

COUNTY GOVERNMENT OF TURKANA

**OFFICE OF THE COUNTY EXECUTIVE
FINANCE AND ECONOMIC
PLANNING**

QUARTER ONE

BUDGET IMPLEMENTATION REPORT

FY 2020/21

© First Quarter Budget Implementation Report FY 2020/21

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COUNTY VISION AND MISSION

County Vision

We the people of Turkana County aspire to be socially empowered citizens living in a peaceful, socially, equitable and culturally sensitive environment.

County Mission

To facilitate socio, environmental, economic and equitable transformation of the Turkana People.

FOREWORD

It is my great pleasure to share with you the FY 2020/21 Quarter One Budget Implementation Report. The County Treasury uses this tool to disseminate information on budget implementation to various stakeholders. Among other uses, the Quarterly Budget Implementation Report is useful in informing the public on the performance of county entities in terms of revenue realised and expenditure performance during the period under review. The report therefore, is anchored on the principle of transparency and accountability to the public by providing information on public expenditure and revenue.

As you may recall, during the period of July to September 2020, the entire world was battling with the Corona Virus Disease 2019 (COVID-19) Pandemic that has caused world-wide socioeconomic turmoil. Most of the socioeconomic activities are still limping and all synergies are channelled to saving lives and containing the virus. It is therefore expected that revenue and expenditure during the quarter to be dismal except for entities responsible for basic services and COVID–19 response.

The preparation of this report was richly informed by the analysis of time series data generated from the Integrated Financial Management Information System (IFMIS) and County entities' financial reports. The report gives an in-depth analysis of all revenue received from the Exchequer and the Own Source Revenue (OSR) collected locally during the quarter and application of these revenue. We have analysed, compared and presented the Own Source Revenue performance for each of the county entity, the seven sub-counties and their corresponding wards. The individual absorption rate for each department has been computed as well as the overall burn rate for the County during the quarter. Key findings and bottlenecks arising from the budget execution have been highlighted as well as recommendations.

Emathe Namuar
County Executive Committee Member
Finance and Economic Planning

ACKNOWLEDGEMENT.

The First Quarter Budget Implementation Report 2020/21 is prepared pursuant to Section 166 of the Public Finance Management (PFM) Act, 2012. It gives the analyses of budget performance in terms of revenue realised against the revenue targets and the actual expenditures against the budget estimates. The revenue is categorised as Own Source Revenue, Shareable Revenue and Conditional Grants while the expenditure is categorised as either recurrent or development. This report therefore shares information on budget outturn for the First Quarter.

I wish to thank all the County entities including the County Assembly of Turkana for furnishing us with adequate data in time for the analysis which richly resulted in production of this report. I acknowledge the challenges government officers are facing during this period of COVID-19 Pandemic and your efforts to participate in the preparation of this report as you observe the Ministry of Health protocols. Your selfless efforts cannot be underscored.

Exceptional gratitude goes to the Directorate of Budget led by Assistant Director Simon Wangila for their intellectual support; spending long hours of work in virtual meetings and in offices, and sometimes working from home just to make sure the document is prepared in time and conforms to the reporting standards.

Accounting Officers of all the county entities are hereby reminded to adhere to the reporting standards, guidelines and templates as stipulated by the PFM Act, 2012. This will in the long run make it easy to provide data/information and thus improve budget execution monitoring.

Jeremiah Apalia
County Chief Officer
Economic Planning

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ABBREVIATIONS AND ACRONYMS

BIR	Budget Implementation Report
BS	Budget Statement
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CG	County Government
CIDP	County Integrated Development Plan
COVID-19	Corona Virus Disease 2019
CRF	County Revenue Fund
FY	Fiscal Year /Financial Year
GDP	Gross Domestic Product
MTEF	Medium Term Expenditure Framework
OSR	Own Source Revenue
PFM	Public Financial Management
SWGs	Sector Working Groups

GLOSSARY OF TERMS

Gross Domestic Product - This is the aggregate measure of production equal to the sum of the gross value-added of all resident institutional units engaged in all production (plus any taxes, and minus any subsidies, on products not included in the value of their output.

Real GDP- This is a macroeconomic measure of the value of economic output adjusted for price changes i.e. inflation or deflation.

County Integrated Development Plan- This is a super plan for an area that gives an overall framework for development. It aims to coordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area. The plan should look at economic and social development for the area as a whole.

Medium Term Expenditure Framework-It is an integrated approach to policy, planning and budgeting by developing countries that estimate expenditures of three years from the present.

County Fiscal Strategy Paper- This is an overview of how a county plans to raise and spend money for the next year while considering a 2-3 year perspective.

Appropriation in Aid- These are receipts which may be retained by a department to offset expenditure instead of being paid into the exchequer account of the central fund

Budget Statement- It sets out the Administrations priority programs to be implemented in the Medium Term Development under a devolved system of government

Sector Working Groups- These are forums to discuss and build consensus about development priorities and improve sectoral aid coordination and effectiveness.

1.0 INTRODUCTION

The First Quarter Budget Implementation Report of Turkana County for the FY 2020/21 which has been prepared in accordance with Section 166 of the PFM Act, 2012. The Quarterly Budget Implementation Report is used by the County Treasury to give information on budget implementation to the Controller of Budget, the National Treasury, the Commission on Revenue Allocation and the public.

The report analyses the revenue and expenditure performance by the county entities for the period (quarter). Revenue performance is compared against the specific quarter targets, while expenditure performance is compared with budget estimates for the financial year. The drawbacks that hampered budget implementation have been presented together with recommendations.

Turkana County Government allocation from the National Government in the FY 2020/2021 was **KES 10,571,100,000.00** as Equitable Share, **KES 1,318,794,916.00** as Conditional Grants and **KES 150,000,000.00** as Own Source Revenue. The balance brought forward from the previous financial year 2019/2020 as unutilized funds totalled to **KES 2,992,862,368.00**. The revenue basket available for utilization for the financial year amounted to **KES 15,032,757,284.00**. From the revenue basket, a total of **KES 9,134,853,540.99** representing a percentage of **60.77%** of the total budget was allocated to recurrent expenditure whereas **KES 5,897,903,743.00** for development expenditure representing **39.23%**.

During the quarter under review, the county realised an Exchequer Issue of **KES 906,392,700.00**. This was the balance of Equitable Share not remitted in FY 2019/20.

The total actual OSR collected was **KES. 36,348,225.00**. The revenue streams with highest revenue collection are Transport Operation Fee at **KES 7,481,452.00** followed by Land Survey/Application/Building Approval at **KES 5,205,300.00**. Streams with the least revenue collection were House Rent at **KES. 159,300.00** and Trade Fair at **KES 35,900.00**. Revenue from Liquor licensing was not collected at all.

The total revenue target for the quarter was **KES. 37,500,000.00** hence the county managed **96.93%** performance. Transport Operation Fee stream surpassed its quarterly targets with a performance of **628.07%**. The worst performing streams were Health (Public Health & Cost

Sharing) **KES 2,546,157 (35.18%)** and House Rent/Kiosks/Stalls **KES 159,300 (27.44%)**. There was a huge decrease of **KES 17,613,122** equivalent of **32.62%** decrease on revenue collected in quarter one of FY 2020/2021 compared to the same period in the FY 2019/2020.

