi Ali Nuriye, for their diligence in financial reporting, IFMIS data management, and reconciliation processes
- Mr. Mohamud Osman, for his continued contribution in financial analysis, and reporting support

Further appreciation is extended to all County Departments and Agencies for providing timely data and supporting documentation necessary for this report.

This report has been prepared in compliance with the Public Finance Management Act, 2012, and provides a credible basis for decision-making, policy review, and enhanced accountability in public resource utilization.



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

STATEMENT BY THE CHIEF OFFICER – FINANCE

The First Nine Months Budget Implementation Review Report for FY 2024/2025 presents a detailed analysis of the County's financial performance, highlighting key achievements, challenges, and strategic interventions undertaken during the reporting period.

The County recorded total revenue of Kshs. 6.68 billion, representing a significant improvement from the previous financial year. Of particular importance is the growth in own-source revenue to Kshs. 312.20 million, driven by enhanced revenue administration measures, improved compliance, and operationalization of the Facility Improvement Financing framework.

In terms of expenditure, the County utilized Kshs. 5.87 billion, representing efficient absorption of released funds. Recurrent expenditure accounted for the larger share, primarily due to personnel emoluments and operational costs, while development expenditure continues to be scaled up through prioritization of ongoing projects.

The County remains committed to maintaining fiscal discipline, as demonstrated through:

- Strengthened commitment control systems
- Enhanced IFMIS-based financial reporting and reconciliation
- Improved cash flow management and exchequer utilization

However, the persistence of pending bills, currently standing at Kshs. 2.61 billion, continues to exert pressure on County finances. Measures have been put in place to:

- Verify and validate all outstanding obligations
- Prioritize settlement of legitimate claims
- Align payments with available fiscal space in accordance with PFM Regulations, 2015 (Regulation 41(2))

Additionally, efforts are ongoing to:

- Transition all staff to the GHRIS payroll system
- Enhance internal controls in payroll and expenditure management
- Strengthen audit and compliance mechanisms

Moving forward, the Department will focus on improving budget absorption, enhancing financial reporting accuracy, and ensuring sustainable fiscal management to support service delivery and development priorities.

…….
Abdullatif Sheikh Mohamed
Chief Officer – Finance
Garissa County

Overview of FY 2024/25 Budget

The Garissa County Gross Approved Budget for FY 2024/25 is Kshs.11.46 billion. It comprises Kshs.4.20 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.0.93 billion (9 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.4.08 billion and a recurrent budget of Kshs.6.45 billion. The increase in the budget was attributed to the rise in Equitable Share from Kshs.8.2 billion to Kshs.8.55 billion, an increase in OSR from Kshs.230 million to Ksh.300 million, and the balance carried forward from FY 2023/24 of Kshs.1.57 billion. The County's Net Approved Budget was the same as the gross budget, as there were no A-I-A estimates.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.8.56 billion (75 per cent), additional allocations of Kshs.1.27 billion (11 per cent), a cash balance of Kshs.1.33 billion (12 per cent) brought forward from FY 2023/24, and Kshs.300 million (3 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 1.

Revenue Performance

During the review period, the County received Kshs.6.68 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.952.80 million from Kshs.5.73 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.79 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.11 million, and its own-source revenue (OSR) collection of Kshs.312.20 million. In addition, the County had a cash balance of Kshs.1.57 billion from FY 2023/24.

The total OSR collection of Kshs.312.20 million includes Facilities Improvement Financing (FIF) of Kshs.238.81 million, and Kshs.73.40 million from other OSR sources. OSR collections from the FIF were received from the Garissa County Referral, Iftin, Ijara, Dadaab hospitals, Balambala, Hulugho, Modogashe, Bura, Dadaab, Fafi, Ijara, Lagdera, Township, Hulugho Public health centres, where FIF is collected. Table 3.65 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 1: Garissa County, Revenue Performance in the First Nine Months 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**	**4,794,698,677**	**56**
Subtotal		**8,555,015,575**	**4,794,698,677**	**56**
B	**Additional Allocations**			
1	Framework for the Management of Food System Resilience Project – (FSRP)-IDA FOR FY 2024/2025	173,076,923	-	-
2	DANIDA Grant-Primary health care in a devolved context	10,822,500	-	-
3	Kenya Devolution Support Program KDSP11	37,500,000	-	-
4	Kenya Urban Support Prorgam -KUSP UIG	35,000,000	-	-
5	Framework For Management of UNFPA Grant FOR GOK/UNFPA 10TH Country Programme for FY 2024/25	9,620,000	-	-
6	Emergency Locust Response Project World Bank (ELRP)	142,500,000	-	-
7	Water and Sanitation Development Project (World Bank) WSDP	450,000,000	-	-
8	Name of the Conditional Grant	137,000,000	-	-

9	Financing locally led climate action program (FLLoCA), County Climate Institutional support (CCIS), Grant level 1 (World Bank)	11,000,000	11,000,000	100
10	Road Maintenance Levy Fund (RMLF)	188,410,093	-	-
11	Conditional Grant Community Health Promoters	74,520,000	-	-
12	Transfer of Museum Function	2,462,567	-	-
13	Mineral Royalties	621,261	-	-
Subtotal		**1,272,533,343.81**	**11,000,000**	**0.9**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	140,000,000	73,396,197	52
2	Appropriation in Aid (A-I-A)			
3	Facility Improvement Fund (FIF)	160,000,000	238,808,627	149
Subtotal		**300,000,000**	**312,204,824**	
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2023/24	1,332,681,087	1,566,887,582.55	118
2	Other Revenues (provide a list)			
Sub-Total		**1,332,681,087**	**1,566,887,582.55**	**118**
Grand Total		**11,460,230,006**	**6,684,791,084**	**58**

