# COUNTY GOVERNMENT OF GARISSA

**DEPARTMENT OF FINANCE AND ECONOMIC PLANNING**

# FINACIAL YEAR 2025/2026 SECOND QUARTER BUDGET IMPLEMENTATION REPORT

**JANUARY 2025**

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## Introduction

The approved budget for Garissa County for the Financial Year (FY) 2025/26 amounts to Kshs. 12.91 billion. Of this allocation, Kshs. 5.18 billion (40 per cent) has been earmarked for development expenditure, while Kshs. 7.73 billion (60 per cent) has been allocated to recurrent expenditure.

The FY 2025/26 budget reflects an increase of Kshs. 907.36 million, representing an 8 per cent growth compared to the FY 2024/25 approved budget. In FY 2024/25, the County budget stood at Kshs. 12.0 billion, comprising Kshs. 4.66 billion for development programmes and Kshs. 7.34 billion for recurrent expenditure.

The FY 2025/26 budget will be financed through multiple revenue streams. These include an equitable share of nationally raised revenue amounting to Kshs. 8.88 billion, accounting for 69 per cent of the total budget; additional allocations totalling Kshs. 1.59 billion (12 per cent); a cash balance brought forward from FY 2024/25 amounting to Kshs. 2.0 billion (15 per cent); and own-source revenue projected at Kshs. 450 million (4 per cent).

A detailed breakdown of the additional allocations is presented in Table 1.

## Revenue Performance.

During the first half of FY 2025/26, Garissa County realized total revenues amounting to Kshs. 5.75 billion, representing a 10 per cent increase compared to Kshs. 5.16 billion received during the corresponding period of FY 2024/25.

The revenues comprised Kshs. 4.39 billion from the equitable share of revenue raised nationally, while no additional allocations were received from the National Government or development partners during the period under review. The County also generated Kshs. 540.16 million through own-source revenue (OSR) collections and carried forward a cash balance of Kshs. 815.15 million from FY 2024/25.

Of the total OSR collected, Kshs. 517.59 million was generated through Facilities Improvement Financing (FIF), while Kshs. 22.57 million was realized from other own-source revenue streams.

Table **1. Summarises the total revenue available to the County Government during FY 2025/26.**

| No | Revenue Stream | Annual Target (Kshs) | Actual Receipts (Kshs) | Receivables (Kshs) | Total Revenue (Accrual) (Kshs) |
|---|---|---|---|---|---|
| **A** | **Unspent Balance (FY 2024/25)** | **1,996,630,416** | **815,151,537** | **-** | **815,151,537** |
| **B** | **Equitable Share** | **8,877,784,676** | **3,684,280,642** | **710,222,774** | **4,394,503,416** |
| **D** | **Additional Allocations (Grants)** | **1,588,747,093** | - | - | - |
| 1 | WSDP (World Bank) | 450,000,000 | - | - | - |
| 2 | KDSP II Development | 352,500,000 | - | - | - |
| 3 | FSRP-IDA | 251,000,000 | - | - | - |
| 4 | Road Maintenance Levy (RMLF) | 188,410,093 | - | - | - |
| 5 | FLLoCA (CCRI) | 173,000,000 | - | - | - |
| 6 | Community Health Promoters | 74,520,000 | - | - | - |
| 7 | KDSP II | 37,500,000 | - | - | - |
| 8 | KUSP UIG | 35,000,000 | - | - | - |
| 9 | DANIDA Grant | 15,817,000 | - | - | - |
| 10 | FLLoCA Level 1 | 11,000,000 | - | - | - |
| **E** | **Ordinary Own Source Revenue** | **198,000,000** | **22,567,215** | **-** | **22,567,215** |
| 1 | Land Rates | 38,260,000 | 214,800 | - | 214,800 |
| 2 | Business Permits | 34,500,000 | 491,501 | - | 491,501 |
| 3 | Livestock Cess & Slaughtering | 35,500,000 | 3,783,750 | - | 3,783,750 |

