

COUNTY GOVERNMENT OF TURKANA

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

QUARTER THREE BUDGET IMPLEMENTATION REPORT

FY 2020/21

© Third 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

I am honoured to present Third Quarter budget Implementation Report for FY 2020/21. This report is used to share information of budget execution to public, governments on the performances of revenue received both from National and County Governments, Also the report provide analyses of county both recurrent and development expenditures performance, monitoring of projects and programmes implemented during the period under review. This report therefore promotes legal requirement principle of transparency and accountability to the public in handling of government resources.

This report comes such a time when government is implementing its quarterly budget from January to March 2021 when the world is affected with unprecedented Corona Virus Disease 2019, the government took containment measures including restricted movements, closure of public events, dusk to dawn curfew, these disruptions and shocks have been adversely been felt both in short and medium term which resulted in disruption of revenues flow and limited demand and supply of goods and services.

Production of this report is largely based on financial reports submitted by County Treasury and data generated from the Integrated Financial Management Information System (IFMIS). The report contains analyzed revenues received from the Exchequer and the Own Source Revenue (OSR) collected within the borders of Turkana County. Recurrent and development expenditures have been computed and the overall burn rate determined for the quarter.

Emathe Namuar
County Executive Committee Member
Finance and Economic Planning

ACKNOWLEDGEMENT.

This is Third Quarter Budget Implementation Report 2020/21 is prepared in accordance to Section 166 of the Public Finance Management (PFM) Act, 2012. The report present the status of budget implementation on revenue collections, performance against targets, comparison with previous financial years and expenditure performance by the county entities for the period (quarter) against targets. The shortcomings that hindered budget implementation have been presented together with recommendations.

Compilation of this report was eased by satisfactory data receive from Department of Revenue and financial reports generated by the County Treasury. It is my expectation that this report will enable Count Departments to both access financial and non-financial performances, coming up with mechanisms to address the emphasized challenges brought about by the COVID-19 Pandemic.

Production of this report has been made possible through the concerted effort of staff from the budget office. I am, therefore, indebted to all the staff from County Treasury who were involved in provision of data. Economic Planning is looking forward cooperate with the County Departments as they move forward on budget implementation and wish the public to participate in the budgetary process and giving feedback to improve budget execution.

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
SWG s	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

We are presenting Third Quarter Budget Implementation Report of Turkana County for the FY 2020/21 which has been prepared pursuant to 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 County Departments, the National Treasury, Controller of Budget, and Commission on Revenue Allocation to promote openness, transparency and provide information to the public on the management of public resources

This report presents the status of budget implementation by the Turkana County Government in the months January to March of the financial year 2020/21 on own-source revenue performance by departments, Revenue Streams, Wards as well as Sub-Counties and a review of actual expenditure against budget allocations by departments. BIR is based on the approved budget and financial reports submitted by county treasury to the Budget Office and bolstered by data from the Integrated Financial Management Information System (IFMIS). 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 amounted 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 while **KES. 5,897,903,743.00** for development expenditure representing **39.23%**.

During the quarter under review, **KES. 2,173,113,756.35** was released from the County Revenue Fund to the County Executive and County Assembly Recurrent and Development Accounts.

Total Own Source Revenue collection for the quarter under review was **KES. 51,891,831.15** Against quarterly target of **KES. 37,500,000** generating excess of **KES. 14,391,831.15** Which translates to a performance of **138%**. Slaughter/Auction Fee (Small and Big animals) performed best by surpassing its quarterly target by **221%** followed closely by CESS (Transport , Charcoal,

Hide & Skin, Firewood, Miraa) with a performance of **213%**. The streams that performed least were Advertisement (Sign Post, Sign Boards) with 12% and Liquor Licenses (Liquor SBP and Application Fee) with zero performance because on nil collection.

CESS (Transport, Hide & Skin, Fish, Charcoal, Firewood, Miraa, Handicraft and Exhauster Services) leads in revenue collection with **KES. 15,768,005** followed by Single Business Permit at **KES. 13,250,100** then HEALTH (Public health & cost sharing) at **KES. 6,265,857**. Streams with the least revenue collection were Advertisement (Sign post, sign boards) at **KES. 26,500** and Weights & Measures at **KES. 185,620**. Liquor Licences (Liquor SBP and Application Fee), Charcoal Cess/Permits, Environment, Trade Fair and SBP Mass collection Kakuma Refugee Camp recorded no expenditure.

Department of Infrastructure, Transport and Public Works was the leading entity in revenue contribution with remittance of **KES. 16,308,785** followed by Trade, Gender and Youth Affairs with **KES. 14,699,290**, collections from CESS was the key reason why the department of Infrastructure, Transport and Public Works performed well. The departments of Finance and Economic Planning and Agriculture, Pastoral Economy and Fisheries recorded the least revenue of **KES. 3,475,955.15** and **KES 2,101,280** respectfully.

Lobokat Ward recorded the highest collection of **KES. 11,224,420.00** followed by Township ward and County Lands office with a collection of **KES. 9,374,285.00** and **KES. 6,349,400** respectfully. Kalapata and Kapedo/Napeitom Wards collected the lowest revenue of **KES. 9,120** and **KES. 9,070**.

At the Sub-County level, Turkana Central Sub County recorded the highest revenue of **KES 30,568,231.15** which can be attributed to contributions from Department of Lands, performances of Lodwar County Referral Hospital, County Headquarters and Lodwar Township Ward. Kibish Sub-County collected the lowest amount of revenue of **KES 25,000** followed by Turkana East Sub County with revenue of **KES. 172,220**.

Expenditure for quarter three FY 2020/21 for both the County Executive and the County Assembly amounted to **KES. 1,914,547,117.30** both recurrent and development. Recurrent expenditure amounted to **KES. 1,566,803,418.60** while development expenditure amounted to **KES. 347,743,698.70**.

2.0 REVENUE PERFORMANCE

2.1 County Revenue Fund Releases for the Quarter (January - March 2021)

In the third quarter of FY 2020/21, **KES 2,173,113,756.35** was released from the County Revenue Fund for spending. The monies released to County Executive Recurrent account amounted to **KES. 1,352,351,274.00** while the County Executive Development account received **KES. 165,616,216.00** and Fund Accounts received **KES 442,206,323.35**. The County Assembly Recurrent and Development accounts received **KES. 174,802,963.00** and **KES. 38,136,980.00** respectively.

Table 1 below shows the CRF releases for spending to various accounts for the County Executive and the County Assembly.

