



NAROK COUNTY GOVERNMENT

COUNTY TREASURY

FINANCIAL YEAR 2023/2024 BUDGET IMPLEMENTATION REVIEW REPORT FOR FOURTH QUARTER

JUNE, 2024

Overview of FY 2023/24 Budget

The County's approved supplementary budget No.2 for FY 2023/24 was Kshs.14.99 billion, comprising Kshs.5.10 billion (34.0 per cent) and Kshs.9.89 billion (66.0 per cent) allocation for development and recurrent programmes. The approved budget estimates represented an increase of 0.03 per cent compared to the previous financial year when it was Kshs.14.98 billion, comprised of Kshs.4.83 billion for development expenditure and Kshs.10.15 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.9.20 billion (61.4 per cent) as the equitable share of revenue raised nationally, Kshs.760.33 million (5.1 per cent) as additional allocations/conditional grants, a cash balance of Kshs.0.57 million (0 per cent) brought forward from FY 2022/23, and generate Kshs.5.02 billion (33.5 per cent) as gross own source revenue. The own source revenue includes Kshs.44.0 million (0.3 per cent) as Appropriations-in-Aid (A-I-A), Kshs.120.95 million (0.8 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.4.86 billion (32.4 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 1

1.1.1 Revenue Performance

In the FY 2023/24, the County received Kshs.8.46 billion as an equitable share of the revenue raised nationally, Kshs.429.41 million as additional allocations/conditional grants, a cash balance of Kshs.0.57 million from FY 2022/23 and raised Kshs.4.78 billion as own-source revenue (OSR). The raised OSR includes Kshs.27.78 million as A-I-A, Kshs.59.48 million as FIF and Kshs.4.69 billion as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.13.67 billion, as shown in Table 1.

