



THE COUNTY GOVERNMENT OF NAROK
DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

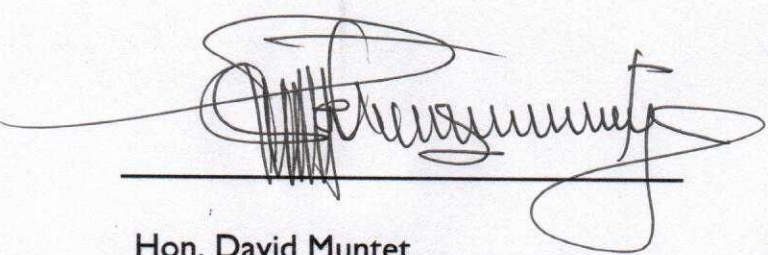
County Headquarter
Mau Narok Road, Narok Town
P.O. Box 898 20500
Narok, Kenya

Telephone: 020 26888929
Direct Line: 020 2688903
Website: www.narok.go.ke

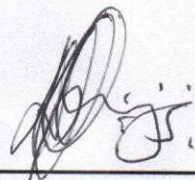
BUDGET IMPLEMENTATION REPORT

QUARTER 1 OF FINANCIAL YEAR 2024/2025

SEPTEMBER 30, 2024



Hon. David Muntet
County Executive Committee Member
Finance and Economic Planning



Peter Naingisa
Chief officer
Finance and Economic Planning

1.1. Budget Implementation

1.1.1 Overview of FY 2024/25 Budget

The Narok County approved FY 2024/25 budget is Kshs.15.68 billion. It comprised Kshs.5.16 billion (32.9 per cent) and Kshs.10.53 billion (67 per cent) allocations for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs. 697.33 million (5 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.5.10 billion and a recurrent budget of Kshs.9.89 billion.

The Narok County Government budget will be financed from different sources of revenue. These include Kshs.9.53 billion (61 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.12 billion as additional allocations and Kshs.4.98 billion (32 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.125.95 million (3 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.4.85 billion (98 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 1.

1.1.2 Revenue Performance

In the first quarter of FY 2024/25, the County received Kshs.3.76 billion to fund recurrent and development activities. The equitable share from the National Government was Kshs. 781.68 million, and the own source revenue (OSR) collection was Kshs. 2.98 billion.

The total OSR collection of Kshs. 2.98 billion comprises Facilities Improvement Financing (FIF) of Kshs.14.17 million and Kshs.2.97 million as ordinary OSR. Table 1 summarises the total revenue available to the county government during the first quarter of FY 2024/25 performance.