Source: *Garissa County Treasury*

The County has governing legislation on the operation of FIF. Figure 1 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

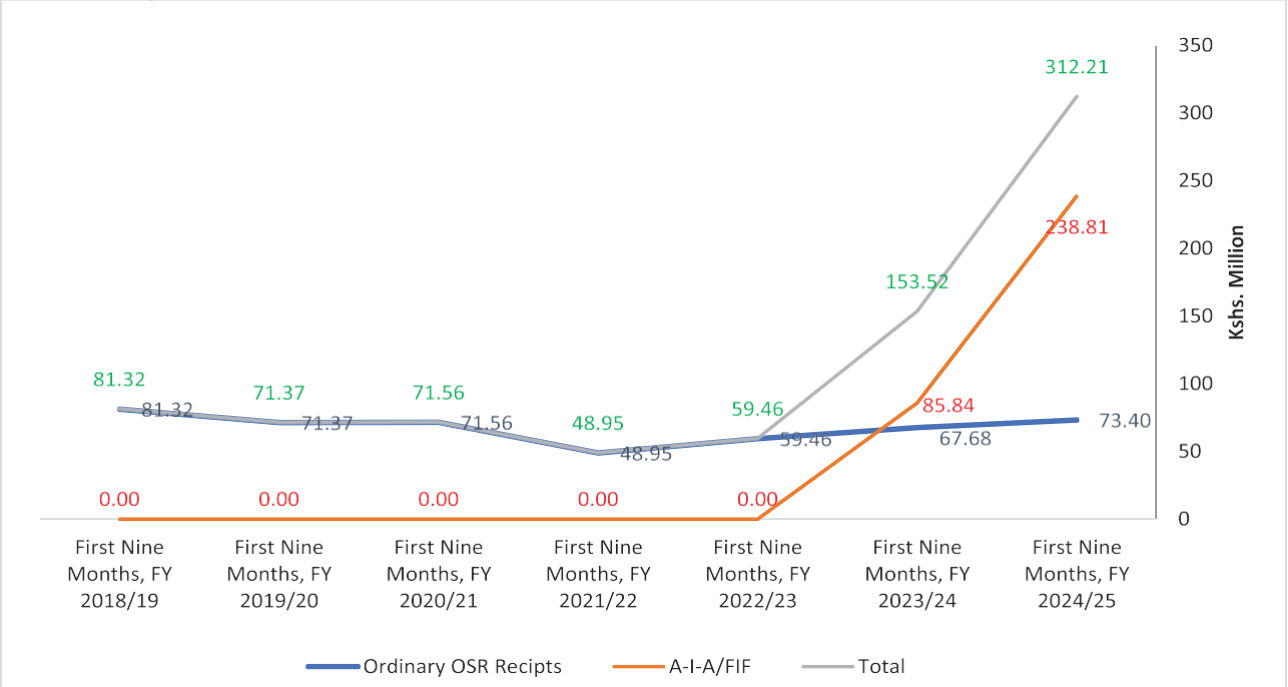


Figure 1: Trend in own source revenue collection for the first nine months of FY 2018/19 to FY 2024/25

Source: *Garissa County Treasury*

During the review period, the County generated Kshs.312.21 million from its own revenue sources, including AIA and FIF. This amount was an increase of 103 per cent compared to Kshs.153.52 million realised in a similar period in FY 2023/24, which was 104 per cent of the annual target and 7 per cent of the equitable revenue share disbursed. The increase in OSR is attributed to the enactment of the FIF Act, and the timely supply of drugs has facilitated seamless operations in health facilities, thereby increasing revenue generation from user charges and public health fees. There has also been continuous

engagement and follow-up with taxpayers, enhanced supervision, and an internal control system in revenue collection. Additionally, the opening of the gypsum excavation and land registration process, as well as the recruitment of adequate staff, have improved the ability to raise more OSR.
The revenue streams which contributed the highest OSR receipts are shown in Figure 26.

