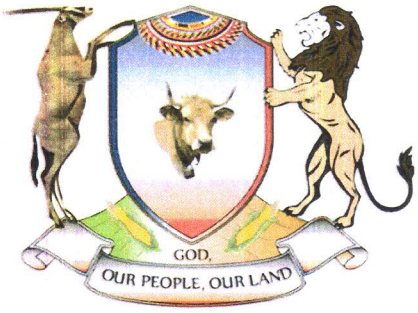
SAMBURU COUNTY GOVERNMENT



BUDGET IMPLEMENTATION REVIEW REPORT

FIRST HALF

FY 2019/20

FEBRUARY, 2020

PREFACE

I am honored to present the half year County Government Budget Implementation Review Report (CBIRR) for FY 2019/20. This report presents the progress made in budget implementation by the County for the period July to December, 2019. The analyses and information presented in this report is based on financial reports submitted by various departments to the County Treasury, the approved County Government budget, and the report generated from the Integrated Financial Management Information System (IFMIS). The analyses and findings are anchored on provisions of the Constitution of Kenya 2010, the Public Finance Management (PFM) Act, 2012, and best practice in public financial management. The report also highlights the achievements and challenges encountered during the reporting period and further contains recommendations to address the challenges.

Preparation of this report has been made possible by the concerted efforts of the staff from the County departments. As such, I am particularly, grateful to the staff in the Budget office and the County Treasury for their contribution towards the preparation of this report.

This report is intended to inform stakeholders, policy makers, analysts and members of the public on the status of the County budget implementation. I urge all readers to continually take interest in budget implementation, and also implore the County departments to publicly avail information on budget implementation in order to enhance accountability and openness in the use of public resources.

SAMBURU COUNTY GOVERNMENT
10 MAR 2020
P O Box 3-20600, MARALAL
CEC FINANCE, ICT AND ECONOMIC PLANNING

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CECM – FINANCE, ECONOMIC PLANNING AND ICT

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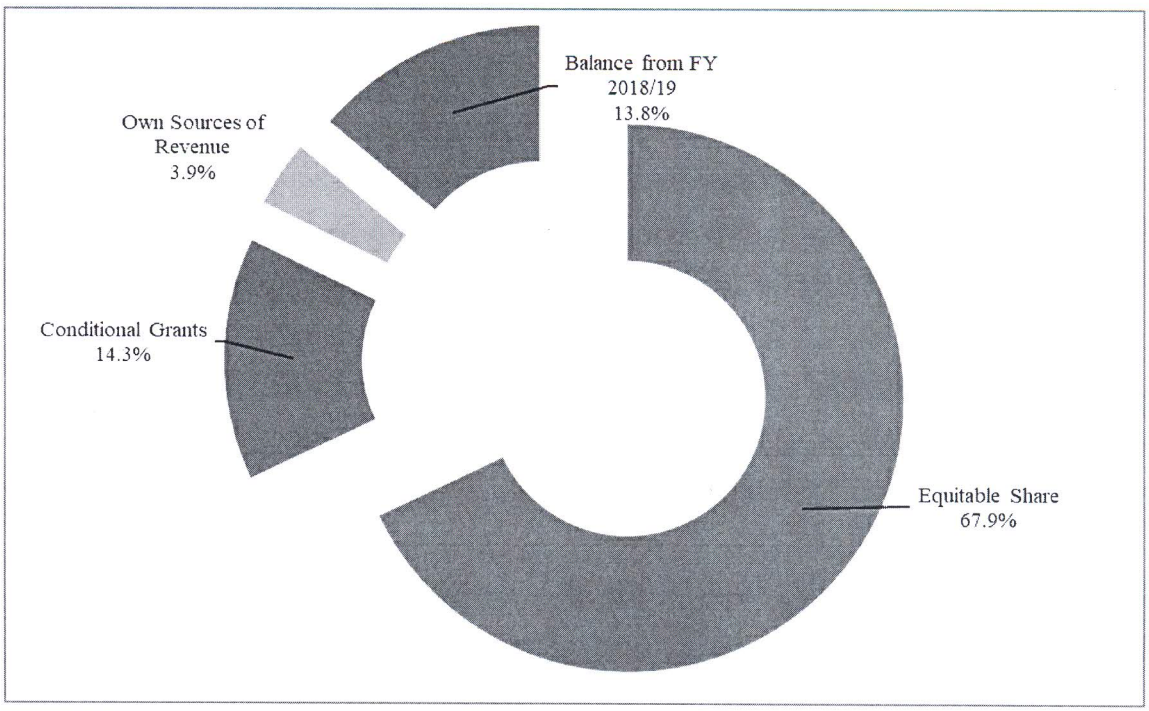
ACRONYMS