Table 1: Narok County, Revenue Performance in the First Quarter of FY 2024/25

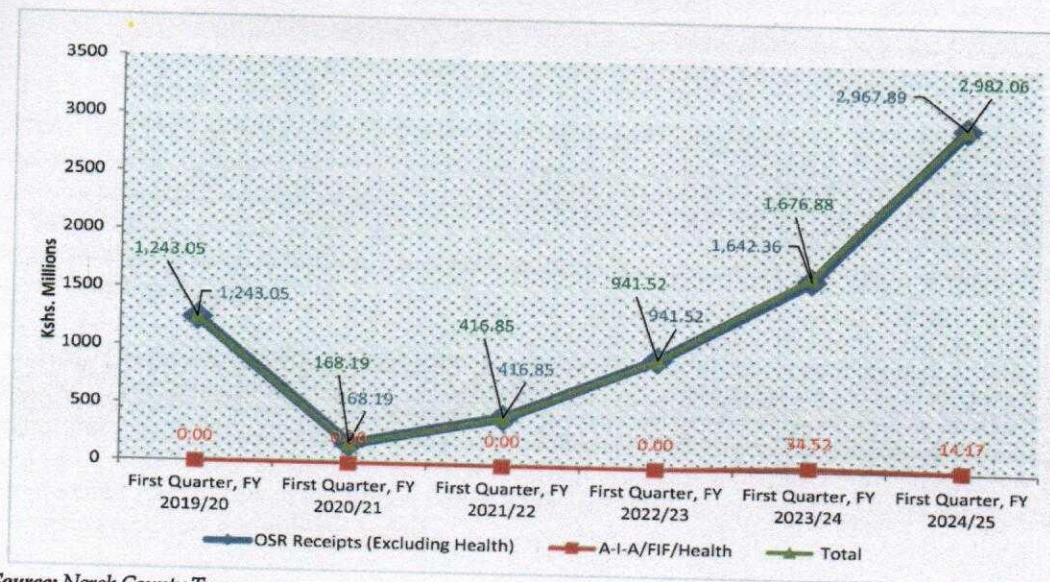
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	Equitable Share of Revenue Raised Nationally	9,531,074,923	781,683,536	8
	Subtotal			
B	Additional Allocations			
	Road Maintenance Fuel Levy (RMFL)	275,190,524	-	-
	Allocation for Mineral Royalties	12,708,046	-	-
	County Aggregated Industrial Park (CAIP)	250,000,000	-	-
	World Bank Loan- NAVCDP	151,515,152	-	-
	DANIDA Grant -PHC	12,382,500	-	-
	Kenya Agricultural Business Development Project (KABDP)	10,918,919	-	-
	Kenya Devolution Support Programme (KDSPII)	37,500,000	-	-
	Kenya Urban Support Programme (KUSP II) UIG	35,000,000	-	-
	Kenya Urban Support Programme (KUSP II) UDG	71,235,901	-	-
	Financing Locally Led Climate Action (FLLoCA) Dev	131,548,362	-	-
	Financing Locally Led Climate Action (FLLoCA) Rec	11,000,000	-	-
	Community Health Promoters (CHP) Projects	49,800,000	-	-
	UNFPA	7,400,000	-	-
	Kenya Devolution Support Programme (KDSP I B/F)	68,451,638	-	-
	Subtotal	1,124,651,042	-	-
C	Own Source Revenue			
	Ordinary Own Source Revenue	4,849,188,092	2,967,889,758	61
	Facility Improvement Fund (FIF)	125,951,908	14,168,574	11
	Subtotal	4,975,140,000	2,982,058,332	60
D	Other Sources of Revenue			
	Unspent balance from FY 2023/24	-	-	-
	Other Revenues (Library & Museum Ser- vices)	2,812,116	-	-
	Sub Total	2,812,116	-	-
Grand Total		15,633,678,081	3,763,741,868	24

Source: Narok County Treasury

The County has existing legislation governing the operation of the FIF, but it is in the process of being amended to align with the Facilities Improvement Financing Act of 2023.

Figure 1 shows the trend in own-source revenue collection from the First Quarter of FY 2018/19 to the First Quarter of FY 2024/25.

Figure 1: Trend in Own-Source Revenue Collection from the First Quarter of FY 2018/19 to the First Quarter of FY 2024/25