| | | | | | |
|---|---|---|---|---|---|
| 4 | Produce/Flowers Sales | 3,000,000 | 45,000 | - | 45,000 |
| 5 | Market Entrance/Gate Fees | 43,770,000 | 9,746,874 | - | 9,746,874 |
| 6 | Waste Management/Fire | 1,470,000 | - | - | - |
| 7 | Parking | 7,500,000 | - | - | - |
| 8 | Natural Resources Cess | 16,400,000 | - | - | - |
| 9 | Fines & Penalties | 500,000 | - | - | - |
| 10 | Outdoor Advertisement | 4,000,000 | - | - | - |
| 11 | Asset Leases/Other Health/Vet | 4,100,000 | 7,267,900 | - | 7,267,900 |
| 12 | Building Plan Approval | 4,000,000 | 27,000 | - | 27,000 |
| 13 | Right-of-Way/Way-Leave | 5,000,000 | 990,390 | - | 990,390 |
| **F** | **Facility Improvement Financing** | **252,000,000** | **295,283,695** | **222,309,979** | **517,593,674** |
| 1 | SHA (SHIF) | 236,250,000 | 294,183,295 | 222,309,979 | 516,493,274 |
| 2 | Other FIF | 15,750,000 | 1,100,400 | - | 1,100,400 |
| **Total** | | **12,913,162,185** | **4,817,283,089** | **932,532,753** | **5,749,815,842** |

***Source:*** *Garissa County Treasury*

During the first half of FY 2025/26, the County Government realized Kshs. 317.85 million in own-source revenue (OSR), including Facilities Improvement Financing (FIF). This represented a 99 per cent increase compared to Kshs. 160.09 million collected during the corresponding period in FY 2024/25. The revenue realized accounted for 71 per cent of the annual OSR target and was equivalent to 9 per cent of the equitable share disbursed during the period under review.

The increase in OSR collections was primarily driven by enhanced receipts from Facilities Improvement Financing (FIF), attributable to the increased enrolment of county residents under the Social Health Authority (SHA). However, ordinary OSR collections declined due to the adverse effects of prolonged drought conditions, which negatively affected livestock cess collections, a key revenue source for the County.

In addition, the implementation of the Executive Order granting municipalities the mandate to collect certain fees and levies affected both the performance and reporting of revenues from various revenue streams.

Facilities Improvement Financing (FIF) remained the County's largest revenue source, generating Kshs. 222.31 million and accounting for 91 per cent of the total OSR collected during the reporting period.

The County Government has not yet automated its revenue streams, and efforts are underway to explore measures aimed at strengthening revenue administration and enhancing revenue collection efficiency.

## Facility Improvement Financing

During the review period, the County reported collections of Kshs.295.98 million as FIF, which was 117 per cent of the annual target of Kshs.252 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed regulations to operationalise the FIF Act of 2023.

The expenditure by the health facilities amounted to Kshs.235.56 million, as shown in Table 2.

| No. | Health Facility | Number of Facilities | Approved Budget (Kshs.) | Actual Expenditure (Kshs.) | Absorption Rate (%) |
|---|---|---|---|---|---|
| 1 | Level 5 Hospital | 1 | 189,881,368.80 | 181,596,042 | 96 |
| 2 | Level 4 Hospital | 7 | 62,118,631.22 | 53,962,857 | 87 |
| **Total** | | **8** | **252,000,000.00** | **235,558,899.00** | **93** |

***Source:*** *Garissa County Treasury*

## County Expenditure Review

During the reporting period, the County Government incurred total expenditure of Kshs. 4.04 billion on both development and recurrent programmes. This expenditure represented 93 per cent of the funds released by the Controller of Budget (CoB) during the period under review.

Of the total expenditure, Kshs. 1.23 billion was spent on development programmes, while Kshs. 2.81 billion was utilized for recurrent programmes. Development expenditure accounted for 23.8 per cent of the approved annual development budget, whereas recurrent expenditure represented 36.3 per cent of the approved annual recurrent budget.

The largest share of expenditure was incurred on Personnel Emoluments, which accounted for 55 per cent of total expenditure during the reporting period. This was followed by Trade Payables at 21 per cent and Development Expenditure and Other Operating Expenses at 12 per cent. Collectively, these expenditure categories constituted the majority of the County's spending during the first half of FY 2025/26.

## Expenditure by Economic Classification

During the reporting period, the County Executive incurred expenditure amounting to Kshs. 1.75 billion on compensation of employees, Kshs. 614.34 million on operations and maintenance, and Kshs. 1.22 billion on development programmes.