The County Department of Lands, Energy, Housing and Urban Areas Management is the highest contributor of **KES 11,136,890.00** followed by Infrastructure, Transport and Public Works at **KES 10,842,187.00**. Royalty and Land Survey Application were among the highest contributors of revenue for the Department of Lands, Energy, Housing and Urban Areas Management. The department of Agriculture, Pastoral Economy and Fisheries contributed the least revenue of **KES. 2,066,210.00**.

With respect to revenue collections by ward, Kainuk/Lobokat recorded the highest collection of **KES 7,292,820.00**, followed by Lodwar Township with a collection at **KES. 5,384,055.00**. No revenue was collected from Kaaleng/Kaikor and Letea wards.

In addition, Turkana Central Sub County recorded the highest revenue of **KES 21,717,383.00** which is largely attributed to performance of Lodwar Township Ward, Lands Office and County Headquarters. Kibish Sub County recorded the lowest amount of revenue among the sub – counties of **KES 5,000.00** in the quarter under review.

Expenditure for quarter one for FY 2020/21 for both the County Executive and the County Assembly amounted to **KES. 869,698,618.50** which is purely recurrent. There was no development expenditure for the period under review.

Only three entities in the entire county recorded expenditure. These are Finance & Economic Planning, Public Service, Administration & Disaster Management and County Assembly. The County Department of Public Service, Administration and Disaster Management had the highest expenditure at **KES. 607,709,838.20** mainly because of payment of salaries. Lack of expenditure in the other county entities may be attributed to nil disbursements from the exchequer with the two departments drawing from FY 2019/20 arrears.

2.0 REVENUE PERFORMANCE

2.1 Exchequer Issue for the Quarter (July-September 2020)

In the first quarter of FY 2020/21, **KES 906,392,700.00** was issued to County Revenue Fund for spending. The amount was issued in the month of August 2020. This amount is the balance of Equitable Share not remitted to the County in FY 2019/20. **Table 1** below shows the breakdown of the Exchequer Issue for the period under review.

Table 1: Quarter 4 County Revenue Fund Releases

Exchequer Issue	
Month	Amount KES
July	
August	906,392,700.00
September	
Total Per Category	906,392,700.00

Source: County Treasury

2.2 Own Source Revenue.

As shown in Table 2 below, Own Source Revenue collected during the quarter under review amounted to **KES 36,348,225.00**

Table 2: Own Source Revenue Collection for Quarter I FY 2020/2021

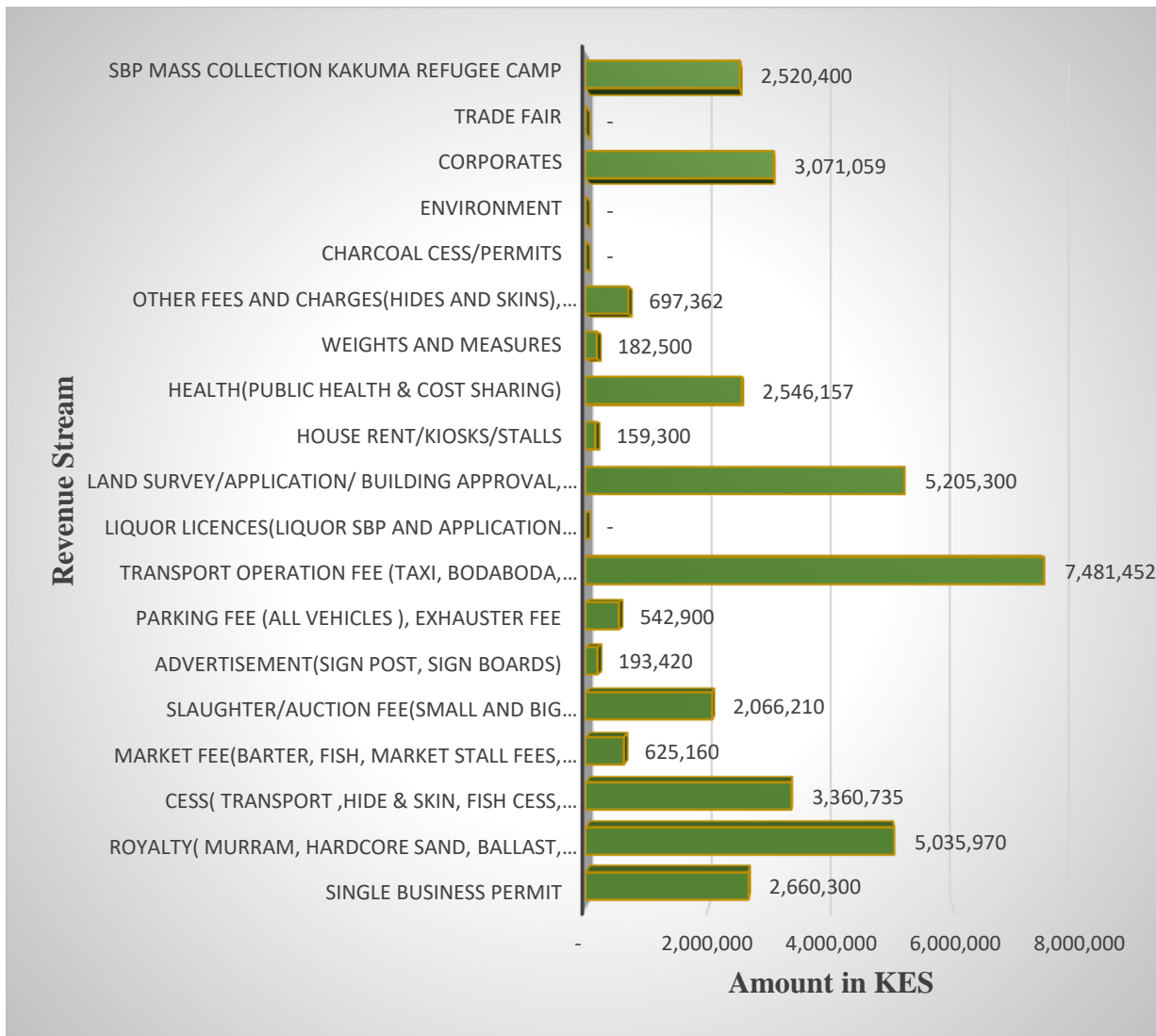
REVENUE COLLECTION JULY, 2019- September, 2020.					
REVENUE STREAM	MINISTRY	Jul-20	Aug-20	Sep-20	1ST QUARTER
SINGLE BUSINESS PERMIT	TRADE	1,134,600	746,300	779,400	2,660,300
ROYALTY(Murram, hardcore sand, ballast, Exploitation)	LANDS	1,907,000	1,399,640	1,729,330	5,035,970
CESS(Transport ,Hide & skin, Fish cess, charcoal cess, firewood, miraccess, Handicraft cess, exhauster services &cess)	TRANSPORT	917,410	1,087,990	1,355,335	3,360,735
MARKET FEE(Barter, fish, market stall fees, offloading)	TRADE	118,150	261,710	245,300	625,160
SLAUGHTER/AUCTION FEE(Small and Big animals,Meat insp. fee)	PASTORAL	783,870	548,365	733,975	2,066,210
ADVERTISEMENT(Sign post, sign boards)	LANDS	-	50,000	143,420	193,420
PARKING FEE (all vehicles), exhauster fee	LANDS	171,050	153,700	218,150	542,900
TRANSPORT OPERATION FEE (Taxi, Bodaboda, Matatu, Canter, Lorry, and buses)	ROADS	2,167,230	1,986,150	3,328,072	7,481,452
LAND SURVEY/APPLICATION/ BUILDING APPROVAL, school reg. fee, holding ground fee, Burrow pit fee, Toilet fee , Land transfer fee, Communication boosters	LANDS	1,968,800	1,842,000	1,394,500	5,205,300
HOUSE RENT/KIOSKS/STALLS	LANDS	25,300	25,000	109,000	159,300
HEALTH(Public health & cost sharing)	HEALTH	680,856	793,743	1,071,558	2,546,157
WEIGHTS AND MEASURES	TRADE	41,600	105,700	35,200	182,500
OTHER FEES AND CHARGES(Hides and Skins), tenders,	FINANCE	318,170	130,542	248,650	697,362
CORPORATES		1,497,366	503,128	1,070,566	3,071,059
SBP Mass collection Kakuma Refugee Camp	TRADE	-	-	2,520,400	2,520,400
TOTAL		11,731,402	9,633,968	14,982,856	36,348,225

