COUNTY GOVERNMENT OF TURKANA

OFFICE OF THE COUNTY EXECUTIVE
FINANCE AND ECONOMIC
PLANNING

COUNTY BUDGET

IMPLEMENTATION REPORT

3RD QUARTER FY 2018/19

© 3rd Quarter County Budget Implementation Report FY 2018/19

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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

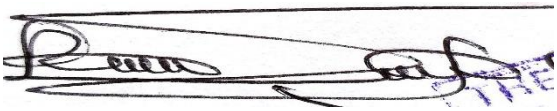
To facilitate socio, environmental, economic and equitable transformation of the Turkana People.

FOREWORD

We are privileged to share with you the FY 2018/2019 Third Quarter Budget Implementation report. The Quarterly Budget Implementation Report is one of the tools the County Treasury uses to disseminate information on budget implementation to various stakeholders within the county and beyond. The Budget Implementation report among other uses, is useful in informing the general public the performance of each department in terms of Own Source Revenue collection and expenditure performance, monitoring and evaluation of the projects and programmes implemented in the course of the year.

The third quarter was the period during which the County was engulfed by the drought which adversely affected livelihoods. Consequently the County had to mobilize resources through reorganization of the budget by way of a supplementary budget to respond to the effects of the drought. Over KES 500 Million was reorganized from the county departments for Emergency Relief and this consequently led to the postponement/abandonment of some projects and thus scaling down of some county government activities and projects.

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 entity's financial reports. The report gives an in-depth analysis of all revenues received from the Exchequer and the Own Source Revenue collected locally during the quarter and application of these revenues. We have analyzed, compared and presented the Own Source Revenue performance for each of the county entity, 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. Key findings and bottlenecks arising from the Budget implementation have been highlighted as well as recommendations.



HON. ROBERT ERENG LOTELENG'O

COUNTY EXECUTIVE COMMITTEE MEMBER

FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMENT.

This quarterly Budget Implementation Report (BIR) has been prepared in accordance with Section 166 of the Public Finance Management Act 2012, which requires the County Treasury to share Quarterly reports on Budget Implementation. The report presents the status of Budget performance and analysis of revenue against the target and expenditure against approved Supplementary Budget which is broadly disaggregated into recurrent and development expenditure. This document is therefore intended to share information on the implementation of the County budget during the quarter under review.

We are sincerely indebted to all the County departments and the Turkana County Assembly for the provision of data and reports that have gone into the production of this report. Special thanks go to the Directorate of Budget colleagues who spent long hours even outside official working time compiling and analyzing this work.

Finally, allow me to once again advise and remind all the Accounting Officers of all the county entities to adhere to the reporting standards, guidelines and templates as stipulated by the PFM Act 2012. This will provide ease in the provision of data/information and in the monitoring of the Budget Implementation.

ABDULLAHI YUSSUF
COUNTY CHIEF OFFICER
ECONOMIC PLANNING

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ABBREVIATIONS AND ACRONYMS

AIA	Appropriation In Aid
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
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

We are glad to present the Third Quarter Budget Implementation Report for Turkana County covering the period January 2019 to March 2019, for the FY 2018/19. The Quarterly Budget Implementation Report is one of the tools the County Treasury uses to disseminate information on budget implementation to various stakeholders within the county and beyond. It evaluates the county's fiscal performance in terms of revenue and expenditure by the county entities over the quarter. Comparative analysis of revenue performance against quarterly targets, and expenditure performance against budget estimates are presented. The challenges encountered during the quarter's budget implementation have been presented together with recommendations.

The Turkana County Government was allocated by the National Government KES 10,770,200,000 as Equitable Share and KES. 1,135,188,179.00 as conditional grants in the FY 2018/19. During this financial year, the County Government projected to generate Own Source Revenue of KES. 250,000,000 from local sources. The unutilized funds brought forward from the FY 2017/18 and absorbed into the budget through the Supplementary Budget 1 amounted to KES. 2,769,421,948.70. All these consolidated into the FY2018/19 Revenue basket of KES 14,924,810,127.70, which was budgeted into the recurrent and development expenditure of KES 9,172,845,500.48 (or 61.5%) and KES 5,751,964,627.22 (or 38.5%).

