



# **NAROK COUNTY GOVERNMENT**

## **COUNTY TREASURY**

**FINANCIAL YEAR 2023/2024 BUDGET IMPLEMENTATION REVIEW REPORT FOR THE FIRST QUARTER**

**NOVEMBER, 2023**

## Overview of FY 2023/24 Budget

The County's approved FY 2023/24 budget was Kshs.15.0 billion, comprising Kshs.4.57 billion (30.5 per cent) and Kshs.10.42 billion (69.5 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 0.1 per cent compared to the previous financial year when the approved budget was Kshs.14.98 billion and comprised of Kshs.4.83 billion towards development expenditure and Kshs.10.15 billion for recurrent expenditure.

To finance the budget, the County expects to receive Kshs.9.2 billion (61.4 per cent) as the equitable share of revenue raised nationally, Kshs.1.21 billion (8.0 per cent) as conditional grants, and generate Kshs.4.59 billion (30.4 per cent) as ordinary own-source revenue. A breakdown of the conditional grants is provided in Table 1.

## Revenue Performance

In the first three months of FY 2023/24, the County received Kshs.1.52 billion as the equitable share of the revenue raised nationally, Kshs.15.41 million as Appropriation in Aid (A-I-A), Kshs.19.11 million as Facility Improvement Fund (FIF), had a cash balance of Kshs.0.57 million from FY 2022/23, and raised Kshs.1.64 billion as own-source revenue. The total funds available for budget implementation during the period amounted to Kshs.3.19 billion, as shown in Table 1

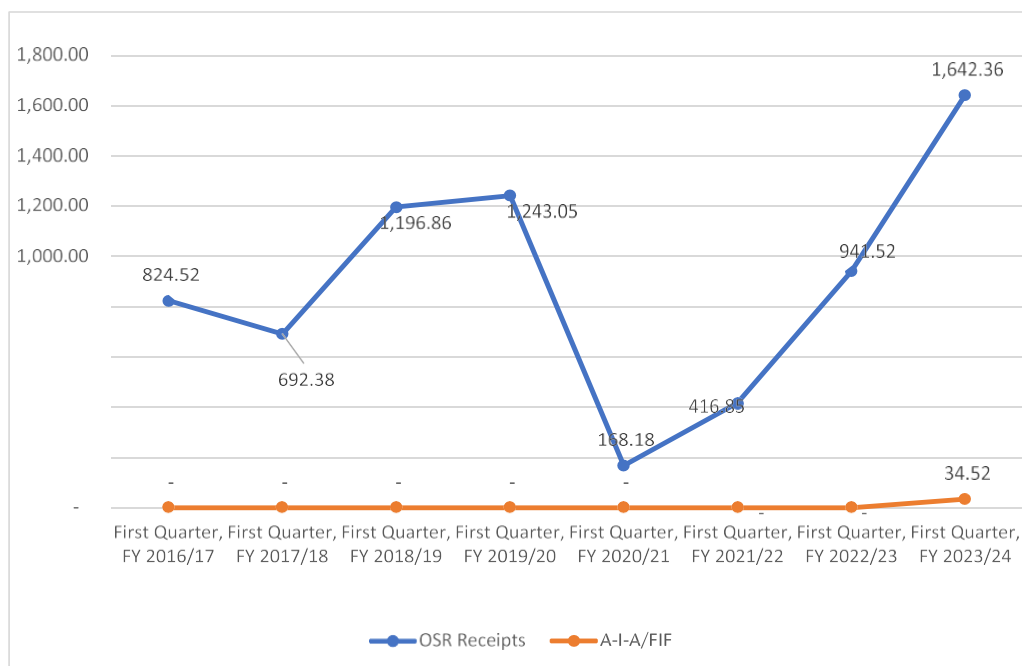
**Table 1: Narok County, Revenue Performance in FY 2023/24**