ASDSP	Agriculture Sector Development Support Programme
CARA	County Allocation of Revenue Act
CEC	County Executive Committee
CECM-F	County Executive Committee Member Finance
CRF	County Revenue Fund
DANIDA	Danish International Development Agency
EU	European Union
FY	Financial Year
IDEAS	Instruments for Devolution Advice and Support
KDSP	Kenya Devolution Support Programme
Kshs	Kenya Shillings
KUSP	Kenya Urban Support Project
NARIGP	National Agricultural and Rural Inclusive Growth Project

1. OVERVIEW OF THE FY 2019/20 BUDGET

The County's approved Budget for FY 2019/20 was Kshs.6.80 billion, comprising of Kshs.2.53 billion (37.2 per cent) and Kshs.4.27 billion (62.8 per cent) allocation for development and recurrent Programmes respectively. To finance the budget, the County expects to receive Kshs.4.62 billion (67.9 per cent) as equitable share of revenue raised nationally, Kshs.972.88 million (14.3 per cent) as total conditional grants, generate Kshs.267.03 million (3.9 per cent) from own sources of revenue, and Kshs.941.35 million (13.8 per cent) as cash balance from FY 2018/19. Figure 3 shows: Samburu Expected Revenue Sources in FY 2019/20 and the expected sources of financing by category in FY 2019/20

Figure 1: Samburu Expected Revenue Sources in FY 2019/20



Source: *Samburu County Treasury*

1.1 Revenue Performance

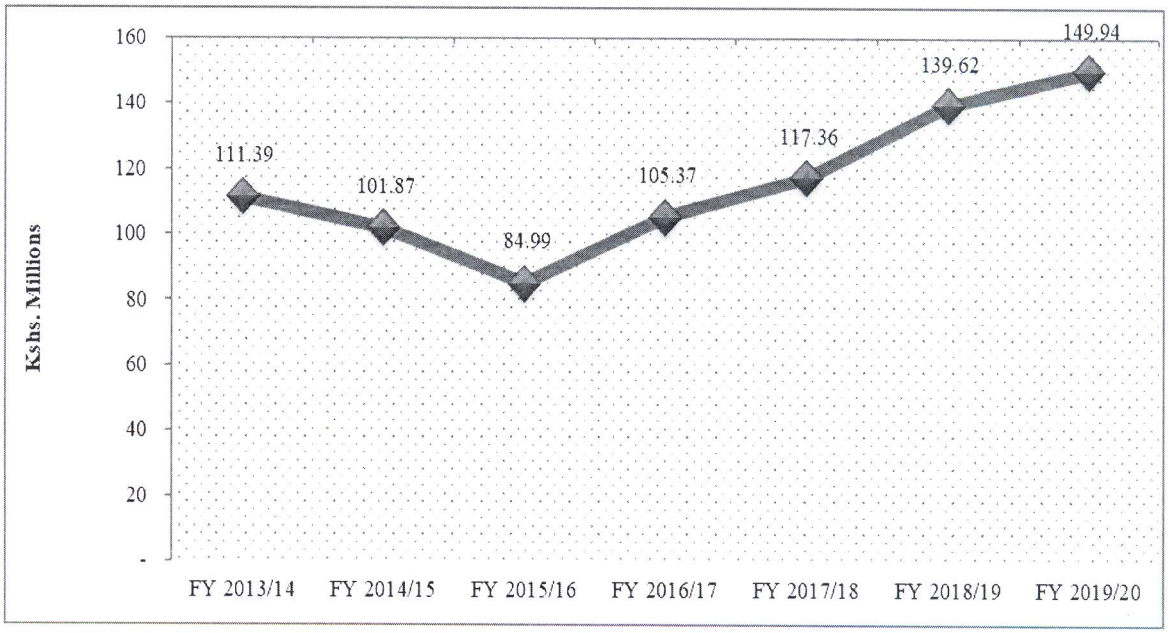
During the first half of FY 2019/20, the County received Kshs.1.57 billion as equitable share of the revenue raised nationally, Kshs.38.90 million as total conditional grants and raised Kshs.149.94 million from own-source revenue, Table 1 shows Samburu County Revenue Performance in the First Half of FY 2019/20.