The Revenue available for spending at the CRF account during the quarter under review was in the region of KES 5,557,019,656.5, comprising of Equitable Share of KES. 4,038,825,000, Conditional Grants of KES. 11,087,060.80, Own Source Revenue of KES. 58,727,371.95 and balance carried forward from Quarter Two of the Financial Year 2018/19 was KES. 1,448,380,223.75. However, the funds released from the CRF account to recurrent and development accounts for spending for both the Executive and the Assembly during the quarter amounted to KES. 2,531,864,367. At the end of the quarter, the Turkana CRF account had unspent closing balance of KES. 3,025,155,289.50.

The Own Source Revenue collected during the third quarter increased by 28.7% to KES. 43,206,777.50 up from KES. 33,559,561 raised in the second quarter (October- December 2018). It is worth noting when compared to a similar quarter in the FY 2017/18, that Own Source Revenue of the FY 2018/19 quarter increased by 20.6%.

During the period under review, the Department of Infrastructure, Transport and public Works collected the most revenue of KES. 12, 657, 520, representing 27.4% of the quarter revenue while the Department of

Finance and economic Planning collected the least revenue of KES. 1,102,267.50, representing 2.6% of the revenue collected in the quarter.

Turkana Central Sub-county generated the highest revenue of KES 27,628,247.50 representing 63.9% of the total revenue collected, while Turkana East Sub-county recorded the least revenue of KES 65,390 or 0.2% of the total revenue collected within the quarter.

Lobokat ward and Lodwar Township ward generated the most revenue of KES 11,298,300 (or 26.1%) and KES 10,136,755 (or 23.5%) respectively while Kibish, Kaeris and Katilia wards reported the least revenues at KES 9, 390, KES 4,150 and KES 3,650 respectively during the quarter.

Cess and Health Fees revenue streams are the best performing streams in the quarter, generating KES 11,398,080 or 26.4% and KES. 8,696,920 or 20.1% of the quarter revenues respectively. The Cess revenue stream has continued to lead and remained an all-time Own Source Revenue top earner for the County. Liquor Licenses, Advertisement and House Rent/Kiosks/Stalls were the worst performing revenue streams. Some revenue streams such as Weight and Measures, Parking Fee, Advertisement and Slaughter/Auction Fee abnormally surpassed their quarterly targets by 675.5%, 226.9%, 70.8% and 45.7% respectively.

Turkana South Sub County achieved the highest revenue performance of 92.8% of its OSR target during the period under review whilst Turkana East Sub County posted the least OSR performance target at 21.3%.

The recurrent and development expenditure reported for the quarter was KES. 1,943,729,780 and KES. 423,610,887 respectively, aggregated into KES 2,367,340,667, translating into a quarterly absorption rate of 63.5%, marking a 4% decrease from the 2nd quarter burn rate of 67.5%. The budget performance for the quarter is generally good majorly driven by the recurrent expenditure growth. Development expenditure has underperformed way below average at an absorption rate of 29.5% for the quarter and at 15.2% for the 9 months (July 2018-March 2019).

The Department of Public Service, Administration and Disaster Management reported the highest recurrent expenditure of KES. 955,688,728 translating into 86.5% absorption rate while the Office of the Deputy Governor reported the least recurrent expenditure at KES 950,460.

The Department of Finance and Economic Planning reported the highest development expenditure of KES 118, 642, 968, representing 105.9% absorption rate. Department of Infrastructure reported the least development expenditure of KES 1,534,076 while the County Departments of Governance, Public Service, Administration & Disaster Management

and Lands, Energy, Housing & Urban Areas Management did not expend any development funds during the period under review. The Turkana County Assembly reported an absorption rate of 114.89%.

The third quarter budget implementation was realized against a backdrop of various risk factors and challenges. This is when County was engulfed by drought which adversely affected livelihoods and consequently resulted into the reorganization of the budget to respond to the drought. This led to the preparation and approval of second supplementary budget to raise over KES 500 Million for Emergency Relief. To raise this amount, projects had to be scaled down hence affected budget implementation.

Evidently the Own Source Revenue targets have persistently not been met and this will no doubt result into the occurrence of pending bills. Own Source Revenue collected during the quarter stood at KES 43,206,777.50 as reported by the Directorate of Revenue against a quarterly target of KES 62,500,000 translating into 30.9% Own Source Revenue shortfall. Delayed and untimely requisition and disbursement of funds from the Exchequer have continuously distorted County cash flow and this trend has adversely continued to affect the operations of the County. Besides, the donor funding through conditional grants weren't realized as planned in the quarter thus delaying projects earmarked for these funds. The bureaucracy experienced in the FY 2018/2019 supplementary 2 budget engagements to some extent slowed down and delayed implementation of the budget in the quarter.