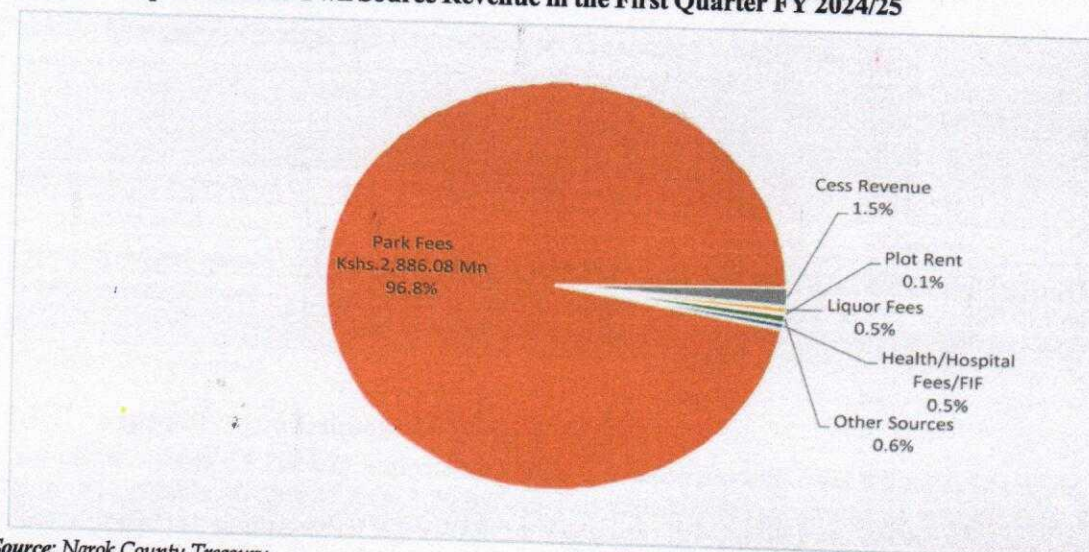
Source: Narok County Treasury

During the first quarter of FY 2024/25, the County generated Kshs.2.98 billion from its revenue sources, including AIA and FIF. This amount was an increase of 78 per cent compared to Kshs.1.68 billion realized in a similar period in FY 2023/24, which was 60 per cent of the annual target and 382 per cent of the equitable revenue share disbursed.

The OSR performance can be attributed to the following revenue mobilization strategies, among others: development of a Revenue Enhancement Action Plan (REAP) 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 FY 2024/25



Source: Narok County Treasury

The highest revenue stream, Kshs.2.89 billion, was from Masai Mara Game Park Fees after the Narok County Assembly increased fees from 80 Dollars to 200 Dollars through the Finance Act, contributing to 97 per cent of the total OSR receipts during the reporting period.

1.1.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.2.48 billion from the CRF account comprised Kshs.478.79 million (9 per cent) for development programmes and Kshs.4.73 billion (91 per cent) for recurrent programmes in the first quarter of FY 2024/25. Analysis of the recurrent exchequers released in the first three months of FY 2024/25 indicates that Kshs.836.54 million was released towards employee compensation, Kshs.1.17 billion for operations and maintenance expenditure and Kshs.478.79 million for development programmes.

1.1.4 County Expenditure Review

The County spent Kshs.2.48 billion on development and recurrent programmes in the reporting period. The expenditure represented 99.8 per cent of the total funds released by the CoB and comprised of Kshs. 477.28 million and Kshs.2 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 9 per cent, while recurrent expenditure represented 19 per cent of the annual recurrent expenditure budget.

1.1.5 Settlement of Pending Bills

The County reported pending bills amounting to Kshs 4.29 billion as of 30th June 2024, comprising pending payments by the County Executive of Kshs.4.26 billion and Kshs 29.48 million for the County Assembly.

The County executive's pending bills consist of Kshs.1.6 billion for recurrent expenditures and Kshs.2.66 billion for development expenditures. The County executive settled pending bills amounting to Kshs.2.77 billion in the reporting period, which consisted of Kshs. 581.59 million for recurrent expenditure and Kshs.2.19 billion for development programmes, while the County Assembly settled pending bills worth Kshs. 21.10 million. Therefore, the outstanding bills were Kshs.1.50 billion as of 30th September 2024.

1.1.6 Expenditure by Economic Classification

During the first quarter of FY 2024/25, the County Executive spent Kshs.792.96 million on employee compensation, Kshs.1.14 billion on operations and maintenance, and Kshs.477.28 million on development activities. Similarly, the County Assembly spent Kshs.43.59 million on employee compensation and Kshs.20.31 million on operations and maintenance, 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	9,615,979,104	911,000,000	1,935,083,021	63,895,178	20	7
Compensation to Employees	4,790,979,729	545,073,962	792,955,605	43,586,560	17	8
Operations and Maintenance	4,824,999,375	365,926,038	1,142,127,416	20,308,618	24	6
Development Expenditure	5,005,558,977	150,000,000	477,282,567	-	10	-
Total	14,621,538,081	1,061,000,000	2,412,365,588	63,895,178	17	6

