COUNTY GOVERNMENT OF GARISSA

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

GARISSA COUNTY BUDGET IMPLEMENTATION REVIEW REPORT: FIRST NINE MONTHS OF FY 2025/26

JULY 2026

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List of Abbreviations and Acronyms

ADP – Annual Development Plan
AGPO – Access to Government Procurement Opportunities
AIA – Appropriation-in-Aid
AIE – Authority to Incur Expenditure
BER – Budget Execution Rate
CFSP – County Fiscal Strategy Paper
CGA – County Governments Act
CPSB – County Public Service Board
CRA – Commission on Revenue Allocation
CSA – Climate Smart Agriculture
e-GP – Electronic Government Procurement
FIF – Facility Improvement Financing
FLLoCA – Financing Locally-Led Climate Action
IFMIS – Integrated Financial Management Information System
OSR – Own-Source Revenue
PBB – Programme-Based Budgeting
PCN – Primary Care Network
PE – Personnel Emoluments
PFM – Public Finance Management
PLWD – People Living with Disabilities
PPRA – Public Procurement Regulatory Authority
PWD – Persons with Disabilities
SRC – Salaries and Remuneration Commission
SWG – Sector Working Group
VCOs – Value Chain Organizations
WASH – Water, Sanitation and Hygiene

1. Introduction

Overview of the FY 2025/26 Budget

The Garissa County Approved Supplementary Budget for the Financial Year (FY) 2025/26 amounts to Kshs. 12.69 billion, reflecting the County Government's continued commitment to delivering essential public services while investing in long-term socio-economic development. The budget is divided into Kshs. 5.03 billion (40 per cent) allocated for development expenditure and Kshs. 7.67 billion (60 per cent) earmarked for recurrent expenditure, maintaining a stronger focus on financing the day-to-day operations of government while ensuring the implementation of priority development projects.

Compared to the FY 2024/25 approved budget of approximately Kshs. 12.00 billion, which comprised Kshs. 4.66 billion for development and Kshs. 7.34 billion for recurrent expenditure, the FY 2025/26 supplementary budget represents an increase of Kshs. 688.83 million**,** equivalent to 6 per cent**.** This upward revision reflects the County Government's response to emerging fiscal demands and changing service delivery priorities during the financial year.

The increase in the budget is largely attributed to higher personnel emoluments, particularly in the health and education sectors, following the recruitment of additional staff to strengthen service delivery. The supplementary budget also provides for the settlement of outstanding trade payables and expenditure commitments carried forward from previous financial years. These adjustments are intended to strengthen fiscal management, improve the County's financial credibility, and support continuity in ongoing programmes and projects.

The FY 2025/26 budget is financed through a combination of revenue sources. The largest share, Kshs. 8.88 billion (70 per cent)**,** is expected from the equitable share of nationally raised revenue allocated by the National Government. An additional Kshs. 1.35 billion (11 per cent) will be received through conditional and unconditional additional allocations from development partners and the National Government to support specific programmes and projects.

The County also plans to utilize a cash balance of Kshs. 2.01 billion (16 per cent) brought forward from FY 2024/25, demonstrating the use of accumulated resources to finance current expenditure and ongoing development initiatives. In addition, the County projects to generate Kshs. 450 million (3 per cent) as own-source revenue through local revenue streams such as fees, licences, permits, and other county charges. Although own-source revenue accounts for a relatively small proportion of the total budget, enhancing local revenue mobilization remains essential for improving fiscal sustainability and reducing reliance on transfers from the National Government.

Overall, the FY 2025/26 Supplementary Budget reflects Garissa County's efforts to balance recurrent obligations with development priorities while addressing emerging financial pressures. Effective implementation of the budget, prudent financial management, timely revenue collection, and efficient utilization of allocated resources will be critical in achieving the County's development objectives and improving service delivery to residents.

2. Revenue Performance

During the first nine months of the Financial Year (FY) 2025/26, Garissa County Government reported total revenues amounting to Kshs. 7.72 billion, representing a significant improvement in revenue performance compared to the corresponding period in FY 2024/25. The revenue realized during the review period reflected an increase of approximately 15 per cent from the Kshs. 6.68 billion collected during the same period of the previous financial year. This positive growth demonstrates an improvement in the County's resource mobilization and the continued flow of intergovernmental transfers that support the implementation of county programmes and service delivery.

The total revenue available to the County was derived from several funding sources. The largest contribution was the equitable share of nationally raised revenue**,** together with additional transfers from the National Government and development partners, amounting to Kshs. 5.90 billion**.** These transfers continue to constitute the primary source of financing for Garissa County, underscoring the County's heavy dependence on national government allocations to fund both recurrent and development expenditures.

The County also received additional allocations amounting to Kshs. 512.95 million, which were provided by the National Government and development partners to finance specific programmes and projects. These conditional and unconditional grants are intended to strengthen service delivery, support priority sectors such as health, agriculture, infrastructure, and water, and facilitate the implementation of development initiatives aligned with both county and national priorities.

In terms of local revenue generation, the County collected Kshs. 489.13 million as Own-Source Revenue (OSR) during the reporting period. This revenue comprised Kshs. 444.86 million generated through Facilities Improvement Financing (FIF), while Kshs. 44.27 million was collected from other county revenue streams, including fees, licences, permits, cess, and other locally generated charges. The figures indicate that Facilities Improvement Financing remains the dominant source of locally generated revenue, accounting for the overwhelming majority of the County's own-source collections. This highlights the need for the County Government to diversify and strengthen other local revenue streams in order to enhance fiscal sustainability and reduce dependence on external transfers.

Additionally, the County carried forward a cash balance of Kshs. 810.96 million from FY 2024/25. The availability of this cash balance provided additional fiscal space to finance ongoing programmes, settle outstanding obligations, and ensure continuity in service delivery during the implementation of the FY 2025/26 budget.

Overall, the County's revenue performance during the first nine months of FY 2025/26 demonstrates a notable improvement compared to the previous financial year. Nevertheless, the continued reliance on equitable share allocations and Facilities Improvement Financing underscores the importance of enhancing own-source revenue mobilization through improved revenue administration, expansion of the local revenue base, and strengthened enforcement mechanisms. Diversifying revenue sources will be critical in improving the County's financial resilience, reducing dependence on external funding, and ensuring sustainable financing for development and public service delivery.

Table below presents a summary of the total revenue available to the Garissa County Government during FY 2025/26, highlighting the contribution of each revenue source to the County's overall resource envelope.

Table 1: Garissa County Revenue Performance in the First Nine Months of FY 2025/26

No	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Receipts (Kshs.)	Receivables in the first nine months of FY 2025/26 (Kshs.)	Total Revenues (in accrual basis) in the first nine months of FY 2025/26 (Kshs.)	Revenue Performance
		A	B	C	D	F=D/A*100
A	Unspent Balance from FY 2023/24					
1	Balance at CRF	2,011,923,772	810,793,554	-	810,793,554	40
2	County Executive Refunds to CRF	-	158,084	-	158,084	-
3	County Assembly Refunds to CRF	-	7,261	-	7,261	-
	Sub-Total	2,011,923,772	810,958,899		810,958,899	40
B	Equitable Share of Revenue Raised Nationally	8,877,784,676	5,903,726,810	710,222,774	6,613,949,584	75
	Sub-Total	8,877,784,676	5,903,726,810	710,222,774	6,613,949,584	75
C	Additional Allocations (Including Grants)					
I	Unconditional Additional Allocations to County Governments					
A	Allocations for 20% Share of Mineral Royalties	844,692	-	-	-	-
II	Conditional Additional Allocations from the National Government's					
A	Settlement of Doctors' Salary Arrears	32,981,339	-	-	-	-
B	Community Health Promoters (CHPs) Programme	74,520,000	-	-	-	-
C	Allocations for 0.5 % of the Housing Levy Fund to the County Rural and Urban Affordable Housing Committees	1,987,622	-	-	-	-
3	Conditional Allocations from Loans and Grants					

