



NAROK COUNTY GOVERNMENT

COUNTY TREASURY

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

APRIL, 2024

1.1.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget for FY 2023/24 is Kshs.15.05 billion, comprising Kshs.5.33 billion (35.4 per cent) and Kshs.9.73 billion (64.6 per cent) allocation for development and recurrent programmes respectively. The approved budget estimates represented an increase of 0.5 per cent compared to the previous financial year when it 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.9.20 billion (61.1 per cent) as the equitable share of revenue raised nationally, Kshs.699.33 (4.7 per cent) million as additional allocations/conditional grants, a cash balance of Kshs.0.57 million brought forward from FY 2022/23, and generate Kshs.5.15 billion (34.2 per cent) as gross own source revenue. The own source revenue includes Kshs.44.00 million (0.9 per cent) as ordinary Appropriations-in-Aid (A-I-A), Kshs.120.95 million (2.3 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.4.99 billion (96.8 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.203.

1.1.2 Revenue Performance

In the first nine months of FY 2023/24, the County received Kshs.5.33 billion as an equitable share of the revenue raised nationally, Kshs.201.43 million as additional allocations/conditional grants, had a cash balance of Kshs.0.57 million from FY 2022/23 and raised Kshs.3.96 billion as own-source revenue (OSR). The raised OSR includes Kshs.25.43 million as ordinary A-I-A, Kshs.52.59 million as FIF and Kshs.3.88 billion as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.9.49 billion, as shown in Table 1

Table 1 Narok County, Revenue Performance in the First Nine Months of FY 2023/24

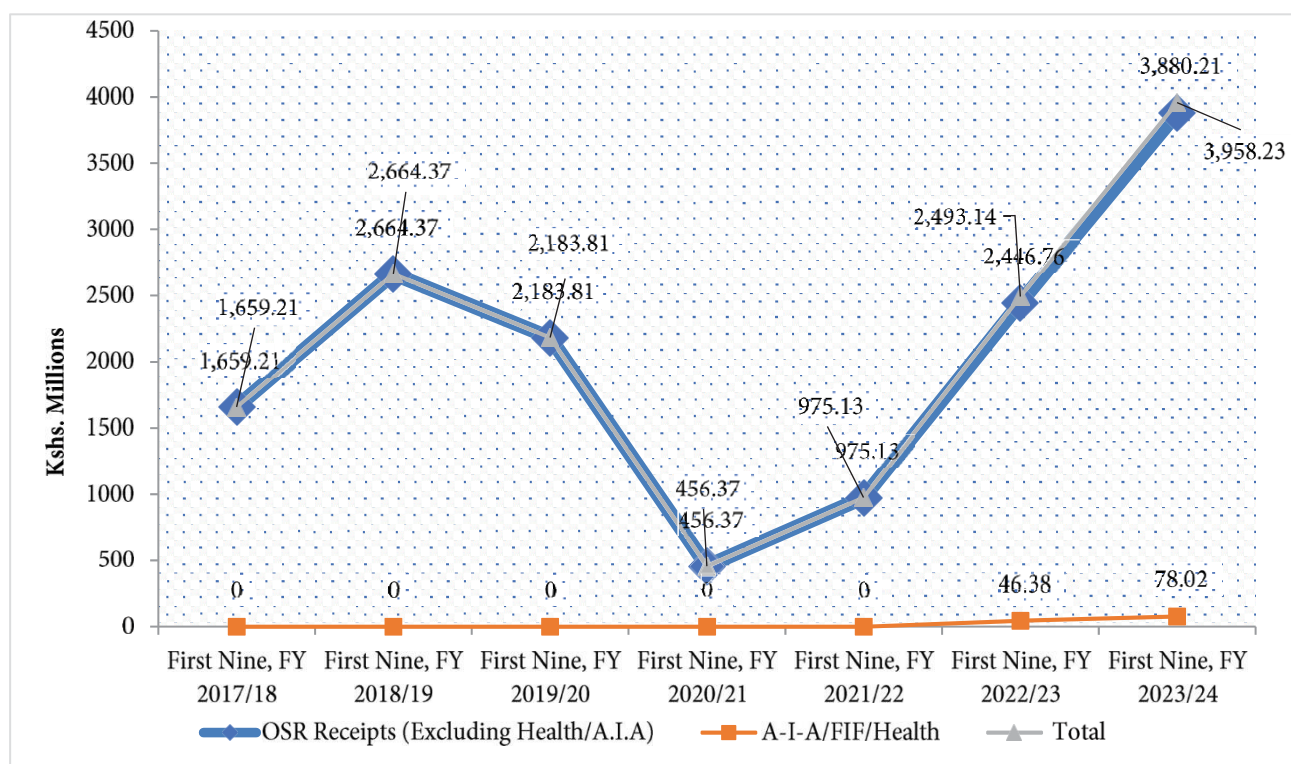
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	9,196,276,899	5,333,840,599	58.0
	Library	4,956,754		
Sub Total		9,201,233,653	5,333,840,599	58.0
B	Conditional Grants			
1	Allocation for Mineral Royalties	27,206,336	-	0.0