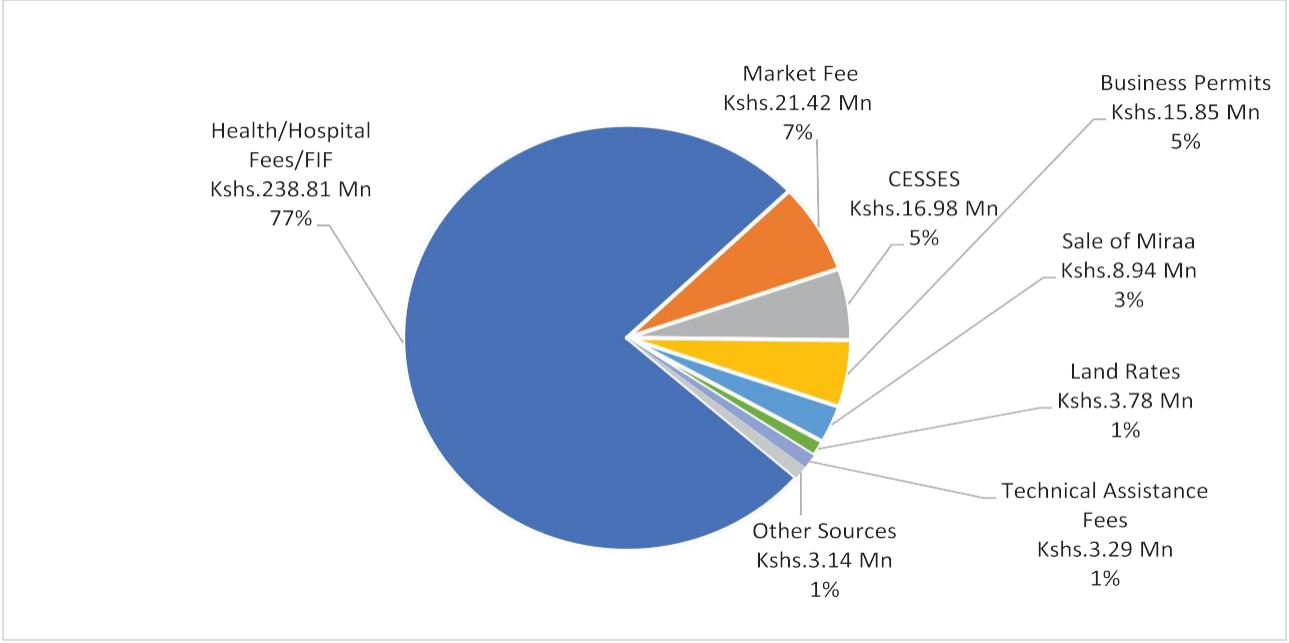


Figure 2: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25

Source: Garissa County Treasury

As shown in Figure 26, the highest revenue stream, at Kshs.238.81 million, was from Health/Hospital Fees/FIF, contributing 77 per cent of the total OSR receipts. The County Government has not automated any revenue streams.

Borrowing by the County

The county government has not borrowed so far.

Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.6.32 billion from the CRF account. This amount comprised Kshs.1.82 million (29 per cent) for development programmes and Kshs.4.50 billion (71 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.17 million was released towards compensation of employees and Kshs.1.33 million for operations and maintenance expenditure. The Exchequer approved towards compensation for employees did not include the March 2025 exchequer request for the County Executive and County Assembly, as these funds were credited into the salary account in early April 2025. Analysis of the operations and maintenance exchequer releases indicates that 6 per cent was for domestic travel and 0.51 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.75.09 million, comprising Kshs.14.54 million for the County Executive and Kshs.60.55 million for the County Assembly. The foreign exchequer totalled Kshs.6.74 million, comprising Kshs.1 million for the County Executive and Kshs.5.74 million for the County Assembly.

Table 2: Garissa County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock & pastoral	147.16	477.78	81.33	20.80	55	4
Culture, Gender, Youth & Sports	70.73	183.00	43.00	38.00	61	21
Roads, Transport and Public Works	84.82	450.51	45.46	216.27	54	48
Education, Information and ICT	385.51	157.10	312.54	2.09	81	1
Lands, Physical Planning and Urban Development	368.93	110.00	267.34	-	72	0
Finance & Economic Planning	1,258.72	150.00	795.02	49.48	63	33
Health & Sanitation	2,935.72	420.50	1,696.56	290.18	58	69
Trade, Investments and Enterprise Development	95.31	470.00	41.32	235.08	43	50
Water, Environment and Natural Resources	183.26	1,472.10	144.58	857.51	79	58
County Affairs, Public Service and Intergovernmental Relations	589.56	12.00	462.80	12.00	78	100
County Public Service Board	55.74	15.00	37.86	14.93	68	100
County Assembly	1,083.78	283.00	572.81	84.92	53	30
	7259.24	**4200.99**	**4500.62**	**1821.26**	**62**	**43**

Source: *Garissa County Treasury*

The departments that had not met 50 per cent of their annual target were due to procurement procedures and project designs not yet being completed, resulting in a low level of implementation. As of 31 March 2025, the County Government's cash balance in the CRF account was Kshs.363.19 million.

County Expenditure Review

The County spent Kshs.5.87 billion on development and recurrent programmes during the reporting period. The expenditure represented 93 per cent of the total funds released by the CoB and comprised Kshs.1.72 billion and Kshs.4.15 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 41 per cent, while recurrent expenditure represented 57 per cent of the annual recurrent expenditure budget.

Settlement of Pending Bills

The County reported eligible pending bills totalling Kshs.2.82 billion as of 30 June 2024. This amount included Kshs.2.69 billion from the County Executive and Kshs.128.31 million from the County Assembly. The pending bills from the County Executive consist of Kshs.691.84 million for recurrent expenditures and Kshs.2.00 billion for development expenditures, while the County Assembly consists of Kshs.66.12 million for recurrent expenditures and Kshs.62.19 million for development expenditures

During the period under review, the County Executive settled pending bills amounting to Kshs.91.77 million, comprising only development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.113.20 million, which included Kshs.58.38 million for recurrent activities and Kshs.54.82 million for development expenditures.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.100 million and Kshs.128.31 million, respectively, in the first nine months of FY 2024/25. However, the County partially adhered to this payment plan, as it cleared Kshs.91.77 million for the Executive and Kshs.113.20 million for the Assembly.

As of 31 December 2024, the eligible outstanding bills totalled Kshs.2.61 billion, comprising Kshs.2.60 billion for the County Executive and Kshs.1.11 million for the County Assembly.