	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Receipts (Kshs.)	Receivables in the first nine months of FY 2025/26 (Kshs.)	Total Revenues (in accrual basis) in the first nine months of FY 2025/26 (Kshs.)	Revenue Performance
		A	B	C	D	F=D/A*100
1	Financing of FLLoCA County Climate Resilience Investment (CCRI) Grant	188,293,356	169,464,019	-	169,464,019	90
2	Food Systems Resilience Project (FSRP)	246,153,846	110,059,820	-	110,059,820	45
3	Kenya Devolution Support Programme Phase Two (KDSP II) Level I Grant	72,909,500	35,253,471	-	35,253,471	48
4	Kenya Devolution Support Programme Phase Two (KDSP II) Level 2 Grant	352,500,000	-	-	-	-
5	Kenya Urban Project (KUS-P)-Urban Institutional Grant (IUG)	35,000,000	32,309,100	-	32,309,100	92
6	Kenya Urban Project (KUS-P)-Urban Development Grant (UDG)	-	-	-	-	-
7	Primary Health Care in Devolved Context (PHDC) Programme	11,322,000	-	-	-	-
8	Water & Sanitation Development Project (WSDP)	150,000,000	102,000,000	-	102,000,000	68
G	Road Maintenance levy fund (RMLF)	188,410,093	63,863,645	-	63,863,645	34
	Sub-Total	1,354,G22,448	512,G50,055	-	512,G50,055	38
D	Ordinary Own Source Revenue (OSR)					
1	Land Rates	20,000,000	1,335,059	-	1,335,059	7
2	Business Permits	15,000,000	12,064,781	-	12,064,781	80
3	Livestock Cess	14,550,000	4,834,490	-	4,834,490	33
4	Sales of Flowers, Plants, Firewood, Produce, etc.	600,000	187,500	-	187,500	31
5	Market Entrance / Gate Fee	18,000,000	14,421,044	-	14,421,044	80
6	Produce Inspection Fee - Weight and Measure	500,000	3,200	-	3,200	1

	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Receipts (Kshs.)	Receivables in the first nine months of FY 2025/26 (Kshs.)	Total Revenues (in accrual basis) in the first nine months of FY 2025/26 (Kshs.)	Revenue Performance
7	Vehicles Enclosed Park/Re-served Fees (Cars, Lorries, etc.)	4,500,000	7,000	-	7,000	-
8	Miraa Cess	10,000,000	8,418,951	-	8,418,951	84
G	Slaughtering Administration Fee	1,800,000	105,000	-	105,000	6
10	Livestock Movement permit	2,430,000	1,507,790	-	1,507,790	62
11	Environment and Natural Resources	5,120,000	-	-	-	-
12	Buildings Plan Approval Fee	3,500,000	27,000	-	27,000	1
13	Outdoor Advertisement	3,000,000	-	-	-	-
14	Right-of-Way / Way-Leave Fee (KPLN, Telkom, etc.)	2,000,000	1,355,042	-	1,355,042	68
	Sub-Total	101,000,000	44,266,857		44,266,857	44

No	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Receipts (Kshs.)	Receivables in the first nine months of FY 2025/26 (Kshs.)	Total Revenues (in accrual basis) in the first nine months of FY 2025/26 (Kshs.)	Revenue Performance
		A	B	C	D	F=D/A*100
E	Facility Improvement Financing (FIF)					
1	SHIF	340,000,000	442,200,874	222,309,977	664,510,853	195
2	Defunct NHIF	9,000,000	2,658,189	-	2,658,189	30
	Sub-Total	349,000,000	444,859,063	222,309,979	667,169,042	191
Total		12,694,630,896	7,716,761,684	932,532,753	8,649,294,437	68

Source: *Garissa County Treasury*

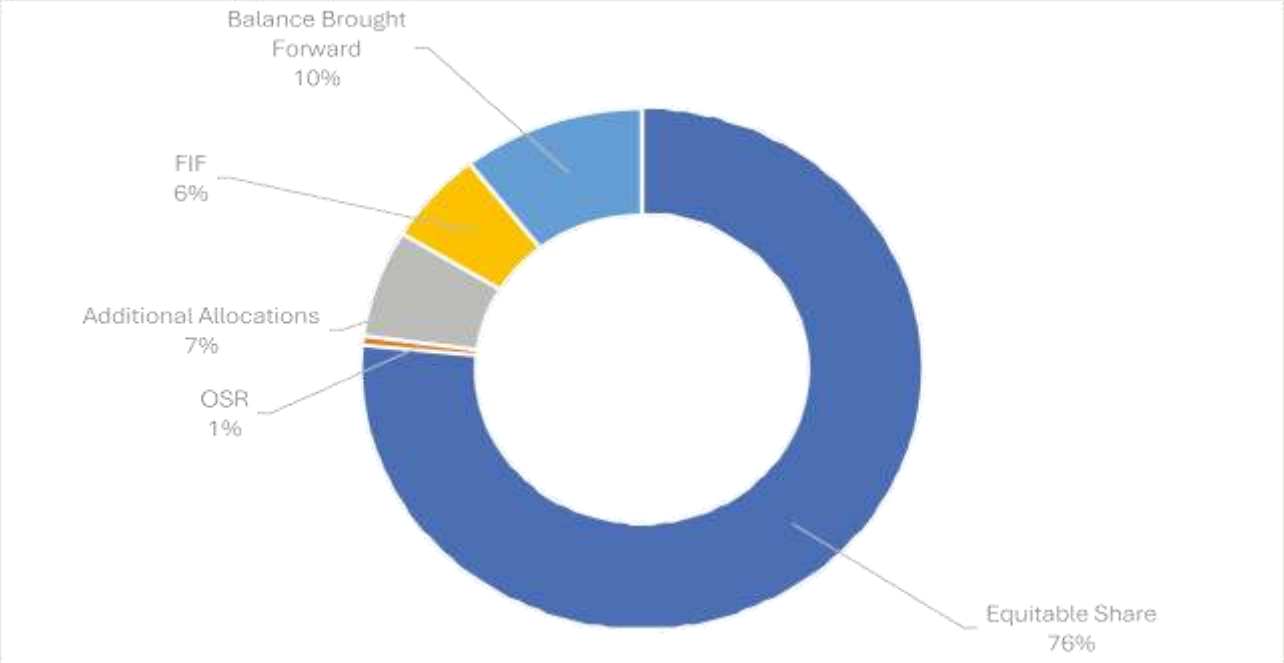
The County did not receive some of the expected conditional allocations during the reporting period, resulting in lower absorption and implementation levels for the affected programmes and projects. Consequently, the performance of certain revenue streams and expenditure items remained below the 60 per cent threshold by the end of the first nine months of FY 2025/26. Delays in the disbursement of conditional grants can adversely affect the timely implementation of development initiatives, disrupt planned activities, and limit the County's ability to achieve its budgetary and service delivery targets.

Despite these funding challenges, the County has established an appropriate legal and institutional framework governing the collection, management, and utilization of Appropriation-in-Aid (A-I-A) and Facilities

Improvement Financing (FIF) revenues. These legislative provisions promote accountability, transparency, and prudent financial management by ensuring that locally generated revenues are collected and utilized in accordance with the Public Finance Management (PFM) Act and other applicable county laws and regulations.

Figure below presents a detailed breakdown of the County's revenue receipts during the reporting period, illustrating the contribution of each revenue source and highlighting the performance of individual revenue categories against the approved budget estimates.

Figure 1: Garissa County Composition of Revenue in the First Nine Months of FY 2025/26



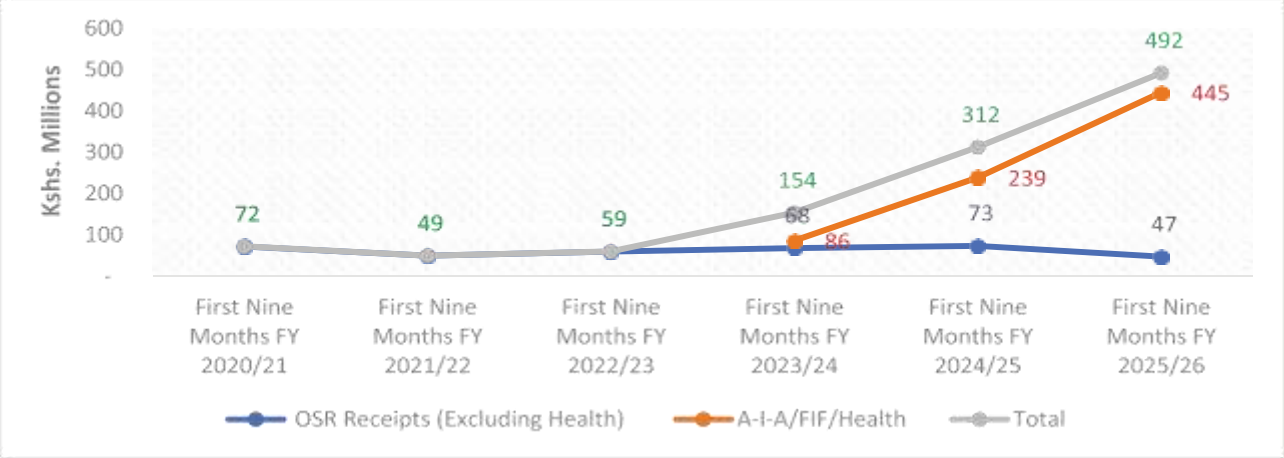
Source: *Garissa County Treasury*

During the first nine months of FY 2025/26, the equitable share of nationally raised revenue contributed 76 per cent of the County's total receipts, making it the largest source of funding during the reporting period. Own-Source Revenue (OSR) accounted for 1 per cent, while Facilities Improvement Financing (FIF) contributed 6 per cent of the total receipts. The relatively higher contribution of FIF compared to other local revenue sources highlights the important role of health facilities in supporting the County's revenue collection.