Source: Directorate of Revenue

2.2.1 OSR Collection Analysis by Stream

The revenue streams with the highest revenue collection are Transport operation fees at **KES 7,481,452.00** followed by land survey, application and building approval at **KES 5,205,300.00** and royalty at **KES 5,035,970.00**. Streams with the least revenue collection were weights and measures at **KES 182,500.00** and house rent/kiosks/stalls at **KES. 159,300.00**. Liquor Licensing Revenue was not collected following the directive from H.E President Uhuru Kenyatta of shutting down bars and pubs with aim of keeping the spread of COVID-19 at bay.

Figure 1: OSR collection per stream.



Source: Analysis by the Directorate of Budget

2.2.2 OSR analysis by County Entities.

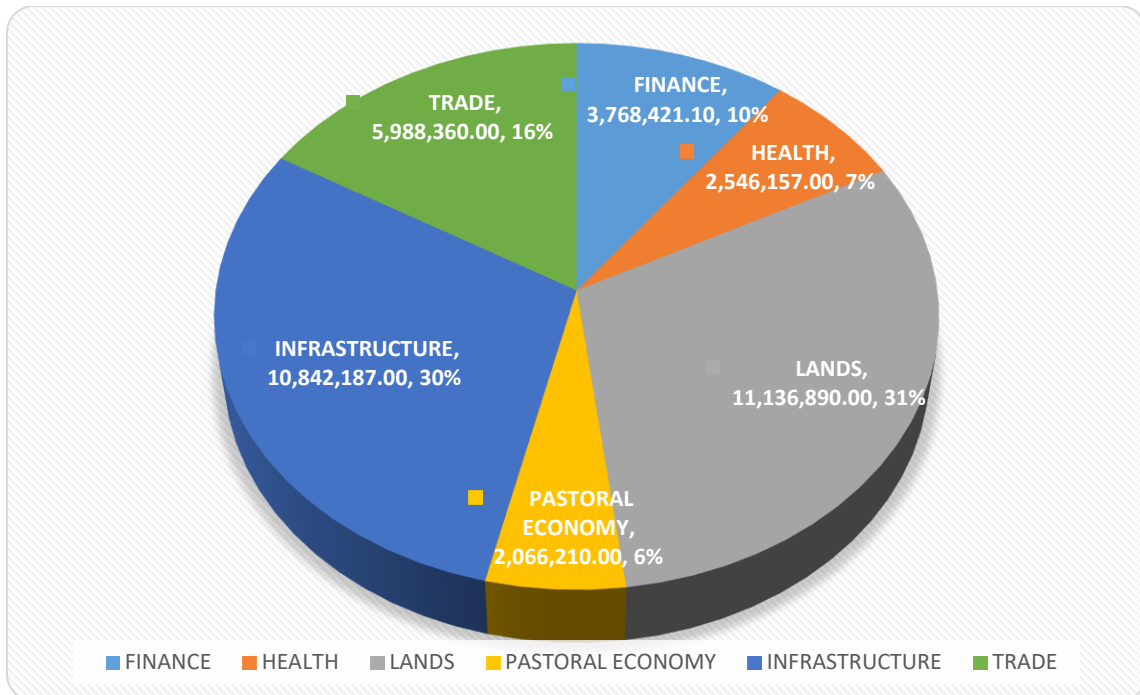
Lands, Energy, Housing and Urban Areas Management was the leading entity in revenue contribution at **KES 11,136,890.00**, followed closely by Infrastructure, Transport and Public Works at **KES 10,842,187.00**. High collections from Royalty and Land Survey streams was the reason why the department of Lands, Energy, Housing and Urban Areas Management became the leading entity. The department of Agriculture, Pastoral Economy and Fisheries contributed the least revenue of **KES. 2,066,210.00**. **Table 3** below is a summary of contribution by entities to own source revenue.

Table 3: OSR collection by County Entities

County Entity	Amount in Kshs.	Percentage
FINANCE	3,768,421.10	10.37%
HEALTH	2,546,157.00	7.00%
LANDS	11,136,890.00	30.64%
PASTORAL ECONOMY	2,066,210.00	5.68%
INFRASTRUCTURE	10,842,187.00	29.83%
TRADE	5,988,360.00	16.47%
TOTAL	36,348,225.10	100.00%

Source: Directorate of Revenue

Figure 2: Proportion of OSR by County Department.