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

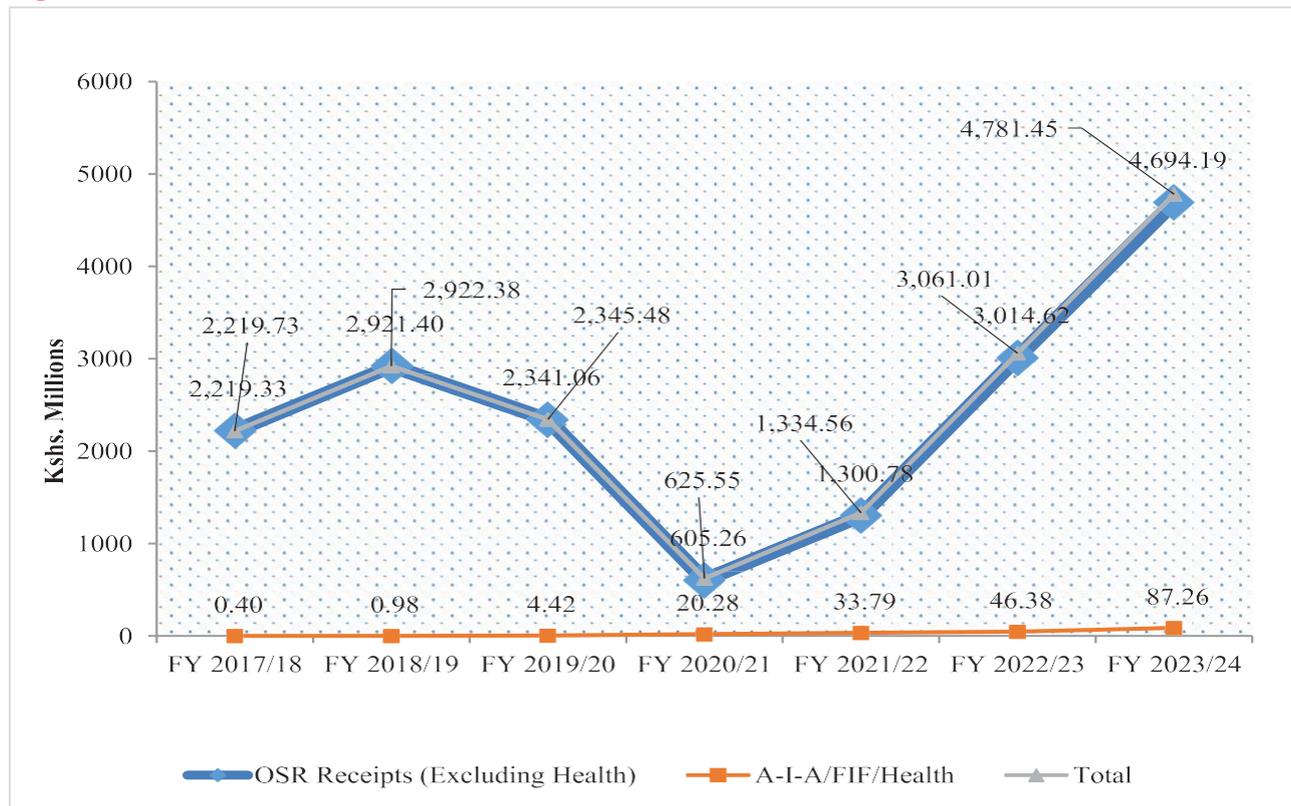
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	Equitable Share of Revenue Raised Nationally	9,196,276,899.00	8,460,574,742.00	92.0
	Library	4,956,754.00	-	-
	Sub total	9,201,233,653.00	8,460,574,742.00	92.0
B	Additional Allocations/Conditional Grants			
	Allocation for Mineral Royalties	27,206,336	-	-
	De-Risking and Value Enhancement - DRIVE	63,341,980	-	-
	Livestock Value Chain Support Projects	35,809,200	-	-
	Fertilizer Subsidy Programme	135,733,204	-	-
	World bank Loan- National Agri & Rural Growth	5,000,000	4,261,825.85	85.2
	World bank Loan- NAVCDP	200,000,000	199,802,247.65	99.9
	DANIDA Grant -PHC	14,668,500	14,668,500.00	100.0
	Agricultural Sector Development Support Program (ASDSP)	1,119,636	1,619,636.00	144.7
	Financing Locally-Led Climate Action (FLLoCA - INV)	198,000,000	198,053,490.00	100.0
	Financing Locally-Led Climate Action (FLLoCA - CB)	11,000,000	11,000,000.00	100.0
	B/F Grants-KDSP	68,451,638	-	-
	Subtotal	760,330,494	429,405,700	56.5
C	Own Source Revenue			
	Ordinary Own Source Revenue	4,858,121,756	4,694,190,690	96.6
	Appropriation in Aid (A-I-A)	44,000,000	27,777,454	63.1
	Facility Improvement Fund (FIF)	120,951,908	59,479,796	49.2
	Subtotal	5,023,073,664	4,781,447,940	95.2
D	Other Sources of Revenue			
	Unspent balance from FY 2022/23	568,277	568,277	-
	Other Revenues	-	-	-
	Sub Total	568,277	568,277	
	Grand Total	14,985,206,088	13,671,996,658	91.2

Source: Narok County Treasury

The County has governing legislation on the operation of ordinary A-I-A and FIF.

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

Figure 1: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24.



Source: Narok County Treasury

In FY 2023/24, the County generated a total of Kshs.4.78 billion from its revenue sources, inclusive of FIF and AIA. This amount represented an increase of 56.2 per cent compared to Kshs.3.06 billion realized in a similar period in FY 2022/23. It was 95.2 per cent of the annual target and 56.5 per cent of the equitable revenue share disbursed during the period.