Figure below illustrates the trend in own-source revenue collection during the first nine months of each financial year from FY 2020/21 to FY 2025/26.

Figure 2: Garissa County Trend in Own-Source Revenue Collection, First Nine Months of FY 2020/21 to FY

2025/26



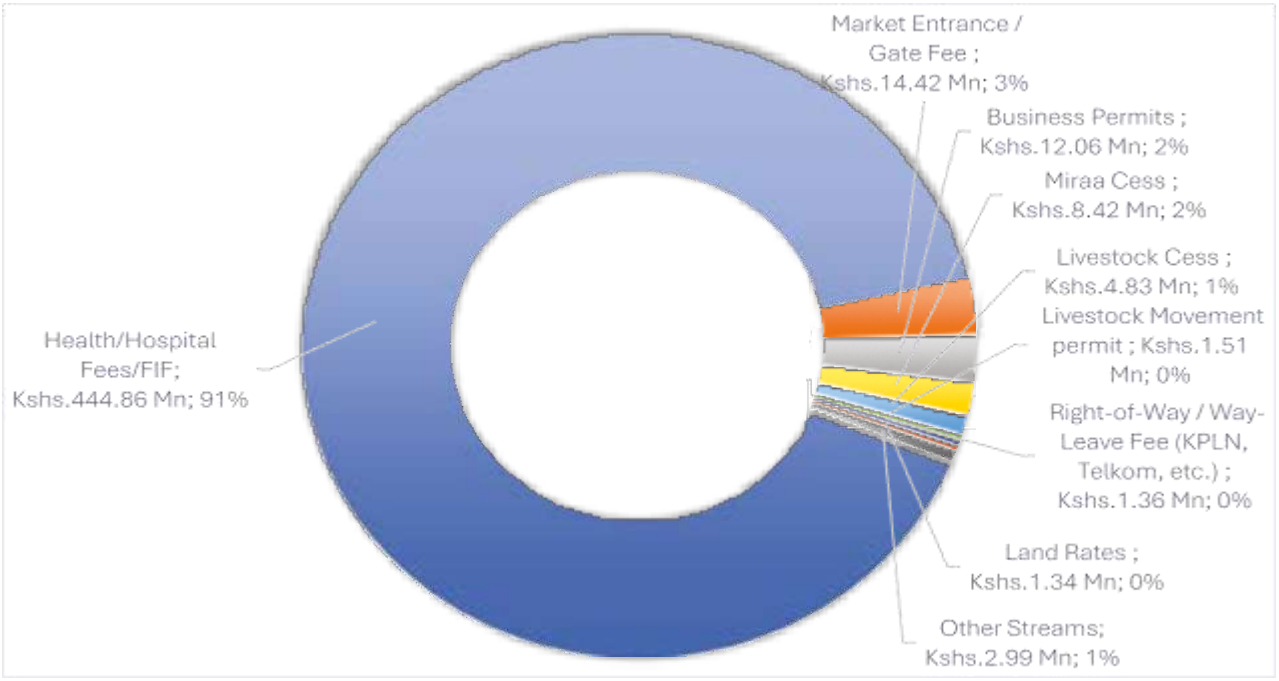
Source: Garissa County Treasury

During the first nine months of FY 2025/26, Garissa County collected Kshs. 491.78 million in Own-Source Revenue (OSR), including Facilities Improvement Financing (FIF). This represented a 58 per cent increase compared to the Kshs. 312.20 million collected during the corresponding period in FY 2024/25. The amount realized was equivalent to 109 per cent of the annual OSR target and 8 per cent of the equitable share of revenue disbursed during the reporting period, indicating a notable improvement in local revenue performance.

The growth in OSR was primarily driven by increased collections from Facilities Improvement Financing (FIF), largely attributed to the rise in Social Health Authority (SHA) enrolment among county residents, which enhanced revenue generated by public health facilities. However, revenue from ordinary OSR sources declined due to the prolonged drought experienced across the county, which adversely affected livestock production and, consequently, reduced cess collections. In addition, the Executive Order that delegated the collection of certain fees and levies to municipalities affected the reporting and performance of several revenue streams, contributing to lower collections under ordinary own-source revenue.

The revenue streams that contributed the most to OSR receipts are shown in Figure

Figure 3: Garissa County Own-Source Revenue by Major Revenue Stream in the First Nine Months of FY 2025/26



The largest source of Own-Source Revenue (OSR) during the reporting period was Garissa Health/Hospital Fees through Facilities Improvement Financing (FIF), which generated Kshs. 444.86 million, accounting for approximately 91 per cent of the total OSR collected. This highlights the significant contribution of the health sector to the County's locally generated revenue.

The County Government further indicated that it does not have an automated revenue management system and that revenue collection relies largely on manual processes. This creates operational and financial risks, including delayed reporting, errors, revenue leakages, weak accountability, and limited real-time monitoring. An integrated automated revenue system would improve efficiency, transparency, internal controls, and revenue mobilization across county revenue streams.

2.1 Revenue Receivables

As of 1st July 2025, Garissa County reported revenue receivables amounting to Kshs. 163.52 million. By 31st March 2026, the receivables had increased significantly to Kshs. 632.53 million, indicating a substantial rise in outstanding revenue during the reporting period. The increase suggests that a considerable portion of revenue due to the County remained uncollected, highlighting the need to strengthen revenue collection and debt recovery mechanisms.

The County Government manages its revenue receivables through a manual system with an accrual-basis option. While this approach enables the recording of outstanding revenues, reliance on a manual system may reduce efficiency, delay reconciliation processes, and increase the risk of errors in receivables management. Adopting an automated revenue management system would improve the tracking, monitoring, and recovery of outstanding receivables while enhancing accountability and financial reporting.

Table 2: Garissa County Revenue Receivables as of 31 March 2026

No	Revenue Stream	Receivables as of 1 July 2025 (Kshs.)	Progress made in the first nine months of FY 2025/26			Receivables as of 31st March 2026 (Kshs.)
			Waivers (Kshs)	Arrears paid in the financial year (Kshs)	Arrears earned in the first nine months of FY 2025/26 (Kshs)	
		A	b	c	d	f=a-b-c+d
A	Equitable Share of Revenue Raised Nationally					
1	Month of March	-			710,222,774	710,222,774
	Sub-Total	-	-	-	710,222,774	710,222,774
B	Facility Improvement Financing (FIF)					
1	SHIF	114,235,972	-	188,499,701	47,492,704	350,228,377
2	Defunct NHIF	79,284,433				79,284,433
	Sub-Total	193,520,405	-	188,499,701	47,492,704	429,512.810
Total		193,520,405	-	188,499,701	757,715,478	1,139,735,585

Source: *Garissa County Treasury*

As of 31st March 2026, Garissa County's revenue receivables stood at Kshs. 1.14 billion. The receivables comprised Kshs. 710.22 million (62 per cent) relating to the Equitable Share of Revenue Raised Nationally for the month of March, and Kshs. 429.51 million (38 per cent) attributable to Facilities Improvement Financing (FIF).

To address the outstanding receivables, the County Government instituted several recovery measures during FY 2025/26. These included entering into payment arrangements with the Social Health Authority (SHA) to facilitate the settlement of outstanding FIF claims and initiating legal proceedings to compel the Authority to clear long-outstanding arrears. These measures are intended to improve cash flow, strengthen revenue collection, and enhance the County's overall financial position.

3. Facility Improvement Financing (FIF)

During the first nine months of FY 2025/26, Garissa County collected Kshs. 444.86 million through Facility Improvement Financing (FIF), representing 191 per cent of the annual target of Kshs. 340 million. The strong performance was largely driven by increased utilization of public health facilities and enhanced collections under the Social Health Authority (SHA) framework.

In accordance with the Garissa County Facility Improvement Financing Act, 2023, the revenue collected was retained and utilized at source by the respective health facilities to support service delivery, improve operational efficiency, and enhance the availability of essential healthcare services. The County has also developed the necessary regulations to operationalize the FIF Act, providing a legal framework for the collection, management, and utilization of FIF resources.