Table 1: Quarter 3 County Revenue Fund Releases

COUNTY REVENUE FUND RELEASES					
	COUNTY EXECUTIVE			COUNTY ASSEMBLY	
Month	Recurrent Account	Development Account	Fund Accounts	Recurrent Account	Development Account
January	452,870,505.00		14,985,000.00		
February	168,303,622.00	85,516,115.00	419,366,376.35	100,177,565.00	38,136,980.00
March	731,177,147.00	80,100,101.00	7,854,947.00	74,625,398.00	
Total Per Category	1,352,351,274.00	165,616,216.00	442,206,323.35	174,802,963.00	38,136,980.00
Total Releases for Quarter 1			2,173,113,756.35		

Source: County Treasury

2.1.0 Own Source Revenue.

As illustrated in Table 2 below, Own Source Revenue collected during the quarter under review amounted to **KES 51,891,831.00**

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

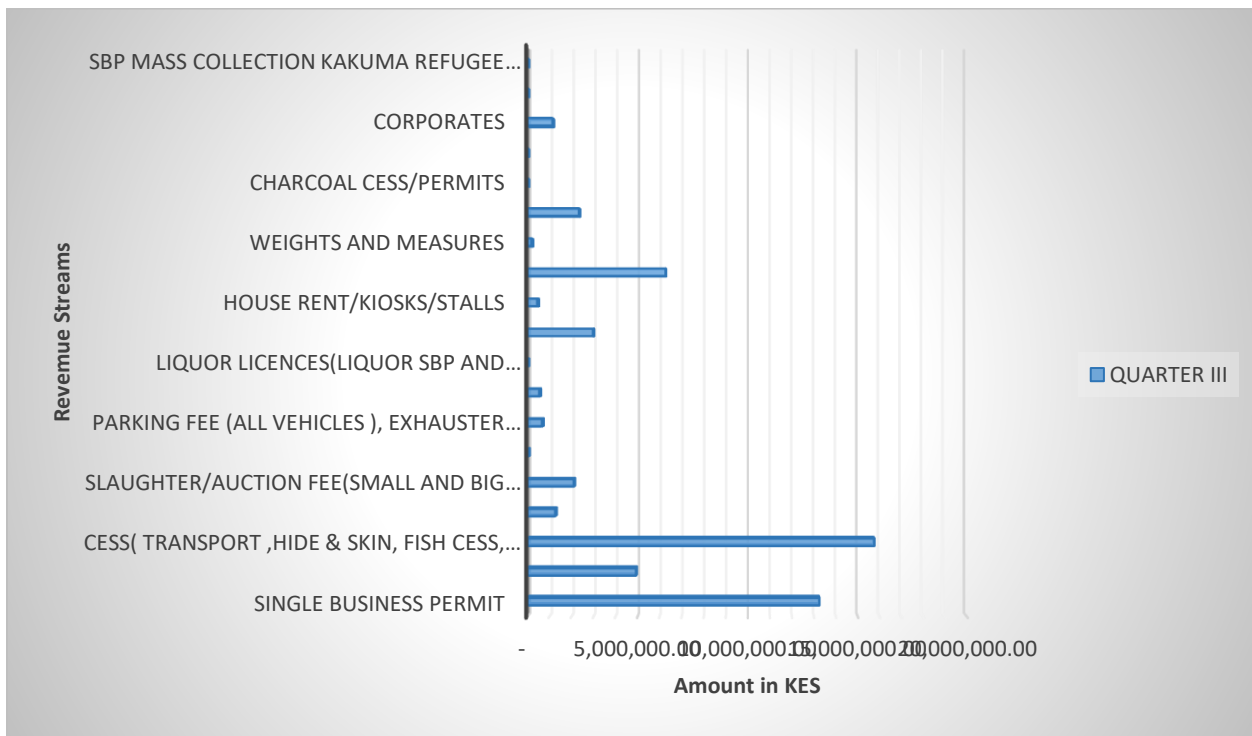
REVENUE STREAM	MINISTRY	Jan-21	Feb-21	Mar-21	QUARTER III
SINGLE BUSINESS PERMIT	TRADE	2,198,400	3,853,300	7,198,400	13,250,100
ROYALTY(Murram, hardcore sand, ballast, Exploitation)	LANDS	1,369,775	1,812,200	1,744,000	4,925,975
CESS(Transport ,Hide & skin, Fish cess, charcoal cess, firewood, miraa cess, Handicraft cess, exhauster services & cess)	TRANSPORT	4,889,960	5,598,295	5,279,750	15,768,005
MARKET FEE(Barter, fish, market stall fees, offloading)	TRADE	756,850	209,010	297,710	1,263,570
SLAUGHTER/AUCTION FEE(Small and Big animals,Meat insp. fee)	PASTORAL	667,285	673,450	760,545	2,101,280
ADVERTISEMENT(Sign post, sign boards)	LANDS	-	16,000	10,500	26,500
PARKING FEE (all vehicles), exhauster fee	LANDS	210,450	219,550	233,740	663,740
TRANSPORT OPERATION FEE (Taxi, Bodaboda, Matatu, Canter, Lorry, and buses)	ROADS	79,400	243,390	217,990	540,780
LIQUOR LICENCES(Liquor SBP and Application Fee)	HEALTH	-	-	-	-
LAND SURVEY/APPLICATION/ BUILDING APPROVAL, school reg. fee, holding ground fee, Burrow pit fee, Toilet fee , Land transfer fee, Communication boosters	LANDS	676,000	2,116,739	183,000	2,975,739
HOUSE RENT/KIOSKS/STALLS	LANDS	119,700	166,310	162,700	448,710
HEALTH(Public health & cost sharing)	HEALTH	714,900	78,500	5,472,457	6,265,857
WEIGHTS AND MEASURES	TRADE	53,100	86,020	46,500	185,620
OTHER FEES AND CHARGES(Hides and Skins), tenders,	FINANCE	1,020,562	621,959	693,620	2,336,141
CHARCOAL CESS/PERMITS	TOURISM	-	-	-	-
ENVIRONMENT	ENVIRONMENT	-	-	-	-
CORPORATES		324,000	300,000	515,814	1,139,814
TRADE FAIR		-	-	-	-
SBP Mass collection Kakuma Refugee Camp	TRADE	-	-	-	-
		-	-	-	-
TOTAL		13,080,382	15,994,723	22,816,726	51,891,831

Source: Directorate of Revenue

2.1.1 Revenue Collection Analysis by Stream

Figure 1 below shows revenue collection from different streams; CESS(Transport ,Hide & skin, Fish cess, charcoal cess, firewood, miraa cess, Handicraft cess, exhauster services & cess) leads in revenue collection with **KES 15,768,005** followed by Single Business Permit at **KES 13,250,100** and HEALTH(Public health & cost sharing) at **KES. 6,265,857**. Streams with the least revenue collection were Advertisement (Sign post, sign boards) at **KES. 26,500** and weights & measures at **KES 185,620**. Liquor Licences (Liquor SBP and Application Fee), Charcoal Cess/Permits, Environment, Trade Fair and SBP Mass collection Kakuma Refugee Camp were not collected.

Figure 1: Own Source Revenue collection per stream.