Going forward, a lot of individual and institutional efforts must be expedited to ensure Exchequer and donors of conditional grants release funds on time and these efforts should constantly be sustained. Both the National and the County Government should continue investing in the road networks to open up the county to the regional corridors and leveraging on the top own source revenue earners to grow more revenue.

2.0 REVENUE PERFORMANCE

During the quarter under review, the county received a total of KES 4,093,118,838.30 disaggregated as follows: Equitable Share at KES. 4,038,825,000; Conditional Grants at KES. 11,087,060.80 and Own Source Revenue at KES. 43,206,777.50 respectively.

2.1.0 Own Source Revenue.

As demonstrated in Table 1 below, Own Source Revenue realized during the quarter for each revenue stream is KES 43,206,777.5

Table 1: Own Source Revenue Collection for Quarter 3 FY 2018/19

REVENUE STREAM	Department	Jan-19	Feb-19	Mar-19	TOTAL
SINGLE BUSINESS PERMIT	TRADE	349,900	1,767,600	3,787,970	5,905,470
ROYALTY(Murram, hardcore sand, ballast, Exploitation)	LANDS	1,203,200	2,168,660	2,353,080	5,724,940
CESS(Transport ,Hide & skin, Fish cess, charcoal cess, firewood, miraa cess, Handicraft cess, exhauster services &cess	TRANSPORT	4,196,230	1,247,850	5,954,000	11,398,080
MARKET FEE(Barter, fish, market stall fees, offloading)	TRADE	281,540	290,020	337,190	908,750
SLAUGHTER/AUCTION FEE(Small and Big animals,Meat insp. fee)	PASTORAL	434,190	561,750	666,020	1,661,960
ADVERTISEMENT(Sign post, sign boards)	LANDS	3,880	58,000	13,500	75,380
PARKING FEE (all vehicles), exhauster fee	LANDS	14,800	3,312,520	111,650	3,438,970
TRANSPORT OPERATION FEE (Taxi, Bodaboda, Matatu, Canter, Lorry, and buses)	ROADS	277,360	274,170	707,910	1,259,440
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	LANDS	499,900	646,000	1,143,000	2,288,900

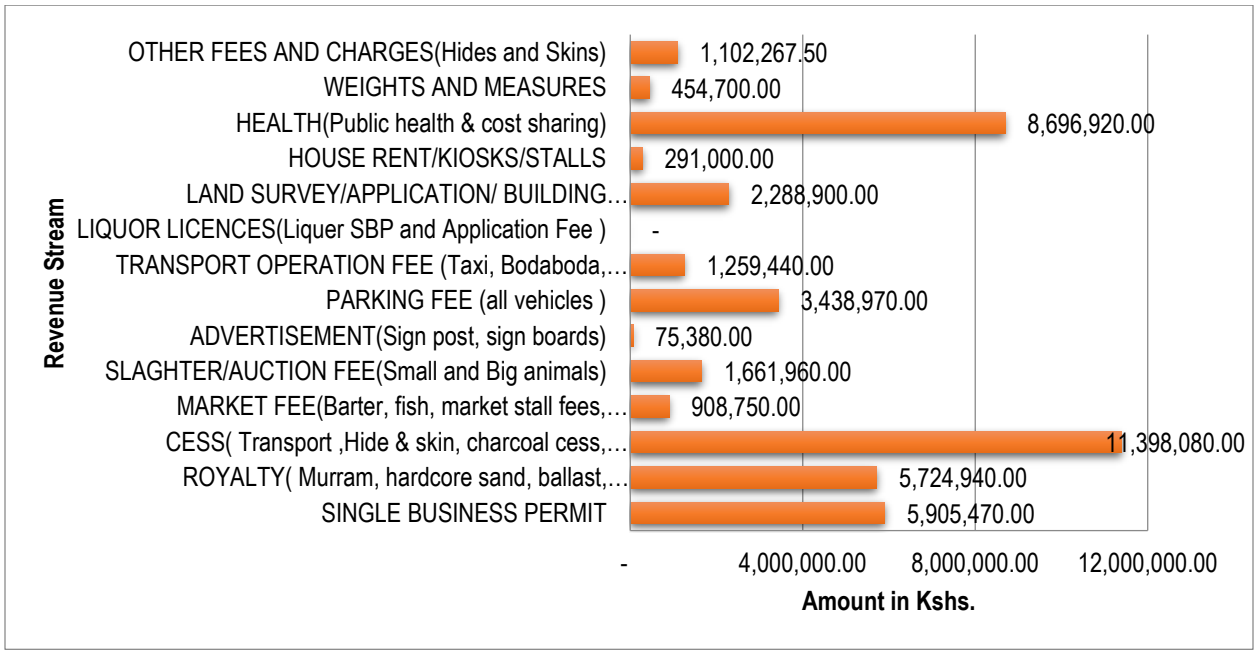
HOUSE RENT/KIOSKS/STALLS	LANDS	151,000	102,600	37,400	291,000
HEALTH(Public health & cost sharing)	HEALTH	1,346,085	6,162,965	1,187,870	8,696,920
WEIGHTS AND MEASURES	TRADE	99,900	142,400	212,400	454,700
OTHER FEES AND CHARGES(Hides and Skins), tenders,	FINANCE	710,123	177,345	214,800	1,102,267.5
T0TAL		**9,568,108**	**16,911,880**	**16,726,790**	**43,206,777.5**