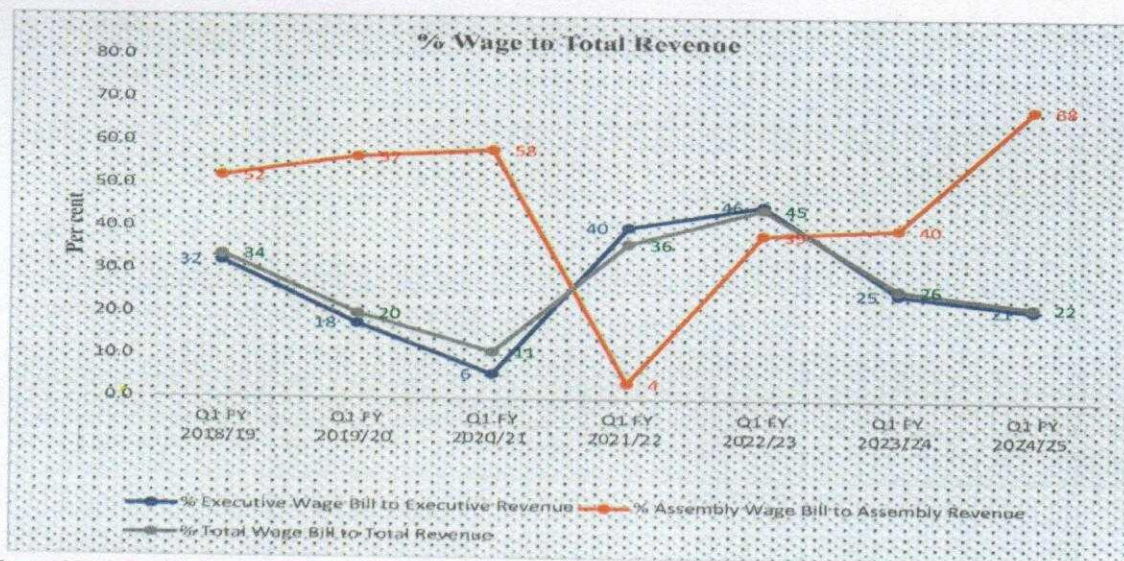
Source: Narok County Treasury

1.1.7 Expenditure on Employees' Compensation

In the first quarter of FY 2024/25, expenditure on employee compensation was Kshs.836.54 million, or 22.2 per cent of the available revenue of Kshs.3.76 billion. This expenditure represented an increase from Kshs.832.01 million reported in a similar period in FY 2023/24. The wage bill included Kshs.386.90 million paid to the health sector employees, translating to 46 per cent of the total wage bill.

Figure 3 shows the trend of personnel expenditures as a percentage of total revenue from the first quarter of FY 2017/18 to the first quarter of FY 2024/25.

Figure 3: Percentage of Wage Bill to Total Revenue from the First Quarter of FY 2018/19 to the First Quarter of FY 2024/25



Source: Narok County Treasury

Further analysis indicates that PE costs amounting to Kshs.834.59 million were processed through the Integrated Personnel and Payroll Database (IPPD) system while Kshs.1.95 million was processed through manual payrolls. The manual payrolls accounted for 0.2 per cent of the total PE cost.

The County Assembly spent Kshs.9.25 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.61,647 per MCA. The County Assembly had 21 House Committees.

1.1.8 County Emergency Fund and County-Established Funds

Section 116 of the PFM Act 2012 allows County Governments to establish other public funds with approval from the County Executive Committee and the County Assembly. The County allocated Kshs.786.49 million to county-established funds in FY 2024/25, or 5 per cent of the County's overall budget. Further, the County allocated Kshs.50 million to the Emergency Fund (0.3 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3 summarises 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 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Quarter of FY 2024/25 (Kshs.)	Actual Expenditure in First Quarter of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
County Executive Established Funds						
	County Executive Mortgage and Car Loan	120,000,000	-	-	-	No
	Emergency Fund	50,000,000	-	-	-	No

Narok and Kajiado Economic Bloc (NA- KAEB)	30,000,000	-	-	-	No
Bursary Fund	400,000,000	-	-	-	No
Climate Fund	157,000,000	-	-	-	No