Source: Analysis by the Directorate of Budget

2.1.2 Own Source Revenue analysis by County Entities.

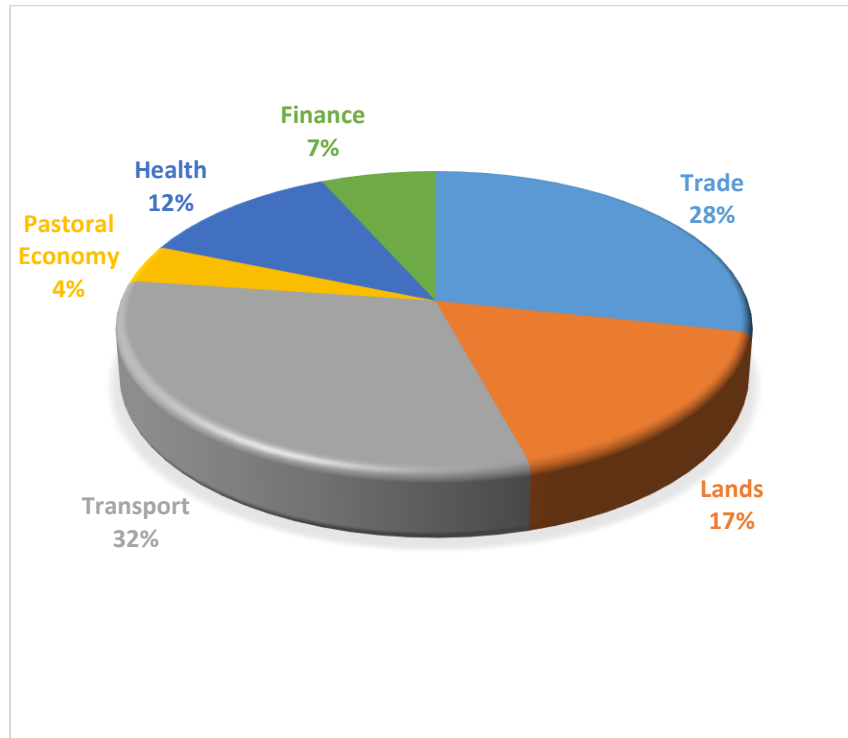
Below is a summary of contributions by entities to own source revenue. Departments of Infrastructure, Transport and Public Works was the leading entity in revenue contribution with remittance of **KES 16,308,785** followed by Trade, Gender and Youth Affairs with **KES 14,699,290**, collections from CESS was the key reason why the department of Infrastructure, Transport and Public Works lead. The departments of Finance and Economic Planning and Agriculture, pastoral economy and fisheries contributed the least revenue of **KES. 3,475,955.15** And **2,101,280** respectfully.

Table 3: Own Source Revenue collection by County Entities

Entities	Amount in KES	Percentage
Trade	14,699,290.00	28%
Lands	9,040,664.00	17%
Transport	16,308,785.00	31%
Pastoral Economy	2,101,280.00	4%
Health	6,265,857.00	12%
Finance	3,475,955.15	7%
Total	51,891,831.15	100%

Source: Directorate of Revenue

Figure 2: Proportion of OSR by County Department.

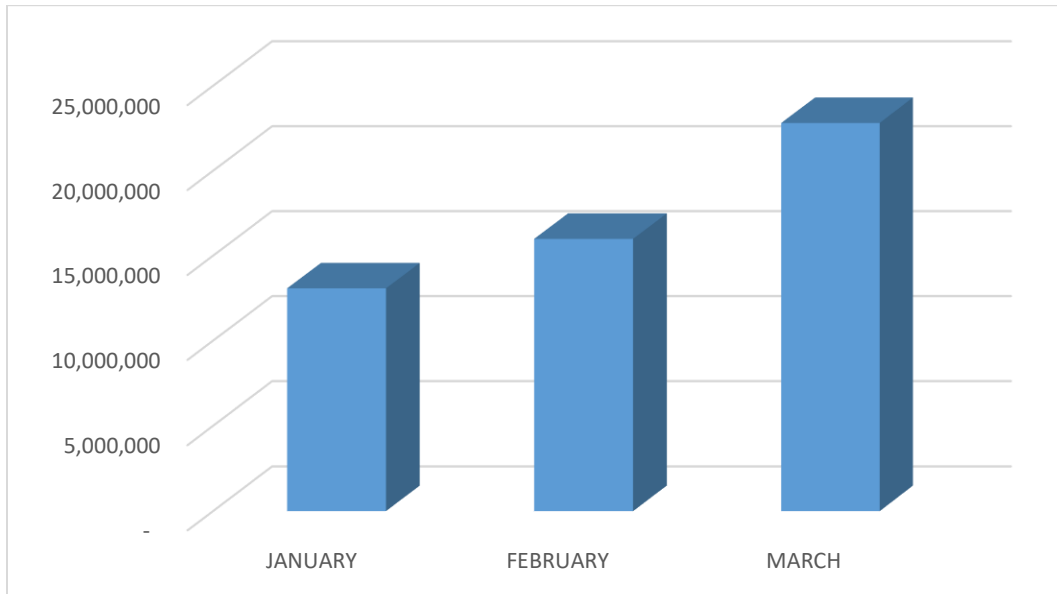


Source: Analysis by Directorate of Budget

2.1.3 Monthly Own Source Revenue Analysis.

Increasing trend in monthly Own Source Revenue collection from January to March is revealed by the analysis in **Figure 3** below, highest collection was recorded in the month of March at **KES 22,816,726** and least in the month of January at **KES 13,080,382**. The month of March collected the highest revenue because of ease in business restrictions, reduction of Dusk to Dawn curfew hours and phased opening of economy.

Figure 3: Own Source Revenue Analysis.



Source: Analysis by Directorate of Budget.

2.1.4 OSR Performance per stream against Quarterly Target

Total Own Source Revenue collection for the quarter under review was **KES. 51,891,831.15** Against quarterly target of **KES. 37,500,000** generating excess of **KES. 14,391,831.15** Which translates to a performance of **138%**. Slaughter/Auction Fee (Small and Big animals) performed best by surpassing its quarterly target by **221%** followed closely by CESS(Transport , Charcoal cess, Hide & skin, firewood, miraa cess) with a performance of **213%**. The streams that performed least were Advertisement(Sign post, sign boards) with 12% and Liquor Licenses (Liquor SBP and Application Fee) with zero performance because of Nil collection. **Table 4** shows the various streams' performance against their targets.

Table 4: Revenue Performance per Stream against Target

REVENUE STREAM	Quarter III Revenue	Quarterly Target	Variance	Performance (%)
SINGLE BUSINESS PERMIT	13,250,100.00	6,767,674.00	6,482,426.00	196%
ROYALTY(Murram, hardcore, sand, ballast, Exploitation, Burrow pit)	4,925,975.00	5,012,191.40	- 86,216.40	98%
CESS(Transport , Charcoal cess,Hide & skin, firewood, miraa cess)	15,768,005.00	7,403,560.00	8,364,445.00	213%
MARKET FEE(Barter, fish, market stall fees, offloading)	1,263,570.00	748,758.00	514,812.00	169%
SLAUGHTER/AUCTION FEE(Small and Big animals)	2,101,280.00	949,532.00	1,151,748.00	221%
ADVERTISEMENT(Sign post, sign boards)	26,500.00	212,352.00	- 185,852.00	12%
PARKING FEE (all vehicles)	663,740.00	819,728.00	- 155,988.00	81%
TRANSPORT OPERATION FEE (Taxi, Bodaboda, Matatu, Canter, Lorry, and buses)	540,780.00	1,191,188.00	- 650,408.00	45%
LIQUOR LICENCES(Liquer SBP and Application Fee)	-	1,000,000.00	- 1,000,000.00	0%
LAND SURVEY/APPLICATION/BUILDING APPROVAL	2,975,739.00	4,043,923.80	- 1,068,184.80	74%
HOUSE RENT/KIOSKS/STALLS	448,710.00	580,590.00	- 131,880.00	77%
HEALTH(LCRH, Public health & cost sharing)	6,265,857.00	7,237,347.40	- 971,490.40	87%
WEIGHTS AND MEASURES	185,620.00	350,950.00	- 165,330.00	53%
OTHER FEES AND CHARGES(Hides and Skins)	2,336,141.15	1,182,205.40	1,153,935.75	198%
CHARCOAL CESS/PERMITS	-		-	
ENVIRONMENT	-		-	
CORPORATES	1,139,814.00		1,139,814.00	
TRADE FAIR	-		-	
SBP Mass collection Kakuma Refugee Camp	-		-	
TOTAL	51,891,831.15	37,500,000.00	14,391,831.15	138%

Source: Analysis by Directorate of Budget.