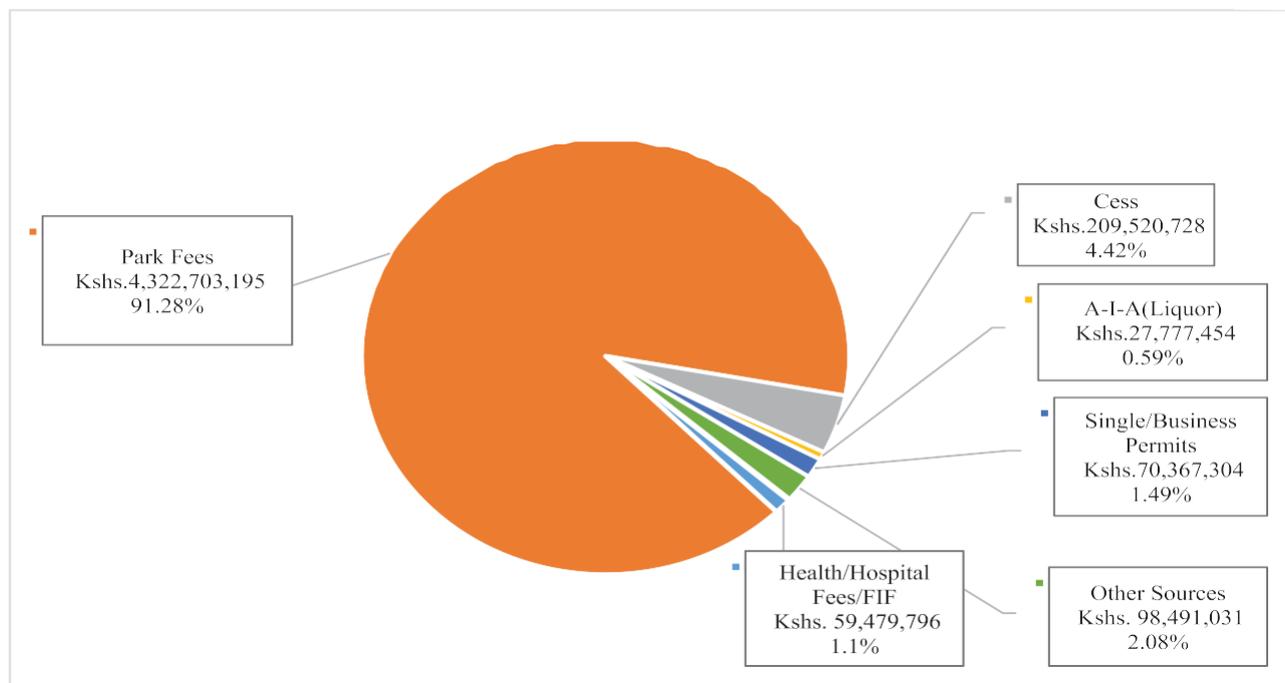
This increase of OSR by 56.2 per cent can be attributed to the following: -

The county was among the first few counties assessed using the Tax Administration Diagnostic Assessment Tool (TADAT) in April 2022. Upon training, assessment and the release of the report, a secretariat was established to develop a Revenue Enhancement Action Plan (REAP) focusing on the priority areas that needed improvement (based on the TADAT performance assessment report). The REAP covered the period between 2022- 2027. Among the revenue strategies implemented during the period were;

- a) *Development of finance policies and regulations in line with the Narok County Government Finance Act, 2022/23.*
- b) *Automation of other revenue outside Maasai Mara National Game Reserve.*
- c) *Stag re-alignment & capacity building.*
- d) *Employment of new stag.*
- e) *Revenue targets cascaded from the Directorate to Sub County Revenue Officers level 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 FY 2023/24.



Source: Narok County Treasury

The highest revenue stream, Kshs.4.32 billion, was from Park Fees, which contributed 91.3 per cent of the total OSR receipts during the reporting period.

1.1.2 Exchequer Issues

During the reporting period, approved withdrawals of Kshs.13.53 billion from the CRF account, comprising Kshs.4.60 billion (34.0 per cent) for development programmes and Kshs.8.93 billion (66.0 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in FY 2023/24 indicates that Kshs.4.37 billion was released towards Employee Compensation and Kshs.4.56 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of FY 2023/24 was Kshs.13.02 million.

1.1.3 County Expenditure Review

The County spent Kshs.13.53 billion on development and recurrent programmes in the reporting period. The expenditure represented 90.3 per cent of the total funds released by the CoB and comprised Kshs.4.60 billion and Kshs.8.93 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 90.3 per cent, while recurrent expenditure represented 90.3 per cent of the annual recurrent expenditure budget.