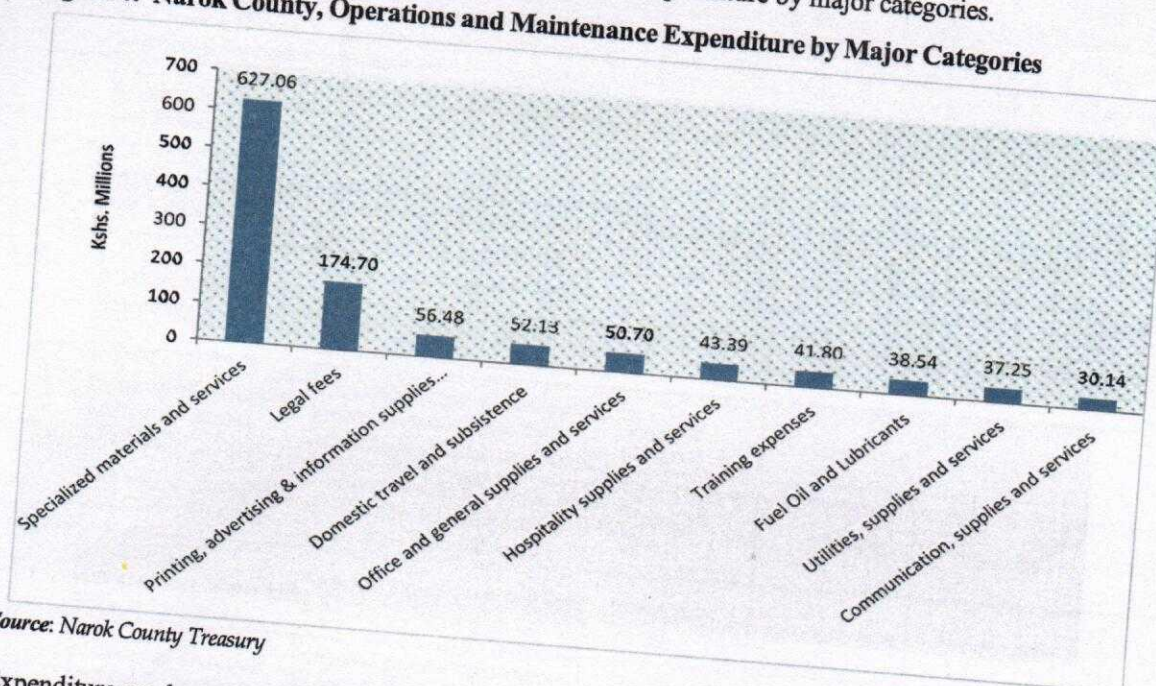
Sl No	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Quarter of FY 2024/25 (Kshs.)	Actual Expenditure in First Quarter of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	Liquor Fund	14,000,000	-	-	-	No
	County Assembly Established Funds					
	County Assembly Mortgage and Car Loan	15,488,000	-	-	-	No
	Total	786,488,000	-	-	-	No

Source: Narok County Treasury

1.1.9 Expenditure on Operations and Maintenance

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

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



Source: Narok County Treasury

Expenditure on domestic travel amounted to Kshs.52.13 million and comprised Kshs.18.71 million spent by the County Assembly and Kshs.33.42 million by the County Executive. Expenditure on foreign travel amounted to Kshs. 3.52 million, incurred entirely by the County Executive. Expenditure on foreign travel is summarised in Table 4

Table 4: Summary of Expenditure on Foreign Travel in the First Quarter of FY 2024/25

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	2	23rd to 27th September	Industrial Tour	Italy and Germany	1,899,180
County Executive	2	25th to 31st August	12th World Wilderness Congress	USA	1,616,220

Source: Narok County Treasury

The operations and maintenance costs include an expenditure of Kshs.174.70 million on legal fees.

1.1.10 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.14.17 million as FIF, which was 11 per cent of the annual target of Kshs.125.95 million. The collected amount was retained and utilised at the source per the Facility Improvement Financing Act of 2023.