Expenditure by Economic Classification

The County Executive spent Kshs.2.71 billion on employee compensation, Kshs.870.87 million on operations and maintenance, and Kshs.1.63 billion on development activities. Similarly, the County Assembly spent Kshs.388.87 million on employee compensation, Kshs.183.96 million on operations and maintenance, and Kshs.82.82 million on development activities, as shown in Table 3.67.

Table 3: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross 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**	**3,578,487,415**	**572,831,089**	**58**	**53**
Compensation to Employees	4,018,691,551	694,580,507	2,707,620,895	388,865,898	67	56
Operations and Maintenance	2,156,770,632	389,200,310	870,866,520	183,965,191	40	47
Development Expenditure	**3,917,987,006**	**283,000,000**	**1,633,085,398**	**82,821,460**	**42**	**29**
Total	**10,093,449,189**	**1,366,780,817**	**5,211,572,813**	**655,652,549**	**52**	**48**

Source: *Garissa County Treasury*

Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.3.10 billion. The total revenue, excluding the earnings from extractive natural resources was Kshs.6.68 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 46 per cent. This expenditure on employee compensation shows an increase of 15 per cent compared to the Kshs.2.70 billion was reported during the same period in FY 2023/24. Of this total, Kshs.1.31 billion was allocated to Health Sector employees, which accounts for 42 per cent of the overall employees' compensation. The increase in compensation to employees was due to annual payment adjustments, the recruitment of 200 ECD teachers, and the impact of the Universal Health Care (UHC) programme, which initially compensated volunteers paid by the national government, who are now fully paid by the county government.

Figure 3 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

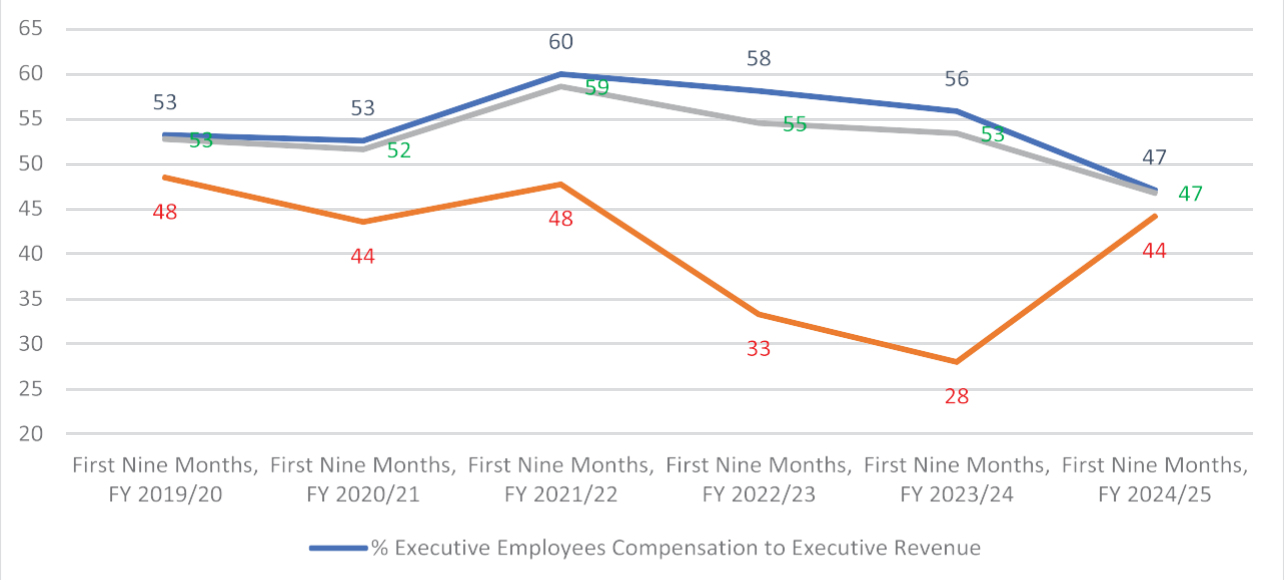


Figure 3: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25

***Source**: Garissa County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.63 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system, while Kshs.467.54 million was processed through manual payrolls, which accounted for 15 per cent of the total PE cost.

The manual payrolls comprised salaries for 733 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 481 casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 4.

Table 4: Breakdown of Garissa County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
1	Salaries for 733 staff are yet to be onboarded into HRIS	237,230,681.5
2	Salaries for 481 casual staff	66,105,004.4
3	Top-up Allowances for 90 security officers	20,977,271.3
4	LAPTRUST/LAPFUND Pension Contributions	142,005,842.0
5	NHL	1,216,863.7
	Total	**467,535,663**

***Source**: Garissa County Treasury*

The County Assembly spent Kshs.20.40 million on committee sitting allowances for the 48 MCAs against the annual budget allocation of Kshs.30.97 million. The average monthly sitting allowance was Kshs.47,221.18 per MCA. The County Assembly has 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 1.1 per cent of the County's overall budget. Further, the County allocated Kshs.60.00 million to the Emergency Fund (0.5 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 5 summarises each established Fund's budget allocation and performance during the reporting period.