S/ No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
<b>A</b>	<b>Equitable Share of Revenue Raised Nationally</b>	9,200,560,000	1,517,385,688	16.5
<b>Subtotal</b>		<b>9,200,560,000</b>	<b>1,517,385,688</b>	<b>16.5</b>
<b>B</b>	<b>Conditional Grants</b>			
1.	Leasing of Medical Equipment	159,890,000	-	-
2.	Loans & Grants (Consolidated)	1,046,030,000	-	-
<b>Subtotal</b>		<b>1,205,920,000</b>	<b>-</b>	<b>-</b>
<b>C</b>	<b>Other Sources of Revenue</b>			
1.	Ordinary Own Source Revenue	4,588,583,534	1,642,359,390	35.8
2.	Appropriation in Aid (A-I-A)	-	15,414,592	-
3.	Facility Improvement Fund (FIF)	-	19,109,767	-
4.	Unspent balance from FY 2022/23	-	568,277	-
<b>Sub Total</b>		<b>4,588,583,534</b>	<b>1,677,452,026</b>	<b>36.6</b>
<b>Grand Total</b>		<b>14,995,063,534</b>	<b>3,194,837,714</b>	<b>21.3</b>

*Source: Narok County Treasury*

Figure 1 shows the trend in own-source revenue collection from the first quarter of FY 2017/18 to the first quarter of FY 2023/24.

**Figure 1: Trend in Own-Source Revenue Collection from the First Quarter of FY 2017/18 to the First Quarter of FY 2023/24**

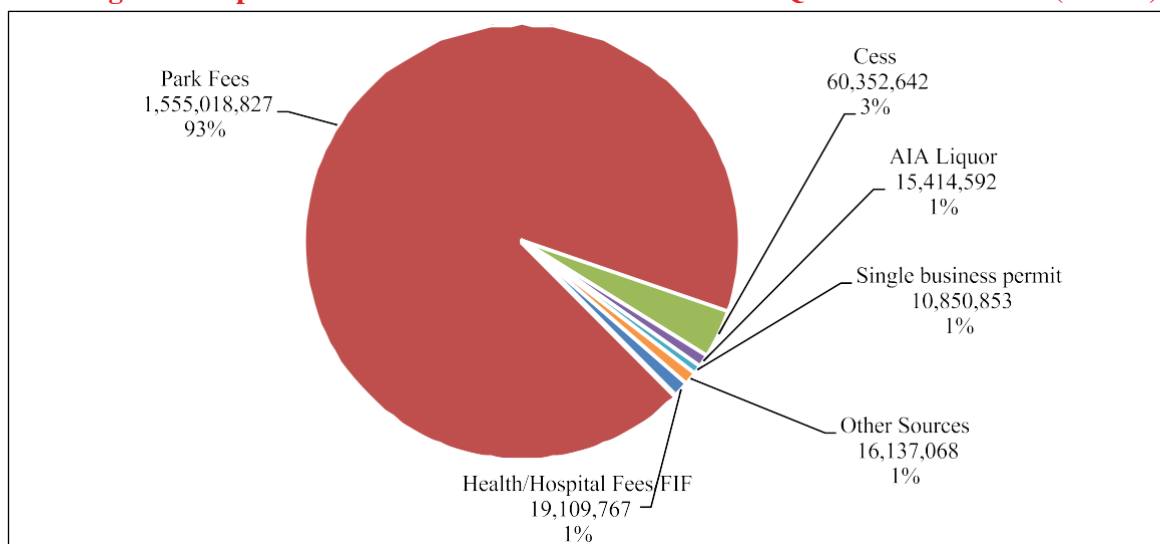


Source: Narok County Treasury

In the first quarter of FY 2023/24, the County generated Kshs.1.68 billion from its sources of revenue. This amount represented an increase of 56.2 per cent compared to Kshs.941.52 million realised in a similar FY 2022/23 period. It was 36.5 per cent of the annual target and 110.5 per cent of the equitable revenue share disbursed. However, the County Treasury did not provide information on the previous financial year’s disaggregated revenue receipts, FIF and AIA.

The OSR performance can be attributed to the following revenue mobilisation strategies, among others: development of a Revenue Enhancement Action Plan (REAPs) covering the period between 2022 – 2027 as recommended in the Tax Administration Diagnostic Assessment Tool (TADAT) performance assessment report; Automation of other revenue outside Maasai Mara National Game Reserve; Staff re- alignment & Capacity building; Employment of new revenue collection staff as well as full implementation of County Finance policies and regulations spelt out in the Narok County Government Finance Act. The revenue streams which contributed the highest OSR receipts are shown in Figure 2.

**Figure 2: Top Streams of Own Source Revenue in the First Quarter of FY 2023/24 (in Kshs)**



Source: Narok County Treasury

The highest revenue stream of Kshs.1.56 billion was from Park Fees, contributing to 93 per cent of

the total OSR receipts during the reporting period.