1.1.4 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 Kshs.587.86 million for recurrent expenditures and Kshs.975.76 million for development activities. In FY 2023/24, the County settled pending bills amounting to Kshs.798.98 million. Therefore, as of the end of FY 2023/24, the outstanding amount was Kshs.764.64 million.

1.1.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.3.89 billion on employee compensation, Kshs.4.20 billion on operations and maintenance, and Kshs.4.57 billion on development activities. Similarly, the County Assembly spent Kshs.480.48 million on employee compensation, Kshs.353.53 million on operations and maintenance, and Kshs.30.95 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	8,976,482,383	911,000,000	8,094,346,106	834,016,414	90.2	91.5
Compensation to Employees	4,388,739,311	534,916,144	3,891,447,141	480,480,650	88.7	89.8
Operations and Maintenance	4,587,743,072	376,083,856	4,202,898,965	353,535,764	91.6	94.0
Development Expenditure	5,047,723,705	50,000,000	4,571,396,793	30,950,021	90.6	61.9
Total	14,024,206,088	961,000,000	12,665,742,899	864,966,435	90.3	90.0

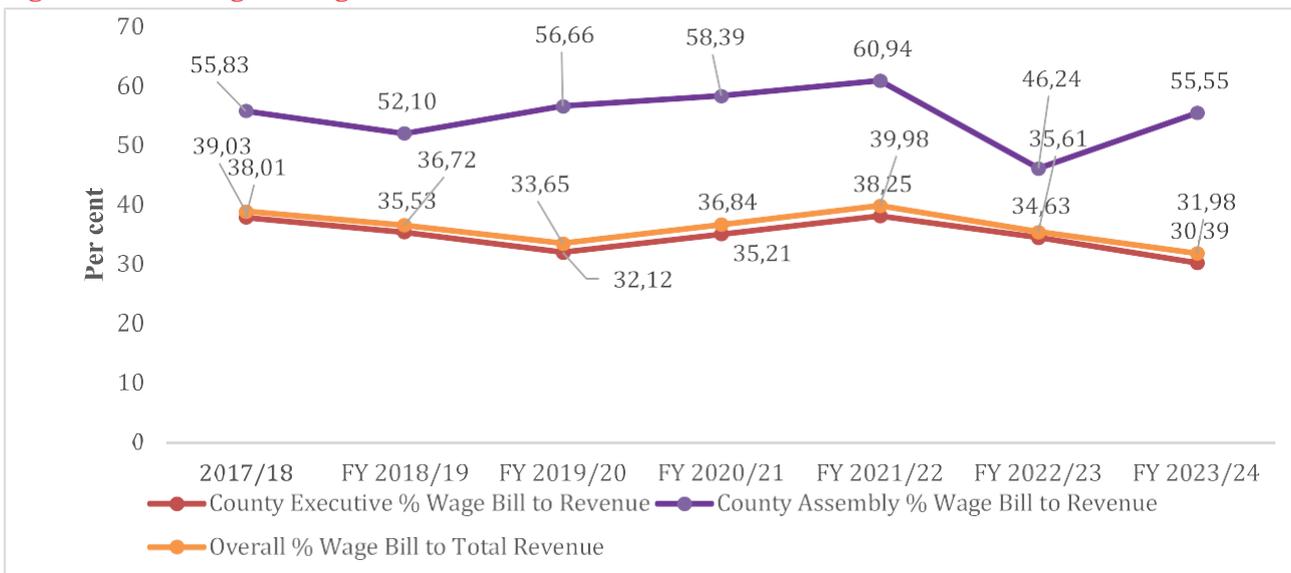
Source: Narok County Treasury

1.1.6 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.4.37 billion, or 32.0 per cent of the available revenue, which amounted to Kshs.13.67 billion. This expenditure represented a decrease from Kshs.4.61 billion reported in a similar period in FY 2022/23. The wage bill included Kshs.1.57 billion paid to health sector employees, translating to 35.9 per cent of the total wage bill.