During the reporting period, the County's health facilities incurred Kshs. 353.34 million in expenditure financed through the FIF, supporting the procurement of medical supplies, operational costs, and other health service delivery activities. Table 8 presents a detailed breakdown of the expenditure by individual health facilities.

Table 3: Garissa County Health Facilities Expenditure Performance in the First Nine Months of FY 2025/26

No.	Health Facility		Number of Facilities	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption rate (%)
1.	Level 5 Hospital		1	262,970,625.8	273,766,563	104
2.	Level 4 Hospital		7	86,029,374.16	79573935	92
	Total		8	349,000,000	353,340,498	101

Source: *Garissa County Treasury*

4. Exchequer Performance

During the first nine months of FY 2025/26, the Controller of Budget approved exchequer withdrawal requests amounting to Kshs. 6.75 billion from the Garissa County Revenue Fund (CRF). Of this amount, Kshs. 2.01 billion (30 per cent) was allocated to development programmes, while Kshs. 4.74 billion (70 per cent) was earmarked for recurrent expenditure, reflecting the County's focus on financing service delivery and operational activities.

Analysis of the recurrent withdrawals shows that Kshs. 3.60 billion was allocated to employee compensation, while Kshs. 1.13 billion was utilized for operations and maintenance (O&M)**.** Within the O&M allocation, Kshs. 62.17 million (6 per cent) was released for domestic travel, comprising Kshs. 6.27 million for the County Executive and Kshs. 55.89 million for the County Assembly. In addition, Kshs. 10.08 million (1 per cent**)** was approved for foreign travel**,** all of which was allocated to the County Assembly, while no foreign travel funds were released to the County Executive during the reporting period.

As at 31st March 2026, the County Government maintained a cash balance of Kshs. 1.17 billion in the County Revenue Fund (CRF) account, providing resources to support pending obligations and ongoing budget implementation.

Further, the Controller of Budget approved exchequer withdrawals amounting to Kshs. 670.38 million for

the Garissa County Assembly Fund**.** This comprised Kshs. 28.18 million for development expenditure and Kshs. 642.20 million for recurrent expenditure, supporting the Assembly's legislative, oversight, and administrative functions during the reporting period. As of 31st March 2026, the County Government's cash balance in the Garissa CRF account was Kshs.1.53 million.The County had not operationalised the County Assembly Fund as of 31st March 2026.

5. Expenditure Performance

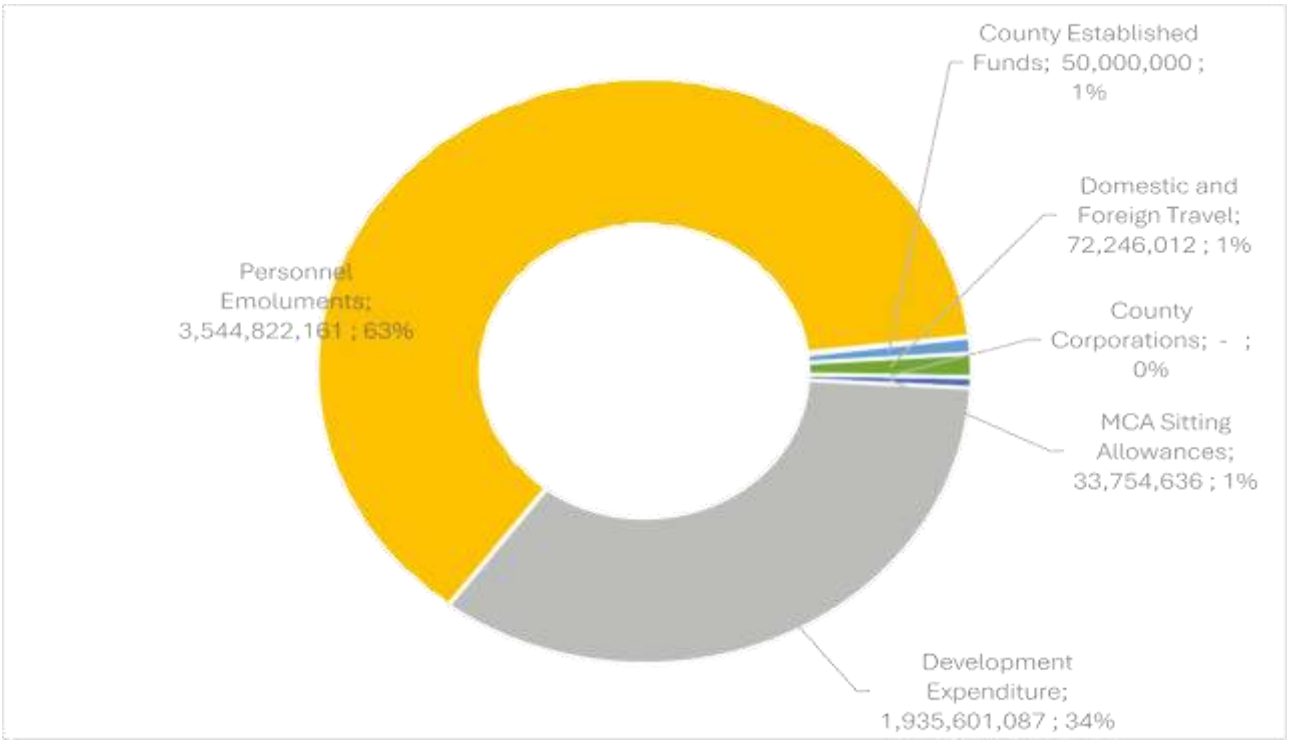
5.1 Overview of Expenditure Performance

During the first nine months of FY 2025/26, Garissa County incurred total expenditure of Kshs. 6.45 billion on both development and recurrent programmes. This represented 96 per cent of the total funds released by the Controller of Budget (CoB), indicating a high level of utilization of the available exchequer releases during the reporting period.

Of the total expenditure, Kshs. 1.94 billion was spent on development programmes, while Kshs. 4.52 billion was utilized for recurrent expenditure. Development spending represented 38 per cent of the approved annual development budget, whereas recurrent expenditure accounted for 59 per cent of the annual recurrent budget. This indicates that recurrent expenditure continued to outpace development spending, largely reflecting the County's operational and service delivery commitments.

Figure 4 presents a detailed breakdown of the County's expenditure by economic classification during the reporting period.

Figure 4: Garissa County Composition of Expenditure in the First Nine Months of FY 2025/26



Source: *Garissa County Treasury*

As illustrated in Figure 4, the three largest expenditure categories during the reporting period were Personnel Emoluments, Development Expenditure, and Domestic and Foreign Travel. These accounted for 63 per cent, 34 per cent, and 1 per cent of the County's total expenditure, respectively. The high proportion of spending on personnel emoluments reflects the County's commitment to meeting employee compensation obligations, while the substantial allocation to development expenditure supported the implementation of key infrastructure and service delivery projects. Expenditure on domestic and foreign travel constituted a relatively small share of the total budget.

5.2 Expenditure by Economic Classification

During the first nine months of FY 2025/26, the Garissa County Executive incurred Kshs. 3.17 billion on employee compensation, Kshs. 703.26 million on operations and maintenance, and Kshs. 1.90 billion on development activities. The expenditure reflects the Executive's commitment to financing personnel costs, supporting the day-to-day operations of county departments, and implementing priority development projects.

Similarly, the Garissa County Assembly spent Kshs. 373.87 million on compensation of employees, Kshs. 268.33 million on operations and maintenance, and Kshs. 35.62 million on development activities. These expenditures facilitated the Assembly's legislative, oversight, and administrative functions while supporting limited development investments.

Table 3 presents a detailed breakdown of the County Executive and County Assembly expenditure by economic classification during the reporting period.

Table 4: Garissa County Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Approved Budget (Kshs.Mn) (a)		Amount Paid in the first nine months of FY 2025/26 (Kshs. Mn) (b)		Expenditure Accrued in the first nine months of FY 2025/26 (Kshs.Mn) (c)		Total Expenditure in the first nine months of FY 2025/26 (Kshs.Mn) (d=b+c)		Absorption (%) (d/a*100)	
	Executive	Assembly	Executive	Assembly	Executive	Assembly	Executive	Assembly	Executive	Assembly
Total Recurrent Expenditure	6,657	1,010	3,752	642	122		3,874	642	58	64
Compensation of Employees	4,558	707	3,065	374	106		3,171	374	70	53
Operations and Maintenance	2,099	303	687	268	16		703	268	34	88
Development Ex-penditure	4,886	141	1,900	28		7	1,900	36	39	25
Total	11,543	1,152	5,652	678	122	7	5,774	678	50	59

***Source**: Garissa County Treasury*

5.3 Expenditure on Employee Compensation

During the first nine months of FY 2025/26, Garissa County spent Kshs. 3.54 billion on employee compensation, representing 53 per cent of the total revenue realized during the reporting period. This reflects an increase from Kshs. 3.10 billion recorded during the corresponding period in FY 2024/25.