### Exchequer Issues

The approved withdrawals of Kshs.3.15 billion from the CRF account during the reporting period, which comprised Kshs.1.38 billion (43.9 per cent) for development programmes and Kshs.1.76 billion (56.1 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first quarter of FY 2023/24 indicates that Kshs.832.01 million was released towards Employee Compensation, and Kshs.932.89 million was for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of the first quarter of FY 2023/24 was Kshs.5.82 million.

### County Expenditure Review

The County spent Kshs.3.13 billion on development and recurrent programmes in the reporting period. The expenditure represented 99.5 per cent of the total funds released by the CoB and comprised of Kshs.1.37 billion and Kshs.1.76 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 30.0 per cent, while recurrent expenditure represented 16.9 per cent of the annual recurrent expenditure budget.

#### Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.53 billion, comprising Kshs.938.33 million for recurrent expenditure and Kshs.587.86 million for development activities. In the first quarter of FY 2023/24, no pending bills were settled, and therefore, as of 30<sup>th</sup> September 2023, the outstanding amount remains at Kshs.1.53 billion.

#### Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.744.85 million on employee compensation, Kshs.871.94 million on operations and maintenance, and Kshs.1.37 billion on development activities. Similarly, the County Assembly spent Kshs.87.16 million on employee compensation and Kshs.56.06 million on operations and maintenance. The County Assembly did not incur any expenditure on development activities, as shown in Table 2.

**Table 2: Summary of Budget and Expenditure by Economic Classification**

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
<b>Total Recurrent Expenditure</b>	<b>9,524,976,569</b>	<b>896,760,000</b>	<b>1,616,783,847</b>	<b>143,211,943</b>	<b>17.0</b>	<b>16.0</b>
Compensation to Employees	4,382,569,624	585,833,962	744,848,218	87,159,830	17.0	14.9
Operations and Maintenance	5,142,406,945	310,926,038	871,935,629	56,052,113	17.0	18.0
<b>Development Expenditure</b>	<b>4,423,326,965</b>	<b>150,000,000</b>	<b>1,372,423,532</b>	<b>-</b>	<b>31.0</b>	<b>-</b>
<b>Total</b>	<b>13,948,303,534</b>	<b>1,046,760,000</b>	<b>2,989,207,379</b>	<b>143,211,943</b>	<b>21.4</b>	<b>13.7</b>

*Source: Narok County Treasury*

#### Expenditure on Employees' Compensation

In the first three months of FY 2023/24, expenditure on employee compensation was Kshs.832.01 million, or 26.04 per cent of the available revenue, which amounted to Kshs.3.19 billion. This expenditure represented a decrease from Kshs.1.07 billion reported in the first quarter of FY

2022/23. The wage bill included Kshs.258.99 million paid to health sector employees, translating to 31.1 per cent of the total wage bill. It's worth mentioning that the above figure excludes September 2023 salaries for the County Staff.

The County Assembly spent Kshs.8.50 million on committee sitting allowances for the 50 MCAs and the Speaker against the annual budget allocation of Kshs.36.11 million. The average monthly sitting allowance was Kshs.56,472 per MCA. The County Assembly has established 21 Committees.

### County Emergency Fund and County-Established Funds

Section 110 of the PFM Act 2012 establishes the Emergency Fund, while Section 116 of the PFM Act 2012 allows County governments to establish other public funds with approval from the County Executive Committee and the County Assembly.

The County allocated Kshs.650.1 million to county-established funds in FY 2023/24, constituting 4.3 per cent of the County's overall budget. Table 3 summarizes each established Fund's budget allocation and performance during the reporting period.