Similarly, the County Assembly spent Kshs. 266.50 million on compensation of employees, Kshs. 173.79 million on operations and maintenance, and Kshs. 18.26 million on development activities.

The expenditure pattern indicates that personnel emoluments constituted the largest share of spending for both the County Executive and the County Assembly, followed by operations and maintenance costs, while development expenditure accounted for a comparatively smaller proportion of total expenditure. A detailed breakdown of expenditure by vote is presented in Table 3.

Table 3: Garissa County Summary of Budget and Expenditure by Economic Classification

| Expenditure Classification | Approved Budget (Kshs.) (a) | | Amount Paid in the First Half of FY 2025/26 (Kshs.) (b) | | Expenditure Accrued in the First Half of FY 2025/26 (Kshs.) (c) | | Total Expenditure in the First Half of FY 2025/26 (Kshs.) (d=b+c) | | Absorption (%) (d/a ×100) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Executive | Assembly | Executive | Assembly | Executive | Assembly | Executive | Assembly | Executive | Assembly |
| **Total Recurrent Expenditure** | 6,719,812,376 | 1,010,212,868 | 2,368,449,302 | 440,290,335 | 416,032,173 | 52,926,888 | 2,784,481,475 | 493,217,223 | 41 | 49 |
| **Compensation of Employees** | 4,558,029,713 | 773,512,908 | 1,754,109,509 | 266,501,316 | 416,032,173 | 52,926,888 | 2,170,141,682 | 319,428,204 | 48 | 41 |
| **Operations and Maintenance** | 2,161,782,663 | 236,699,960 | 614,339,793 | 173,789,019 | - | - | 614,339,793 | 173,789,019 | 28 | 73 |
| **Development Expenditure** | 5,041,849,809 | 141,287,132 | 1,215,510,487 | 18,263,626 | - | - | 1,215,510,487 | 18,263,626 | 24 | 13 |
| **Total** | **11,761,662,185** | **1,151,500,000** | **3,583,959,789** | **458,553,961** | **416,032,173** | **52,926,888** | **3,999,991,962** | **511,480,849** | **34** | **44** |

***Source**: Garissa County Treasury*

## Expenditure on Compensation of Employees

During the reporting period, the County Government incurred Kshs. 2.49 billion on compensation of employees, representing a compensation-to-revenue ratio of 56 per cent. This expenditure reflects an increase from the Kshs. 1.91 billion reported during the corresponding period in FY 2024/25.

Of the total employee compensation expenditure, Kshs. 923.88 million was attributed to personnel within the Health Sector, accounting for 37 per cent of the overall wage bill.

The 30 per cent increase in compensation of employees compared to the previous financial year is primarily attributable to the adoption of the accrual-based reporting system, which enhanced the recognition and reporting of personnel-related obligations. Additionally, the recruitment of more Community Health Extension Workers (CHEWs) contributed to the growth in employee compensation expenditure during the period under review.

## Expenditure on Operations and Maintenance

During the reporting period, the County Government incurred expenditure amounting to Kshs. 788.13 million on operations and maintenance. This reflects a 35 per cent increase compared to Kshs. 581.88 million recorded during a similar period in FY 2024/25.

The increase in operations and maintenance expenditure is attributed to the scaling up of service delivery activities across County departments, including enhanced field operations, facilitation of service delivery units, and recurrent administrative costs necessary for the implementation of County programmes. The rise in expenditure also reflects increased costs associated with essential supplies, utilities, and maintenance of public assets required to support effective service delivery.

Overall, the trend in operations and maintenance spending indicates a growing demand for operational inputs to sustain County functions and ensure continuity in service provision during the reporting period.

## Development Expenditure

In the review period, the County Government incurred expenditure of Kshs. 1.23 billion on development programmes, representing a 5 per cent increase compared to Kshs. 1.18 billion recorded in FY 2024/25. The increase in development expenditure is attributed to the continued strengthening of Kenya's devolved governance framework, which has enhanced the prioritisation and implementation of development projects at the county level. In addition, increased focus on infrastructure development within Arid and Semi-Arid Lands (ASALs) contributed to higher absorption of development funds. The County also benefited from a notable inflow of conditional grants from development partners, which supported the implementation of key development initiatives.