Figure 3 shows the trend of personnel expenditures as a percentage of total revenue from FY 2017/18 to FY 2023/24.

Figure 3: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Narok County Treasury

Further analysis indicates that PE costs amounting to Kshs.3.86 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.507.50 million was processed through manual payrolls. The manual payrolls accounted for 11.6 per cent of the total PE cost.

The County Assembly spent Kshs.31.68 million on committee sitting allowances for the 50 MCAs against the annual budget allocation of Kshs.34.81 million. The average monthly sitting allowance was Kshs.52,797 per MCA. The County Assembly has established 21 Committees.

1.1.7 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.582.75 million

to county-established funds in FY 2023/24, constituting 3.9 per cent of the County’s overall budget. Table 3.223 summarises each established Fund’s budget allocation and performance during the reporting period.

Table 3 summarizes each established Fund's budget allocation and performance during the reporting period.

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

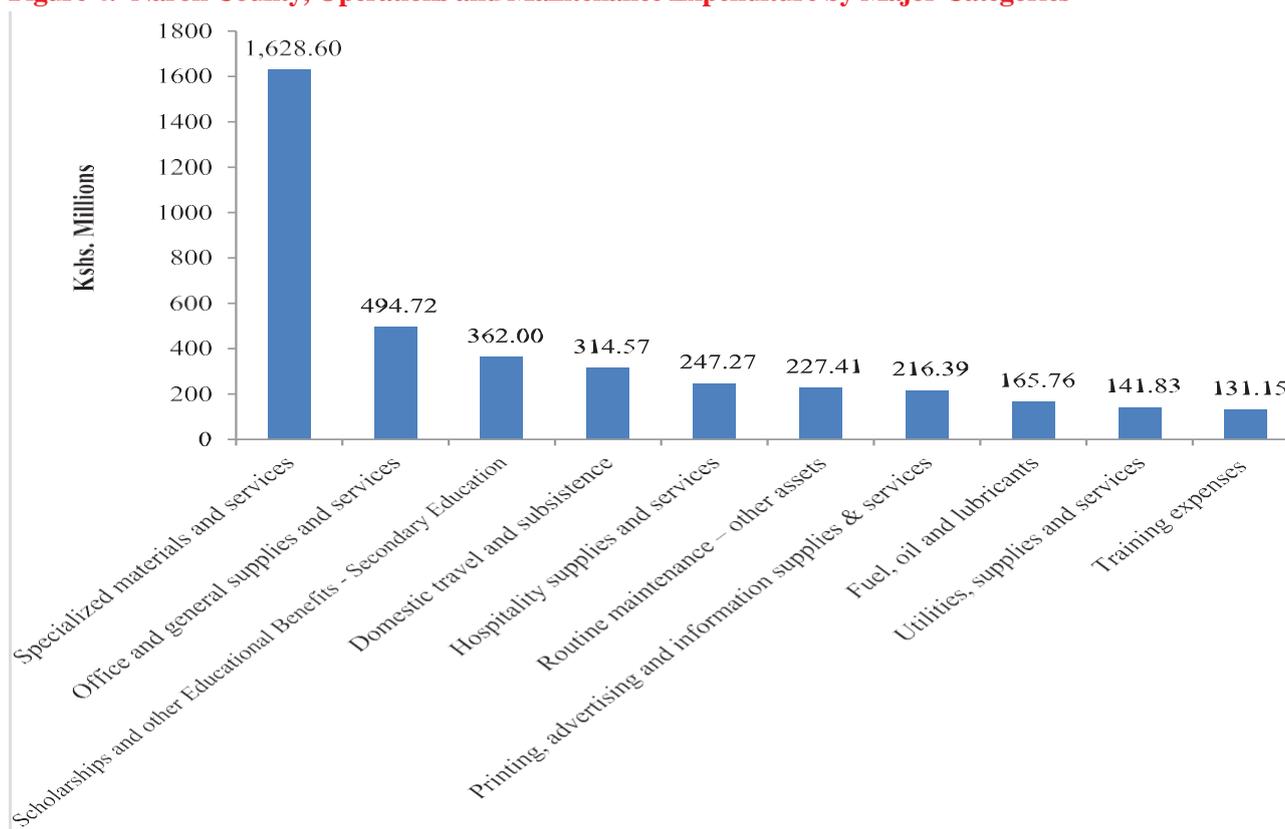
S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 30th June 2024 (Yes/No.)
	Scholarships and Other Educational Benefits (Bursary).	400,185,364	362,000,000	362,000,000	No
	Capital Grants and Transfer (To Maasai Mara Community Support Fund.	-	-	-	No
	Narok Kajiado Economic Block (NAKAEB) & Emergency Fund	74,468,902	24,251,066	24,251,066	No
	Car loans & Mortgage for Members of Assembly and staff	108,098,000	90,000,000	90,000,000	No
	Total	582,752,266.00	-	-	