Source: Directorate of Revenue.

2.1.1 Revenue Collection Analysis by Stream

OSR collection with respect to streams is presented in Figure 1 below. Apparently Cess levy (from Transport, Hide & Skin, Fish, Charcoal, Firewood, Miraa, Handicraft and Exhauster Services) posted the highest revenue of KES. 11, 398, 080 followed by Health and Sanitation (Public Health & Cost Sharing) and Single Business Permit which generated KES 8,696, 920 and KES. 5,905,470 revenues respectively. House rent/Kiosks/Stalls and Advertisement (sign post & sign board) revenue streams raised the least revenues of KES.291,000 and KES.75,380 respectively. Liquor Licenses (Liquor SBP and Application Fee) revenue stream did not generate any revenue.

Figure 1: Quarter 3 Own Source Revenue collection per stream.



Source: Analysis by Directorate of Budget.

2.1.2 Own Source Revenue analysis by County Entities.

Table 2 below summarizes in absolute values revenue collection by the County Departments in descending order while Figure 2 illustrates revenue for each department in percentage. The Department of Infrastructure, Transport and Public Works for the third time raised the highest revenue of KES. 12, 657, 520 or 29% of the total OSR. The Department of Lands, Energy, Housing and Urban Areas Management is second best in revenue collection of KES. 11, 819, 190 or 27% while the departments of Agriculture, Pastoral Economy and Fisheries and the Finance & Economic Planning collected the least revenues.

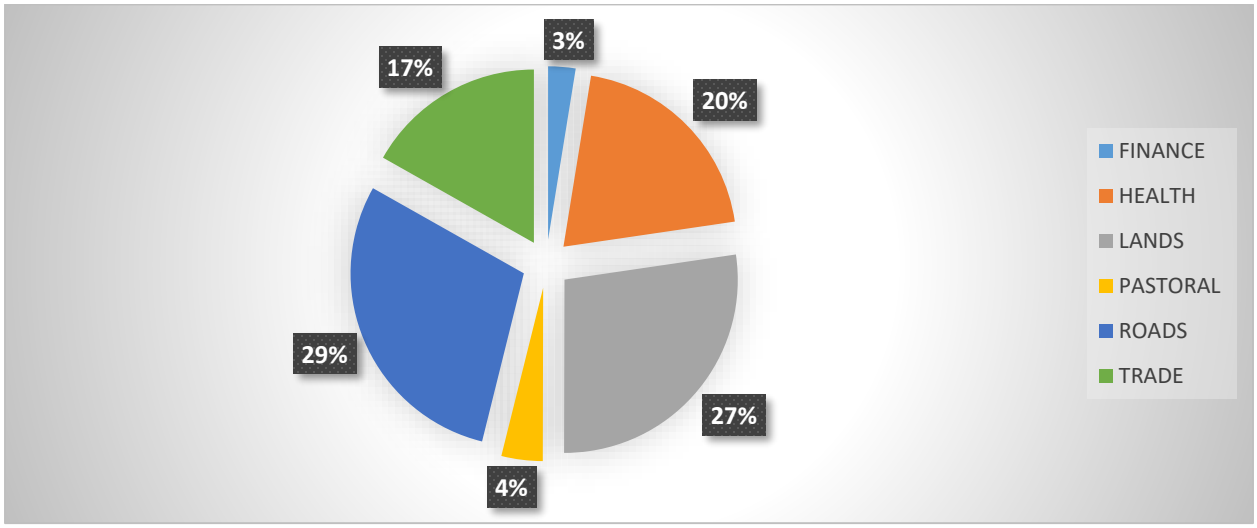
Notably, quarter three OSR collection increased by 28.75% from KES 33,559,560.55 to KES 43,206,777.50 vis-à-vis quarter two.