Historically, Northern Kenya has experienced significant development disparities arising from prolonged periods of underinvestment. However, the implementation of the Constitution of Kenya, 2010 has strengthened fiscal decentralisation by requiring counties to allocate a minimum proportion of resources to development expenditure. In line with this framework, Garissa County has continued to prioritise development spending in an effort to address historical marginalisation and improve socio-economic outcomes.

Table 4. presents a summary of the development projects with the highest expenditure during the reporting period.

| No. | Sector | Project Name | Project Location | Project Commencement Date | Expected Date of Completion | Contract Sum (Kshs) | Total Funding FY 2025/26 (Kshs) | Expenditure (Accrual Basis) First Half FY 2025/26 (Kshs) | Cumulative Project Expenditure (Kshs) | Percentage (%) Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Health and Sanitation | Proposed Construction of Mother and Child Hospital at Garissa County Referral Hospital | Garissa Township | 6 Jun 2024 | 12 Jun 2026 | 663,678,404 | 180,000,000 | 72,000,000 | 270,000,000 | 50 |
| 2 | Youth and Sports | Construction of Pavilion and Perimeter Fence at Garissa Primary School | Garissa Township | 5 Feb 2025 | 5 Feb 2027 | 187,800,000 | 70,000,000 | 62,000,000 | 96,500,000 | 70 |
| 3 | Road Transport and Public Works | Upgrading to Bitumen Standards of Bula Madina–Burbris Road | Garissa Township | 30 Jun 2025 | 5 Feb 2026 | 93,060,016 | 93,500,000 | 52,000,000 | 52,000,000 | 60 |
| 4 | Trade, Investments and Enterprise Development | Construction of County Aggregation and Industrial Park | Garissa Township | 23 Oct 2023 | 26 Feb 2026 | 490,636,205 | 50,000,000 | 50,000,000 | 450,000,000 | 90 |
| 5 | Education, Information and ICT | Supply & Delivery of ECD & Vocational Centres Learning Materials | Garissa Township | 23 Jun 2025 | 15 Jul 2025 | 24,950,000 | 25,000,000 | 24,950,000 | 24,950,000 | 100 |
| 6 | Agriculture, Livestock and Pastoral Economy | Renovation & Completion of FSRP Office Block | Garissa Township | 15 Jun 2025 | 30 Sep 2025 | 21,284,360 | 22,000,000 | 21,284,360 | 21,284,360 | 80 |
| 7 | Water, Environment and Natural Resources | Construction of Denka Water Pan | Lagdera | 30 Jun 2025 | 30 Nov 2025 | 16,814,060 | 18,000,000 | 16,814,060 | 16,814,060 | 100 |
| 8 | Road Transport and Public Works | Construction of Terminal Building at Garissa Airstrip | Garissa Township | 7 Nov 2024 | 30 Mar 2026 | 109,595,053 | 20,000,000 | 15,500,000 | 67,000,000 | 60 |
| 9 | Water, Environment and Natural Resources | Construction of Daad Bilan Water Pan | Fafi | 23 Jan 2026 | 30 Oct 2025 | 14,695,057 | 15,000,000 | 14,695,057 | 14,695,057 | 100 |
| 10 | Water, Environment and Natural Resources | Drilling and Equipping of Arera Borehole | Lagdera | 19 Jan 2025 | 28 Sep 2025 | 13,402,640 | 15,000,000 | 13,402,640 | 13,402,640 | 100 |

***Source:*** *Garissa County Treasury*

The County Government reports that as at 31st December 2025, there were four (4) stalled development projects with an estimated total contract value of Kshs. 283.54 million. Of this amount, Kshs. 38.65 million had already been paid against the respective contracts.

The stalled projects cut across key sectors and have adversely affected the planned implementation of development programmes and timely delivery of services to the residents. The County Government acknowledges the existence of these stalled projects and is undertaking continuous review and monitoring to establish the underlying causes and facilitate their resumption.

Appropriate measures are being considered to address the challenges hindering implementation, with a view to ensuring completion of the affected projects and safeguarding public resources.

The details of the stalled projects are presented in Table 5.