2.1.5 Own Source Revenue Collection by Ward

Lobokat Ward recorded the highest collection of **KES. 11,224,420.00** followed by Township ward and County Lands office with a collection of **KES. 9,374,285.00** and **KES. 6,349,400** respectfully. Kalapata and Kapedo/Napeitom Wards collected the lowest revenue of **KES. 9,120** and **KES. 9,070**. At the Sub-County level, Turkana Central Sub County recorded the highest revenue of **KES. 30,568,231.15** which can be attributed to contributions from Department of Lands, performances of Lodwar County Referral Hospital, County Headquarters and Lodwar Township Ward. Kibish Sub-County collected the lowest amount of revenue of **KES. 25,000** followed by Turkana East Sub County with revenue of **KES. 172,220**.

Table 5: Own Source Revenue Collection by Ward

SUB-COUNTY	WARD	Jan-21	Feb-21	Mar-21	QUARTER III
TURKANA WEST	Kakuma	930,205.00	1,029,685.00	1,713,840.00	3,673,730.00
	Kalobeyei	64,850.00	157,250.00	164,900.00	387,000.00
	Songot	-	6,400.00	14,100.00	20,500.00
	Lopur	43,645.00	144,900.00	107,250.00	295,795.00
	Letea	-	11,900.00	15,100.00	27,000.00
	Nanam	-	32,500.00	16,200.00	48,700.00
	Lokichoggio	179,690.00	378,100.00	742,120.00	1,299,910.00
	SBP Mass collection Kakuma Refugee Camp	-	-	-	-
	SUB TOTAL	1,218,390.00	1,760,735.00	2,773,510.00	5,752,635.00
TURKANA NORTH	Nakalale	207,300.00	380,155.00	379,150.00	966,605.00
	Kaeris	9,980.00	47,900.00	32,560.00	90,440.00
	Kaleng/Kaikor	-	14,400.00	55,700.00	70,100.00
	Lake Zone	63,500.00	43,450.00	243,180.00	350,130.00
	Lapur	51,560.00	14,850.00	69,170.00	135,580.00
	SUB TOTAL	332,340.00	500,755.00	779,760.00	1,612,855.00
LOIMA	Lobei/Kotaruk	-	10,100.00	6,900.00	17,000.00
	Turkwel	30,000.00	85,410.00	85,000.00	200,410.00
	Loima	7,790.00	31,300.00	20,950.00	60,040.00
	Lokiriama/Lorengipi	78,200.00	99,850.00	100,670.00	278,720.00
	SUB TOTAL	115,990.00	226,660.00	213,520.00	556,170.00
TURKANA CENTRAL	Kalokol	1,317,725.00	1,515,850.00	1,480,000.00	4,313,575.00
	Kangatoha	66,600.00	91,000.00	251,600.00	409,200.00
	Township	2,564,750.00	3,245,700.00	3,563,835.00	9,374,285.00
	Kanamkemer	765,975.00	1,143,705.00	1,853,600.00	3,763,280.00
	Kerio	-	30,500.00	6,700.00	37,200.00
	LCRH	661,350.00	1,030,239.00	854,557.00	2,546,146.00
	Headquarters	1,343,562.15	887,769.00	1,147,414.00	3,378,745.15
	Lands	676,000.00	1,085,500.00	4,587,900.00	6,349,400.00
	Housing	119,700.00	154,000.00	122,700.00	396,400.00

	SUB TOTAL	7,515,662.15	9,184,263.00	13,868,306.00	30,568,231.15
TURKANA EAST	Lokori/Kochodin	22,950.00	36,570.00	146,350.00	205,870.00
	Kapedo/Napeitom	-	5,000.00	4,070.00	9,070.00
	Katilia	-	-	21,800.00	21,800.00
	SUB TOTAL	22,950.00	41,570.00	172,220.00	236,740.00
TURKANA SOUTH	Lokichar	255,750.00	500,350.00	842,250.00	1,598,350.00
	Lobokat	3,564,300.00	3,671,370.00	3,988,750.00	11,224,420.00
	Katilu	27,000.00	40,200.00	116,620.00	183,820.00
	Kaputir	-	65,700.00	58,790.00	124,490.00
	Kalapata	3,000.00	3,120.00	3,000.00	9,120.00
	SUB TOTAL	3,850,050.00	4,280,740.00	5,009,410.00	13,140,200.00
KIBISH	Kibish	25,000.00	-	-	25,000.00
	GRAND TOTAL	13,080,382.15	15,994,723.00	22,816,726.00	51,891,831.15

2.1.7 Comparative Quarterly Revenue Performance

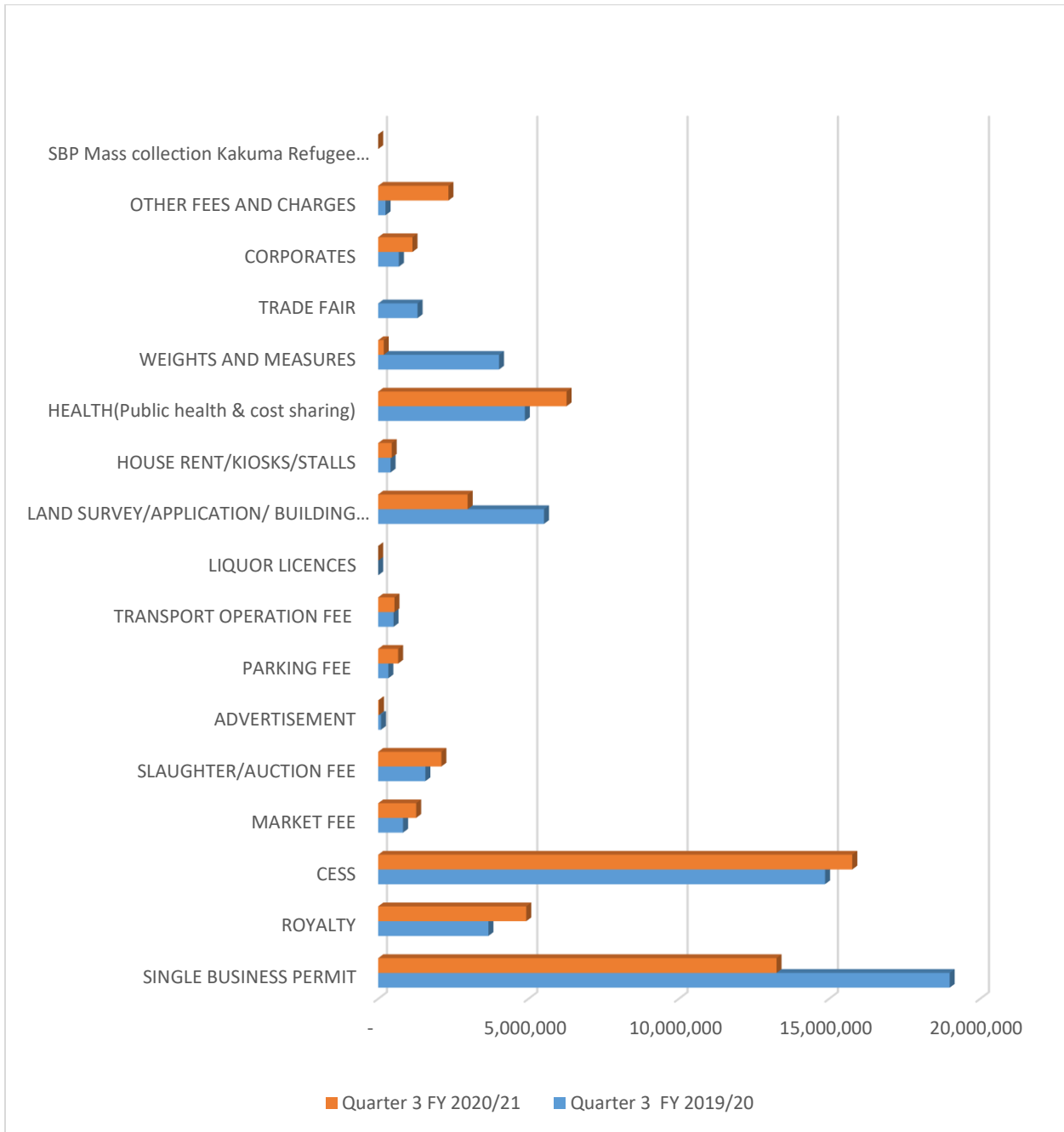
A comparison of Revenue streams performance of same quarter in FY 2019/20 has been analysed and results presented in Table 7 and Figure 4 below. The analysis reveals a drop of **KES 6,036,914** in this quarter under review, which translates to 89.58% performance. This decrease may be attributed to shocks of COVID-19 pandemic on businesses.