1.1.11 Development Expenditure

In the First Quarter of FY 2024/25, the County reported spending Kshs.477.28 million on development programmes, representing a decrease 65 per cent decrease compared to a similar period in FY 2023/24, when the County spent Kshs.1.37 billion. 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 (%)
	Ministry of Education, Sports, Culture and Social Services	Proposed construction of ECDE classrooms and staff houses at Siana ward	Siana ward	18,500,200	16,286,700	88
	Ministry of Transport and Public Works	Proposed routine maintenance of County roads-Sikirar-Olopir-ik road-55kms	Ilmotook ward	16,779,400	13,925,800	82
	Ministry of Transport and Public Works	Proposed routine maintenance of County roads-Ngosuani-Nai-shi-Ole Moncho road-15kms	Siana ward	16,577,560	13,891,000	83
	Ministry of Health and Sanitation	Proposed drilling and equipping of boreholes in Ereret, Nairege Enkare, Sintakara, Oltang, Koja dispensary and Ole Keloi-Lot 42	Keekonyok- ie Ward	34,671,015	11,461,118	67
	Ministry of Transport and Public Works	Proposed routine maintenance of county roads-Koisagat-Kaboson-Arap Kaplelach road-4kms	Mogondo Ward	30,117,110	9,113,109	78
	Ministry of Transport and Public Works	Proposed routine maintenance of County roads-Oloonkabob-ok-Sankale road-9kms	Ildamat Ward	17,957,960	8,908,800	50
	Ministry of Environment, Water and Natural Resources	Proposed construction and fencing of Nylon water pan -Lot 52.2	Kapsasian Ward	7,456,490	7,456,490	100
	Ministry of Transport and Public Works	Proposed routine maintenance of county roads-Aitong-Endonyo-Erinka-Ilchorroi road	Mara Ward	15,787,310	6,614,710	98
	Ministry of Health and Sanitation	Proposed construction of a maternity wing at Tororet dispensary	Kilgoris Central Ward	15,674,822	4,646,821	95
	Ministry of Transport and Public Works	Proposed routine maintenance of county roads-Topoti-Narianta road-10km	Mara Ward	7,324,565	3,362,167	45

Source: Narok County Treasury

1.1.12 Budget Performance by Department

Table 6 summarises the approved budget allocation, expenditure and absorption rate by departments in the first three months of FY 2024/25.

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 (%)
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	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County assembly	223.88	37.50	63.90	-	63.90	-	100.0	-	28.5	-
County Executive	321.74	-	212.90	-	81	-	38.0	-	25.2	-
Finance & Economic Planning	1,651.60	125.11	896.73	10	368.42	10	41.1	100.0	22.3	8.0
Transport and Public Works	311.17	1,303.19	152.85	296.67	32.76	295.67	21.4	99.7	10.5	22.7
Education, Youth, Sports, Culture and Social Services	1,611.51	436	390.49	38.89	120.80	-38.80	30.9	63.6	7.5	8.9
Environment Protection, Energy, Water & Natural Resources	388.39	599.50	117.15	61.01	57	61	48.7	-	14.7	10.2
Public Service Board	102.34	-	47.91	-	22.10	-	46.1	-	21.6	-
Agriculture, Livestock & Fisheries	447.04	615.42	70.27	1.89	22.45	1.80	31.9	95.3	5.0	0.3
Health & Sanitation	2,841.27	481.09	1,567.28	70.33	729	70.01	46.5	99.5	25.7	14.6
Lands Housing Physical Planning & Urban Development	114.1	127	54.34	-	14.32	-	26.4	-	12.6	-
Narok Municipality	104.01	135	35.75	-	10.02	-	28.0	-	9.6	-
Kilgoris Municipality	9.67	45	1.25	-	1.25	-	100.0	-	12.9	-
ICT & E-Government	123.33	318	84	-	42	-	50.0	-	34.1	-
Administration And Public Services Management	916.65	150	446.22	-	185.76	-	41.6	-	20.3	-
Trade, Industry and Cooperative Development	580.11	670.25	533.79	-	226.14	-	42.4	-	39.0	-
Office of the County Attorney	93.04	-	56.02	-	22.06	-	39.4	-	23.7	-
TOTAL	9,839.86	5,043.06	4,730.86	478.79	1,998.98	477.28	42.3	99.7	20.3	9.5

Source: Narok County Treasury

Analysis of expenditure by departments shows that the Department of Transport and Public Works recorded the highest absorption rate of the development budget at 23 per cent, followed by the Department of Health & Sanitation at 15 per cent. The Department of Trade, Industry and Cooperative Development had the highest percentage of recurrent expenditure to budget at 39 per cent, while the Department of Agriculture, Livestock & Fisheries had the lowest at 5 per cent.

1.1.13 Budget Execution by Programmes and Sub-Programmes

Table 7 summarises the budget execution by programmes and sub-programmes in the First Quarter of FY 2024/25.