Source: Narok County Treasury

1.1.8 Expenditure on Operations and Maintenance

Figure 4 summarizes 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.314.57 million and comprised Kshs.119.06 million spent by the County Assembly and Kshs195.51 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 summarized in Table 4 below; -

Table 4: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024.

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 th – 16 th Sept,2023	To attend Mara Day celebration at Serengeti District	Tanzania	3,100,000.0
County Executive	8 Officers	13 th – 16 th Sept,2023	To attend the Mara Day celebration at Serengeti District	Tanzania	2,900,700
County Executive	9 Officers	13 th – 16 th Sept,2023	To attend the Mara Day celebration at Serengeti District	Tanzania	2,973,000
County Executive	8 Officers	3 rd – 12 September,2023	To attend Paralympic games	Accra, Ghana	2,507,910
County Executive	3 Officers	5 th – 11 th July,2023	To attend LGT venture philanthropy training	Tanzania	962,930
County Executive	1 Officer	25 – 28 th Sept, 2023	Climate Technology Show in London	London	861,323
County Executive	Two officers	18 th – 26 th March, 2024	Magical Kenya Real Deal Roadshow	USA	1,844,000
County Executive	2 Officers	4 th – 8 th March, 2024	ICPAK leadership summit	Dubai	1,683,885
County Executive	4 Officers	18 th – 26 th March, 2024	Magical Kenya Real Deal Roadshow	USA	3,958,650
County Executive	1 Officer	11 th – 18 th March, 2024	Africa Gaming Expo	Nigeria	1,144,496

Source: Narok County Treasury and Narok County Assembly

The operations and maintenance costs include an expenditure of Kshs.83.02 million on garbage collection and Kshs.190.73 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

1.1.9 Development Expenditure.

In FY 2023/24, the County reported spending Kshs.4.60 billion on development programmes, representing an increase of 46.1 per cent compared to FY 2022/23, when the County spent Kshs.3.15 billion. The table 5 below 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 (%)
Transport	Purchase of Earth Moving Equipments	Narok North	1,487,932,072	1,420,642,244.00	95.5
Health	Mechanical Works at North	Narok North	118,916,769	118,916,769.00	100.0
Roads	Maintenance of Esupetai-oloorgila Road	Narok South	33,986,400	32,277,080.00	95.0
Roads	Maintenance of Olchobosei-Kabuson Road	Trans Mara East	24,527,060	22,124,484.00	90.2
Environment	Construction of Suswa Dry Port Water Supply	Narok East	71,129,003.40	71,129,003.40	100.0
Health	Construction of Various Dispensaries in Narok North Sub-County	Narok North	41,278,106	37,054,918	89.8
Education	Construction of Ecde Classrooms in lot 25 in Naroosura	Narok South	42,517,610.40	39,663,621.40	93.3
Health	Construction of Opd& mch at Oleleshwa Dispensary	Narok North	59,811,168.60	36,786,354.70	61.5
Trade	Construction of a Cattle and Sheep Sale Yard at Aitong Market	Narok West	47,272,968.00	26,118,628.00	55.3
Administration	Construction of Trans Mara South Sub County Hqs	Narok South	22,840,740	19,772,439.35	86.6