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

Revenue Stream	Quarter 3 FY 2020/21	Quarter 3 FY 2019/20	Variance	Percentage Change
SINGLE BUSINESS PERMIT	13,250,100	18,991,540	(5,741,440)	69.77%
ROYALTY	4,925,975	3,666,947	1,259,028	134.33%
CESS	15,768,005	14,865,260	902,745	106.07%
MARKET FEE	1,263,570	827,870	435,700	152.63%
SLAUGHTER/AUCTION FEE	2,101,280	1,569,650	531,630	133.87%
ADVERTISEMENT	26,500	94,000	(67,500)	28.19%
PARKING FEE	663,740	336,720	327,020	197.12%
TRANSPORT OPERATION FEE	540,780	510,710	30,070	105.89%
LIQUOR LICENCES	-	-		
LAND SURVEY/APPLICATION/ BUILDING APPROVAL	2,975,739	5,515,400	(2,539,661)	53.95%
HOUSE RENT/KIOSKS/STALLS	448,710	411,650	37,060	109.00%
HEALTH (Public health & cost sharing)	6,265,857	4,877,874	1,387,983	128.45%
WEIGHTS AND MEASURES	185,620	4,019,510	(3,833,890)	4.62%
TRADE FAIR		1,309,956	(1,309,956)	0.00%
CORPORATES	1,139,814	688,088	451,726	165.65%
OTHER FEES AND CHARGES	2,336,141	243,570	2,092,571	959.13%
SBP Mass collection Kakuma Refugee Camp	-		-	
TOTAL	51,891,831	57,928,745	- 6,036,914	89.58%

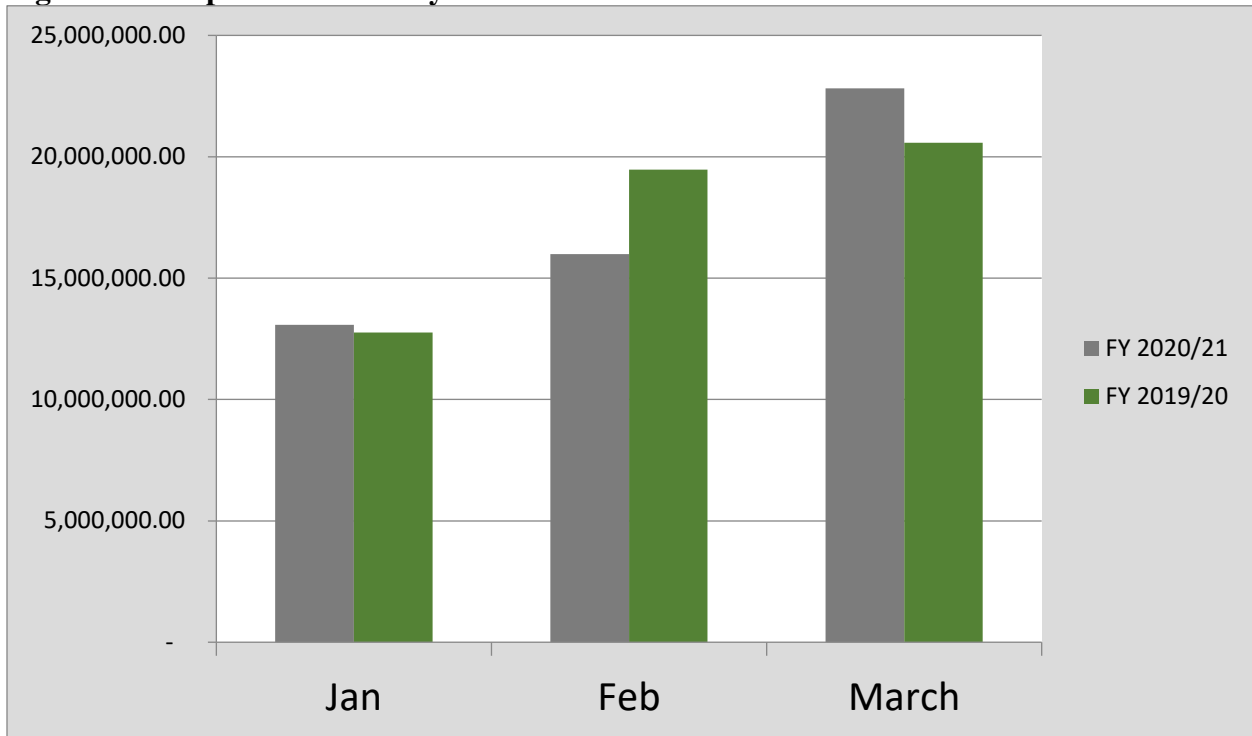
Source: Analysis by Directorate of Budget

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

Figure 5 above indicates monthly comparison of two financial years; exponential increase in collection is seen from month of January recording least and March posting highest revenue. There was a deficit of **KES. 6,036,914** on revenue collected in this quarter of FY 2020/2021 compared to the same period in the FY 2019/2020.

3.0 EXPENDITURE PERFORMANCE

3.1 Expenditure (Recurrent & Development) Analysis

Quarter three expenditure for FY 2020/21 amounted to **KES. 1,914,547,117.30** comprising of **KES. 1,566,803,418.60** recurrent and **KES. 347,743,698.70** development. The department with the highest expenditure was Public Services, Administration and Disaster Management with an expenditure of **KES. 643,278,434.05** while the Office of the Deputy Governor recorded the least expenditure of **KES. 725,412.20**. **Table 10** below gives a summary of expenditure by vote and category for quarter one.