Table 1:Samburu County, Revenue Performance in the First Half of FY 2019/20

	Revenue	Annual CARA, 2019 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)
A.	**Equitable Share of Revenue Raised Nationally**	**4,620,900,000**	**4,620,900,000**	**1,567,221,121**
B.	**Conditional Grants from the National Government**			
1	Compensation for User Fee Foregone	5,235,578	5,235,578	-
2.	Leasing of Medical Equipment	131,914,894	131,914,894	-
3.	Road Maintenance Fuel Levy Fund	131,167,313	264,413,635	-
4.	Rehabilitation of Village Polytechnics	15,483,298	15,483,298	-
Sub Total		**283,801,083**	**417,047,405**	**-**
C	**Loans and Grants from Development Partners**			
1. L	Transforming Health systems for Universal care Project (WB)	35,000,000	52,658,727	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	350,000,000	350,000,000	32,288,748
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	30,000,000	30,000,000	-
4.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	50,000,000	50,000,000	-
5.	DANIDA Grant	13,218,750	13,218,750	6,609,375
6.	EU Grant (Instruments for Devolution Advise and Support IDEAS)	32,159,348	32,159,348	-
7.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	18,994,320	18,994,320	-
8.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Institutional Grants (UIG)	8,800,000	8,800,000	-
Sub Total		**538,172,418**	**555,831,145**	**38,898,123**
D	**Other Sources of Revenue**			
1.	Own Source Revenue	-	267,032,787	149,937,134
2.	Balance b/f from FY2018/19	-	941,354,104	-
Sub Total		**-**	**1,208,386,891**	**149,937,134**
Grand Total		**5,442,873,501**	**6,802,165,441**	**1,756,056,378**

Source: *Samburu County Treasury*

Figure 2: Trend in Own-Source Revenue Collection for the First Half of the year from FY 2013/14 to FY 2019/20



Source: *Samburu County Treasury*

During the first half of FY 2019/20, the County generated a total of Kshs.149.94 million as own-source revenue. This amount represented an increase of 7.4 per cent when compared to Kshs.139.62 million realized during the same period in FY 2018/19, and represents 56.2 per cent of the annual target.

1.2 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.1.61 billion from the CRF account in the reporting period, entirely for recurrent Programmes.

1.3 Overall Expenditure Review

A total of Kshs.1.41 billion was spent during the first half of FY 2019/20 and represented 87.7 per cent of the total funds released from the CRF account. This expenditure was fully on recurrent activities as there was no expenditure on development activities during the half year. Expenditure on recurrent expenditure Programmes represented 33 per cent of the annual recurrent budget.

1.4 Expenditure by Economic Classification

Analysis of recurrent expenditure indicated that Kshs.999.15 million was spent on compensation to employees, and the remaining Kshs.409.80 million on operations and maintenance expenditure.

Table 2: Samburu County Summary of Expenditure by Economic Classification for the First Half of FY 2019/20

Expenditure Classification	Budget (Kshs)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	**4,269,509,531**	**1,606,119,244**	**1,408,949,119**	**33.0**
Compensation to Employees	2,069,218,196	851,280,453	999,150,486	48.3
Operations and Maintenance	2,200,291,335	754,838,791	409,798,633	18.6
Total Development Expenditure	**2,532,655,910**	-	-	-
Development expenditure	2,532,655,910	-	-	-
Total	**6,802,165,441**	**1,606,119,244**	**1,408,949,119**	**20.7**