Table 5: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
1	County Executive Established Funds						
2	Disaster Management Fund/ Emergency	2014	60,000,000	39,969,431	39,969,431	724, 969,431	YES
3	Bursary Fund	2014	50,000,000	50,000,000	50,000,000	625,000,000	YES
4	Micro and Small Enterprises Development Revolving Fund	2015	20,000,000			40,000,000	YES
	County Assembly Established Funds						
	Total		**130,000,000**	**89,969,431**	**89,969,431**	**1,389,969,431**	

Source: *Garissa County Treasury*

Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, allows County Governments to establish public funds with a lifespan capped at 10 years unless extended by the County Assembly. During the reporting period, the CoB established that the lifespan of **the**

Disaster Management /Emergency Fund and the Bursary Fund had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

County Corporations

The County has established one county corporation, namely the Garissa Water and Sewerage Company. In FY 2024/25, the county allocated Kshs.60 million to the corporation through the parent department. Their total expenditure in the first nine months amounted to Kshs.60.00 million, as shown in Table 6.

Table 6: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Garissa Water and Sewerage Company	Water, Environment and Natural Resources	60,000,000	60,000,000	60,000,000
	Total		60,000,000	60,000,000	60,000,000

Source: *Garissa County Treasury*

Expenditure on Operations and Maintenance

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

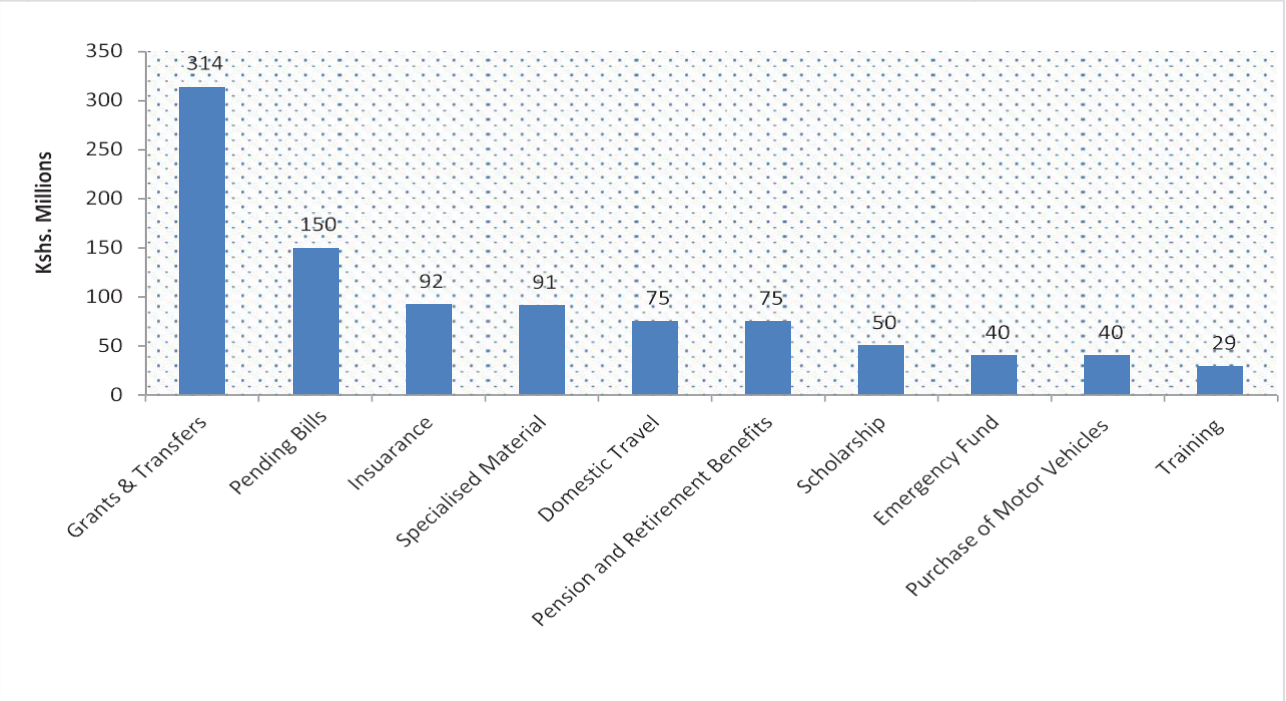


Figure 4:Garissa County, Operations and Maintenance Expenditure by Major Categories

Source: *Garissa County Treasury*

Expenditure on domestic travel amounted to Kshs.75.09 million and comprised Kshs.60.55 million spent by the County Assembly and Kshs.14.54 million by the County Executive. Expenditure on foreign travel amounted to Kshs.5.74 million and was incurred by the County Assembly. The expenditure on foreign travel is summarised in table 7 below.

Table 7: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	3	25th to 28th August 2023	To attend the 8th International Conference on Social Science, Humanities and Education	Britain	1,982,484
County Assembly	5	23rd September to 4th October,2024	Attend a training by ESAMI on the role of the Legislature in influencing Government policy	Dubai UAE	3,753,611
TOTAL					**5,736,095.00**

***Source**: Garissa County Treasury and County Assembly*

Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.238.81 million as FIF, which was 149 per cent of the annual target of Kshs.160 million. The collected amount was retained and utilized at source in line with the Facility Improvement Financing Act, 2023. The County has developed regulations in 2024 to operationalize the FIF Act of 2023.

The Health Facilities did provide a report on the utilization of the FIF during the reporting period, in line with Section 18(e) of the FIF Act, 2023, so we assumed their collection was equal to expenditure. The expenditure by the health facilities amounted to Kshs.238.81 million as shown in Table 8.