Table 10: Quarter III Turkana County Expenditure Summary

Department	Annual Budget	Current Expenditure	Development Expenditure	Total Expenditure
Governance	599,651,566.00	87,813,745.10	18,195,721.90	106,009,467.00
Office of the Deputy Governor	57,064,091.00	725,412.20	-	725,412.20
County Attorney	138,975,448.00	6,608,238.25	-	6,608,238.25
Finance and Economic Planning	1,183,277,480.00	123,887,834.60	5,300,000.00	129,187,834.60
Water Services, Environment and Mineral Resources	855,597,564.00	39,493,432.25	81,606,635.85	121,100,068.10
Health & Sanitation Services	1,474,330,804.00	168,655,502.50	19,030,571.10	187,686,073.60
Trade, Gender and Youth Affairs	441,785,179.00	12,332,776.95	42,325,320.00	54,658,096.95
Education, Sports and Social Protection	1,248,671,029.00	180,357,467.50	35,429,901.50	215,787,369.00
Public Service, Administration. & Disaster Management	4,552,479,251.00	643,278,434.05	-	643,278,434.05
Infrastructure Transport & Public Works	724,705,305.00	21,915,026.05	23,011,246.90	44,926,272.95
Agriculture, Pastoral Economy & Fisheries	1,362,699,060.00	25,115,689.90	32,409,644.05	57,525,333.95
Tourism, Culture and Natural Resources	323,077,130.00	15,620,475.25	12,049,823.80	27,670,299.05
Lands, Energy, Housing & Urban Areas Mgt.	659,229,265.00	23,112,652.75	40,247,853.60	63,360,506.35
County Assembly	1,224,991,707.00	212,097,337.90	38,136,980.00	250,234,317.90
County Public Service Board	117,643,402.00	2,226,893.45	-	2,226,893.45
Lodwar Municipality	68,579,003.00	3,562,499.90	-	3,562,499.90
TOTAL	15,032,757,283.99	1,566,803,418.60	347,743,698.70	1,914,547,117.30

Source: Directorate of Accounting Services.

3.2 Actual Expenditure against target Expenditure.

The overall county expenditure performance against quarterly target for the period under review was **50.94%**. County Assembly recorded the highest performance of **81.71%** against target while the Office of the Deputy Governor recorded **5.08%** against target. **Table 11** below illustrates the expenditure performance of the county entities against their targets.

Table 11: Expenditure analysis against Quarterly Target

Department	Total Expenditure	Quarter III Target	Absorption Rate
Governance	106,009,467.00	149,912,891.50	70.71%
Office of the Deputy Governor	725,412.20	14,266,022.75	5.08%
County Attorney	6,608,238.25	34,743,862.00	19.02%
Finance and Economic Planning	129,187,834.60	295,819,370.00	43.67%
Water Services, Environment and Mineral Resources	121,100,068.10	213,899,391.00	56.62%
Health & Sanitation Services	187,686,073.60	368,582,701.00	50.92%
Trade, Gender and Youth Affairs	54,658,096.95	110,446,294.75	49.49%
Education, Sports and Social Protection	215,787,369.00	312,167,757.25	69.13%
Public Service, Administration. & Disaster Management	643,278,434.05	1,138,119,812.75	56.52%
Infrastructure Transport & Public Works	44,926,272.95	181,176,326.25	24.80%
Agriculture, Pastoral Economy & Fisheries	57,525,333.95	340,674,765.00	16.89%
Tourism, Culture and Natural Resources	27,670,299.05	80,769,282.50	34.26%
Lands, Energy, Housing & Urban Areas Mgt.	63,360,506.35	164,807,316.25	38.45%
County Assembly	250,234,317.90	306,247,926.75	81.71%
County Public Service Board	2,226,893.45	29,410,850.50	7.57%
Lodwar Municipality	3,562,499.90	17,144,750.75	20.78%
TOTAL	1,914,547,117.30	3,758,189,321.00	50.94%

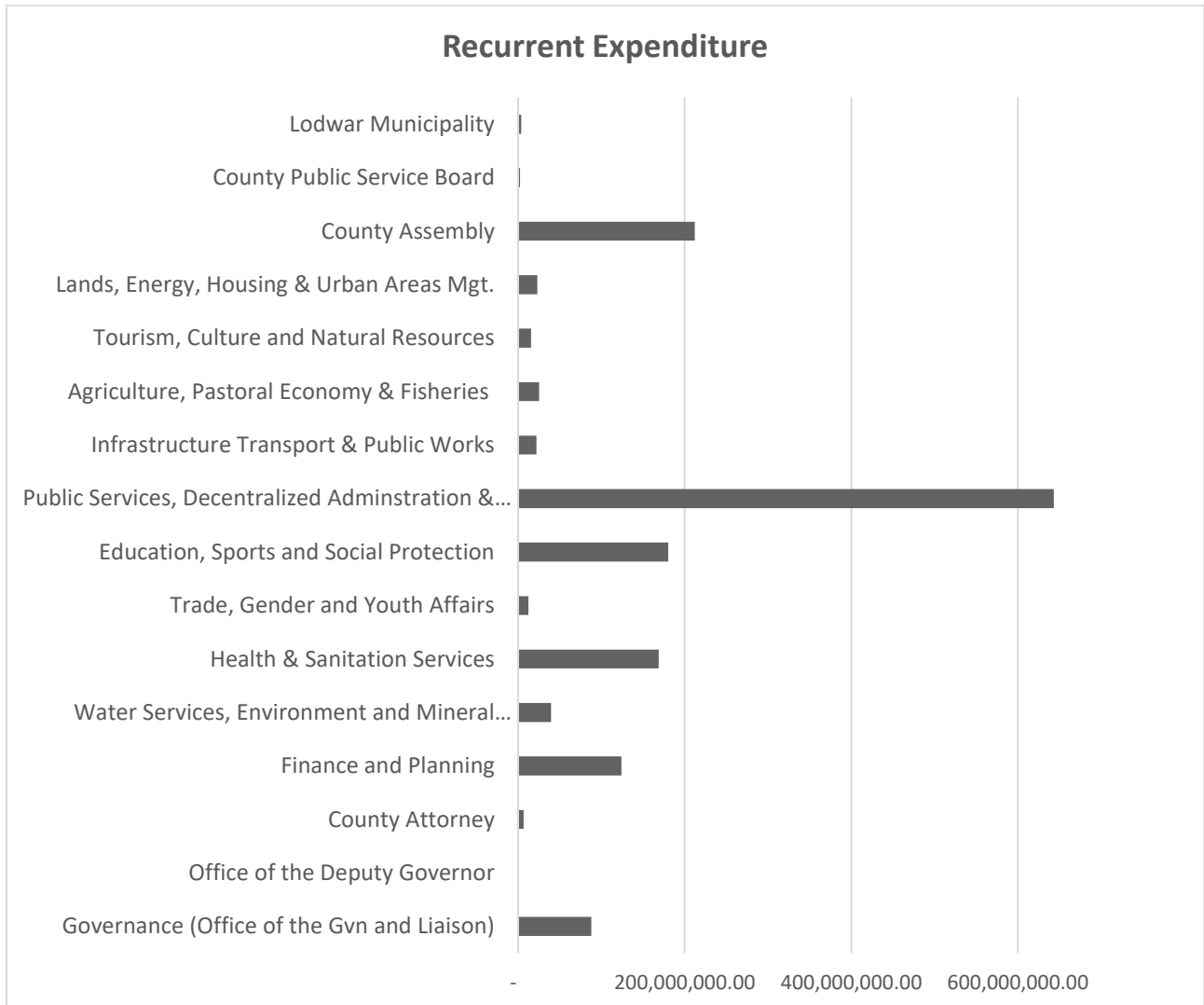
Source: Directorate of Budget Analysis

3.2.2 Recurrent Expenditure by Entity

The department of Public Service, Decentralized Administration and Disaster Management recorded the highest recurrent expenditure of **KES. 643,278,434.05** followed by the County Assembly recording **KES. 212,097,337.90** during the same period. This is much attributed to the expenditure of Personnel Expenditure by the two entities. The department of Education, Sports and Social Protection recorded the third highest recurrent expenditure of KES. 180,357,467.50. The entities that recorded low recurrent expenditure include Office of the Deputy Governor

recording KES. 725,412.20, County Public Service Board recording KES. 2,226,893.45 and Lodwar Municipality recording KES. 3,562,499.90. **Figure 7** below shows recurrent expenditure per entity.