Of the total employee compensation, Kshs. 1.50 billion was spent on personnel in the Health Sector, accounting for 42 per cent of the County's total wage bill. The increase in employee compensation by 14 per cent compared to the previous financial year was mainly attributed to the adoption of the accrual-based reporting system and the recruitment of additional Community Health Extension Workers (CHEWs) to strengthen healthcare service delivery across the county.

Figure 5 illustrates the trend in employee compensation as a percentage of total revenue from the first nine months of FY 2020/21 to the first nine months of FY 2025/26, providing a comparative analysis of the County's expenditure on personnel over the six-year period.

Figure 5: Employee Compensation Expenditure as a Percentage of Total Revenue Received, First Nine Months of FY 2020/21 to FY 2025/26



Source: Garissa County Treasury

Further analysis indicates that Kshs. 3.35 billion of the Personnel Emoluments (PE) was processed through the Human Resource Information System (HRIS), while Kshs. 87.04 million, representing 3 per cent of the total wage bill, was processed through the manual payroll. Although the proportion of manually processed payroll remains relatively low, it highlights the need to fully automate payroll management to enhance efficiency, accuracy, and accountability.

The continued use of manual payroll was due to the absence of personal (staff) numbers for some employees, preventing their onboarding into the HRIS. Similarly, the County Assembly reported that some staff lacked personal numbers, necessitating manual payroll processing until they are integrated into the automated system.

Figure 5 shows that the ratio of employee compensation to total revenue fluctuated over the six-year period from FY 2020/21 to FY 2025/26. The ratio increased from 53 per cent in FY 2020/21 to a peak of 64 per cent in FY 2022/23 before declining sharply to 46 per cent in FY 2024/25 following workforce rationalization and expenditure control measures. By FY 2025/26, the ratio had stabilized at 53 per cent, suggesting a more balanced relationship between personnel costs and revenue performance.

The manual payroll comprised salaries for 195 staff who had not yet been onboarded into the HRIS, salaries for 508 casual employees, and top-up allowances for security personnel. Table 4 provides a detailed breakdown of the manual payroll during the reporting period.

Table 5: Breakdown of Garissa County Manual Payroll

Sno.	Description of Manual Payroll	Amount (Kshs.)
1	Salaries for staff yet to be onboarded into HRIS	48,790,030
2	Salaries for casual staff	12,271,593
3	Top-up Allowances for Security Officers	7,224,565
5	Community Health Workers	18,750,000

Sno.	Description of Manual Payroll	Amount (Kshs.)
	Total	87,036,188

Source: Garissa County Treasury

5.4 Expenditure on Operations and Maintenance

During the first nine months of FY 2025/26, Garissa County spent Kshs. 971.60 million on Operations and Maintenance (O&M). This represented a 9 per cent decrease compared to the Kshs. 1.05 billion spent during the corresponding period in FY 2024/25. The decline suggests a reduction in operational expenditures, which may reflect the County's efforts to contain recurrent costs while maintaining the delivery of essential public services.

Operations and maintenance expenditure covered routine government activities, including administrative expenses, travel, office operations, utilities, repairs and maintenance, training, and other recurrent costs necessary for the effective functioning of county departments and institutions.

Figure 3.42 presents the distribution of Operations and Maintenance expenditure across the major spending categories during the reporting period, providing an overview of the County's recurrent spending priorities.

Figure 6: Garissa County Operations and Maintenance Expenditure by Major Category

As illustrated in Figure 6, Grants and Transfers constituted the largest Operations and Maintenance (O&M) expenditure category, amounting to Kshs. 371.85 million, which represented 43 per cent of the total O&M expenditure. Of this amount, the Level 5 Sub-Programme under the Department of Health and Sanitation accounted for Kshs. 183.54 million (49 per cent), largely utilized for the payment of medical supplies procured from the Kenya Medical Supplies Authority (KEMSA) for the Garissa County Referral Hospital.

The second-largest O&M expenditure category was trade payables**,** amounting to Kshs. 141.90 million**.** This reflects the County's efforts to settle outstanding obligations owed to suppliers, contractors, and service providers, thereby improving its financial commitments and supporting the continuity of service delivery.

Overall, the expenditure pattern indicates that a significant portion of the O&M budget was directed towards grants, transfers, and the settlement of pending bills, alongside financing routine administrative and operational activities. While these expenditures are essential for maintaining government operations and meeting contractual obligations, continued efforts to strengthen budget planning and cash flow management would enhance the allocation of resources towards core service delivery activities.

5.5 County-Established Funds

Section 116 of the Public Finance Management (PFM) Act, 2012 empowers County Governments to establish public funds, subject to approval by the County Executive Committee and the County Assembly, to finance specific policy objectives and service delivery programmes.

During FY 2025/26, Garissa County allocated Kshs. 90 million to its County-Established Funds, representing 0.75 per cent of the County's total approved budget. In addition, the County set aside Kshs. 40 million for the Emergency Fund, equivalent to 0.33 per cent of the total budget, in compliance with Section 110 of the PFM Act, 2012, which requires counties to establish an emergency fund to address unforeseen and urgent expenditures.

Table 6 provides a summary of the budget allocations and performance of the County-Established Funds

during the reporting period, highlighting the level of funding and utilization of each fund.

Table 6: Performance of Garissa County Established Funds in the First Nine Months of FY 2025/26

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2025/26 (Kshs.)	Exchequer Issues in the first nine months of FY 2025/26 (Kshs.)	Actual disbursements in the first nine months of FY 2025/26 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Financial Statements (Yes/No.)
		County Executive Established Funds					
S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2025/26 (Kshs.)	Exchequer Issues in the first nine months of FY 2025/26 (Kshs.)	Actual disbursements in the first nine months of FY 2025/26 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Financial Statements (Yes/No.)
1	Disaster Management Fund/ Emergency	March, 2013 Renewed in August, 2025	40,000,000	-	-	724,969,431	YES
2	Bursary Fund	May, 2013 Renewed August 2024	50,000,000	50,000,000	50,000,000	675,000,000	YES
3	Micro and Small Enterprises Development Revolving Fund	August, 2018	-	-	-	40,000,000	NO
	Total		90,000,000	50,000,000	50,000,000	1,409,969,431	

5.6 County Corporations

During FY 2025/26, Garissa County had one operational County Corporation**,** which was allocated Kshs. 50 million in the approved budget to support its operations and planned activities. The County also indicated that a second County Corporation was in the final stages of establishment and had not yet commenced operations during the reporting period.

Despite the budgetary allocation, the operational County Corporation did not incur any expenditure during the first nine months of FY 2025/26. Consequently, total expenditure for the review period remained nil, as presented in Table 6. This suggests that the allocated funds had not been utilized by the end of the reporting period, possibly due to delays in operationalization or implementation of planned activities.

Table 7: Performance of Garissa County Corporations in the First Nine Months of FY 2025/26

S/No.	Name of the Corporation	Approved Budget Allocation in FY 2025/26 (Kshs.)	Exchequer Issues (Kshs.)	Actual Transfers in the first nine months of FY 2025/26 (Kshs.)	Cumulative Transfers to the Corporation since its inception (Kshs.)
	Garissa Water and Sewerage Company	50,000,000	-	-	345,000,000
	Total	50,000,000	-	-	345,000,000

***Source**: Garissa County Treasury*

5.7 Expenditure on Domestic and Foreign Travel

During the first nine months of FY 2025/26, Garissa County Executive spent Kshs. 6.27 million.

Table 8: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2025/26

Source: Garissa County Treasury

5.8 Development Expenditure

During the first nine months of FY 2025/26, Garissa County spent Kshs. 1.94 billion on development programmes, representing a 13 per cent increase compared to the Kshs. 1.72 billion spent during the corresponding period in FY 2024/25. The increase reflects the County's continued investment in development projects aimed at improving infrastructure, public services, and the socio-economic well-being of residents.

The growth in development expenditure was driven by increased funding for priority projects, the continued implementation of Kenya's devolution agenda, and support from conditional grants provided by the National Government and development partners. As an Arid and Semi-Arid Land (ASAL) county, Garissa has prioritized investments in key sectors such as health, water, roads, education, and agriculture to address infrastructure gaps and enhance access to essential public services.

In line with the Constitution of Kenya, 2010 and the principles of prudent public financial management, the County continues to allocate a substantial proportion of its budget towards development expenditure to promote sustainable economic growth and improve service delivery. Table 9 summarizes the development projects that recorded the highest expenditure during the reporting period.