Table 8:Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
Hospitals				
1	Garissa County Referral Hospital	120,000,000	188,596,279	157
2	Iftin Sub-County Hospital (SCH)	7,000,000	9,979,506	143
3	Ijara SCH	8,000,000	12,998,507	162
4	Dadaab SCH	7,000,000	9,245,342	132
5	Balambala SCH	1,000,000	1,241,660	124
6	Hulugho SCH	1,000,000	1,775,100	178
7	Modogashe SCH	3,000,000	9,323,703	311
8	Bura SCH	3,000,000	2,598,430	87
Public Health Facilities				
1	Dadaab	1,500,000	431,800	29
2	Fafi	1,500,000	376,300	25
3	Ijara	500,000	70,800	14
4	Balambala	500,000	95,000	19
5	Lagdera	500,000	138,400	28
6	Garissa Township	5,000,000	1,873,300	37
7	Hulugho	500,000	64,500	13
	Total	160,000,000	**238,808,627**	149

***Source:** Garissa County Treasury*

The Health Facility with the highest absorption rate was Modogashe Sub County Hospital, with a rate of 311 per cent.

Development Expenditure

In the review period, the County reported spending Kshs.1.72 billion on development programmes, representing an increase of 101 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.853.06 million. Table 9 summarizes the development projects with the highest expenditure in the reporting period.

The increase is attributed to the county prioritizing ongoing and carry-forward projects from FY 2023/24.

Table 9:Garissa County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implement ation status (%)
1	Health	Proposed construction of the Mother and Child Hospital	Garissa Township		663678404	57,500,000	191500000	28
2	Trade, Investments and Enterprise Development	County Industrial Park	Garissa Township	31-dec-2025	490,636,205	53,000,000	330,221,260	67
3				15/05/2025	457,911,266	46,000,000	370,459,321	80
4	County Assembly	Purchase, installation and commissioning of a Hansard system	County Assembly	30TH JULY 2025	26,929,226	26,929,225	26,929,225	100
5	County Assembly	Proposed Construction of Chambers at the County Assembly offices	Garissa Township	30TH JUNE 2025	51,811,724	20,000,000	45,941,032.30	100
6	Culture, Gender, Youth and Sports	Construction of Pavillion at Garissa Field	Garissa Township	20-3-2026	187,800,000	18,780,800	18,780,800	10

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implement ation status (%)
7	Water, Environment and Natural Resources	Construction of the Boulragy Giraffe sanctuary	Garissa Township	06-06-2025	67,785,968	18,000,000	43,500,000	70
8	County Assembly	Refurbishment of offices, complete with furniture and fittings	Garissa township		19,268,550	17,700,000	18,385,650.00	90
9		Bula Madina Tarmac Road	Garissa Township	20-04-2025		5,600,000	34,140,000	87
10	Health	Renovation and expansion of the eye clinic at Garissa County Referral Hospital	Garissa Township	30-march 2025	24497668	2,000,000	240,47,901	100

Source: *Garissa County Treasury*

The County has failed to report on stalled development projects to date, as data could not be verified.

Budget Performance by Department

Table 10 summarizes the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 10: Garissa County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIA (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock & pastoral	147.16	477.78	81.33	20.80	75.33	20.80	93	100	51	4
Culture, Gender, Youth & Sports	70.73	183.00	43.00	38.00	38.00	38.00	88	100	54	21
Roads, Transport and Public Works	84.82	450.51	45.46	216.27	40.46	212.32	89	98	48	47
Education, Information and ICT	385.51	157.10	312.54	2.09	282.54	2.05	90	98	73	1
Lands, Physical Planning and Urban Development	368.93	110.00	267.34	-	250.34	-	94		68	0
Finance & Economic Planning	1,258.72	150.00	795.02	49.48	766.88	49.48	96	100	61	33
Health & Sanitation	2,935.72	420.50	1,696.56	290.18	1,516.56	252.89	89	87	52	60
Trade, Investments and Enterprise Development	95.31	470.00	41.32	235.08	35.32	211.92	85	90	37	45
Water, Environment and Natural Resources	183.26	1,472.10	144.58	857.51	141.70	833.62	98	97	77	57
County Affairs, Public Service and Intergovernmental Relations	589.56	12.00	462.80	12.00	397.00	12.00	86	100	67	100
County Public Service Board	55.74	15.00	37.86	14.93	34.36	-	91	0	62	0
County Assembly	1,083.78	283.00	572.81	84.92	572.83	82.82	100	98	53	29
	7,259.24	**4,200.99**	**4,500.62**	**1,821.26**	**4,151.32**	**1,715.91**	**92**	**94**	**57**	**41**

Source: *Garissa County Treasury*

Analysis of expenditure by departments shows that the Department of County Affairs, Public Service, and Intergovernmental Relations recorded the highest absorption rate of the development budget at 100 per cent, followed by the Department of Health and Sanitation at 60 per cent. The Department of Water, Environment and Natural Resources had the highest percentage of recurrent expenditure to budget at 77 per cent. In contrast, the Department of Trade, Investments and Enterprise Development had the lowest at 37 per cent.