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

Program	Sub Program	Approved Budget (Kshs.)	Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)	Rate
102004610	Crop Development and Management	800,070,821		24,333,426		3
	Crop Productivity Improvement	800,070,821		24,333,246		3
103004610	Livestock Resources management and development	214,059,898				0
	Livestock Pests & Disease Management & Control	113,236,103				0
	Livestock Information Management	100,823,795		0		0

Program	Sub Program	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)	Rate
104004610	Fisheries Development and Management	48,328,512	0	0	
	Fish Products Production	48,328,512	0	0	
105004610	Land Policy and Planning	44,403,099		0	
	Development Planning and Land Reforms	44,403,099		0	
106004610	Housing Development and Human Settlement	196,692,757	25,589,729		13
	Housing Development	196,692,757	25,589,729		13
107004610	Urban Mobility and Transport	293,680,395	11,270,000		4
	Narok Municipality Planning & Infrastructure Development	239,010,064	10,020,000		4
	Kilgoris Municipality Planning & Infrastructure Development	54,670,331	1,250,000		2
201004610	Roads Transport and Public Works	1,614,361,428	329,428,564		20
	General Administration, Planning and Support Services	67,185,299	10,636,220		16
	Construction of Roads and Bridges	1,479,389,344	313,932,613		21
	Maintenance of Roads	67,786,785	4,859,731		7
202004610	ICT Services	441,325,223	42,000,000		10
	ICT Infrastructure Development	441,325,223	42,000,000		10
301004610	General Administration and Support Services	699,196,845			0
	Administrative Services	9,435,168	0		0
	Cooperative Development & Management	34,656,100			0
	Trade Development and Promotion	655,105,577			0
303004610	Tourism Development and Promotion	450,913,688	226,142,960		50
	Tourism Promotion and Marketing	450,913,688	226,142,960		50
306000000	Tourism Development and Promotion	100,249,999	0		0
	Tourism Infrastructure Development	100,249,999	0		0
401004610	Preventive & Promotive Health Services	481,094,035	0		0
	Health Promotion	481,094,035	0		0
402004610	Curative Health Services	488,124,894	0		0
	Referral Services	488,124,894	0		0
403004610	General Administration, Planning & Support Services	2,353,149,416	799,330,069		34
	Health Policy, Planning and Financing	2,353,149,416	799,330,069		34
502004610	Manpower Development, Employment and Productivity Management	1,730,459,500	159,686,713		9
	Early Child Development and Education	1,730,459,500	159,686,713		9

701004610	General Administration, Planning and Support Services	2,494,774,787	374,820,688	15
	Administrative Services	772,161,124	63,626,731	8

Program	Sub Program	Approved Budget (Kshs.)	Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)	Rate
	Coordination and Administrative Services	762,391,556		277,509,986		36
	Public Service and Field Administrative Services	857,878,831		11,581,018		1
	Board Management Services	102,343,276		22,102,953		22
702004610	Public Finance Management	904,925,076		378,423,683		42
	Accounting services	84,691,636		33,826,546		40
	Resource Mobilization	466,041,607		201,228,598		43
	Budget Formulation, Coordination and Management	51,518,543		28,340,327		55
	Supply Chain Management Services	231,623,633		82,090,950		35
	Internal Audit Services	71,049,657		32,937,261		46
703004610	Economic Policy and County Planning	871,784,883		0		0
	Economic Planning Coordination	719,451,966		0		0
	Monitoring and Evaluation Services	152,332,917		0		0
704004610	Legislation and Representation	150,000,000		0		0
	County Co-ordination Services	150,000,000		0		0
901004610	Social Development and Children Services	317,053,985		0		0
	Gender and Youth Development	50,776,983		0		0
	Social Assistance to Vulnerable Groups	21,212,256		0		0
	Development And Promotion Of Culture	36,332,668		0		0
	Development and Management of sports facilities	31,000,000		0		0
	Sports Services	89,764,363		0		0
	Voluntary Training Services	87,967,715		0		0
1002004610	Environment Management and Protection	987,888,840		118,009,842		12
	Grand Total	15,682,538,081		2,477,765,674		16

Source: Narok County Treasury

Based on absorption rates, the sub-programmes with the highest implementation levels were Tourism Development and Promotion, at 50 per cent; Public Finance Management in the Department of Finance & Economic Planning, at 42 per cent; and General Administration, Planning & Support Services in the Department of Health, at 34 per cent.