Table 9: Garissa County Development Projects with the Highest Expenditure

No	Sector	Project Name	Project Location	Project Commence-ment Date	Expected date of Comple-tion of the Project	Contract sum (Kshs)	Total Funding in FY 2025/26 (Kshs.)	Expend-iture (on an accrual basis) in the first nine months of FY 2025/26 (Kshs.)	Cumulative project expenditure (on an ac-crual basis) as of 31st March 2026 (Kshs.)	Per-cent-age (%) of Com-pletion
County Funded Projects										
1	Health and Sanitation	Proposed Construction of Mother and Child Hospital at Garissa County Referral Hospital	Garissa Township	6TH JUNE 2024	12TH JUNE 2026	663,678,404	180,000,000	72,000,000	270,000,000	50
2	Road Trans-port & Public Works	Construction Of Terminal Building at Gar-issa Airstrip	Garissa Township	7TH NO-VEMBER 2024	30TH MARCH 2026	109,595,053	20,000,000	67,000,000	67,000,000	80
3	Youth And Sports	Construction of pavilion and perimeter fence	Garissa Township	5TH Febru-ary 2025	5TH FEB 2027	187,800,000	70,000,000	62,000,000	96,500,000	80

No	Sector	Project Name	Project Location	Project Commencement Date	Expected date of Completion of the Project	Contract sum (Kshs)	Total Funding in FY 2025/26 (Kshs.)	Expend-iture (on an accrual basis) in the first nine months of FY 2025/26 (Kshs.)	Cumulative project expenditure (on an ac-crual basis) as of 31st March 2026 (Kshs.)	Per-cent-age (%) of Com-pletion
4	Road Trans-port & Public Works	Upgrading to bitumen stand-ards of Bula Madina Burbris Road	Garissa Township	30TH JUNE 2025	5TH FEB 2026	93,060,016	93,500,000	86,500,000	86,500,000	100
5	Trade, Invest-ments and Enterprise Development	Construction Of County Ag-gregation and Industrial Park	Garissa Township	23RD OCT 2023	26TH FEBRUARY 2026	490,636,205	50,000,000	50,000,000	450,000,000	G0
6	Education, Information and ICT	Supply & Delivery of ECD & Vocational Centres Learn-ing Materials	Garissa Township	23RD JUNE 2025	15TH JULY 2025	24,450,000	25,000,000	24,950,000	24,950,000	100
7	Agriculture, Livestock, and Pastoral Economy	Proposed renovation & completion of FSRP office block	Garissa Township	15TH JUNE 2025	30TH SEPTEMBER 2025	21,284,360	22,000,000	21,284,360	21,284,360	80
8	Water, Environment and Natural Resources	Proposed Construction of Denka Water Pan	Lagdera	30TH JUNE 2025	30-Nov-25	16,814,060	18,000,000	16,814,060	16,814,060	100
G	Water, Environment and Natural Resources	Proposed Construction of Daad Bilan Water Pan	FAFI	23RD Jan 2026	30TH 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	1GTH Jan 2025	28-Sep-25	13,402,640	15,000,000	13,402,640	13,402,640	100

Source: Garissa County Treasury

The County Government attributed the stalling of the four development projects to **inadequate budgetary allocations**, which constrained the availability of funds required for their implementation and completion. The funding shortfall slowed project execution, resulting in delays despite **Kshs. 64.00 million** already having been paid to contractors. This underscores the importance of realistic budgeting, timely release of funds, and effective project planning to ensure that development projects are adequately financed and completed within the planned timelines.

Table 10: Garissa County Stalled Projects as of 31 March 2026

No	Sector	Project Name	Project Location	Project Start Date	Expected Completion Date of the Project	Estimated Value of the Project (Kshs.)	Amount Paid on the stalled pro-ject (Kshs.)	Accrued Expend-iture on the stalled project (Kshs.)	Out-standing Unpaid Balance As of 31st March 2026	Percent-age of Com-pletion before stalling of the Project
1	Health and Sanitation	Construction of Health Headquar-ters	Township	2018	2021	46,563,340	30,000,000			G0
2	Health and Sanitation	Construction of Dispensary block at Gedilun Sangailu	Ijara	Jan, 201G	Dec, 201G	5,673,942	2,000,000			30
3	Health and Sanitation	Construction and Equipping of Cancer Centre	Township	2021	2022	222,289,475	30,000,000			5
4	Health and Sanitation	Construction of Maternity at Bura	Township	2020	2021	9,013,440	2,000,000			20
	Total					283,540,197	64,000,000			

Source: Garissa County Treasury

6. Budget Performance by Department

Table 11 presents the budget performance of the County departments during the first nine months of FY 2025/26, highlighting the approved budget allocations, actual expenditure, and budget absorption rates for each department. The analysis provides an assessment of how effectively departments utilized the resources allocated to them and identifies variations in expenditure performance across sectors.Table 11 therefore provides an important basis for evaluating departmental financial performance and identifying areas requiring improved budget execution and expenditure management.

Table 11: Garissa County, Budget Allocation and Absorption Rate by Department in the first nine months of FY 2025/26

Department	Revised Budget Allocation (Kshs. Million)		Exchequer Received (Kshs. Million)		Expenditure (Kshs. Million)		Expen-diture to Exchequer (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock and Pastoral	177.46	463.10	160	197.79	125.71	217.57	79	110	71	47

Department	Revised Budget Allocation (Kshs. Million)		Exchequer Received (Kshs. Million)		Expenditure (Kshs. Million)		Expen-diture to Exchequer (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Culture, Gender, Youth and Sports	63.01	276.79	52.52	29.87	37.13	63.45	71	212	59	23
Roads, Transport and Public Works	101.9	956.82	91.25	387.90	72.33	337.20	79	87	71	35
Education, Information and ICT	447.16	118	320.77	100.43	318.66	79.99	99	80	71	68
Lands, Physical Planning and Urban Development	575.10	464.46	386.14	70.63	355.40	93.90	92	133	62	20
Finance and Economic Planning	991.22	166	553.77	27.60	516.65	113.58	93	412	52	68
Health and Sanitation	3,342.48	528	1,895.86	391.35	1,893.61	361.15	100	92	57	68
Trade, Investments and Enterprise Development	90.81	100	65.23	56.45	64.22	49.48	98	88	71	49
Water, Environment and Natural Resources	197.76	1,433.70	132.62	723.87	107.77	583.66	81	81	55	41
County Affairs, Public Service and Intergovern-mental Relations	592.46	379.50	387.52	-	336.96	-	87	-	57	-
County Public Service Board	77.30	-	47.90	-	45.75	-	96	-	59	-
County Assembly	1,010.21	141.29	642.20	28.19	642.20	35.62	100	126	64	25
	7,666.96	5,027.67	4,735.78	2,014.07	4,516.42	1,G35.60	95	96	59	38

Source: *Garissa County Treasury*

6.1 Departmental Budget Performance Analysis

The analysis of departmental budget performance during the first nine months of FY 2025/26 reveals varying levels of budget absorption across the County Executive departments. While some departments demonstrated strong implementation capacity and effective utilization of both recurrent and development resources, others experienced relatively low absorption rates, particularly in development expenditure, largely due to procurement delays, funding constraints, and implementation challenges.

6.1.1 Department of Agriculture, Livestock and Pastoral

The Department was allocated a revised recurrent budget of Kshs. 177.46 million and a development budget of Kshs. 463.10 million. During the review period, it spent Kshs. 125.71 million on recurrent activities and Kshs. 217.57 million on development programmes, translating to recurrent and development absorption rates of 71 per cent and 47 per cent, respectively. The Department recorded one of the highest recurrent budget absorption rates, reflecting effective implementation of extension services and livestock support programmes, while development implementation remained moderate.

6.1.2 Department of Culture, Gender, Youth and Sports

The Department had a revised allocation of Kshs. 63.01 million for recurrent expenditure and Kshs. 276.79 million for development. Actual expenditure amounted to Kshs. 37.13 million for recurrent programmes and Kshs. 63.45 million for development, resulting in absorption rates of 59 per cent and 23 per cent, respectively. The relatively low development absorption suggests delays in implementing youth empowerment, sports infrastructure, and social protection programmes.

6.1.3 Department of Roads, Transport and Public Works

The Department received one of the largest development allocations of Kshs. 956.82 million. During the reporting period, it spent Kshs. 72.33 million on recurrent activities and Kshs. 337.20 million on development projects, representing recurrent and development absorption rates of 71 per cent and 35 per cent**,** respectively. While recurrent expenditure was satisfactory, development implementation remained below expectation, indicating delays in infrastructure project execution.