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
2	De-Risking and Value Enhancement - DRIVE	63,341,980	-	0.0
3	Livestock Value Chain Support Projects	35,809,200	-	0.0
4	Fertilizer Subsidy Programme	135,733,204	-	0.0
5	World Bank Loan- National Agri & Rural Growth	5,000,000	4,261,825.85	85.2
6	World Bank Loan- NAVCDP	200,000,000	195,553,097.65	97.8
7	DANIDA Grant -PHC	14,668,500	-	0.0
8	Agricultural Sector Development Support Program (ASDSP)	1,119,636	1,619,636.00	144.7
9	Financing Locally Led Climate Action (FL-LoCA - INV)	137,000,000	-	0.0
10	Financing Locally Led Climate Action (FL-LoCA - CB)	11,000,000	-	0.0
11	B/F Grants-KDSP	68,451,638	-	0.0
	Sub-Total	699,330,494	201,434,560	28.8
C	Other Sources of Revenue			
1	Ordinary Own Source Revenue	4,989,012,257	3,880,210,695	77.8
3	Facility Improvement Fund (FIF) / Health	120,951,908	52,588,228	43.5
4	Appropriation in Aid (AIA) - Liquor	44,000,000	25,430,319	57.8
	Sub Total	5,153,964,165	3,958,229,241	76.8
	Grand Total	15,054,528,311	9,493,504,399	63.1

Source: Narok County Treasury.

The County has governing legislation on the operation of ordinary A-I-A and Figure 1 shows the trend in own-source revenue collection from the first nine months of FY 2017/18 to the first nine months of FY 2023/24.

Figure 1: Trend in Own-Source Revenue Collection from the First Nine Months of FY 2017/18 to the First



Nine Months of FY 2023/24

Source: Narok County Treasury

In the first nine months of FY 2023/24, the County generated a total of Kshs.3.96 billion from its sources of revenue, inclusive of FIF and ordinary AIA. This amount represented an increase of 58.8 per cent compared to Kshs.2.49 billion realized in a similar period in FY 2022/23 and was 76.8 per cent of the annual target and 74.2 per cent of the equitable revenue share disbursed during the period.

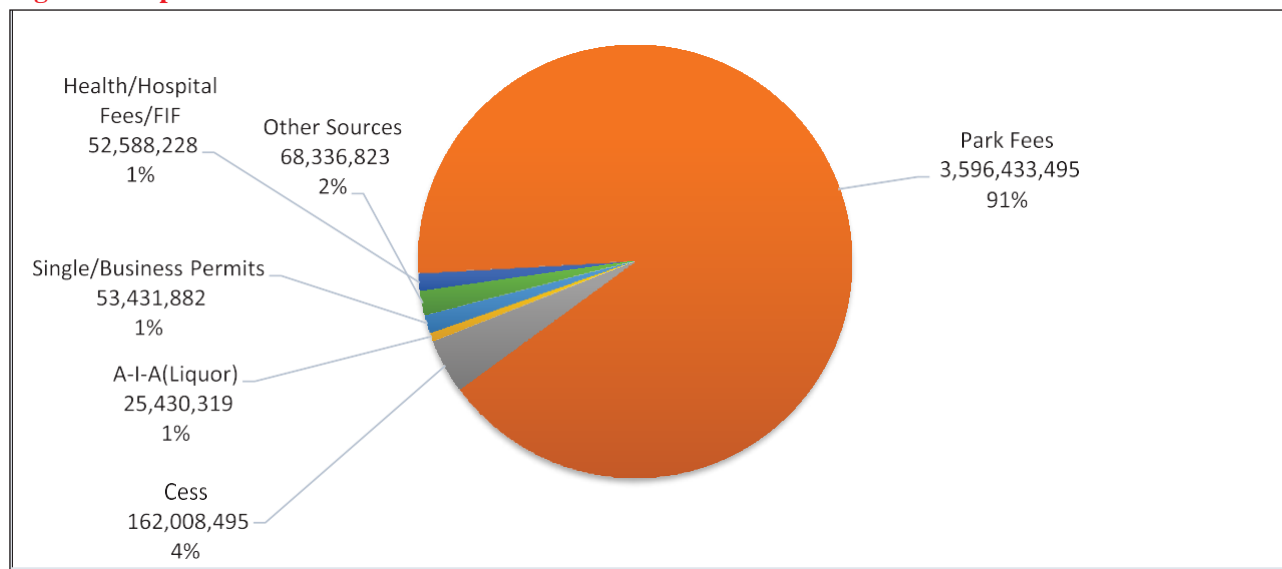
This increase of 58.8 per cent in OSR can be attributed to the following: -