**Table 3: Performance of County Established Funds in the First Quarter of FY 2023/24**

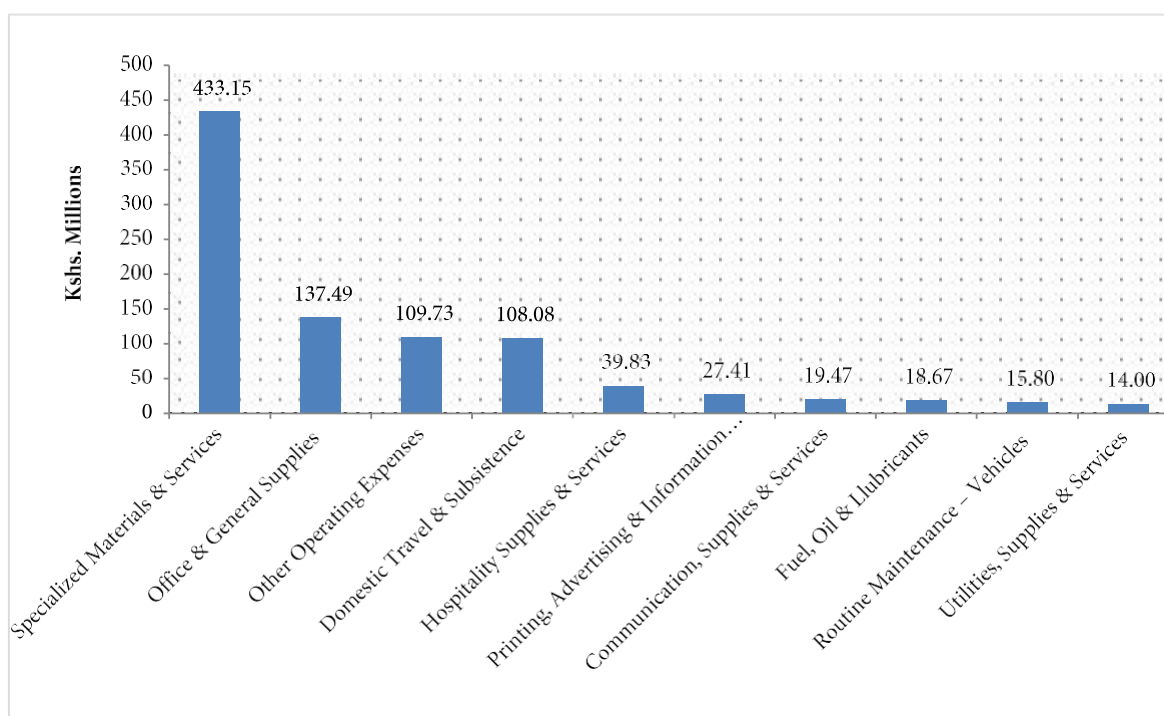
S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues FY 2023/24 (Kshs.)	Actual Expenditure for FY 2023/24 (Kshs.)	Submission of Financial Statements as of 30th September 2023 (Yes/No.)
<b>County Executive Established Funds</b>					
1.	Scholarships Fund (Bursary)	380,185,354	-	-	No
2.	Capital Grants and Transfer (To Maasai Mara Community Support Fund.	100,000,000	-	-	No
3.	Emergency Fund	50,000,000	-	-	No
4.	Narok Kajiado Economic Block (NA-KAEC)	30,794,368	17,240,000	-	No
<b>County Assembly Established Funds</b>					
1.	Car loans & Mortgage for Members of Assembly and staff	89,098,000	-	-	No
<b>Total</b>		<b>650,077,722</b>	-	-	-

Source: Narok County Treasury

### Expenditure on Operations and Maintenance

Figure 3 summarizes the Operations and Maintenance expenditure by major categories.

**Figure 3: Narok County, Operations and Maintenance Expenditure by Major Categories**



*Source: Narok County Treasury*

The “Other Operating Expenses” comprise of following expenses: Kecoso & KICOSCA Games facilitation (Kshs.11.97 million); Workman compensation, Funeral, Medical ex-gratia (Kshs.4.68 million); School feeding programme (Kshs.30.51 million) and Mara Conservancy, Security & Surveillances (Kshs. 39.66 million).

During the period, expenditure on domestic travel amounted to Kshs.108.08 million and comprised Kshs.45.53 million spent by the County Assembly and Kshs.62.56 million by the County Executive. Expenditure on foreign travel amounted to Kshs.12.44 million and was entirely incurred by the County Executive, as summarized in Table 4

**Table 4: Summary of Highest Expenditure on Foreign Travel as of 30<sup>th</sup> September 2023**

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs)
County Executive	10 Officers	13 <sup>th</sup> – 16 <sup>th</sup> September, 2023	To attend the Mara Day celebration at Serengeti District	Tanzania	3,100,000
	8 Officers		To attend the Mara Day celebration at Serengeti District	Tanzania	2,900,700
	9 Officers		To attend the Mara Day celebration at Serengeti District	Tanzania	2,973,000
	8 Officers	3 <sup>rd</sup> – 12 <sup>th</sup> September, 2023	To attend the Paralympic Games	Ghana	2,507,910
	3 Officers	5 <sup>th</sup> – 11 <sup>th</sup> July, 2023	To attend LGT Venture Philanthropy Training	Switzerland	962,930

*Source: Narok County Treasury*

Included in the operations and maintenance costs is an expenditure of Kshs.22.55 million incurred on garbage collection.