Table 5: Garissa County Stalled Projects as of 31st December 2025

| No. | Sector | Project Name | Project Location | Project Start Date | Expected Completion Date | Estimated Value of Project (Kshs.) | Amount Paid on Stalled Project (Kshs.) | Accrued Expenditure (Kshs.) | Outstanding Unpaid Balance (as at 31 Dec 2025) | Percentage Completion Before Stalling (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Health and Sanitation | Construction of Health Headquarters | Township | 2018 | 2021 | 30,000,000 | 46,563,340 | - | - | 90 |
| 2 | Health and Sanitation | Construction of Dispensary Block at Gedilun Sangailu | Ijara | Jan 2019 | Dec 2019 | 2,000,000 | 5,673,942 | - | - | 30 |
| 3 | Health and Sanitation | Construction and Equipping of Cancer Centre | Township | 2021 | 2022 | 30,000,000 | 222,289,475 | - | - | 5 |
| 4 | Health and Sanitation | Construction of Maternity at Bura | Township | 2020 | 2021 | 2,000,000 | 9,013,440 | - | - | 20 |
| **Total** | | | | | | **64,000,000** | **283,540,197** | | | |

**Source: Garissa County Treasury**

## Budget Performance by Department

Table 6 summarizes the approved budget allocation, expenditure and absorption rate by departments in the first half of FY 2025/26

| Department | Budget Allocation Rec (Kshs. M) | Budget Allocation Dev (Kshs. M) | Exchequer Issues Rec (Kshs. M) | Exchequer Issues Dev (Kshs. M) | Expenditure Rec (Kshs. M) | Expenditure Dev (Kshs. M) | Expenditure to Exchequer Issues Rec (%) | Expenditure to Exchequer Issues Dev (%) | Absorption Rec (%) | Absorption Dev (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| Agriculture, Livestock and Pastoral | 179.96 | 501.95 | 97.48 | 87.73 | 91.32 | 87.51 | 93.7 | 99.7 | 50.7 | 17.4 |
| Culture, Gender, Youth and Sports | 66.21 | 123.00 | 39.74 | 29.87 | 31.77 | 29.00 | 79.9 | 97.1 | 48.0 | 23.6 |
| Roads, Transport and Public Works | 104.82 | 866.82 | 78.03 | 324.04 | 51.35 | 322.34 | 65.8 | 99.5 | 49.0 | 37.2 |
| Education, Information and ICT | 454.66 | 164.00 | 166.69 | 76.73 | 165.39 | 75.99 | 99.2 | 99.0 | 36.4 | 46.3 |
| Lands, Physical Planning and Urban Development | 596.38 | 517.46 | 215.96 | 57.22 | 213.79 | 55.20 | 99.0 | 96.5 | 35.8 | 10.7 |
| Finance and Economic Planning | 1,047.88 | 116.00 | 463.07 | 27.60 | 388.93 | 26.58 | 84.0 | 96.3 | 37.1 | 22.9 |
| Health and Sanitation | 3,319.00 | 495.00 | 1,084.54 | 232.24 | 1,061.67 | 231.72 | 97.9 | 99.8 | 32.0 | 46.8 |
| Trade, Investments and Enterprise Development | 95.31 | 65.00 | 56.83 | 56.45 | 47.83 | 49.48 | 84.2 | 87.7 | 50.2 | 76.1 |
| Water, Environment and Natural Resources | 215.26 | 1,793.12 | 110.51 | 390.50 | 93.34 | 337.69 | 84.5 | 86.5 | 43.4 | 18.8 |
| County Affairs, Public Service and Intergovernmental Relations | 556.05 | 399.50 | 246.04 | - | 192.03 | - | 78.0 | - | 34.5 | - |
| County Public Service Board | 84.30 | - | 34.20 | - | 31.04 | - | - | 36.8 | - | - |
| County Assembly | 1,010.21 | 141.29 | 444.81 | 18.26 | 440.29 | 18.26 | 99.0 | 100.0 | 43.6 | 12.9 |
| **Total** | **7,730.03** | **5,183.14** | **3,037.89** | **1,300.63** | **2,808.74** | **1,233.77** | **92.5** | **94.9** | **36.3** | **23.8** |

***Source**: Garissa County Treasury*

Analysis of expenditure by departments indicates varying levels of budget absorption across the County Government. The Department of Trade, Investments and Enterprise Development recorded the highest absorption rate of development budget at 76 per cent, reflecting strong implementation of planned capital projects during the reporting period. This was followed by the Department of Health and Sanitation, which registered a development budget absorption rate of 47 per cent.