Narok County Government was privileged to be among the few counties earmarked for assessment by the Tax Administration Diagnostic Assessment Tool (TADAT) in April 2022. After training, assessment and the release of the assessment report, a secretariat was formed to develop a Revenue Enhancement Action Plan (REAP) focusing on the priority areas that need improvement (based on the TADAT performance assessment reports). Revenue Enhancement Action plans (REAPs) were developed to cover the period between 2022- 2027 and among the few revenue strategies implemented during the year were;

- a) Full implementation of County Finance policies and regulations starting with Narok County Government Finance Act 2023/2024.
- b) Automation of other revenue outside Maasai Mara National Game Reserve.
- c) Staff re-alignment & Capacity building.
- d) Employment of new staff.
- e) Revenue targets cascaded from the Directorate to Sub County Revenue Officers level and then to revenue collection clerks for individual set targets.

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 Nine Months of FY 2023/24 in Kshs.



Source: Narok County Treasury

The highest revenue stream of Kshs.3.60 billion was from Park Fees, contributing to 91.0 per cent of the total OSR receipts during the reporting period.

1.1.3 Exchequer Issues

The approved withdrawals of Kshs.8.96 billion from the CRF account during the reporting period, which comprised Kshs.2.92 billion (32.6 per cent) for development programmes and Kshs.6.04

billion (67.4 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the first nine months of FY 2023/24 indicates that Kshs.2.59 billion was released towards Employee Compensation and Kshs.3.37 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of the first nine months of FY 2023/24 was Kshs.429.37 million.

1.1.4 County Expenditure Review

The County spent Kshs.8.85 billion on development and recurrent programmes in the reporting period. The expenditure represented 98.7 per cent of the total funds released and comprised Kshs.2.90 billion and Kshs.5.95 billion on development and recurrent programmes respectively. Expenditure on development programmes represented an absorption rate of 54.4 per cent, while recurrent expenditure represented 61.2 per cent of the annual recurrent expenditure budget.

1.1.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.56 billion, comprising of Kshs.587.86 million for recurrent expenditure and Kshs.975.76 million for development activities. In the first nine months of FY 2023/24, the County settled pending bills amounting to Kshs.575.83 million. They consisted of Kshs.78.91 million for recurrent expenditure and Kshs.496.91 million for development programmes. Therefore, as of 31st March 2024, the outstanding amount was Kshs.987.80 million.

The County Assembly reported outstanding pending bills of Kshs.30.89 million as of 31st March 2024.