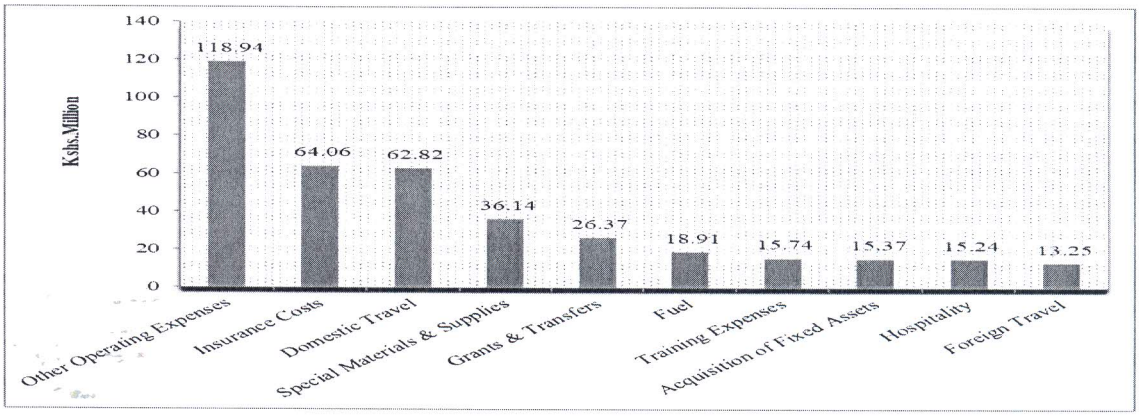
Source: *Samburu County Treasury*

Expenditure on compensation to employees was 70.91 per cent of total expenditure in the first half of FY 2019/20 and represented an increase of 9.53 per cent compared to a similar period in FY 2018/19 when the County spent Kshs.912.22 million.

1.5 Analysis of Operations and Maintenance Expenditure

Shows a summary of operations and maintenance expenditure by major categories.

Figure 3: Samburu County: Operations and Maintenance Expenditure by Major Categories in the First Half FY 2019/20



Source: Samburu County Treasury

The County spent Kshs.4.23 million on committee sitting allowances for the 28 MCAs and Speaker against the annual budget allocation of Kshs.15.56 million in the first half of FY 2019/20. The average monthly sitting allowance translated to Kshs.50, 304 per MCA against the SRC's recommended monthly ceiling of Kshs.124, 800.

During the period, expenditure on domestic travel amounted to Kshs.62.82 million and comprised of Kshs.13.74 million spent by the County Assembly and Kshs.49.08 million spent by the County Executive. Expenditure on foreign travel amounted to Kshs.13.25 million and comprised of Kshs.7.30 million spent by the County Assembly and Kshs.5.96 million spent by the County Executive.

1.6 Development Expenditure Analysis

There was no development expenditure in the first half of the financial year.

1.7 Budget Performance by Department

Shows a summary of the approved budget allocation and performance by department in the first half of FY 2019/20.

Table 3: Samburu County: Budget Performance by Department for the First Half of FY 2019/20

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	490.30	80	234.22	-	224.42	-	95.8	-	45.8	-
County Executive	472.07	18	165.68	-	160.03	-	96.6	-	33.9	-
Finance, Economic Planning & ICT	632.07	57	213.92	-	174.48	-	81.6	-	27.6	-
Agriculture, Livestock Development, Veterinary Services & Fisheries	543.32	349.84	226.33	-	67.25	-	29.7	-	12.4	-
Water, Environment, Natural Resources & Energy	167.84	376.95	59.02	-	33.37	-	56.5	-	19.9	-
Education and Vocational Training	431.85	165.36	154.24	-	123.59	-	80.1	-	28.6	-

Medical Services, Public Health & Sanitation	973.99	381.21	355.62	-	444.54	-	125	-	45.6	-
Lands, Housing, Physical Planning & Urban Development	94.63	148.37	33.38	-	31.64	-	94.8	-	33.4	-
Roads, Transport & Public Works	108.29	680.94	38.16	-	32.76	-	85.9	-	30.3	-
Tourism, Trade, Enterprise Development & Cooperatives	182.83	195.48	65.34	-	69.56	-	106.5	-	38	-
Culture, Social Services, Gender, Sports & Youth Affairs	172.30	79.50	60.21	-	47.29	-	78.5	-	27.4	-
Total	**4,269.51**	**2,532.66**	**1,606.12**	-	**1,408.95**	-	**87.7**	-	**33**	-

Source: *Samburu County Treasury*

Analysis of expenditure by department shows that the County Assembly had the highest percentage of recurrent expenditure to its recurrent budget at 45.8 per cent, followed by the Department of Medical Services, Public Health & Sanitation at 45.6 per cent while the Department of Agriculture, Livestock Development, Veterinary Services & Fisheries recorded the lowest at 12.4 per cent.