6.1.4 Department of Education, Information and ICT

The Department was allocated Kshs. 447.16 million for recurrent expenditure and Kshs. 118 million for development. It recorded recurrent expenditure of Kshs. 318.66 million and development expenditure of Kshs. 79.99 million**,** translating to recurrent and development absorption rates of 71 per cent and 68 per cent**,** respectively. This represented one of the strongest performances among all departments, demonstrating efficient implementation of Early Childhood Development (ECD), education programmes, and ICT initiatives.

6.1.5 Department of Lands, Physical Planning and Urban Development

The Department had a revised budget allocation of Kshs. 575.10 million for recurrent activities and Kshs. 464.46 million for development. It utilized Kshs. 355.40 million on recurrent expenditure and Kshs. 93.90 million on development, resulting in recurrent and development absorption rates of 62 per cent and 20 per cent**,** respectively. The low development absorption indicates significant implementation challenges, particularly in urban planning and physical development projects.

6.1.6 Department of Finance and Economic Planning

The Department received a recurrent allocation of Kshs. 991.22 million and Kshs. 166 million for development. During the reporting period, it spent Kshs. 516.65 million on recurrent activities and Kshs. 113.58 million on development, achieving recurrent and development absorption rates of 52 per cent and 68 per cent**,** respectively. While the Department recorded the lowest recurrent absorption among all departments, it registered one of the highest development absorption rates, reflecting effective implementation of development initiatives under its mandate.

6.1.7 Department of Health and Sanitation

The Department continued to account for the largest share of the County budget, with a revised allocation of Kshs. 3.34 billion for recurrent expenditure and Kshs. 528 million for development. Actual expenditure amounted to Kshs. 1.89 billion on recurrent programmes and Kshs. 361.15 million on development activities, resulting in recurrent and development absorption rates of 57 per cent and 68 per cent, respectively. The high development absorption reflects continued investment in health infrastructure, medical equipment, and healthcare service delivery.

6.1.8 Department of Trade, Investments and Enterprise Development

The Department had a revised recurrent allocation of Kshs. 90.81 million and Kshs. 100 million for development. Expenditure during the reporting period amounted to Kshs. 64.22 million on recurrent activities and Kshs. 49.48 million on development, translating to recurrent and development absorption rates of 71 per cent and 49 per cent, respectively. The Department demonstrated strong recurrent budget execution while recording moderate implementation of development programmes.

6.1.9 Department of Water, Environment and Natural Resources

The Department received the largest development allocation of Kshs. 1.43 billion, alongside a recurrent allocation of Kshs. 197.76 million**.** During the review period, it spent Kshs. 107.77 million on recurrent

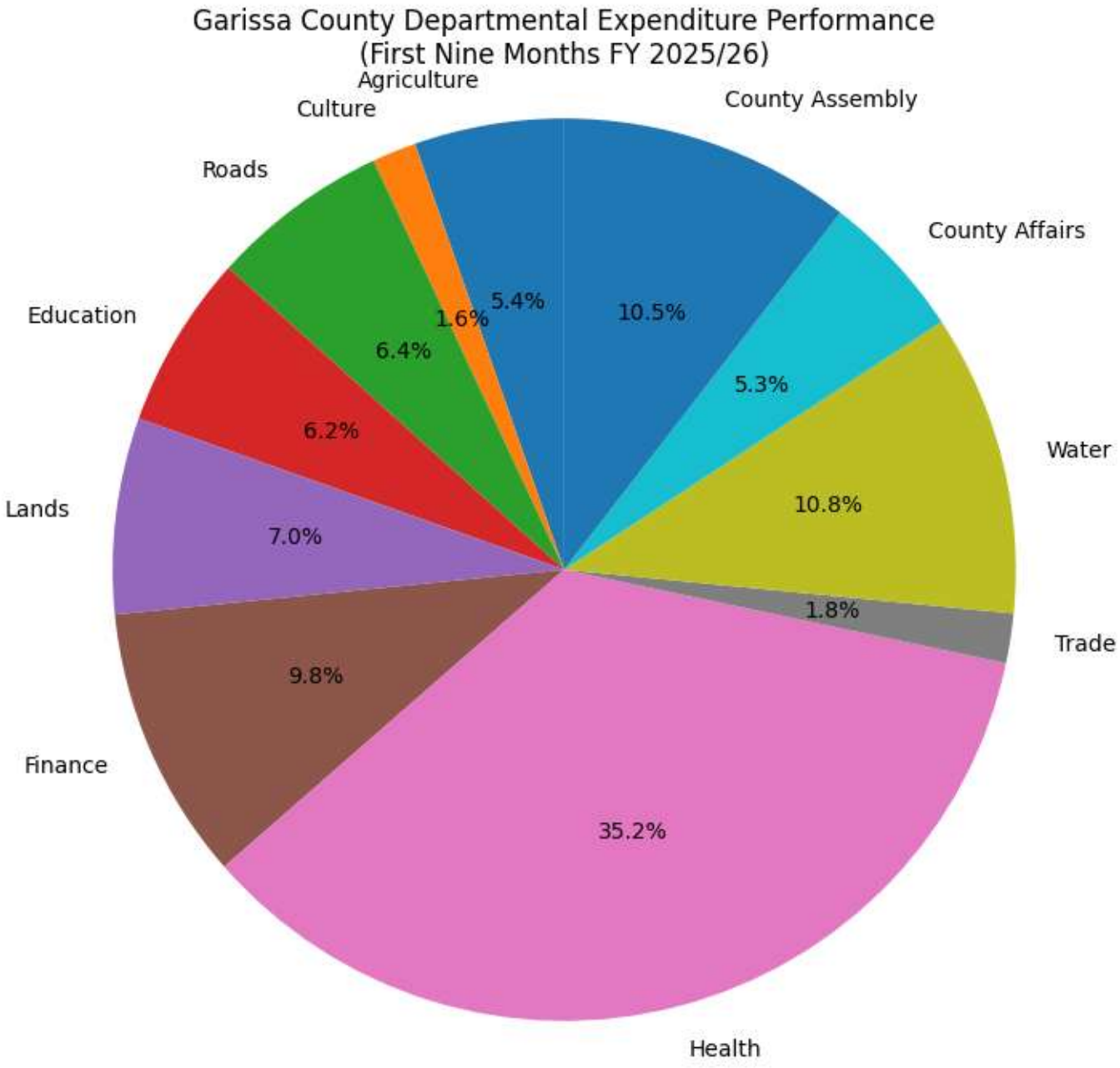
expenditure and Kshs. 583.66 million on development activities, representing recurrent and development absorption rates of 55 per cent and 41 per cent**,** respectively. Although the Department utilized a substantial amount of development resources in absolute terms, the absorption rate remained moderate due to the large development budget.

6.1.10 Department of County Affairs, Public Service and Intergovernmental Relations

The Department was allocated Kshs. 592.46 million for recurrent expenditure and Kshs. 379.50 million for development. However, no development expenditure was reported during the review period. The Department spent Kshs. 336.96 million on recurrent activities, resulting in a recurrent absorption rate of 57 per cent. The absence of development expenditure suggests that planned capital projects had either not commenced or were yet to receive the necessary funding and approvals.

6.2 Overall Performance

Overall, the analysis indicates that the Departments of Education, Information and ICT, Health and Sanitation, and Finance and Economic Planning recorded the highest development budget absorption rates of 68 per cent**,** demonstrating strong implementation capacity. Conversely, the Departments of Lands, Physical Planning and Urban Development (20 per cent)**,** Culture, Gender, Youth and Sports (23 per cent)**,** and Roads, Transport and Public Works (35 per cent) recorded the lowest development absorption rates, highlighting implementation and procurement challenges. On recurrent expenditure, several departments, including Agriculture, Roads, Education, and Trade**,** achieved a strong absorption rate of 71 per cent**,** while Finance and Economic Planning recorded the lowest recurrent absorption at 52 per cent**.**



7. Budget Execution by Programmes and Sub-Programmes

Budget execution across programmes and sub-programmes during the first nine months of FY 2025/26 varied considerably, with absorption rates ranging from below 10 per cent to above 80 per cent. The differences in performance reflected variations in project implementation, procurement timelines, technical capacity, and the nature of programme activities.

In the lower performance bands (1–30 per cent), several programmes recorded low absorption rates. Recurrent expenditure was lowest in ICT, Information and Libraries (3 per cent) under the Department of Education, Information and ICT, the County Attorney and Delivery Unit (5 per cent) under the Department of County Executive Services, and Sports and Talent Development (7 per cent) under the Department of Culture, Gender, Youth and Sports. Low development absorption was also reported for Social Protection and Support Services (10 per cent), Urban Administration and Support Services (20 per cent), and Water Infrastructure Development (24 per cent).