Budget Execution by Programmes and Sub-Programmes

Table 11 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 11: Garissa County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Department of Agriculture, Livestock & Pastoral				-			
Programme 1: CP1: Administration Agriculture	CSP 1.1 Agriculture Administration & Support Services	91,576,039	233,076,923	38,528,860	13,351,028	42	6
	CSP 1.2 Crop production and value chains	1,200,000				-	
	CSP 1.3 Agricultural Mechanisation Services		37,200,000				-
	Sub-Total	**92,776,039**	**270,276,923**	**38,528,860**	**13,351,028**	42	5
CP2: Livestock Pastoral Economy	Sub- CSP 2.1 Livestock Administration and Support Service	47,180,760	177,500,000	35,400,000		75	-
	CSP 2.2 Livestock Production	2,550,000		1,400,000		55	
	CSP 2.3 Livestock Value Chains Development	500,000				-	
	CSP 2.4 Veterinary Service	**3,350,000**	30,000,000		7,447,932	-	25
	Sub-Total	**53,580,760**	**207,500,000**	**36,800,000**	**7,447,932**	69	4
CP3: Fish Production	CSP 3.1 Fisheries services	200,000		-		-	
CP 4: Cooperatives	CSP 4.1 Cooperative Development	600,000				-	
	Total	**147,156,799**	**477,776,923**	**75,328,860**	**20,798,960**	**51**	**4**
Department Culture, Gender, Youth & Sports							
CP1. Administration and support services	CSP 1.1 Administration and Support Services	69,700,781	107,000,000	38,000,000	33,525,000	55	31
CP2. Gender and social services	CSP 2.1 Social Protection,	1,025,000	76,000,000		4,475,000	0	6
	Total	**70,725,781**	**183,000,000**	**38,000,000**	**38,000,000**	**54**	**21**
Department of Roads, Transport and Public Works							
CP1: Administration and support services	CSP 1.1 Administration and Services	81,653,420	65,000,000	40,458,116	*49,404,989*	*50*	*76*
CP2.0 Road and transport	CSP2.1 Roads Development	*1,667,200*	**341510083**		*151,417,947*	-	*44*
	CSP 2.2 Transport	*1,500,000*				-	
	Sub-Total	**3,167,200**	**341,510,083**	-	**151,417,947**		*44*
CP3 Public works &housing	CSP3.1 Public Works		44,000,000		*11,500,000*		*26*
	Total	**84,820,620**	**406,510,083**	**40,458,116**	**200,822,936**	**48**	**49**
Department of Education, Information and ICT							
CP1: General Administration and support services	CSP1.1 Administration and Support Services	348,193,769		266,037,800		76	
CP2. Education Development	CSP 2.1 Early Childhood Education	24,234,909	**157100000**	15,000,000.00	2,047,650	62	1
	CSP 2.2 Vocational Training	3,001,200				-	
	Sub-Total	27,236,109	157,100,000	15,000,000	2,047,650	55	1
CP3. ICT, Information and Libraries	CSP3.1 ICT, Information and Libraries	10,082,733		1,500,000		15	
	Sub-Total	**385,512,611**	**157,100,000**	**282,537,800**	**2,047,650**	**73**	**1**

Programme	Sub-Programme	Revised Gross Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Department of Lands, Physical Planning and Urban Development							
CP 1: General Administration and Support Services	CSP 1.1 Urban Administration & Support Services	262,967,569		209,341,115		80	
	CSP 1.2 Municipalities	83,000,000	50,000,000	40,000,000		48	-
	Sub-Total	345,967,569	50,000,000	249,341,115	-	72	
CP 2: Lands & physical planning	CSP 2.1 Lands Services	7,000,000				**0**	
	CSP 2.2 Physical Planning	7,450,000		1,000,000		13	
	Sub-Total	14,450,000		1,000,000	-	7	
CP 3: Urban Development	CSP 3.1 Urban development and Infrastructure	1,500,000				**0**	
	CSP 3.2 Urban Disaster and Risk Management	6,114,626	60,000,000			**0**	-
	CSP 3.3 Urban Sanitation Services	900,000				**0**	
	Sub-Total	8,514,626	60,000,000	-	-	**0**	**0**
	Total	**368,932,195**	**110,000,000**	**250,341,115**	**-**	**68**	
Department of Finance & Economic Planning							
P1: Governance, Administration and Support Services	**CSP1.1 Administration and Support Services**	902,682,278	150,000,000	625,776,938	49,482,490	69	33
P2: Disaster Risk Management (Special program)	**CSP 2.1 special program**	304,910,000		140,000,000		46	
P3: Public Finance Management	**CSP 3.1 Accounting and Financial Reporting**	3,713,739				-	
	CSP 3.2 Budgetary services	8,890,719		1,100,000		12	
	CSP 3.3 Audit Services	5,362,600				-	
	CSP 3.4 Revenue Management	9,305,000				-	
	CSP 3.5 Supply Chain Mgt	7,630,000				-	
	Sub-Total	34,902,058		1,100,000		3	
P4: Economic Planning Services	**CSP 4.1 planning and M&E**	11,730,000				-	
	CSP4.2 Statistics and Research	4,500,000				-	
	Sub-Total	16,230,000		-	-		
	Total	**1,258,724,336**	**150,000,000**	**766,876,938**	**49,482,490**	**61**	**33**
Department of Health & Sanitation							
P1: Governance, Quality assurance and support services	**CSP 1.1 Administration and Support Services**	2,686,220,847	80,500,000	1,446,730,369	68,650,748	54	85
	CSP 1.2 Health information systems	5,000,000				-	#DIV/0!
	CSPS 1.3 policy Research and planning	5,000,000				-	#DIV/0!
	Sub-Total	**2,696,220,847**	**80,500,000**	**1,446,730,369**	**68,650,748**	54	85
P2: Curative Services, Rehabilitative and Referral Services	**CSP 2.1 Health products and technologies**	208,500,000	190,000,000	69,833,145	160,000,000	33	84
	CSP 2.2 Rehabilitative services	10,000,000				-	
	CSP 2.3 Referral and Emergency Services		150,000,000		24,242,087		16
	Sub-Total	**218,500,000**	**340,000,000**	**69,833,145**	**184,242,087**	32	54