1.8 Budget Execution by Programmes and Sub-Programmes

Table 4 shows a summary of the budget execution by Programmes and sub-Programmes in the first half of FY 2019/20.

Table 4: Samburu County: Budget Execution by Programmes and Sub-Programmes in the First Half of FY 2019/20

Budget Execution by Programmes and Sub-Programmes					
Programme	**Sub- Programme**	**Approved Budget (Kshs)**	**Actual Payments (Kshs)**	**Variance**	**Absorption (%)**
County Executive					
0701004210 P1 Management of County Affairs	0701014210 SP1 General Administration and Support Services (Governor, Deputy Governor)	220,830,697	65,651,206	155,179,491	29.7
	0704014210 SP2 Administration of Human Resources in County Public Service	66,404,595	17,938,676	48,465,919	27
	0701034210 SP3 Sub County Administration	165,018,388	61,076,770	103,941,618	37

	0701044210 SP4 Coordination, Supervision and Human Resource services (C S)	37,821,177	15,365,830	22,455,347	40.6
	Sub total	**490,074,857**	**160,032,482**	**330,042,375**	**32.7**
Finance, Economic Planning & ICT					
0705004210 P1 General Administration Planning and Support Services	0705014210 SP1 Administration Services	382,103,639	89,363,422	292,740,217	23.4
	0705024210 SP2 ICT Services	58,523,202	14,588,952	43,934,250	24.9
	Sub total	**440,626,841**	**103,952,374**	**336,674,467**	**23.6**
0706004210 P2 Public Finance Management	0706054210 SP5 Accounting Services	33,881,646	6,697,345	27,184,301	19.8
	0706024210 SP2 Resource Mobilization	74,449,061	26,346,160	48,102,901	35.4
	0706034210 SP3 Internal Audit	16,079,558	6,232,986	9,846,572	38.8
	0706044210 SP4 Supply Chain Management	21,125,208	8,601,313	12,523,895	40.7
	0706014210 SP1 Budget Formulation Coordination and Management	10,589,310	6,150,625	4,438,685	58.1
	0706064210 SP6 Fiscal Planning	69,706,152	9,796,533	59,909,619	14.1
	Sub total	**225,830,935**	**63,824,962**	**162,005,973**	**28.3**
0713004210 P3 General Administration Planning and Support Services	0713014210 SP1 General Administration Planning and Support Services	6,890,240	2,821,085	4,069,155	40.9
	Sub total	**6,890,240**	**2,821,085**	**4,069,155**	**40.9**
0712004210 P4 Special Programs	0712014210 SP 1 Special Programs	15,721,022	3,882,166	11,838,856	24.7
	Sub total	**15,721,022**	**3,882,166**	**11,838,856**	**24.7**
Agriculture, Livestock Development, Veterinary Services & Fisheries					
0101004210 P1 General administration Planning and Support Services	0101014210 SP1 Administration, Planning and Support Services	486,605,760	24,621,074	461,984,686	5.1
	Sub total	**486,605,760**	**24,621,074**	**461,984,686**	**5.1**
0103004210 P2 Livestock Resource Management and Development	0103014210 SP1 Livestock policy development and capacity building	171,337,746	6,401,645	164,936,101	3.7
	0103024210 SP2 Livestock Production and Management	57,137,347	10,287,805	46,849,542	18
	0103034210 SP3 Livestock Diseases management and control	27,496,262	2,339,071	25,157,191	8.5