With regard to recurrent expenditure, the Department of Agriculture, Livestock and Pastoral Economy recorded the highest recurrent expenditure-to-budget ratio at 51 per cent, indicating relatively higher utilisation of allocated resources for operational activities within the sector. Conversely, the Department of County Affairs, Public Service and Intergovernmental Relations recorded the lowest recurrent expenditure-to-budget ratio at 35 per cent, reflecting comparatively lower absorption of its approved recurrent budget.

Overall, the departmental expenditure performance reflects differentiated absorption levels across sectors, influenced by the nature of programmes implemented, project maturity levels, and operational requirements during the reporting period.

## Budget Execution by Programmes and Sub-Programmes

Table 6 summarises the budget execution by programmes and sub-programmes in the period under review that had the highest absorption rates.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Department of Agriculture, Livestock & Pastoral** | | | | | | | |
| Programme CP1. Agriculture, Livestock & Pastoral | CSP 1.1 Agriculture Administration & Support Services | 113,176,039 | 438,949,791 | 58,257,983 | 87,508,999 | 51 | 20 |
| | **Total** | **113,176,039** | **438,949,791** | **58,257,983** | **87,508,999** | **51** | **20** |
| **Department Culture, Gender, Youth & Sports** | | | | | | | |
| **CP2. Gender and social services** | **CSP 2.1 Social Protection,** | **1,025,000** | **53,000,000** | | **28,997,669** | **0** | **55** |
| | **Total** | **1,025,000** | **53,000,000** | **-** | **28,997,669** | **0** | **55** |
| **Department Roads, Transport and Public Works** | | | | | | | |
| **CP2.0 Road and transport** | CSP2.1 Roads | 1,667,200 | 866,820,186 | 700,000 | 322,335,449 | 42 | 37 |
| | **Total** | **1,667,200** | **866,820,186** | **700,000** | **322,335,449** | **42** | **37** |
| **Department of Education, Information and ICT** | | | | | | | |
| **CP1: General Administration and support services** | **CSP1.1 Administration and Support Services** | **418,493,769** | **80,000,000** | **155,604,940** | **75,994,428** | **37** | **95** |
| | **Total** | **418,493,769** | **80,000,000** | **155,604,940** | **75,994,428** | **37** | **95** |
| **Department of Lands, Physical Planning and Urban Development** | | | | | | | |
| CP 1: Administration | **CSP 1.1 Urban Administration & Support Services** | **568,910,464** | **517,462,888** | **213,787,688** | **55,195,108** | **38** | **11** |
| CP 2: Lands & physical planning | **CSP 2.1 Lands Services** | **7,000,000** | - | - | - | - | - |
| | **CSP 2.2 Physical Planning** | **7,450,000** | - | - | - | - | - |
| | **Sub-Total** | **14,450,000** | - | - | - | - | - |
| CP3: Housing Program | **CSP 3.1 Housing Services** | **4,500,000** | - | - | - | - | - |
| CP4: Urban Development | **CSP 4.1 Urban development and Infrastructure** | **1,500,000** | - | - | - | - | - |
| | **CSP 4.2 Urban Disaster and Risk Management** | **6,114,626** | - | - | - | - | - |
| | **CSP 4.3 Urban Sanitation Services** | **900,000** | - | - | - | - | - |
| | **Sub-Total** | **8,514,626** | - | - | - | - | - |
| | **Total** | **596,375,090** | **517,462,888** | **213,787,688** | **55,195,108** | **36** | **11** |
| **Department of Finance and Economic Planning** | | | | | | | |
| **CP1: Administration and Support Services** | CSP1.1 Administration and Support Services | 940,734,434 | 116,000,000 | 329,935,515 | **26579840** | 35 | 23 |
| | **Total** | **940,734,434** | **116,000,000** | **329,935,515** | **26,579,840** | **35** | **23** |
| **Department of Health and Sanitation** | | | | | | | |
| **CP1: Governance, quality assurance and support services** | **CSP 1.1 Administration and Support Services** | **3,041,043,227** | **495,000,000** | **894,030,617** | **231721874** | **29** | **47** |
| | **Total** | **3,041,043,227** | **495,000,000** | **894,030,617** | **231,721,874** | **29** | **47** |
| **Department Trade, Investments and Enterprise Development** | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **CP3.Industrialization and investment programme** | **CSP 3.1 Industrialisation and investment programme** | **1,400,000** | **65,000,000** | **1,000,000** | **49,483,953** | **71** | **76** |
| | **Total** | **1,400,000** | **65,000,000** | **1,000,000** | **49,483,953** | **71** | **76** |
| **Department of Water, Environment and Natural Resources** | | | | | | | |
| **CP1: Water Services** | CSP1.1 Administration and Support Services | 159,307,166 | 852,116,944 | 75,638,782 | 337,693,167 | **47** | 40 |
| | **Total** | **159,307,166** | **852,116,944** | **75,638,782** | **337,693,167** | **47** | **40** |
| **Department County Assembly** | | | | | | | |
| **CP1: Administration, Planning and Support Services.** | CSP 1.1 Office of the Clerk | 662,514,789 | 141,287,132 | 220,817,219 | 18,263,626 | **33** | **13** |
| | **Total** | **662,514,789** | **141,287,132** | **220,817,219** | **18,263,626** | **33** | **13** |
| | | | | | | | |