Table 2: Own Source Revenue collection by County Entities

County Department	Amount in KES
Infrastructure, Transport and Public Works	12,657,520.00
Lands, Energy, Housing and Urban Areas Management	11,819,190.00
Health services and Sanitation	8,696,920.00
Trade, Gender and Youth Affairs	7,268,920.00
Agriculture, Pastoral Economy and Fisheries	1,661,960.00
Finance and Economic Planning	1,102,267.50
Totals	**43,206,777.50**

Source: Directorate of Revenue.

Figure 2: OSR analysis by County Department in percentage.

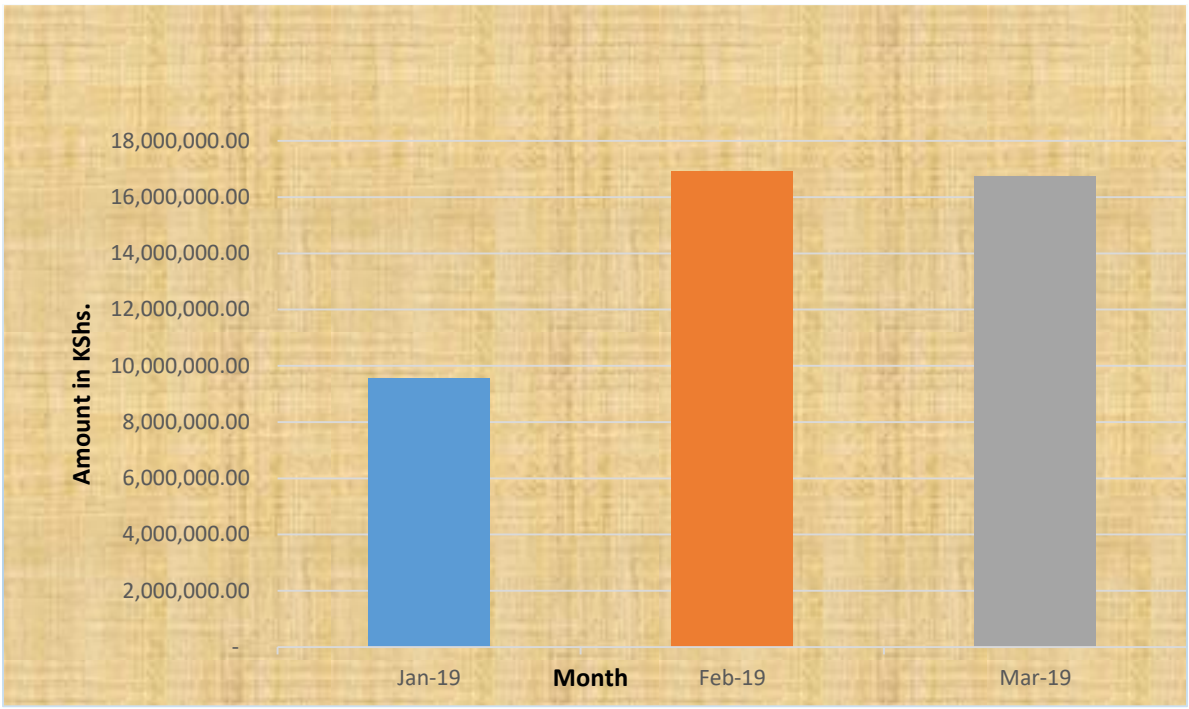


Source: Analysis by Directorate of Budget.

2.1.3 Monthly Own Source Revenue Analysis.

As shown in Figure 3 below, the highest revenue of KES 16,726,790 was generated in the month of February 2019 because of the renewal of single business permits, while the least revenue of KES 9,568,108 was realized in January 2019. There was a negligible margin in OSR collection between the months of February and March 2019.