Source: Narok County Treasury

Budget Performance by Department

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

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

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	911.00	50.00	834.02	30.95	834.02	30.95	100.0	100.0	91.5	61.9
County Executive	303.76	-	268.78	-	268.78	-	100.0	-	88.5	-
Finance & Economic Planning	1,731.59	156.65	1,571.78	82.12	1,571.78	82.12	100.0	100.0	90.8	52.4
Transport and Public Works	296.81	2,177.15	253.54	2,176.57	253.54	2,176.57	100.0	100.0	85.4	100.0
Education, Youth, Sports, Culture and Social Services	1,495.89	395.08	1,411.31	371.65	1,411.31	371.65	100.0	100.0	94.3	94.1
Environment Protection, Energy, Water & Natural Resources	373.92	553.01	345.12	420.97	345.12	420.97	100.0	100.0	92.3	76.1
Public Service Board	90.40	-	84.83	-	84.83	-	100.0	-	93.8	-
Agriculture, Livestock & Fisheries	368.54	819.72	308.43	577.35	308.43	577.35	100.0	100.0	83.7	70.4
Health & Sanitation	2,766	494.30	2,609.59	493.79	2,609.59	493.79	100.0	100.0	94.4	99.9
Lands Housing Physical Planning & Urban Development	219.27	169.82	192.95	169.82	192.95	169.79	100.0	100.0	88.0	100.0
ICT & E-Government	108.76	5.00	102.82	2.16	102.82	2.16	100.0	100.0	94.5	43.2
Administration And Public Services Management	604.10	150.55	511.27	150.55	511.26	150.55	100.0	100.0	84.6	100.0
Trade, Industry and Cooperative Development	562.73	126.45	388.56	126.45	388.56	126.45	100.0	100.0	69.0	100.0
Office of the County Attorney	55.15	-	45.37	-	45.37	-	100.0	-	82.3	-
Total	9,887	5,098	8,928	4,602	8,928	4,602	100.0	100.0	90.3	90.3

Source: Narok County Treasury

Analysis of expenditure by departments shows that four Departments recorded the highest absorption rate of development budget at 100 per cent, followed by the Department of Health & Sanitation at 99.9 per cent. The Department of ICT & E-Government had the highest percentage of recurrent expenditure to budget at 94.5 per cent while the Department of Trade, Industry and Cooperative Development had the lowest at 69.0 per cent.

The recurrent expenditure allocation for the Assembly and the Executive is within the ceilings in CARA, 2023.

1.1.10 Budget Execution by Programmes and Sub-Programmes

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

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

Program	Sub Program	Description	Approved Estimates (Kshs.)	Actual Expenditure (Kshs.)	Absorption Rate (%)
102003000			673,073,004	655,763,773	97.4
	102024610	Crop Productivity Improvement	673,073,004	655,763,773	97.4
103003000			169,790,126	160,928,069	94.8