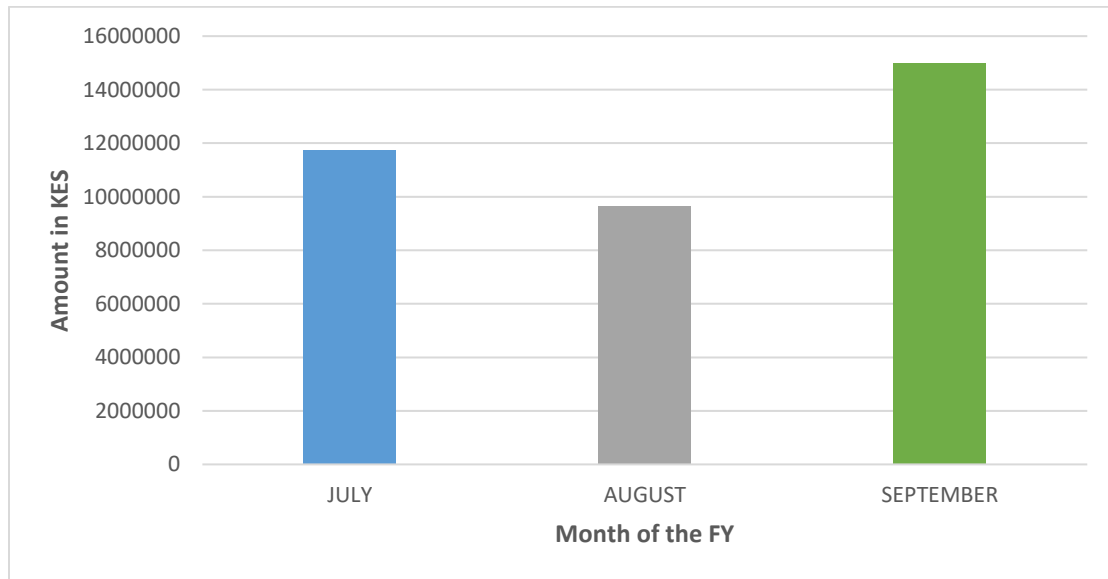


Source: Analysis by Directorate of Budget

2.2.3 Monthly OSR Analysis.

Trend of revenue collection from July to September is skewed to the right with **KES 11,731,402** being recorded in July, **KES 9,633,968** in August and **KES 14,982,856** in September 2020. The month of September 2020 collected the highest revenue because of ease of business restrictions, phased opening of economy and reduction of dusk to dawn curfew hours. See **Figure 3** below graphical representation of the monthly revenue performance.

Figure 3: Monthly OSR Analysis.



Source: Analysis by Directorate of Budget.

2.2.4 OSR Performance per stream against Quarterly Target

Revenue collection for this first quarter summed to **KES. 36,348,225.00** against quarterly target of **KES.37,500,000** giving a shortage of **KES. 1,151,775.00** (or **96.93 %** performance). Transport operation fee stream is among the best performing streams which surpassed its quarterly target with a performance of **831.27%** closely followed by Slaughter/Auction Fee with a performance of **131.19%**. The least performing stream was Single Business Permit with a performance of **31.11%**. Liquor licences revenue were not collected at all. **Table 4** shows the various streams' performance against their targets.

Table 4: Revenue Performance per Stream against Target

Revenue Stream	Quarter 1 Actual Revenue	Quarter 1 Revenue Target	Variance	Performance (%)
SINGLE BUSINESS PERMIT	2,660,300	6,767,674	(4,107,374)	39.31%
ROYALTY	5,035,970	5,012,191	23,779	100.47%
CESS	3,360,735	7,403,560	(4,042,825)	45.39%
MARKET FEE	625,160	748,758	(123,598)	83.49%
SLAUGHTER/AUCTION FEE	2,066,210	949,532	1,116,678	217.60%
ADVERTISEMENT	193,420	212,352	(18,932)	91.08%
PARKING FEE	542,900	819,728	(276,828)	66.23%
TRANSPORT OPERATION FEE	7,481,452	1,191,188	6,290,264	628.07%
LIQUOR LICENCES	-	1,000,000	4,205,300	0.00%
LAND SURVEY/APPLICATION/ BUILDING APPROVAL	5,205,300	4,043,924	(3,884,624)	128.72%
HOUSE RENT/KIOSKS/STALLS	159,300	580,590	1,965,567	27.44%
HEALTH (Public health & cost sharing)	2,546,157	7,237,347	(7,054,847)	35.18%
WEIGHTS AND MEASURES	182,500	350,950	346,412	52.00%
OTHER FEES AND CHARGES	697,362	1,182,205	1,888,854	58.99%
CORPORATES	3,071,059		2,520,400	
SBP Mass collection Kakuma Refugee Camp	2,520,400			
Total	36,348,225	37,500,000	(1,151,775)	96.93%

Source: Analysis by Directorate of Budget.

2.2.5 OSR Collection by Ward

Lobokat Ward recorded the highest revenue collection of **KES. 7,292,820** followed by Township Ward with a collection of **KES 5,384,055**. Katilia Ward in Turkana East collected the lowest revenue of **KES. 4,600** followed by Kibish with a collection of **KES 5,600**. Kaaleng/Kaikor and Letea Wards did not record any revenue collection in the period under review.

Table 5: Own Source Revenue Collection by Ward

SUB-COUNTY	WARD	Jul-20	Aug-20	Sep-20	1ST QUARTER
TURKANA WEST	Kakuma	527,085	338,030	586,735	1,451,850
	Kalobeyei	118,750	58,500	73,700	250,950
	Songot	15,700	15,000	-	30,700
	Lopur	27,775	37,675	32,775	98,225
	Letea	-	-	-	-
	Nanam	31,200	18,000	-	49,200
	Lokichoggio	193,400	221,815	118,420	533,635
	SBP Mass collection Kakuma Refugee Camp	-	-	2,520,400	2,520,400
	SUB TOTAL	913,910	689,020	3,332,030	4,934,960
TURKANA NORTH	Nakalale	313,500	212,600	231,200	757,300
	Kaeris	6,550	-	6,600	13,150
	Kaleng/Kaikor	-	-	-	-
	Lake Zone	95,000	75,250	59,150	229,400
	Lapur	5,600	5,650	10,720	21,970
	SUB TOTAL	420,650	293,500	307,670	1,021,820
	LOIMA	Lobei/Kotaruk	-	7,500	-
Turkwel		75,060	67,240	76,012	218,312
Loima		6,500	8,000	-	14,500
Lokiriama/Lorengipi		82,800	40,200	55,600	178,600
SUB TOTAL		164,360	122,940	131,612	418,912
TURKANA CENTRAL	Kalokol	574,210	743,975	616,500	1,934,685
	Kangatotha	126,400	85,900	66,745	279,045
	Township	1,840,815	1,545,310	1,997,930	5,384,055
	Kanamkemer	1,073,475	902,850	904,195	2,880,520
	Kerio	21,700	8,260	36,500	66,460
	LCRH	630,356	662,243	986,458	2,279,057
	Headquarters	1,823,376	636,070	1,336,816	3,796,261
	Lands	1,807,800	1,750,000	1,354,500	4,912,300

SUB-COUNTY	WARD	Jul-20	Aug-20	Sep-20	1ST QUARTER
	Housing	-	86,000	99,000	185,000
	SUB TOTAL	7,898,132	6,420,608	7,398,644	21,717,383
TURKANA EAST	Lokori/Kochodin	38,280	56,750	69,700	164,730
	Kapedo/Napeitom	5,620	4,200	4,000	13,820
	Katilia	3,400	1,200	-	4,600
	SUB TOTAL	47,300	62,150	73,700	183,150
TURKANA SOUTH	Lokichar	166,450	280,900	203,450	650,800
	Lobokat	2,083,120	1,734,750	3,474,950	7,292,820
	Katilu	20,010	23,000	22,000	65,010
	Kaputir	17,470	3,700	29,100	50,270
	Kalapata	-	-	7,500	7,500
	SUB TOTAL	2,287,050	2,042,350	3,737,000	8,066,400
KIBISH	Kibish	-	3,400	2,200	5,600
	GRAND TOTAL	11,731,402	9,633,968	14,982,856	36,348,225

2.2.5 OSR Collection by Sub-County

At the Sub-County level, Turkana Central Sub County recorded the highest revenue of **KES 21,717,383** which was majorly contributed by revenue from Lodwar Township Ward, Department of Lands, County Headquarters and Lodwar County Referral Hospital. Kibish Sub-County collected the lowest amount of revenue of **KES 5,600** followed by Turkana East Sub County with a revenue of **KES.183,150.00**.