1.1.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.2.32 billion on employee compensation, Kshs.3.19 billion on operations and maintenance, and Kshs.2.89 billion on development activities. Similarly, the County Assembly spent Kshs.262.45 million on employee compensation, Kshs.171.24 million on operations and maintenance, and Kshs.9.74 million 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
Total Recurrent Expenditure	8,815,150,289	911,000,000	5,515,105,240	443,418,286	62.6	48.7
Compensation to Employees	4,363,493,588	641,683,962	2,324,749,207	262,445,974	53.3	40.9
Operations and Maintenance	4,451,656,701	269,316,038	3,190,356,033	171,236,874	71.7	67.2
Development Expenditure	5,178,946,298	150,000,000	2,891,354,255	9,735,438	55.8	6.5
Total	13,994,096,588	1,061,000,000	8,406,459,495	453,153,724	60.1	42.7

Source: Narok County Treasury

1.1.7 Expenditure on Employees' Compensation

In the first nine months of FY 2023/24, expenditure on employee compensation was Kshs.2.59 billion, or 27.3 per cent of the available revenue, which amounted to Kshs.9.49 billion. This expenditure represented a decrease from Kshs.3.02 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.1.18 billion paid to health sector employees, translating to 45.6 per cent of the total wage bill.

Further analysis indicates that PE costs amounting to Kshs.2.31 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.274.58 million was processed through manual pay-

rolls. The manual payrolls accounted for 10.6 per cent of the total PE cost.

The County Assembly spent Kshs.23.83 million on committee sitting allowances for the 50 MCAs against the annual budget allocation of Kshs.35.11 million. The average monthly sitting allowance was Kshs.52,947.56 per MCA. The County Assembly has established 21 Committees.

1.1.8 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.582.75 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 Nine Months of FY 2023/24

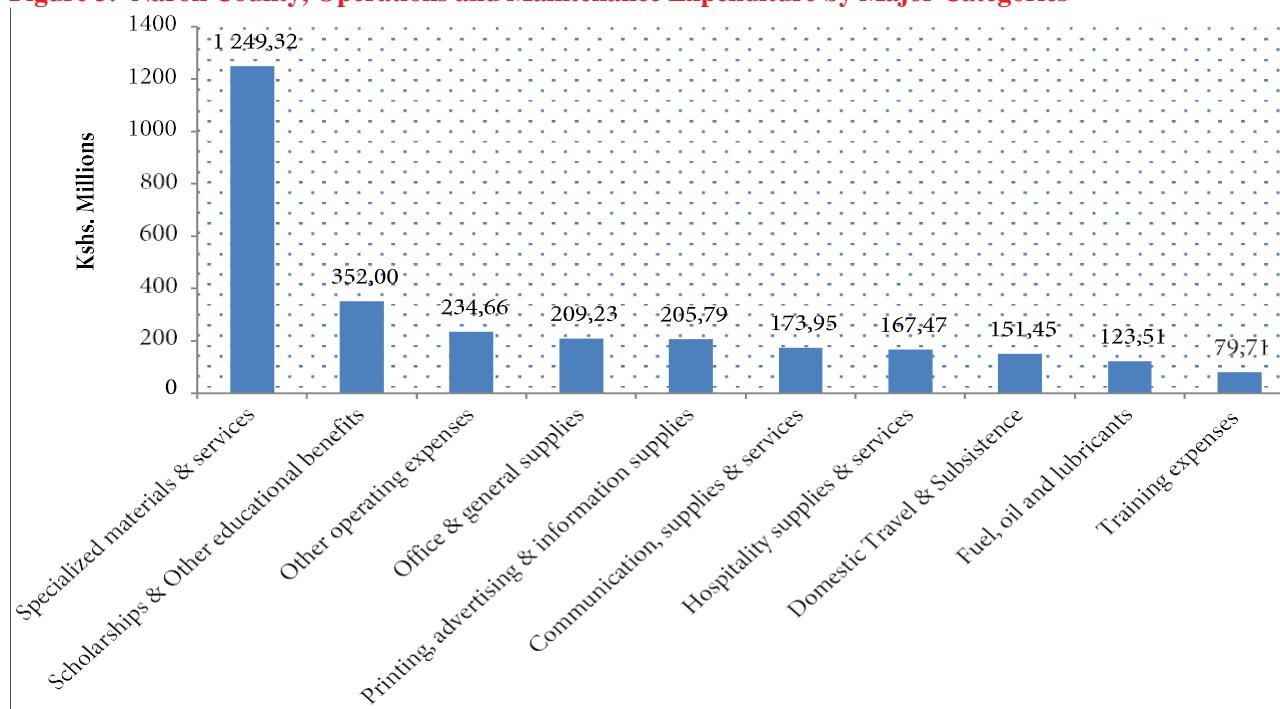
S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Cumulative disbursements to the fund as of 31 st March 2024 (Kshs)	Submission of Financial Statements as of 31 st March 2024 (Yes/No.)
County Executive Established Funds						
1	Scholarships and Other Educational Benefits (Bursary).	400,185,364	350,000,000	350,000,000	-	No
2	Capital Grants and Transfer (To Maasai Mara Community Support Fund.	-	-	-	-	No
3	Emergency Fund	50,000,000	-	-	-	No
4	Narok Kajiado Economic Block (NAKAEC)	24,468,902	24,251,066	24,251,066	-	No
County Assembly Established Funds						
5	Car loans & Mortgage for Members of Assembly and staff	108,098,000	-	-	-	No
	Total	582,752,266.00	-	-	-	