Figure 7: Recurrent Expenditure Performance by Entity

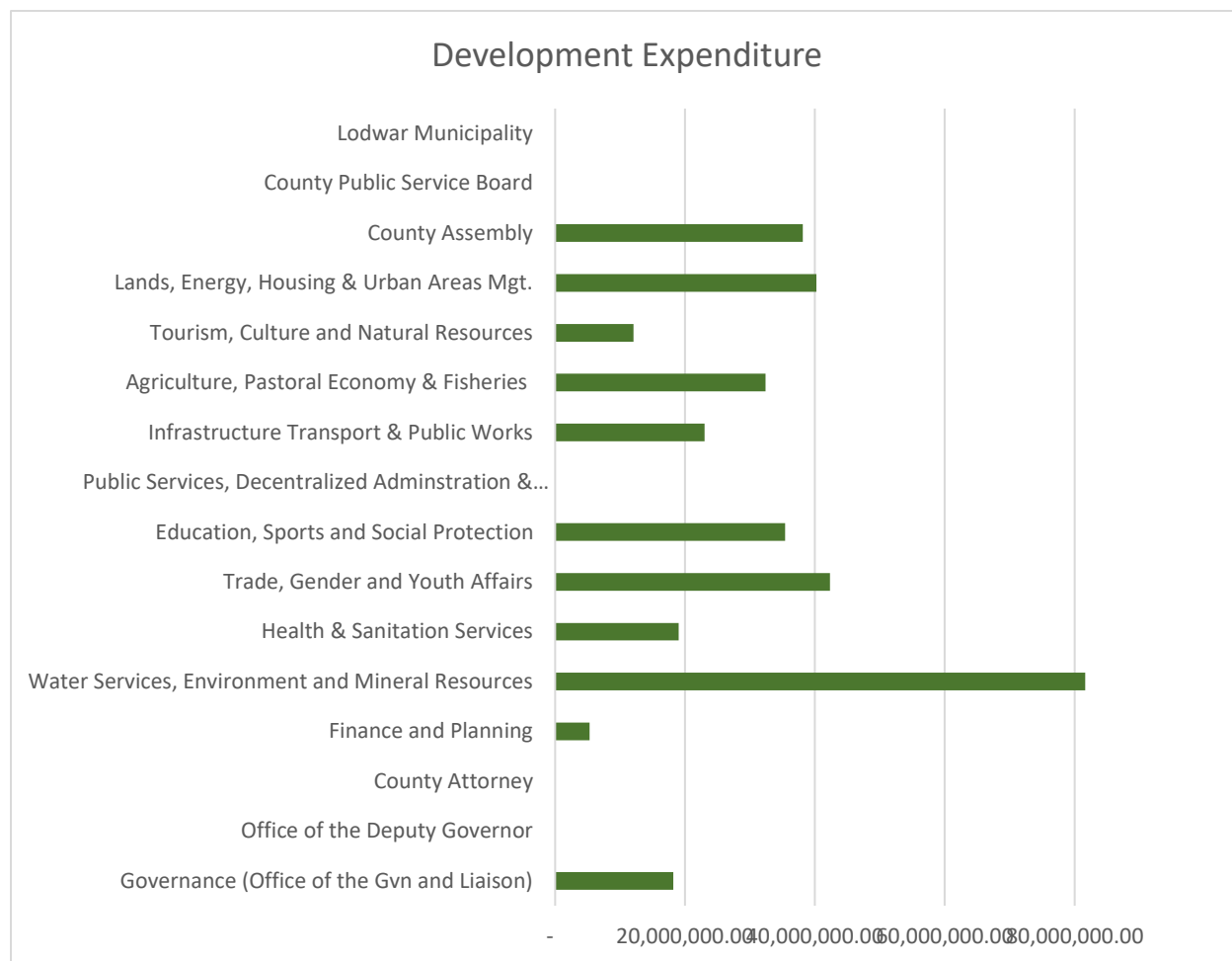


Source: Budget Directorate Analysis.

3.2.3 Development Expenditure by Entity

The department of Water Services, Environment and Mineral Resources recorded the highest development expenditure of **KES. 81,606,635.85** followed by the Trade, Gender and Youth Affairs recording **KES. 42,325,320.00** during the same period. The department of Lands, Energy and Urban Areas Management came third recording a development expenditure of **KES.**

40,247,853.60. The entities that recorded low development expenditure include Finance and Economic Planning recording **KES. 5,300,000.00**, Tourism, Culture and Natural Resources recording **KES. 12,048,823.80** and Governance recording **KES. 18,195,721.90**. **Figure 8** below shows development expenditure per entity. A number of entities had no budgetary allocation for development hence recorded no development expenditure.



3.2.4 Quarter III Comparative Expenditure Performance

Comparison of monthly expenditures for both FY 2020/21 and FY 2019/20 as been analysed below. On average, expenditure in FY 2020/21 is lower that expenditure in same period in FY 2019/20. From **Figure 8** below, expenditure in FY 2020/21 is seen to have gradually increased while in FY 2019/20, expenditure in February 2020 recorded the highest expenditure compared to all the months in both financial years.

Figure 8: Monthly Expenditure Quarter III FY 2020/21 vis-a-vis to FY 2019/20



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 2,173,113,756.35** was released from County Revenue Fund (CRF) to various county entities accounts for spending.

4.1.2 Own Source Revenue

- i. CESS (Transport, Hide & Skin, Fish, Charcoal, Firewood, Miraa, Handicraft and Exhauster Services) leads in revenue collection with **KES. 15,768,005.00** followed by Single Business Permit at **KES. 13,250,100.00** and HEALTH (Public Health & Cost Sharing) at **KES. 6,265,857.00**.
- ii. Streams with the least revenue collection were Advertisement (Sign post, sign boards) at **KES. 26,500.00** and weights & measures at **KES. 185,620.00** Liquor Licenses (Liquor SBP and Application Fee), Charcoal Cess/Permits, Environment, Trade Fair and SBP Mass collection Kakuma Refugee Camp were not collected.
- iii. Departments of Infrastructure, Transport and Public Works was the leading entity in revenue contribution with remittance of **KES. 16,308,785.00** followed by Trade, Gender and Youth Affairs with **KES. 14,699,290.00** collections from CESS was the key reason why the department of Infrastructure, Transport and Public Works lead.
- iv. The departments of Finance and Economic Planning and Agriculture, pastoral economy and fisheries contributed the least revenue of **KES. 3,475,955.15** and **KES. 2,101,280** respectfully.
- v. Highest collection was recorded in the month of March at **KES. 22,816,726.00** and least in the month of January at **KES 13,080,382.00**.
- vi. Total Own Source Revenue collection for the quarter under review was **KES. 51,891,831.15** Against quarterly target of **KES. 37,500,000.00** generating excess of **KES. 14,391,831.15** Which translates to a performance of **138%**.
- vii. Lobokat Ward recorded the highest collection of **KES. 11,224,420.00** followed by Township ward and County Lands office with a collection of **KES. 9,374,285.00** and **KES. 6,349,400.00** respectfully. Kalapata and Kapedo/Napeitom Wards collected the lowest revenue of **KES. 9,120.00** and **KES. 9,070.00**.