Sub-County	Jul-20	Aug-20	Sep-20	1st Quarter
Turkana West	913,910	689,020	3,332,030	4,934,960
Turkana North	420,650	293,500	307,670	1,021,820
Loima	164,360	122,940	131,612	418,912
Turkana Central	7,898,132	6,420,608	7,398,644	21,717,383
Turkana East	47,300	62,150	73,700	183,150
Turkana South	2,287,050	2,042,350	3,737,000	8,066,400
Kibish	-	3,400	2,200	5,600
Grand Total	11,731,402	9,633,968	14,982,856	36,348,225

2.1.7 Comparative Quarterly Revenue Performance

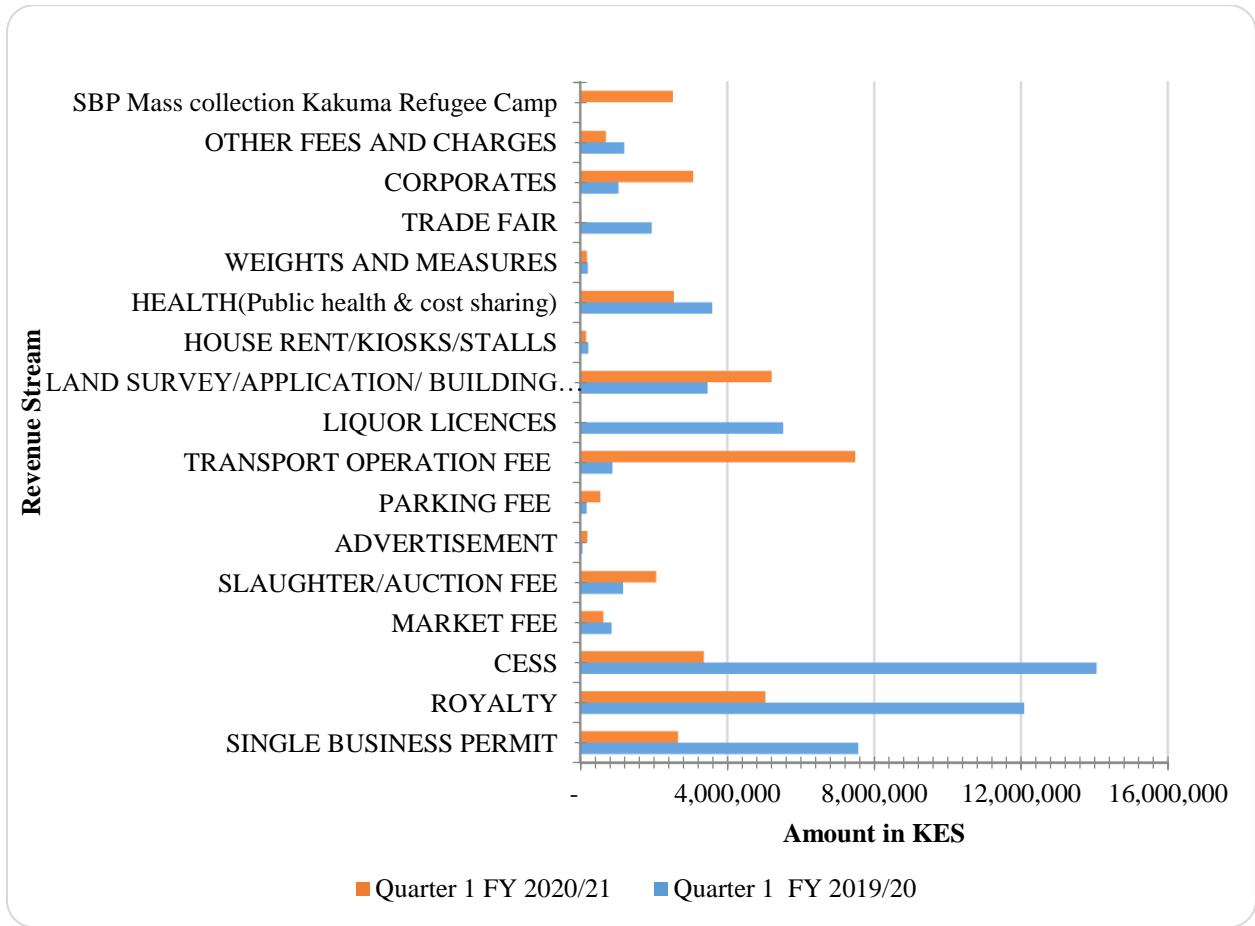
Revenue streams performance has been compared to the same quarter in FY 2018/19 as depicted in **Table 7** and **Figure 4** below. The analysis tells of a decrease of **KES 17,613,123**. This translates to **32.62%**. This deficit is majorly attributed to COVID-19 pandemic effects which forced many businesses to close, leading to an unprecedented disruption of business and consumers pattern.

Table 7: Revenue Collected by Stream Compared to same period in FY 2019/20.

Revenue Stream	Quarter 1 FY 2020/21	Quarter 1 FY 2019/20	Variance	Percentage Change
SINGLE BUSINESS PERMIT	2,660,300	7,563,650	-4,903,350.00	-64.83%
ROYALTY	5,035,970	12,087,020	-7,051,050	-58.34%
CESS	3,360,735	14,059,000	-10,698,265	-76.10%
MARKET FEE	625,160	849,470	-224,310	-26.41%
SLAUGHTER/AUCTION FEE	2,066,210	1,164,510	901,700	77.43%
ADVERTISEMENT	193,420	56,500	136,920	242.34%
PARKING FEE	542,900	171,250	371,650	217.02%
TRANSPORT OPERATION FEE	7,481,452	872,400	6,609,052	757.57%
LIQUOR LICENCES	-	5,520,384		0.00%
LAND SURVEY/APPLICATION/ BUILDING APPROVAL	5,205,300	3,463,542	1,741,758	50.29%
HOUSE RENT/KIOSKS/STALLS	159,300	217,100	-57,800	-26.62%
HEALTH (Public health & cost sharing)	2,546,157	3,590,595	-1,044,438	-29.09%
WEIGHTS AND MEASURES	182,500	203,600	-21,100	-10.36%
TRADE FAIR	35,900	1,942,620	-1,906,720	-98.15%
CORPORATES	3,071,059	1,040,000	2,031,059	195.29%
OTHER FEES AND CHARGES	697,362	1,195,607	-498,245	-41.67%
SBP Mass collection Kakuma Refugee Camp	2,520,400		2,520,400	
TOTAL	36,384,125	53,997,248	-17,613,123	-32.62%