Conversely, a number of programmes recorded relatively strong budget implementation. In the 61–70 per cent performance band, Administration and Support Services under the Departments of Finance and Economic Planning, Health and Sanitation, and Education, Information and ICT each achieved development

absorption rates of approximately 68 per cent, while Livestock Administration and Support Services attained 69 per cent. Performance was even stronger in the 71–80 per cent band, where Early Childhood Development recorded 74 per cent development absorption, while recurrent expenditure for Co-operatives Development, Agriculture Administration and Support Services, Administration and Support Services under Roads, Transport and Public Works, and Education, Information and ICT ranged between 76 and 78 per cent. The highest performance was recorded under Administration and Support Services in the Department of Water, Environment and Natural Resources, which achieved a development absorption rate of 89 per cent.

The relatively low absorption recorded in programmes within the 0–40 per cent performance bands was mainly attributed to procurement delays arising from compliance with the Public Procurement and Asset Disposal Act, prolonged approval processes for technically complex projects, procurement challenges in specialized sectors such as ICT, and limited technical and project management capacity for certain social programmes. On the other hand, the higher-performing programmes benefited from established procurement systems, prioritization of core administrative functions, stronger technical capacity, and timely implementation of ready-to-execute projects.

Table below presents a summary of budget execution by programmes and sub-programmes, highlighting those that recorded the highest absorption rates during the reporting period.

Table 12: Budget Execution by Programmes and Sub-Programmes with Highest Absorption Rates

Programme	Sub-Programme	Gross Approved Estimates FY 2025/26 (Kshs.)	Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.)	Absorption Rate (%)
DEVELOPMENT				
DEPARTMENT Water, Environment and Natural Resources				
Programme 1. Water Services	Sub-programme 1.1 Administration & Support Services	572,116,944	507,157,186	89
DEPARTMENT Education, Information and ICT				
Programme 2: Education Development	Sub-programme 2.1 ECD	39,000,000	29,000,000	74
Programme 1. General Administration and support services	Sub-programme 1.1 Administration & Support Services	74,000,000	50,994,428	69
DEPARTMENT Finance and Economic Planning				
Programme 1. Administration and support services	Sub-programme 1.1 Administration & Support Services	166,000,000	113,579,840	68
DEPARTMENT Health and sanitation				
Programme 1. Governance, quality assurance and support services	Sub-programme 1.1 Administration & Support Services	528,000,000	361,146,663	68
RECURRENT				
DEPARTMENT Agriculture, Livestock & pastoral				

Programme	Sub-Programme	Gross Approved Estimates FY 2025/26 (Kshs.)	Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.)	Absorption Rate (%)
Programme 4: Cooperatives	Sub-programme 4.1 Cooperatives Development	1,600,000	1,250,000	78
Programme 1: Agriculture	Sub-programme 1.1 Agriculture Administration & Support Services	112,076,039	86,087,983	77
Department Roads, Transport and Public Works				
Programme 1. Administration and support services	Sub-programme 1.1 Administration & Support Services	94,321,484	72,334,192	77
Department Education, Information and ICT				
Programme 1. General Administration and support services	Sub-programme 1.1 Administration & Support Services	416,593,769	314,777,056	76
Department Agriculture, Livestock & pastoral				
Programme 2: Livestock pastoral Economy	Sub-programme 2.1 Livestock Administration and Support Service	55,980,760	38,370,584	69

Source: Garissa County Treasury

The development sub-programmes that recorded the highest budget implementation rates during the reporting period were Administration and Support Services under the Department of Water, Environment and Natural Resources**,** which achieved an absorption rate of 89 per cent**,** followed by Early Childhood Development (ECD) under the Department of Education, Information and ICT at 74 per cent**,** and Administration and Support Services under the same department at 69 per cent**.**

For recurrent expenditure, the best-performing sub-programmes were Co-operatives Development under the Department of Agriculture, Livestock and Pastoral Affairs**,** with an absorption rate of 78 per cent**,** followed by Agriculture Administration and Support Services at 77 per cent, and Administration and Support Services under the Department of Roads, Transport and Public Works, which also recorded 77 per cent absorption.

The strong performance of these sub-programmes can largely be attributed to the nature of their activities and the maturity of their implementation frameworks. Administration and Support Services consistently record high absorption because they finance essential operational costs such as personnel, utilities, office operations, and logistics that are necessary for the day-to-day functioning of county departments. Similarly, Early Childhood Development (ECD) benefits from well-established implementation and procurement systems for recurring activities such as the provision of learning materials, school infrastructure, and other educational support programmes, enabling timely utilization of allocated funds.

The high absorption recorded in the Agriculture and Co-operatives sub-programmes also reflects effective technical capacity, established extension service programmes, and sustained support to farmer groups and cooperatives. In the Water, Environment and Natural Resources sector, the strong performance suggests that priority projects were adequately planned, ready for implementation, and supported by timely procurement and community participation, thereby minimizing implementation delays.

Overall, the high-performing sub-programmes demonstrate the positive impact of effective planning, strong institutional capacity, and efficient project execution on budget implementation.

Table 13: Budget Execution by Programmes and Sub-Programmes with Lowest Absorption Rates

The table below summarises budget execution by programmes and sub-programmes with the lowest absorption rates during the period under review.

Programme	Sub-Programme	Gross Approved Estimates FY 2025/26 (Kshs.)	Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.)	Absorption Rate (%)
DEVELOPMENT				
Department Culture, Gender, Youth and Sports				
Programme 2: Gender and social services	Sub-programme 2.1 Social Protection, Support Service	43,000,000	4,248,003	10
Department Lands, Physical Planning and Urban Development				
Programme 1. Administration and support services	Sub-programme 1.1 Urban Administration & Support Services	464,462,888	93,895,108	20
Department Water, Environment and Natural Resources				
Programme 1. Water Services	Sub-programme 1.2 Water Infrastructure Development	325,000,000	76,505,155	24
Department County Assembly				
Programme 1. Administration and support services	Sub-programme 1.1 Office of the Clerk	141,287,132	35,622,193	25
Department Culture, Gender, Youth and Sports				
Programme 3: Youth and sport Development	Sub-programme 3.2 Sports & talent development	233,790,000	59,200,645	25
RECURRENT				
Department Education, Information and ICT				
Programme 3: ICT, Information and Libraries	Sub-programme 3.1 ICT, Information and Libraries	4,834,356	152,640	3
Department County Executive services				
Programme 1. Executive services	Sub-programme 1.6 County Attorney	40,450,000	2,000,000	5
	Sub-programme 1.G Delivery unit	2,450,000	132,288	5
Department Culture, Gender, Youth and Sports				
Programme	Sub-Programme	Gross Approved Estimates FY 2025/26 (Kshs.)	Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.)	Absorption Rate (%)

Programme	Sub-Programme	Gross Approved Estimates FY 2025/26 (Kshs.)	Expenditure (including accrued expenditure) as of 31st March 2026 (Kshs.)	Absorption Rate (%)
Programme 3: Youth and sport Development	Sub-programme 3.2 Sports & talent development	3,263,600	220,000	7
Department Finance and Economic Planning				
Programme 3: Economic planning	Sub-programme 3.1 Planning and M&E	8,130,000	1,000,000	12

Source: Garissa County Treasury

The development sub-programmes with the lowest budget implementation rates during the reporting period were Social Protection and Support Services under the Department of Culture, Gender, Youth and Sports**,** which recorded an absorption rate of 10 per cent**,** Urban Administration and Support Services under the Department of Lands, Physical Planning and Urban Development at 20 per cent, and Water Infrastructure Development under the Department of Water, Environment and Natural Resources at 24 per cent**.**

For recurrent expenditure**,** the lowest-performing sub-programmes were ICT, Information and Libraries under the Department of Education, Information and ICT, which achieved an absorption rate of 3 per cent, followed by the County Attorney and the Delivery Unit under the Department of County Executive Services**,** each recording 5 per cent**,** while Sports and Talent Development under the Department of Culture, Gender, Youth and Sports recorded 7 per cent**.**

The low budget absorption across these programmes was largely attributed to delays in procurement and project implementation. Compliance with the Public Procurement and Asset Disposal Act resulted in lengthy procurement and approval processes, particularly for technically complex projects such as urban development and infrastructure works. In addition, specialized sectors such as ICT experienced procurement challenges relating to equipment acquisition and vendor selection, which slowed implementation. The low absorption in the Culture, Gender, Youth and Sports sector further suggests capacity and project management challenges that affected the timely execution of social, youth, and sports development programmes during the reporting period.

8. Challenges and Recommendations

The following are some of the challenges in budget implementation in the third 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.

Recommendations:

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.