Program	Sub Program	Description	Approved Estimates (Kshs.)	Actual Expenditure (Kshs.)	Absorption Rate (%)
	103014610	Livestock Pests & Disease Management & Control	66,673,834	59,448,527	89.2
	103074610	Livestock Information Management	103,116,292	101,479,542	98.4
104003000			58,337,187	2,385,880	4.1
	104014610	Fish Products Production	58,337,187	2,385,880	4.1
105003000			47,881,099	46,357,249	96.8
	105014610	Development Planning and Land Reforms	47,881,099	46,357,249	96.8
106003000			165,126,655	102,996,000	62.4
	106014610	Housing Development	165,126,655	102,996,000	62.4
107003000			309,856,765	303,232,032	97.9
	107014610	Metropolitan Planning & Infrastructure Development	309,856,765	303,232,032	97.9
201003000			1,751,934,137	1,643,254,591	93.8
	201014610	General Administration, Planning and Support Services	75,139,698	70,158,668	93.4
	201024610	Construction of Roads and Bridges	1,594,918,318	1,498,836,379	94.0
	201034610	Maintenance of Roads	81,876,121	74,259,544	90.7
202003000			144,260,000	131,494,351	91.2
	202014610	ICT Infrastructure Development	144,260,000	131,494,351	91.2
208000000		Information And Communication Services	59,150,000	43,000,500	72.7
	208049999	E-Government Services	59,150,000	43,000,500	72.7
301003000			657,034,399	637,671,646	97.1
	301014610	Administrative Services	6,385,168	5,185,160	81.2
	301024610	Cooperative Development & Management	19,774,463	18,255,316	92.3
	301034610	Trade Development and Promotion	630,874,768	614,231,170	97.4
303003000			468,471,796	415,962,930	88.8
	303014610	Tourism Promotion and Marketing	468,471,796	415,962,930	88.8
306000000		Tourism Development and Promotion	75,249,999	-	-
	306039999	Tourism Infrastructure Development	75,249,999	-	-
401003000			488,750,000	413,217,593	84.5
	401014610	Health Promotion	488,750,000	413,217,593	84.5
402003000			356,111,363	354,179,824	99.5
	402014610	Referral Services	356,111,363	354,179,824	99.5
403003000			2,499,541,415	2,458,961,121	98.4
	403014610	Health Policy, Planning and Financing	2,499,541,415	2,458,961,121	98.4
502003000			1,537,090,804	1,463,549,380	95.2
	502014610	Early Child Development and Education	1,537,090,804	1,463,549,380	95.2
701003000			1,261,025,685	1,066,797,753	84.6
	701014610	Administrative Services	400,646,203	316,731,229	79.1
	701044610	Coordination and Administrative Services	413,483,334	340,037,259	82.2
	701054610	Public Service and Field Administrative Services	318,218,144	294,092,890	92.4
	701084610	Board Management Services	128,678,004	115,936,375	90.1

Program	Sub Program	Description	Approved Estimates (Kshs.)	Actual Expenditure (Kshs.)	Absorption Rate (%)
702003000			1,036,120,489	883,830,913	85.3
	702014610	Accounting services	110,144,260	109,153,674	99.1
	702024610	Resource Mobilization	487,459,616	470,354,209	96.5
	702034610	Budget Formulation, Coordination and Management	98,277,686	96,661,750	98.4
	702044610	Supply Chain Management Services	154,915,548	135,058,244	87.2
	702054610	Internal Audit Services	85,323,379	72,603,036	85.1
703003000			1,161,783,851	856,896,233	73.8
	703014610	Economic Planning Coordination	836,626,965	779,611,540	93.2
	703024610	Monitoring and Evaluation Services	85,323,379	77,284,693	90.6
704003000			170,660,000	92,262,141	54.1
	704024610	County Coordination Services	170,660,000	92,262,141	54.1
901003000			1,179,684,727	1,012,419,682	85.8
	901014610	Gender and Youth Development	328,649,139	305,681,936	93.0
	901024610		219,287,741	201,648,600	92.0
	901034610	Development and Promotion of Culture	127,304,878	96,543,496	75.8
	901044610	Development of Social Assistance to Vulnerable Groups and Management of sports facilities	167,000,000	128,212,575	76.8
	901054610	Sports Services	192,423,612	173,181,680	90.0
	901064610	Voluntary Training Services	145,019,357	107,151,395	73.9
1002003000			714,272,587	695,547,674	97.4
	1002014610	Forests Conservation and Management	714,272,587	695,547,674	97.4
		Grand Total	14,985,206,088	13,530,709,334	90.3

Source: Narok County Treasury

The sub-programmes with the highest implementation levels based on absorption rates were Referral Services in the Department of Health & Sanitation at 99.5 per cent, Accounting services in the Department of Finance at 99.1 per cent, Livestock Information Management in the Department of Agriculture, Livestock & Fisheries at 98.4 per cent, and Metropolitan Planning & Infrastructure Development at 97.9 per cent of budget allocation.