Source: Analysis by Directorate of Budget

Figure 4: Comparative Quarterly Revenue Stream Performance



Source: Analysis by Directorate of Budget

Figure 5: Comparative Monthly OSR Collection FY 2019/20 & 2020/21



Source: Analysis by Directorate of Budget

From the illustration in **Figure 5** above, both financial year's month of September topped in collection while July and August almost having a tie cumulatively in the two financial years comparatively. There was a decrease of **KES 17,613,123** on revenue collected in the first quarter of FY 2020/2021 compared to the same period in the FY2019/2020

3.0 EXPENDITURE PERFORMANCE

3.1 Expenditure (Recurrent & Development) Analysis

Quarter One FY 2020/21 expenditure was entirely recurrent and it amounted to **KES. 869,698,618.50**. It is worth noting that only three entities namely County Assembly, Finance & Economic Planning and Public service, Administration & Disaster Management recorded expenditure. Secondly, in the quarter under review the county did not record any development expenditure which may be attributed to lack of releases to the county development account.

Table 10 below gives a summary of expenditure by vote and category.

Table 10: Quarter 4 Turkana County Expenditure Summary

Vote	Revised Budget Estimates	Current Expenditure (1)	Development Expenditure (2)	Q 1 Expenditure (3) {1 + 2}
Governance	599,651,566.00		0.00	0.00
Office of the Deputy Governor	57,064,091.00		0.00	0.00
County Attorney	138,975,448.00		0.00	0.00
Finance and Economic Planning	1,183,277,480.00	136,322,000.00	0.00	136,322,000.00
Water Services, Environment and Mineral Resources	855,597,564.00		0.00	0.00
Health & Sanitation Services	1,474,330,804.00		0.00	0.00
Trade, Gender and Youth Affairs	441,785,179.00		0.00	0.00
Education, Sports and Social Protection	1,248,671,029.00		0.00	0.00
Public Service, Administration. & Disaster Management	4,552,479,251.00	607,709,838.20	0.00	607,709,838.20
Infrastructure Transport & Public Works	724,705,305.00		0.00	0.00
Agriculture, Pastoral Economy & Fisheries	1,362,699,060.00		0.00	0.00
Tourism, Culture and Natural Resources	323,077,130.00		0.00	0.00
Lands, Energy, Housing & Urban Areas Mgt.	659,229,265.00		0.00	0.00
County Assembly	1,224,991,707.00	125,666,780.30	0.00	125,666,780.30
County Public Service Board	117,643,402.00			
Lodwar Municipality	68,579,003.00		0.00	0.00
TOTAL	15,032,757,283.99	869,698,618.50		869,698,618.50

Source: Directorate of Accounting Services.

3.2 Actual Quarter One Expenditure against target.

The County Assembly, Finance and Economic Planning and Public Service, Administration and Disaster Management entities incurred expenditure on County Assembly Staff Salaries, Turkana County COVID – 19 Response Fund, the Emergency Fund and County Executive Staff salaries respectively. The quarterly expenditure performance against target for County Assembly and Finance and Economic Planning were below target at **41.03** and **46.08 per cent** respectively. The department of Public Service, Administration and Disaster Management managed to be above average with an absorption of **53.40 per cent**.

The overall quarterly budget absorption rate was very low at **23.44 per cent**. **Table 11** below illustrates the expenditure performance of the county entities against their targets.

Table 11: Expenditure analysis against Quarterly Target

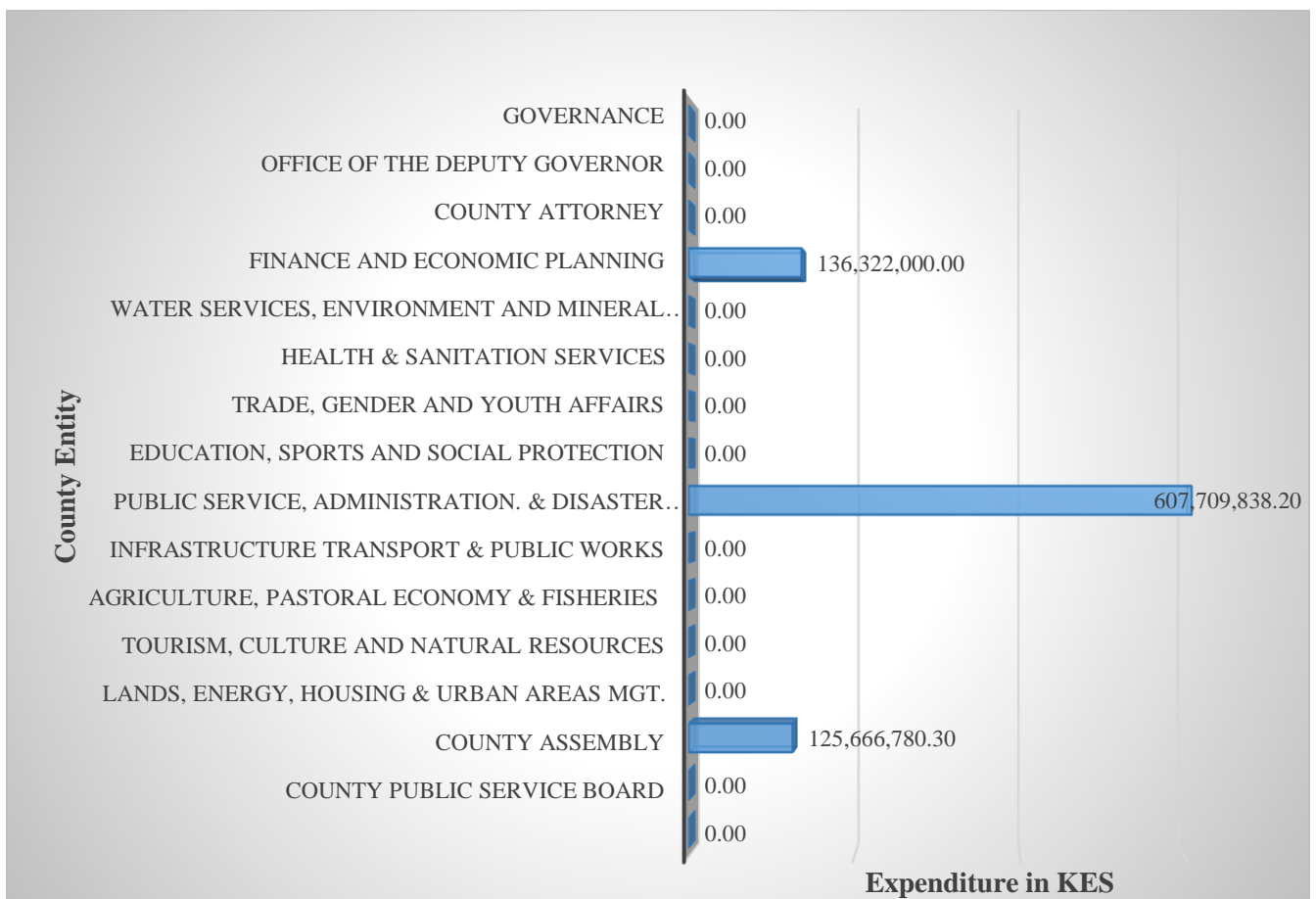
Department	Quarter 1 Expenditure	Quarter 1 Target	Absorption Rate
Governance	-	149,912,891.50	0.00%
Office of the Deputy Governor	-	14,266,022.75	0.00%
County Attorney	-	34,743,862.00	0.00%
Finance and Economic Planning	136,322,000.00	295,819,370.00	46.08%
Water Services, Environment and Mineral Resources	-	213,899,391.00	0.00%
Health & Sanitation Services	-	368,582,701.00	0.00%
Trade, Gender and Youth Affairs	-	110,446,294.75	0.00%
Education, Sports and Social Protection	-	312,167,757.25	0.00%
Public Service, Administration. & Disaster Management	607,709,838.20	1,138,119,812.75	53.40%
Infrastructure Transport & Public Works	-	181,176,326.25	0.00%
Agriculture, Pastoral Economy & Fisheries	-	340,674,765.00	0.00%
Tourism, Culture and Natural Resources	-	80,769,282.50	0.00%
Lands, Energy, Housing & Urban Areas Mgt.	-	164,807,316.25	0.00%
County Assembly	125,666,780.30	306,247,926.75	41.03%
County Public Service Board	-	29,410,850.50	0.00%
Lodwar Municipality	-	17,144,750.75	0.00%
TOTAL	869,698,618.50	3,710,657,786.26	23.44%