- viii. At the Sub-County level, Turkana Central Sub County recorded the highest revenue of **KES. 30,568,231.15** which can be attributed to contributions from Department of Lands, performances of Lodwar County Referral Hospital, County Headquarters and Lodwar Township Ward. Kibish Sub-County collected the lowest amount of revenue of **KES. 25,000.00** followed by Turkana East Sub County with revenue of **KES. 172,220.00**.
- ix. Exponential increase in collection is seen from month of January recording least and March posting highest revenue. There was a deficit of **KES. 6,036,914.00** on revenue collected in this 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. 1,914,547,117.30** which is purely recurrent.
- ii. The county recorded a recurrent expenditure of **KES. 1,566,803,418.60** recurrent and a development expenditure of **KES. 347,743,698.70**.
- iii. The department of Public Services, Administration and Disaster Management recorded the highest expenditure of **KES. 643,278,434.05** while the Office of the Deputy Governor recorded the least expenditure of **KES. 725,412.20**.
- iv. The overall county expenditure performance against quarterly target for the period under review was **50.94%**.
- v. County Assembly recorded the highest performance of **81.71%** against target while the Office of the Deputy Governor recorded **5.08%** against target.

5.0 RECOMMENDATIONS

- i. Directorate of resource mobilization needs to help in mobilizing resource to supplement the deficit caused by shortfall in OSR.
- ii. The revenue department should consider their ward revenue targets to reflect the annual target.
- iii. Directorate of Revenue needs to addressing Nil Collection in some streams I identified by analyses above.
- iv. Need to create awareness and campaigns in order to maximize the performance of both high and the performing streams.
- v. The County Treasury should fast-track requisition and expenditure going forward seeing the we are headed to the last quarter of the year.

6.0 ANNEXES

6.1 Comprehensive Expenditure Matrix

Table 13: Expenditure by Vote and Category

COUNTY ENTITY	Class	Jan-21	Feb-21	Mar-21	Q3 Total Expenditure
Governance (Office of the Governor and Liaison)	Rec	8,535,035.70	55,669,161.30	23,609,548.10	87,813,745.10
	Dev	2,169,967.30	13,854,742.10	2,171,012.50	18,195,721.90
Office of the Deputy Governor	Rec	351,620.20	35,842.00	337,950.00	725,412.20
	Dev	-	-	-	-
County Attorney	Rec	-	5,571,898.40	1,036,339.85	6,608,238.25
	Dev	-	-	-	-
Finance and Planning	Rec	11,258,603.40	22,905,447.05	89,723,784.15	123,887,834.60
	Dev	1,900,000.00	-	3,400,000.00	5,300,000.00
Water Services, Environment and Mineral Resources	Rec	16,776,988.65	2,291,709.00	20,424,734.60	39,493,432.25
	Dev	28,714,368.35	12,129,993.05	40,762,274.45	81,606,635.85
Health & Sanitation Services	Rec	5,626,317.30	107,190,487.10	55,838,698.10	168,655,502.50
	Dev	743,311.80	8,869,745.30	9,417,514.00	19,030,571.10
Trade, Gender and Youth Affairs	Rec	197,694.90	-	12,135,082.05	12,332,776.95
	Dev	42,325,320.00	-	-	42,325,320.00
Education, Sports and Social Protection	Rec	14,290,784.50	9,621,380.00	156,445,303.00	180,357,467.50
	Dev	4,871,402.00	26,597,344.35	3,961,155.15	35,429,901.50
Public Services, Decentralized Administration &	Rec	13,060,444.70	293,296,877.90	336,921,111.45	643,278,434.05

COUNTY ENTITY	Class	Jan-21	Feb-21	Mar-21	Q3 Total Expenditure
Disaster Management	Dev	-	-	-	-
Infrastructure Transport & Public Works	Rec	2,172,211.05	3,174,300.00	16,568,515.00	21,915,026.05
	Dev	-	17,043,445.20	5,967,801.70	23,011,246.90
Agriculture, Pastoral Economy & Fisheries	Rec	1,364,512.55	7,310,590.50	16,440,586.85	25,115,689.90
	Dev	8,490,957.40	14,364,434.85	9,554,251.80	32,409,644.05
Tourism, Culture and Natural Resources	Rec	3,424,522.35	3,774,827.60	8,421,125.30	15,620,475.25
	Dev	1,128,206.90	10,921,616.90	-	12,049,823.80
Lands, Energy, Housing & Urban Areas Mgt.	Rec	7,994,310.90	4,244,651.70	10,873,690.15	23,112,652.75
	Dev	33,654,551.85	-	6,593,301.75	40,247,853.60
County Assembly	Rec	58,191,188.95	79,797,449.00	74,108,699.95	212,097,337.90
	Dev	-	38,136,980.00	-	38,136,980.00
County Public Service Board	Rec	989,950.20	-	1,236,943.25	2,226,893.45
	Dev	-	-	-	-
Lodwar Municipality	Rec	3562499.9	-	-	3,562,499.90
	Dev	-	-	-	-
EXECUTIVE BUDGET		271,794,770.85	736,802,923.30	905,949,423.15	1,914,547,117.30

Source: County Treasury

6.2 Comprehensive Revenue Streams Matrix

Table 14: Quarterly Revenue by Stream

REVENUE STREAM	MINISTRY	Jan-21	Feb-21	Mar-21	QUARTER III
SINGLE BUSINESS PERMIT	TRADE	2,198,400	3,853,300	7,198,400	13,250,100
ROYALTY(Murram, hardcore sand, ballast, Exploitation)	LANDS	1,369,775	1,812,200	1,744,000	4,925,975
CESS(Transport ,Hide & skin, Fish cess, charcoal cess, firewood, miraa cess, Handicraft cess, exhauster services & cess)	TRANSPORT	4,889,960	5,598,295	5,279,750	15,768,005
MARKET FEE(Barter, fish, market stall fees, offloading)	TRADE	756,850	209,010	297,710	1,263,570
SLAUGHTER/AUCTION FEE(Small and Big Animals Meat insp. fee)	PASTORAL	667,285	673,450	760,545	2,101,280
ADVERTISEMENT(Sign post, sign boards)	LANDS	-	16,000	10,500	26,500
PARKING FEE (all vehicles), exhauster fee	LANDS	210,450	219,550	233,740	663,740
TRANSPORT OPERATION FEE (Taxi, Bodaboda, Matatu, Canter, Lorry, and buses)	ROADS	79,400	243,390	217,990	540,780
LIQUOR LICENCES(Liquor SBP and Application Fee)	HEALTH	-	-	-	-
LAND SURVEY/APPLICATION/ BUILDING APPROVAL, school reg. fee, holding ground fee, Burrow pit fee, Toilet fee , Land transfer fee, Communication boosters	LANDS	676,000	2,116,739	183,000	2,975,739
HOUSE RENT/KIOSKS/STALLS	LANDS	119,700	166,310	162,700	448,710
HEALTH(Public health & cost sharing)	HEALTH	714,900	78,500	5,472,457	6,265,857
WEIGHTS AND MEASURES	TRADE	53,100	86,020	46,500	185,620
OTHER FEES AND CHARGES(Hides and Skins), tenders,	FINANCE	1,020,562	621,959	693,620	2,336,141
CHARCOAL CESS/PERMITS	TOURISM	-	-	-	-
ENVIRONMENT	ENVIRONMENT	-	-	-	-
CORPORATES		324,000	300,000	515,814	1,139,814
TRADE FAIR		-	-	-	-
SBP Mass collection Kakuma Refugee Camp	TRADE	-	-	-	-
		-	-	-	-
TOTAL		13,080,382	15,994,723	22,816,726	51,891,831

Source: Directorate of Revenue