### Development Expenditure

In the first quarter of FY 2023/24, the County incurred Kshs.1.37 billion on development programmes, representing an increase compared to a similar period of FY 2022/23 when the County spent Kshs.382.76 million. Table 5 summarises development projects with the highest

expenditure in the reporting period.

**Table 5: Narok County, List of Development Projects with the Highest Expenditure**

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
1	Transport	Purchase of Specialised Plant, Equipment and Machinery	Narok North	1,487,932,072	1,048,707,815	70
2	Health	Electrical and mechanical works at Narok Referral Hospital	Narok North	65,562,286	65,562,286	100
3	Roads	Maintenance of county roads-Siya-pei-olchoro road	Narok East	26,438,296	26,438,296	100
4	Livestock	Construction of a Cattle and sheep sale yard at Ilkerian-Loita Market	Narok south	17,206,765	17,206,765	100
5	Roads	Construction of Olelusie-Entotol-Parakarara-Olesimu Roads	Narok East	11,777,990	11,777,990	100
6	Roads	Maintenance of county roads-Ainamoi Pri-Ntule in Enkipai road	Transmara East	10,975,000	10,975,000	100
7	Roads	Construction of bridge- Box Culverts at Osanangururi	Narok North	19,212,706	10,638,961	55
8	Roads	Construction of Masaantare Box Culvert	Narok south	10,226,648	10,226,648	100
9	Environment	Waterworks at Oldonyo-Orok-Angata	Transmara South	8,305,930	8,323,065	100
10	Roads	Maintenance of County roads oldany osega		7,606,410	7,606,410	100

Source: Narok County Treasury

### Budget Performance by Department

Table 6 summarizes the approved budget allocation, expenditure and absorption rate by departments in the first quarter of FY 2023/24.

**Table 6: Narok County, Budget Allocation and Absorption Rate by Department**

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	896.76	150	147.2	10.88	143.21	-	97.3	-	16.0	-
County Executive	347.56	-	10	-	10	-	100	-	2.9	-
Finance & Economic Planning	1,664.95	292.95	229.28	38.7	229.18	38.7	100	100	13.8	13.2
Transport and Public Works	414.87	1,337.07	15.28	846.19	15.28	846.19	100	100	3.7	63.3
Education, Youth, Sports, Culture and Social Services	1,553.93	372.7	220.52	110.42	220.52	110.39	100	100	14.2	29.6
Environment Protection, Energy, Water & Natural Resources	380.82	333.45	50.19	65.24	50.19	65.22	100	100	13.2	19.6
Public Service Board	91.92	-	11.2	-	11.2	-	100	-	12.2	-
Agriculture, Livestock & Fisheries	402.55	498.66	30.69	14.88	30.69	14.88	100	100	7.6	3.0

Health & Sanitation	2,805.66	488.75	814.03	293.59	813.32	293.59	99.9	100	29.0	60.1
Lands Housing Physical Planning & Urban Development	274.17	248.69	24.8	3.48	24.7	3.46	99.6	99.4	9.0	1.4
ICT & E-Government	118.3	85.11	16.9	-	16.9	-	100	-	14.3	-
Administration and Public Services Management	784.79	150.66	96.42	-	96.42	-	100	-	12.3	-
Trade, Industry and Cooperative Development	585.47	615.29	97.89	-	97.89	-	100	-	16.7	-
Office of the County Attorney	100	-	0.5	-	0.5	-	100	-	0.5	-
<b>Total</b>	<b>10,421.75</b>	<b>4,573.33</b>	<b>1,764.90</b>	<b>1,383.38</b>	<b>1,760</b>	<b>1,372.43</b>	<b>99.7</b>	<b>99.2</b>	<b>16.9</b>	<b>30.0</b>

*Source: Narok County Treasury*

Analysis of expenditure by department shows that the Department of Transport and Public Works recorded the highest absorption rate of development budget at 63.3 per cent, followed by the Department of Health & Sanitation at 60.1 per cent. The Department of Health & Sanitation had the highest percentage of recurrent expenditure to recurrent budget at 29.0 per cent, while the Office of the County Attorney had the lowest at 0.5 per cent.