***Source**: Garissa County Treasury*

The development sub-programmes with the highest budget implementation rates during the reporting period included General Administration and Support Services under the Department of Education, Information and ICT, which recorded an implementation rate of 95 per cent. This was followed by the Industrialization and Investment Programme under the Department of Trade, Investments and Enterprise Development at 76 per cent, and the Administration and Support Services Programme under the Department of Health and Sanitation at 47 per cent.

With regard to recurrent sub-programmes, the highest performing areas included Cooperatives Development under the Department of Agriculture, Livestock and Pastoral Economy at 78 per cent, Veterinary Services under the same department, Health Products and Technologies (HPTs) under the Department of Health and Sanitation at 70 per cent, Livestock and Pastoral Development at 63 per cent, and Special Programmes under the Department of Finance and Economic Planning at 63 per cent.

The relatively higher performance of General Administration and Support Services in both the Departments of Education (95 per cent) and Health (47 per cent) is largely attributed to the centralised nature of these expenditures. These sub-programmes predominantly cover fixed and priority operational costs, including personnel emoluments, utilities, and office maintenance, which are typically prioritised immediately upon release of exchequer funds to ensure continuity of essential departmental functions.

The strong performance of the Industrialization and Investment Programme (76 per cent) in the Department of Trade, Investments and Enterprise Development is attributed to its alignment with national flagship initiatives implemented in collaboration with the National Government. Such projects benefit from structured funding arrangements and streamlined procurement processes, which reduce implementation delays.

Similarly, the relatively strong performance of the Health Products and Technologies (HPTs) sub-programme (70 per cent) is attributable to the critical role it plays in supporting the delivery of health services. Under the Facilities Improvement Financing (FIF) framework, health facilities within the County have enhanced financial autonomy, enabling them to collect, retain, and directly utilize revenue at source. This has facilitated timely procurement of essential drugs, laboratory reagents, and other medical supplies, thereby improving service delivery efficiency.

## Challenges and Recommendation in Budget Implementation Challenges

The following are some of the challenges in budget implementation in the first quarter

1. Manual Own-Source Revenue Collection; The county relies heavily on manual processes for collecting own-source revenue, which has led to inefficiencies and revenue leakages. Despite some progress through the Facility Improvement Fund (FIF), significant potential remains for enhancing revenue collection.
2. Delays in Exchequer Disbursement; Delays in the release of exchequer funds have significantly affected the county's ability to pay staff salaries on time. This has occasionally necessitated short-term borrowing from commercial banks, which increases financial pressure due to interest costs.
3. Pending Bills; The county is burdened with a substantial amount of unsettled pending bills. There is a concern that some of these claims may not be legitimate, requiring thorough verification before payment can be made.
4. Partial Use of Manual Payroll Systems; Although the county utilizes the national automated payroll system, a portion of casual staff remains on a manual payroll due to delays in issuing personal numbers. This exposes the payroll process to risks such as inaccuracies and potential fraud.

## Recommendation:

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.