Source: Analysis by the Directorate of Budget

3.2.2 Recurrent Expenditure by Entity

In the quarter under review **KES. 125,666,780.30** was spent on County Assembly Staff salaries, **KES. 136,322,000.00** was drawn from Turkana County COVID – 19 Response Fund and the Emergency Fund while **KES. 607,709,838.20** was spent on County Executive Staff salaries. The entities recording these expenditures were County Assembly, Finance and Economic Planning and Public Service, Administration and Disaster Management respectively. **Figure 7** below presents a summary of recurrent expenditure for quarter one FY 2020/21.

Figure 7: Recurrent Expenditure Performance by Entity

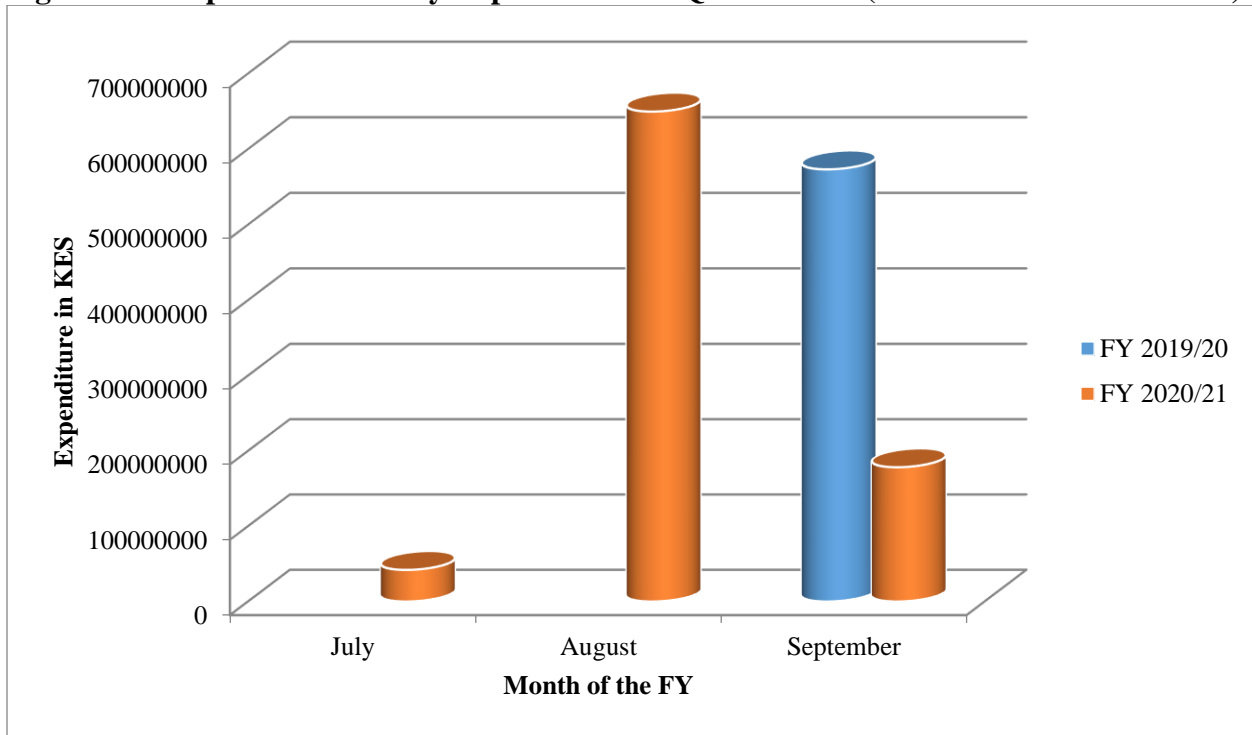


Source: Analysis by the Directorate of Budget

3.2.4 Quarter 1 Comparative Expenditure Performance (FY 2019/20 against FY 2020/21)

In FY 2020/21 the county recorded expenditure for the three months of the quarter whereas in FY 2019/20 it recorded expenditure in September 2019 only. The highest expenditure for the two financial years was recorded in August 2020. A higher expenditure was recorded in September 2019 compared to the same period in FY 2020/21 See Fig. 8 below.

Figure 8: Comparative Monthly Expenditure for Quarter One (FY 2019/20 vs FY 2020/21)



Source: Analysis by the Directorate of Budget

4.0 KEY FINDINGS

4.1.0 Revenue

4.1.1 County Revenue Fund (CRF) Releases

- i. A total of **KES 906,392,700.00** was issued from the Exchequer to the County Revenue Fund (CRF). This was the balance of Equitable Share not remitted in FY 2019/20.