### Budget Execution by Programmes and Sub-Programmes

Table 7 summarizes the budget execution by programmes and sub-programmes in the first quarter of FY 2023/24.

**Table 7: Narok County, Budget Execution by Programmes and Sub-Programmes**

Vote	Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure as of 30th September 2023 (Kshs)	Variance (Kshs)	Absorption rate (%)
<b>102003000</b>			<b>673,073,004.00</b>	<b>440,504.00</b>	<b>672,632,500.00</b>	0.1
	102024610	Crop Productivity Improvement	673,073,004.00	440,504.00	672,632,500.00	0.1
<b>103003000</b>			<b>169,790,126.00</b>	<b>1,380,402.00</b>	<b>168,409,724.00</b>	0.8
	103014610	Livestock Pests & Disease Management & Control	66,673,834.00	-	66,673,834.00	-
	103074610	Livestock Information Management	103,116,292.00	1,380,402.00	101,735,890.00	1.3
<b>104003000</b>			<b>58,337,187.00</b>	<b>385,880.00</b>	<b>57,951,307.00</b>	0.7
	104014610	Fish Products Production	58,337,187.00	385,880.00	57,951,307.00	0.7
<b>105003000</b>			<b>47,881,099.00</b>	<b>357,249.00</b>	<b>47,523,850.00</b>	0.7
	105014610	Development Planning and Land Reforms	47,881,099.00	357,249.00	47,523,850.00	0.7
<b>106003000</b>			<b>165,126,655.00</b>	<b>2,996,000.00</b>	<b>162,130,655.00</b>	1.8
	106014610	Housing Development	165,126,655.00	102,996,000.00	62,130,655.00	62.4



<b>107003000</b>			<b>309,856,765.00</b>	<b>13,232,032.00</b>	<b>296,624,733.00</b>	4.3
	107014610	Metropolitan Planning & Infrastructure Development	309,856,765.00	13,232,032.00	296,624,733.00	4.3
<b>201003000</b>			<b>1,751,934,137.00</b>	<b>932,306,605.80</b>	<b>819,627,531.20</b>	53.2
	201014610	General Administration, Planning and Support Services	75,139,698.00	1,905,000.00	73,234,698.00	2.5
	201024610	Construction of Roads and Bridges	1,594,918,318.00	924,787,782.80	670,130,535.20	58.0
	201034610	Maintenance of Roads	81,876,121.00	5,613,823.00	76,262,298.00	6.9
<b>202003000</b>			<b>144,260,000.00</b>	<b>368,800.00</b>	<b>143,891,200.00</b>	0.3
	202014610	ICT Infrastructure Development	144,260,000.00	368,800.00	143,891,200.00	0.3
<b>208000000</b>		<b>Information And Communication Services</b>	<b>59,150,000.00</b>	-	<b>59,150,000.00</b>	-
	208049999	E-Government Services	59,150,000.00	-	59,150,000.00	-
<b>301003000</b>			<b>657,034,399.00</b>	<b>68,000.00</b>	<b>656,966,399.00</b>	-
	301014610	Administrative Services	6,385,168.00	-	6,385,168.00	-
	301024610	Cooperative Development & Management	19,774,463.00	-	19,774,463.00	-
	301034610	Trade Development and Promotion	630,874,768.00	68,000.00	630,806,768.00	-
<b>303003000</b>			<b>468,471,796.00</b>	<b>5,962,930.00</b>	<b>462,508,866.00</b>	1.3
	303014610	Tourism Promotion and Marketing	468,471,796.00	5,962,930.00	462,508,866.00	1.3