	0103044210 SP4 Livestock marketing and rangeland management	9,871,455	3,336,203	6,535,252	33.8
	Sub total	**265,842,810**	**22,364,724**	**243,478,086**	**8.4**
0104004210 P4 Fisheries Development and Management	0104014210 SP1 Management and Development of fisheries	11,497,070	2,815,340	8,681,730	24.5
	Sub total	**11,497,070**	**2,815,340**	**8,681,730**	**24.5**
0105004210 P3 Crop Development and Management	0105014210 SP1 Lands and Crops Development	92,754,282	12,707,085	80,047,197	13.7
	0105024210 SP2 Food security Initiatives	36,465,699	4,742,819	31,722,880	13
	Sub total	**129,219,981**	**17,449,904**	**111,770,077**	**13.5**
Water, Environment, Natural Resources & Energy					
1001004210 P1 General Admin-istration Planning and Support Services	1001014210 SP1 General Administration Planning and Support Services	313,534,521	7,926,446	305,608,075	2.5
	Sub total	**313,534,521**	**7,926,446**	**305,608,075**	**2.5**
1002004210 P2 Environmental Management and Protection	1002014210 SP1 County Environment Management	24,861,039	2,454,923	22,406,116	9.9
	1002024210 SP2 Forests Conservation and Management	15,009,868	815,443	14,194,425	5.4
	Sub total	**39,870,907**	**3,270,366**	**36,600,541**	**8.2**

Budget Execution by Programmes and Sub-Programmes					
Programme	**Sub- Programme**	**Approved Budget (Kshs)**	**Actual Payments (Kshs)**	**Variance**	**Absorption (%)**
1003004210 P3 Natural Resources Services	1003024210 SP2 Soil Conservation Management	8,341,886	759,749	7,582,137	9.1
	1003034210 SP3 Mining Services	17,247,500	1,951,000	15,296,500	11.3
	1003044210 SP4 Water catchment and protection services	72,992,708	365,151	72,627,557	0.5
	Sub total	**98,582,094**	**3,075,900**	**95,506,194**	**3.1**
1004004210 P4 Water and sanitation infrastructure	1004014210 SP1 Storm Water Management	7,372,093	1,156,200	6,215,893	15.7
	1004024210 SP2 Water and Sanitation Services	85,429,635	17,939,095	67,490,540	21
	Sub total	**92,801,728**	**19,095,295**	**73,706,433**	**20.6**
Education and Vocational Training					
0501004210 P1 General Administration Planning and Support Services	0501014210 SP1 General Administration Planning and Support Services	126,813,010	18,115,764	108,697,246	14.3
	Sub total	**126,813,010**	**18,115,764**	**108,697,246**	**14.3**
0502004210 P3 Youth Training and Development	SP 0504014210 Revitalization of Youth Polytechnics	92,277,256	1,826,571	90,450,685	1.98
	Sub total	**92,277,256**	**1,826,571**	**90,450,685**	**1.98**
0502004210 P2 Early childhood development and Education	0502014210 SP1 Early Childhood Development and Education	378,128,446	103,648,642	274,479,804	27.4
	Sub total	**378,128,446**	**103,648,642**	**274,479,804**	**27.4**
Medical Services, Public Health & Sanitation					
0401004210 P1 Preventive and Promotive Health Services	0401044210 SP2 Environmental & Health Promotion	74,608,471	36,268,307	38,340,164	48.6
	0402014210 SP1 Nutrition	14,144,518	6,713,890	7,430,628	47.5
	0401054210 SP3 Communicable Disease Control	83,111,734	41,098,598	42,013,136	49.5
	0401064210 SP4 Non-communicable Disease Prevention & Control	36,870,936	11,585,329	25,285,607	31.4
	0401074210 SP5 Reproductive, Maternal, Neonatal, child and Adolescent Health	61,112,750	30,493,180	30,619,570	49.9