Source: Narok County Treasury

1.1.9 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

Included in the operations and maintenance costs is an expenditure of Kshs.52.57 million on garbage collection and Kshs. 41 million on legal fees.

During the period, expenditure on domestic travel amounted to Kshs.270.51 million and comprised Kshs.119.06 million spent by the County Assembly and Kshs.151.45 million by the County Executive. Expenditure on foreign travel amounted to Kshs.26.84 million and comprised Kshs.4.60 million by the County Assembly and Kshs.22.24 million by the County Executive. Expenditure on foreign travel is summarised in Table 4.

Table 4: Summary of Highest Expenditure on Foreign Travel as of 31st March 2024

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Executive	10 Officers	13th – 16th Sept,2023	To attend the Mara Day celebration at Serengeti District	Tanzania	3,100,000.0
Executive	8 Officers	13th – 16th Sept,2023	To attend the Mara Day celebration at Serengeti District	Tanzania	2,900,700
Executive	9 Officers	13th – 16th Sept,2023	To attend the Mara Day celebration at Serengeti District	Tanzania	2,973,000
Executive	8 Officers	3rd – 12 September,2023	To attend the Paralympic Games	Accra Ghana	2,507,910
Executive	3 Officers	5th – 11th July,2023	To attend LGT venture philanthropy training	Switzerland	962,930
Executive	1 Officer	25 – 28th Sept, 2023	Climate Technology Show in London	London	861,323

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Executive	2 officers	18th – 26th March, 2024	Magical Kenya Real Deal Roadshow	USA	1,844,000
Executive	2 Officers	4th – 8th March, 2024	ICPAK leadership summit	Dubai	1,683,885
Executive	4 Officers	18th – 26th March, 2024	Magical Kenya Real Deal Roadshow	USA	3,958,650
Executive	1 Officer	11th – 18th March, 2024	Africa Gaming Expo	Nigeria	1,144,496

Source: Narok County Treasury and Narok County Assembly

1.1.10 Development Expenditure

In the first nine months of FY 2023/24, the County incurred Kshs.2.90 billion on development programmes, representing an increase of 233.9 per cent compared to a similar period of FY 2022/23 when the County spent Kshs.868.84 million. Table 5 summarizes development projects with the highest expenditure in the reporting period.

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

Sector	Project Name	Project Location	Contract Sum (Kshs.)	Amount Paid to Date (Kshs)	Implementation Status (%)
Roads and Transport	Supply and delivery of earth-moving equipment	County Hqs	1,487,932,072.00	1,231,306,245.00	10
Health and Sanitation	Construction of various health centres and dispensaries	Olokurto and Oloropil Ward	57,900,000.00	51,142,483.00	88
Education	Construction and equipping of ECDE classrooms	Naikara Ward	36,425,881.00	35,297,457.35	97
Health and Sanitation	Construction of various health centres and dispensaries	Loita Ward	46,525,256.00	28,730,756.00	69
Health and Sanitation	Construction of various health centres and dispensaries	Melili and Narok Town Wards	59,811,169.00	27,098,446.00	45
Agriculture and Livestock	Construction of sale yards	Naikarra and Loita Wards	47,272,968.00	26,118,628.00	61
Roads and Transport	Construction of roads	Olullunga Ward	33,986,400.00	20,847,288.00	61
Education	Construction and equipping of ECDE classrooms	Majimoto/Naroosura Ward	42,517,610.40	20,282,002.00	48
Roads and Transport	Construction of roads	Sogoo Ward	27,190,632.00	18,118,968.00	67