Vote	Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure as of 30th September 2023 (Kshs)	Variance (Kshs)	Absorption rate (%)
<b>306000000</b>		<b>Tourism Development and Promotion</b>	<b>75,249,999.00</b>	-	<b>75,249,999.00</b>	-
	306039999	Tourism Infrastructure Development	75,249,999.00	-	75,249,999.00	-
<b>401003000</b>			<b>488,750,000.00</b>	<b>313,217,593.00</b>	<b>175,532,407.00</b>	64.1
	401014610	Health Promotion	488,750,000.00	313,217,593.00	175,532,407.00	64.1
<b>402003000</b>			<b>356,111,363.00</b>	<b>34,179,824.00</b>	<b>321,931,539.00</b>	9.6
	402014610	Referral Services	356,111,363.00	34,179,824.00	321,931,539.00	9.6
<b>403003000</b>			<b>2,499,541,415.00</b>	<b>732,691,736.70</b>	<b>1,716,849,678.30</b>	29.3
	403014610	Health Policy, Planning and Financing	2,499,541,415.00	732,691,736.70	1,716,849,678.30	29.3
<b>502003000</b>			<b>1,537,090,804.00</b>	<b>519,530,858.50</b>	<b>1,017,559,945.50</b>	33.8
	502014610	Early Child Development and Education	1,537,090,804.00	519,530,858.50	1,017,559,945.50	33.8
<b>701003000</b>			<b>1,261,025,685.00</b>	<b>148,525,369.00</b>	<b>1,075,740,318.00</b>	11.8
	701014610	Administrative Services	400,646,203.00	50,532,583.00	350,113,620.00	12.6
	701044610	Coordination and Administrative Services	413,483,334.00	50,360,004.00	363,123,330.00	12.2

	701054610	Public Service and Field Administrative Services	318,218,144.00	38,226,540.00	279,991,604.00	12.0
	701084610	Board Management Services	128,678,004.00	9,406,242.00	82,511,764.00	7.3
<b>702003000</b>			<b>1,036,120,489.00</b>	<b>122,602,375.00</b>	<b>913,518,114.00</b>	11.8
	702014610	Accounting services	110,144,260.00	17,626,708.00	92,517,552.00	16.0
	702024610	Resource Mobilisation	487,459,616.00	46,948,484.00	440,511,132.00	9.6
	702034610	Budget Formulation, Coordination and Management	98,277,686.00	11,058,450.00	87,219,236.00	11.3
	702044610	Supply Chain Management Services	154,915,548.00	37,715,133.00	117,200,415.00	24.3
	702054610	Internal Audit Services	85,323,379.00	9,253,600.00	76,069,779.00	10.8
<b>703003000</b>			<b>1,161,783,851.00</b>	<b>141,157,129.00</b>	<b>1,020,626,722.00</b>	12.2
	703014610	Economic Planning Coordination	836,626,965.00	82,826,407.00	753,800,558.00	9.9
	703024610	Monitoring and Evaluation Services	85,323,379.00	58,330,722.00	26,992,657.00	68.4
<b>704003000</b>			<b>170,660,000.00</b>	<b>19,262,141.00</b>	<b>151,397,859.00</b>	11.3
	704024610	County Co-ordination Services	150,660,000.00	19,262,141.00	131,397,859.00	12.8
<b>901003000</b>			<b>1,189,542,173.00</b>	<b>12,729,334.00</b>	<b>376,812,839.00</b>	1.1
	901014610	Gender and Youth Development	328,649,139.00	602,200.00	28,046,939.00	0.2
	901024610	Social Assistance to Vulnerable Groups	219,287,741.00	-	19,287,741.00	-
	901034610	Development and Promotion of Culture	137,162,324.00	4,863,096.00	32,299,228.00	3.5

Vote	Programme	Sub- Programme	Approved Estimates (Kshs)	Actual Expenditure as of 30th September 2023 (Kshs)	Variance (Kshs)	Absorption rate (%)
	901044610	Development and Management of sports facilities	167,000,000.00	809,040.00	66,190,960.00	0.5
	901054610	Sports Services	192,423,612.00	-	92,423,612.00	-
	901064610	Voluntary Training Services	145,019,357.00	6,454,998.00	138,564,359.00	4.5
<b>1002003000</b>			<b>714,272,587.00</b>	<b>88,946,492.00</b>	<b>605,326,095.00</b>	12.5
	1002014610	Forests Conservation and Management	714,272,587.00	88,946,492.00	605,326,095.00	12.5
<b>Grand Total</b>			<b>14,995,063,534.00</b>	<b>3,132,419,322.00</b>	<b>11,862,644,212.00</b>	<b>20.9</b>

*Source: Narok County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Monitoring and Evaluation Services in the Department of Finance & Economic Planning at 68.4 per cent, Health Promotion in the Department of Health & Sanitation at 64.1 per cent, Housing Development in the Department of Lands Housing Physical Planning & Urban Development at 62.4 per cent, and Construction of Roads and Bridges at 58.0 per cent of budget allocation.