4.1.2 Own Source Revenue.

- i. The total actual revenue collected during the quarter under review amounted to **KES. 36,348,225.00** (or **96.93%**) against a quarterly target of **KES. 37,500,000.00** translating to a deficit of **KES 1,151,774.90**. Transport Operation Fee stream surpassed its quarterly targets with a performance of **628.07%**. The worst performing streams were Health (Public Health & Cost Sharing) **KES 2,546,157 (35.18%)** and House Rent/Kiosks/Stalls **KES 159,300 (27.44%)**.
- ii. The revenue streams with highest revenue collection were Transport Operation Fee at **KES 7,481,452.00** followed by Land Survey/Application/Building Approval at **KES 5,205,300.00**. Streams with the least revenue collection were House Rent at **KES. 159,300.00** and Trade Fair at **KES 35,900.00**. There was no revenue collected from Liquor Licensing stream.
- iii. The County Department of Lands, Energy, Housing and Urban Areas Management is the highest OSR contributor of **KES 11,136,890.00** followed by Infrastructure, Transport and Public Works at **KES 10,842,187.00**. Royalty and Land Survey Application were among the highest revenue contributors for the Department of Lands, Energy, Housing and Urban Areas Management. The department of Agriculture and Pastoral Economy contributed the least revenue of **KES. 2,066,210.00**.
- iv. Turkana Central Sub County recorded the highest revenue of **KES 21,717,383.00** which is largely attributed to performance of Lodwar Township Ward, Lands Office and County Headquarters. Kibish Sub County recorded the lowest amount of revenue of **KES 5,000.00** among the sub – counties.
- v. Kainuk/Lobokat Ward recorded the highest revenue collection of **KES 7,292,820.00**, followed by Lodwar Township with a collection at **KES. 5,384,055.00**. No revenue was collected from Kaaleng/Kaikor and Letea Wards.

- vi. Monthly revenue collection from July to September 2020 is skewed to the right with **KES 11,731,402** being recorded in July **KES 9,633,968** in August and **KES 14,982,856** in September.
- vii. There was a decrease of **KES 17,613,123** on revenue collected in the first quarter of FY 2020/2021 compared to the same period in the FY2019/2020.

4.2 Expenditure.

- i. Expenditure for quarter one for FY 2020/21 for both the County Executive and the County Assembly amounted to **KES. 869,698,618.50** which was purely recurrent.
- ii. Only three entities in the entire county recorded expenditure. The entities were, County Assembly, the department of Finance & Economic Planning and the department of Public Service, Administration & Disaster Management. The County Department of Public Service, Administration and Disaster Management had the highest expenditure at **KES. 607,709,838.20** mainly because of payment of salaries.

5.0 RECOMMENDATIONS

- i.** The revenue department should consider their ward revenue targets to reflect the annual target of **KES 150,000,000.00**.
- ii.** With the uncertainties brought about by COVID-19 pandemic, the directorate of revenue should invent feasible ways of increasing the revenue base to prevent drastic OSR shortfall.
- iii.** There is need to create awareness and campaigns in order to maximize the performance of both high and low performing streams.
- iv.** There is need to revamp resource mobilization approach to supplement the deficit caused by shortfall in OSR.

6.0 ANNEXES

6.1 Comprehensive Expenditure Matrix

Table 13: Expenditure by Vote and Category

COUNTY ENTITY	Department	Budgets	July	August	September	QUARTER 1
Governance (Office of the Gvn and Liaison)	Recurrent	302,560,414.00				-
	Development	297,091,152.00				-
Office of the Deputy Governor	Recurrent	25,951,204.00				-
	Development	31,112,887.00				-
County Attorney	Recurrent	138,975,448.00				-
	Development					-
Finance and Planning	Recurrent	746,705,067.00	-		136,322,000.00	136,322,000
	Development	436,572,413.00				-
Water Services, Environment and Mineral Resources	Recurrent	257,785,296.00				-
	Development	597,812,268.00				-
Health & Sanitation Services	Recurrent	780,016,761.00				-
	Development	694,314,043.00				-
Trade, Gender and Youth Affairs	Recurrent	199,802,429.00				-
	Development	241,982,750.00				-
Education, Sports and Social Protection	Recurrent	546,048,761.00				-
	Development	702,622,268.00				-
Public Services, Decentralized Administration & Disaster Management	Recurrent	4,513,325,072.00		607,709,838.20		607,709,838
	Development	39,154,179.00				-
Infrastructure Transport & Public Works	Recurrent	107,908,858.00				-
	Development	616,796,447				-
Agriculture, Pastoral Economy & Fisheries	Recurrent	198,258,440.00				-
	Development	1,164,440,620.00				-
Tourism, Culture and Natural Resources	Recurrent	118,913,020.00				-
	Development	204,164,110.00				-
Lands, Energy, Housing & Urban Areas Mgt.	Recurrent	169,957,980.00				-

COUNTY ENTITY	Department	Budgets	July	August	September	QUARTER 1
	Development	489,271,285.00				-
County Assembly	Recurrent	875,650,181.00	41,888,926.77	41,888,926.77	41,888,926.77	125,666,780
	Development	349,341,526.00				-
County Public Service Board	Recurrent	115,303,402.00				-
	Development	2,340,000.00				-
Lodwar Municipality	Recurrent	37,691,208.00				-
	Development	30,887,795.00				-
EXECUTIVE BUDGET		15,032,757,283.99	41,888,926.77	649,598,764.97	178,210,926.77	869,698,618.50

Source: County Treasury

6.2 Comprehensive Revenue Streams Matrix

Table 14: Quarterly Revenue by Stream

REVENUE STREAM	MINISTRY	Jul-20	Aug-20	Sep-20	1ST QUARTER
SINGLE BUSINESS PERMIT	TRADE	1,134,600	746,300	779,400	2,660,300
ROYALTY(Murram, hardcore sand, ballast, Exploitation)	LANDS	1,907,000	1,399,640	1,729,330	5,035,970
CESS(Transport ,Hide & skin, Fish cess, charcoal cess, firewood, miraa cess, Handicraft cess, exhauster services & cess)	TRANSPORT	917,410	1,087,990	1,355,335	3,360,735
MARKET FEE(Barter, fish, market stall fees, offloading)	TRADE	118,150	261,710	245,300	625,160
SLAUGHTER/AUCTION FEE(Small and Big animals,Meat insp. fee)	PASTORAL	783,870	548,365	733,975	2,066,210
ADVERTISEMENT(Sign post, sign boards)	LANDS	-	50,000	143,420	193,420
PARKING FEE (all vehicles), exhauster fee	LANDS	171,050	153,700	218,150	542,900
TRANSPORT OPERATION FEE (Taxi, Bodaboda, Matatu, Canter, Lorry, and buses)	ROADS	2,167,230	1,986,150	3,328,072	7,481,452
LAND SURVEY/APPLICATION/ BUILDING APPROVAL, school reg. fee, holding ground fee, Burrow pit fee, Toilet fee , Land transfer fee, Communication boosters	LANDS	1,968,800	1,842,000	1,394,500	5,205,300
HOUSE RENT/KIOSKS/STALLS	LANDS	25,300	25,000	109,000	159,300
HEALTH(Public health & cost sharing)	HEALTH	680,856	793,743	1,071,558	2,546,157
WEIGHTS AND MEASURES	TRADE	41,600	105,700	35,200	182,500
OTHER FEES AND CHARGES(Hides and Skins), tenders,	FINANCE	318,170	130,542	248,650	697,362
CORPORATES		1,497,366	503,128	1,070,566	3,071,059
SBP Mass collection Kakuma Refugee Camp	TRADE	-	-	2,520,400	2,520,400
TOTAL		11,731,402	9,633,968	14,982,856	36,348,225

Source: Directorate of Revenue