Agriculture and Livestock	Construction of sale yards	Nkareta and Olokurto Wards	30,328,184.79	17,374,447.26	57
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Source: Narok County Treasur

Budget Performance by Department

Table 6 summarises the approved budget allocation, expenditure and absorption rate by departments in the first nine months 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	911.00	150.00	525.44	30.95	433.68	9.74	82.5	31.5	47.6	6.5
County Executive	296.01	-	211.39	-	211.39	-	100.0	-	71.4	-
Finance & Economic Planning	1,536.80	154.15	963.95	56.90	963.89	56.90	100.0	100.0	62.7	36.9
Transport and Public Works	305.45	2,336.99	126.83	1,321.59	126.83	1,320.63	100.0	99.9	41.5	56.5
Education, Youth, Sports, Culture and Social Services	1,488.47	311.76	1,056.26	280.92	1,056.26	280.92	100.0	100.0	71.0	90.1
Environment Protection, Energy, Water & Natural Resources	371.12	440.01	214.59	97.91	214.59	97.91	100.0	100.0	57.8	22.3
Public Service Board	91.92	-	35.48	-	35.48	-	100.0	-	38.6	-
Agriculture, Livestock & Fisheries	373.88	848.47	164.96	312.64	164.96	312.35	100.0	99.9	44.1	36.8
Health & Sanitation	2,625.60	586.90	1,916.79	436.84	1,916.79	436.84	100.0	100.0	73.0	74.4
Lands Housing Physical Planning & Urban Development	220.39	173.57	123.63	169.82	123.63	168.82	100.0	99.4	56.1	97.3
ICT & E-Government	778.10	150.55	307.20	150.55	307.20	150.55	100.0	100.0	39.5	100.0
Administration and Public Services Management	567.72	141.45	294.95	66.45	294.95	66.45	100.0	100.0	52.0	47.0
Trade, Industry and Cooperative Development	104.69	35.11	62.13	-	62.13	-	100.0	-	59.3	-
Office of the County Attorney	54.98	-	37.00	-	37.00	-	100.0	-	67.3	-
Total	9,726.13	5,328.96	6,040.60	2,924.57	5,948.78	2,901.11	98.5	99.2	61.2	54.4

Source: Narok County Treasury

Analysis of expenditure by departments shows that the Department of ICT & E-Government recorded the highest absorption rate of development budget at 100 per cent, followed by the Department of Lands Housing Physical Planning & Urban Development at 97.3 per cent. The Department of County Executive had the highest percentage of recurrent expenditure to budget at 71.4 per cent while the Department of Public Service Board had the lowest at 38.6 per cent.

1.1.11 Budget Execution by Programmes and Sub-Programmes

Table 7 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2023/24.

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

Program	Sub Program	Description	Approved Budget KShs	Actual Expenditure KShs	Absorption Rate (%)
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102003000			773,073,004.00	559,239,906.80	72.34
	102024610	Crop Productivity Improvement	773,073,004.00	559,239,906.80	72.34
103003000			146,651,285.00	1,742,962.00	1.19
	103014610	Livestock Pests & Disease Management & Control	49,334,993.00	330,660.00	0.67
	103074610	Livestock Information Management	97,316,292.00	1,412,302.00	1.45
104003000			56,244,856.00	385,880.00	0.69
	104014610	Fish Products Production	56,244,856.00	385,880.00	0.69
Program	Sub Program	Description	Approved Budget KShs	Actual Expenditure KShs	Absorption Rate (%)
105003000			42,981,099.00	2,438,949.00	5.67
	105014610	Development Planning and Land Reforms	42,981,099.00	2,438,949.00	5.67
106003000			254,827,146.00	15,606,438.00	6.12
	106014610	Housing Development	254,827,146.00	15,606,438.00	6.12
107003000			346,150,877.00	28,892,617.00	8.35
	107014610	Metropolitan Planning & Infrastructure Development	346,150,877.00	28,892,617.00	8.35
201003000			2,967,981,730.00	1,836,559,716.00	61.88
	201014610	General Administration, Planning and Support Services	195,139,698.00	89,291,240.00	45.76
	201024610	Construction of Roads and Bridges	2,670,965,911.00	1,647,076,744.00	61.67
	201034610	Maintenance of Roads	101,876,121.00	100,191,732.00	98.35
202003000			23,444,235.00	1,494,600.00	6.38
	202014610	ICT Infrastructure Development	23,444,235.00	1,494,600.00	6.38
208000000		Information And Communication Services	59,150,000.00	1,518,500.00	2.57
	208049999	E-Government Services	59,150,000.00	1,518,500.00	2.57
301003000			571,132,831.00	31,544,471.00	5.52
	301014610	Administrative Services	187,195,168.00	30,960,771.00	16.54
	301024610	Cooperative Development & Management	12,607,752.00	-	-
	301034610	Trade Development and Promotion	371,329,911.00	583,700.00	0.16
303003000			454,371,796.00	16,274,575.00	3.58
	303014610	Tourism Promotion and Marketing	454,371,796.00	16,274,575.00	3.58
306000000		Tourism Development and Promotion	61,876,471.00	60,245,768.00	97.36
	306039999	Tourism Infrastructure Development	61,876,471.00	60,245,768.00	97.36
401003000			488,750,000.00	465,308,630.00	95.20
	401014610	Health Promotion	488,750,000.00	465,308,630.00	95.20
402003000			345,509,864.00	78,431,944.00	22.70
	402014610	Referral Services	345,509,864.00	78,431,944.00	22.7
403003000			2,749,541,415.00	1,540,023,665.70	56.0
	403014610	Health Policy, Planning and Financing	2,749,541,415.00	1,540,023,665.70	56.0
502003000			1,276,953,317.00	1,202,468,979.50	94.2
	502014610	Early Child Development and Education	1,276,953,317.00	1,202,468,979.50	94.2