	Sub total	**269,848,409**	**126,159,304**	**143,689,105**	**46.8**
0402004210 P2 Curative Health	0402044210 SP1 County Hospital and Referral Services	362,609,585	166,983,937	195,625,648	46.1
	0402054210 SP2 Free Primary Health Services	136,200,280	51,290,954	84,909,326	37.7
	Sub total	**498,809,865**	**218,274,891**	**280,534,974**	**43.8**
0403004210 P3 General Admin-istration Planning and Support Services	0403014210 SP1 Health Infrastructure Development	9,049,174	4,418,300	4,630,874	48.8
	0403034210 SP2 Human Resource Management and Development	74,762,075	46,746,111	28,015,964	62.5
	0403044210 SP3 Monitoring and Evaluation, Research and Development	5,025,018	2,066,713	2,958,305	41.1
	0403054210 SP4 Health Policy, Planning & Financing	440,620,345	28,333,689	412,286,656	6.4
	0403064210 SP5 Health Standards and Quality Assurance Services	57,090,371	18,545,619	38,544,752	32.5
	Sub total	**586,546,983**	**100,110,432**	**486,436,551**	**17.1**
Lands, Housing, Physical Planning & Urban Development					
0101004210 P1 General Admin-istration Planning and Support Services	0101014210 SP1 Administration, Planning and Support Services	56,244,429	9,567,942	46,676,487	17
	Sub total	**56,244,429**	**9,567,942**	**46,676,487**	**17**
0102004210 P2 Land policy Planning and Housing	0102014210 SP1 Land Use Planning	39,614,274	2,944,750	36,669,524	7.4
	0102034210 SP2 Land Survey and Mapping	41,543,515	3,879,588	37,663,927	9.3
	0102044210 SP3 Housing Management Services	1,072,214	162,041	910,173	15.1
	Sub total	**82,230,003**	**6,986,379**	**75,243,624**	**8.5**
0106004210 P3 Urban Centres Ad ministration	0106014210 SP1 Urban Centre Management	104,531,216	15,088,985	89,442,231	14.4
	Sub total	**104,531,216**	**15,088,985**	**89,442,231**	**14.4**
Roads, Transport & Public Works					
0201004210 P1 General Admin-istration Planning and Support Services	0201014210 SP1 General Administration Planning and Support Services	88,500,707	12,379,823	76,120,884	14
	0201034210 SP2 Firefighting Services	385,786	-	385,786	-
	0201044210 SP3 Design, Implementation and Supervision of Public Buildings	20,296,380	6,063,990	14,232,390	29.9

	Sub total	**109,182,873**	**18,443,813**	**90,739,060**	**16.9**
0202004210 P2 Roads and public Infrastructure Development	0202014210 SP1 Construction, Rehabilitation and Maintenance of Roads and Bridges	17,794,504	-	17,794,504	-
	0202024210 SP2 Design, Supervision and Rehabilitation of County Buildings	10,904,542	3,057,550	7,846,992	28
	0202034210 SP3 Street lights Management	22,956,658	9,073,388	13,883,270	39.5
	0202044210 SP4 Public Road Transport and Parking	628,386,522	2,188,250	626,198,272	0.4
	Sub total	**680,042,226**	**14,319,188**	**665,723,038**	**2.1**
Tourism, Trade, Enterprise Development & Cooperatives					
0301004210 P1 General Administration Planning and Support Services	0301014210 SP1 General Administration Planning and Support Services	47,248,895	6,626,052	40,622,843	14
	Sub total	**47,248,895**	**6,626,052**	**40,622,843**	**14**
0302004210 P2 Cooperatives Development and Management	0302014210 SP1 Governance and Accountability	37,027,760	3,396,201	33,631,559	9.2
	Sub total	**37,027,760**	**3,396,201**	**33,631,559**	**9.2**
0304004210 P4 Tourism Development and Promotion	0304014210 SP1 Tourism Promotion and Marketing	225,010,169	37,886,913	187,123,256	16.8
	Sub total	**225,010,169**	**37,886,913**	**187,123,256**	**16.8**
0305004210 P5 Trade Development and Promotion	0305014210 SP1 Domestic Trade Development	53,451,359	15,218,516	38,232,843	28.5
	Sub total	**53,451,359**	**15,218,516**	**38,232,843**	**28.5**
0306004210 P6 P1 General Administration Planning and Support Services	0306014210 SP6 SP1 General Administration Planning and Support Services	15,575,656	6,436,331	9,139,325	41.3
	Sub total	**15,575,656**	**6,436,331**	**9,139,325**	**41.3**
Culture, Social Services, Gender, Sports & Youi					
0901004210 P1 General Administration Planning	0901014210 SP1 General Administration Planning and Support Services	41,315,472	15,962,265	25,353,207	38.6