Programme	Sub-Programme	Revised Gross Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
P3: Preventive and promotive and RM-NCH services	**Maternal, newborn, child health and nutrition services**	10,000,000				-	
	Preventive And Promotive Health Services	11,000,000				-	
	Sub-Total	**21,000,000**	-	-	-		
	Total	**2,935,720,847**	**420,500,000**	**1,516,563,514**	**252,892,835**	**52**	**60**
Department of Trade, Investment and Enterprise Development							
CP1: Administration and Support Services	CSP1.1 Administration and Support Services	90,354,667	350,000,000	35,323,350	211,917,503	39	61
CP 2: Trade and Enterprise Development	**CSP 2.1 micro and small enterprises development**	1,400,000	20,000,000			-	-
	CSP 2.2 Trade infrastructure and services	750,000				-	
	Sub-Total	2,150,000	20,000,000	-	-		
CP3. Industrialisation and investment Programme	CSP 3.1 Industrialisation and investment Programme	1,400,000	100,000,000			-	-
CP 4: Tourism	CSP 4.1 Tourism Development	1,402,259				-	
	Total	**95,306,926**	**470,000,000**	**35,323,350**	**211,917,503**	**37**	**45**
Department of Water, Environment and Natural Resources							
CP1: Water Administration and support services - ENC	**CSP1.1 Administration and Support Services**	128,307,166	310,000,000	105,700,000	137,628,677	82	44
CP4 Environment maanagent and Natural resources	**CSP 4.2 Climate Change and Adaptation**	12,350,000	377,000,000	10,000,000	137,117,510	81	36
	CSP4.1 Environment and Natural Resource Management	37,598,025	36,000,000	25,000,000		66	-
	Sub-Total	49,948,025	413,000,000	35,000,000	137,117,510	70	33
CP3: Water Infrastructure Development	**CSP 3.1 Water Infrastructure**		749,100,000		558,876,837		75
CP2: Irrigation Services	**CSP 2.1 Irrigation Development**	5,000,000		1,000,000		20	
	Sub-Total	**183,255,191**	**1,472,100,000**	**141,700,000**	**833,623,024**	**77**	**57**
Department of County Affairs, Public Service and Intergovernmental Relations							
CP1.Executive Services	**CSP 1.1 Governor Operations**	60,400,000	12,000,000	24,500,000	12,000,000	41	100
	CSP 1.2 Deputy Governor Operations	240,012,589		176,000,000		73	
	CSP 1.3County Secretary	49,656,215		30,000,000		60	
	CSP 1.4 Operations & Sub-County Administration	50,410,000		18,000,000.00		36	
	CSP 1.5 Intergovernmental &public participation	56,812,430		38,000,000		67	

	CSP 1.6 County Attorney	28,500,000		19,500,000		68	
	CSP1.7 Human Resource Management	86,491,478		79,000,000		91	
	CSP 1.8 Donor coordination	17,280,548		12,000,000		69	
	Total	**589,563,260**	**12,000,000**	**397,000,000**	**12,000,000**	**67**	**100**
Programme	**Sub-Programme**	**Revised Gross Approved Estimates**		**Actual Expenditure**		**Absorption Rate (%)**	
		Rec	**Dev**	**Rec**	**Dev**	**Rec**	**Dev**
Department of County Public Service Board							
Programme 1: Board services	**CSP 1: Administration support services**	55,743,617	15,000,000	34,357,722		62	-
	Total	**55,743,617**	**15,000,000**	**34,357,722**		**62**	**0**
County Assembly							
General Administration, Planning and Support Services	**Clerk's Office**	1,083,780,817	283,000,000	572,831,089	82,821,460	53	29
	Total	**1,083,780,817**	**283,000,000**	**572,831,089**	**82,821,460**	**53**	**29**
	Grand Total	**7,259,243,000**	**4,156,987,006**	**4,151,318,504**	**1,704,406,858**	**57**	**41**

***Source**: Garissa County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Governor Operations under Executive Service Programme in the Department of County Affairs, Public Service and Intergovernmental Relations at 100 per cent, Administration And Support Services in the Department of Health & Sanitation at 85 per cent, Health products and technologies under Curative Services, Rehabiliattive and Referal services programme in the Department of Health & Sanitation at 84 per cent, and Water Infrastructure under Water Infrastructure Development programme in the Department of Water, Environment and Natural Resources at 75 per cent of budget allocation.

Accounts Operated by Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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 bank accounts.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorization from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 26 accounts with commercial banks, including four accounts for Health Facilities, three accounts for Vocational Training Centres, three accounts for Established Funds, four revenue accounts, 13 special-purpose accounts (for additional allocations), and two imprest accounts.

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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 bank accounts. The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 20 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, 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.