701003000			1,095,609,385.75	643,521,009.00	58.7
	701014610	Administrative Services	264,026,087.00	78,806,428.00	29.9
	701044610	Coordination and Administrative Services	175,654,103.00	150,011,343.00	85.4
	701054610	Public Service and Field Administrative Services	364,011,189.75	361,020,390.00	99.2
	701084610	Board Management Services	291,918,006.00	53,682,848.00	18.4
702003000			1,206,176,271.00	842,891,659.00	69.9

Program	Sub Program	Description	Approved Budget KShs	Actual Expenditure KShs	Absorption Rate (%)
	702014610	Accounting services	289,374,260.00	127,223,083.00	44.0
	702024610	Resource Mobilization	466,041,607.00	395,389,441.00	84.9
	702034610	Budget Formulation, Coordination and Management	139,516,477.00	116,092,286.00	83.2
	702044610	Supply Chain Management Services	136,325,548.00	84,084,953.00	61.7
	702054610	Internal Audit Services	174,918,379.00	120,101,896.00	68.7
703003000			1,052,823,851.00	890,963,263.00	84.6
	703014610	Economic Planning Coordination	836,626,965.00	766,339,173.00	91.6
	703024610	Monitoring and Evaluation Services	216,196,886.00	124,624,090.00	57.6
704003000			150,547,988.00	57,754,734.00	38.4
	704024610	County Co-ordination Services	150,547,988.00	57,754,734.00	38.4
901003000			217,026,578.99	81,943,730.00	37.8
	901014610	Gender and Youth Development	17,449,139.00	602,200.00	3.5
	901024610	Social Assistance to Vulnerable Groups	7,787,741.00	1,641,700.00	21.0
	901034610	Development and Promotion of Culture	37,162,324.00	6,937,096.00	18.7
	901044610	Development and Management of sports facilities	53,265,145.99	38,803,595.00	72.9
	901054610	Sports Services	59,916,612.00	6,292,600.00	10.5
	901064610	Voluntary Training Services	41,445,617.00	27,666,539.00	66.8
1002003000			714,272,587.00	463,443,344.00	64.9
	1002014610	Forests Conservation and Management	714,272,587.00	463,443,344.00	64.9
		Grand Total	15,055,096,587.74	8,844,460,642.00	58.8

Source: Narok County Treasury

Sub-programmes with the highest levels of implementation based on absorption rates were: Public service and Field Administrative Services in the Department of Public Service Board at 99.2 per cent, Maintenance of Roads in the Department of Transport, Roads & Public Works at 98.3 per cent, Tourism Development & Promotions in the Department of Trade, Cooperative Development, Tourism & Wildlife at 97.4 per cent, and Health Promotions at 95.2 per cent of budget allocation.