and Support Services	**Sub total**	**41,315,472**	**15,962,265**	**25,353,207**	**38.6**
0902004210 P2 Culture and social Services development	0902014210 SP1 Conservation of Heritage	28,403,600	-	28,403,600	-
	0902024210 SP2 Development and Promotion of Culture	11,759,858	2,160,867	9,598,991	18.4
	0902034210 SP3 Social Welfare and Gender	75,127,500	15,540,130	59,587,370	20.7
	0902044210 SP4 Community Mobilization and Development	10,007,810	-	10,007,810	-
	Sub total	**125,298,768**	**17,700,997**	**107,597,771**	**14.1**
0903004210 P3 Promotion of other sports activities	0903014210 SP1 Development and Management of Sports Facilities	30,622,000	-	30,622,000	-
	Sub total	**30,622,000**	-	30,622,000	-
0503004210 P3 Sports Development	0503034210 SP3 Sports Development, Training and Competition	37,778,844	7,903,660	29,875,184	20.9
	Sub total	**37,778,844**	**7,903,660**	**29,875,184**	**20.9**
0904014210 P1 General Admin-istration Planning and Support Services	0904004210 SP1 General Administration Planning and Support Services	16,786,002	5,719,822	11,066,180	34.1
	Sub total	**16,786,002**	**5,719,822**	**11,066,180**	**34.1**
County Assembly					
0707004210 P1 County Assembly Administration	0707014210 SP1 Legislative and Oversight	90,428,385	22,431,420	67,996,965	24.8
	0707024210 SP2 County Assembly Administration	258,510,303	97,257,188	161,253,115	37.6
	0707034210 SP3 Representation	221,358,346	104,735,725	116,622,621	47.3
	Sub total	**570,297,034**	**224,424,333**	**345,872,701**	**39.4**
Grand Total		**6,802,165,441**	**1,408,949,119**	**5,393,216,322**	**20.7**

Source: *Samburu County Treasury*

The best performing programs across the County were Preventive and Promotive Health Services who absorbed 46.8 per cent of their budget allocation.

2. KEY CHALLENGES

2.1. The County should prioritize implementation of the development activities.

This section highlights cross-cutting issues that affected budget implementation in the first half of FY 2019/20 and makes appropriate recommendations aimed at addressing the challenges in order to enhance smooth budget execution. The cross-cutting challenges includes:

2.2 High Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue.

The County Public Service Board should ensure expenditure on personnel emoluments is contained at sustainable levels and in compliance with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.

2.3 Delays in Disbursement of Equitable Share by the National Treasury

The County Allocation of Revenue Act (CARA),2019 provides that a County Government's allocation shall be transferred to the respective County Revenue Fund in accordance with a Disbursement Schedule approved by the Senate. It is recommended that; the National Treasury should disburse funds to the County on a timely basis to ensure that budget implementation is not adversely affected.

2.4 Low Expenditure on the Development Budget

Section 107(2) (b) of the Public Finance Management (PFM) Act, 2012 provides that over the medium term, a minimum of thirty per cent of the County Governments budget shall be spent on the development expenditure. There is need for the County to prioritize implementation of development projects in order to improve the standard of living for their citizens.

3. LESSONS LEARNT AND RECOMMENDATIONS

The following are lessons learnt to be replicated in future budget implementations:

(i) There is need to ensure project concept notes are prepared before any project is funded in the budget. The concept notes will be the basis to which departments will seek for funding and will address aspects of viability, sustainability, costs and realignment towards the strategic interventions of the County Government. This will ease the process of preparation of cabinet papers.

(ii) Citizen engagement through dialogue platforms for feedback on previous implemented projects needs to be strengthened

(iii) There is need to engage the National Treasury to ensure timely release of funds to counties as per projected cash flows

(iv) There is need to engage the National Treasury to ensure timely release of funds to counties as per projected cash flows

(v) There is need to strengthen linkage between planning and budgeting to ensure realization of the strategic interventions as per the CIDP and Vision 2030.

(vi) Preparation of policies: There is need to implore ways of fast racking preparation of all prerequisite policies and laws to facilitate implementation of the budget