Figure 3: Monthly Own Source Revenue Analysis.



Source: Analysis by Directorate of Budget.

2.1.4 OSR Performance per stream against Quarterly Target

Table 3 on below illustrates the performance of OSR streams against their own target in the third quarter. The actual revenue raised was KES 43,206,777.50 against a quarterly target of KES. 62,500,000.00, missing the target by KES. 19,293,223 (or by 30%).

Weights and Measures, Parking Fee, Advertisement and slaughter/Auction fee revenue streams surpassed their quarterly target to perform at 777.54%, 362.93%, 170.75% and 145.68% respectively. This is the quarter when the Department of Trade made impromptu field visits to businesses for compliance. During this quarter Other Fees and Charges (Hides and Skins) and Transport Operation Fee (Taxi, Boda Boda, Matatu, Canter, Lorry, and Buses) were the worst performing streams at 16.57% and 38.01% respectively while Liquor Licenses (Liquor SBP and Application fee) recorded nil revenue.

Table 3: Revenue Performance per Stream against target

Revenue Stream	Quarter 3 FY 2018/19 Collection	Quarter 3 FY 2018/19 Target	Performance
Single Business Permit	5,905,470.00	8,433,545.50	70.02%
Royalty (Murram, Hardcore Sand, Ballast, Exploitation)	5,724,940.00	10,354,049.50	55.29%
Cess (Transport, Hide & Skin, Fish, Charcoal, Firewood, Miraa Cess, Handicraft Cess, Exhauster Services &Cess	11,398,080.00	12,959,546.25	87.95%
Market Fee (Barter, Fish, Market Stall Fees, Offloading)	908,750.00	1,727,318.00	52.61%
Slaughter/Auction Fee (Small And Big Animals, Meat Insp. Fee)	1,661,960.00	1,140,852.75	145.68%
Advertisement (Sign Post, Sign Boards)	75,380.00	44,147.00	170.75%
Parking Fee (All Vehicles), Exhauster Fee	3,438,970.00	947,548.75	362.93%
Transport Operation Fee (Taxi, BodaBoda, Matatu, Canter, Lorry, And Buses)	1,259,440.00	3,313,528.75	38.01%
Liquor Licenses (Liquor SBP And Application Fee)	-	15,593.50	0.00%
Land Survey/Application/Building Approval, School Reg. Fee, Holding Ground Fee, Burrow Pit Fee, Toilet Fee, Land Transfer Fee	2,288,900.00	3,639,041.75	62.90%
House Rent/Kiosks/Stalls	291,000.00	567,046.00	51.32%
Health (Public Health & Cost Sharing)	8,696,920.00	12,645,567.25	68.77%
Weights and Measures	454,700.00	58,631.75	775.52%
Other Fees and Charges (Hides and Skins), Tenders,	1,102,267.50	6,653,583.25	16.57%
TOTAL	**43,206,777.50**	**62,500,000.00**	**69.13%**

Source: Analysis by Directorate of Budget.

2.1.5 Own Source Revenue Collection by Ward

OSR collection by ward in the months of January 2019 to March 2019 is summarized in table 4 below. From the table, it is clearly seen that Lobokat ward is the leading ward in revenue collection with this quarter's revenue collection standing at KES. 11,298,300, Lodwar Township ward being the second in revenue generation of KES 10,136, 755 whereas Katilia and Kaeris wards raised the least amount of OSR of KES 3,650, and KES 4,150 respectively. Generally, Turkana Central Sub County generated the highest revenue of KES. 27,628,247.50, while Turkana East Sub County collected the least revenue of KES. 65,390.

Table 4: Own Source Revenue Collection by Ward

WARDS	Sub-County	Jan-19	Feb-19	Mar-19	Total
Kakuma	Turkana West	256,900.00	272,300.00	383,000.00	912,200.00
Lokichoggio	Turkana West	279,140.00	299,680.00	290,000.00	868,820.00
Kalobeyei	Turkana West	59,900.00	106,290.00	57,150.00	223,340.00
Songot	Turkana West		58,000.00		58,000.00
Lopur	Turkana West		39,100.00	12,000.00	51,100.00
SUB TOTALS	**Turkana West**	**595,940.00**	**775,370.00**	**742,150.00**	**2,113,460.00**
Lake zone	Turkana North	29,200.00	17,850.00	56,550.00	103,600.00
Lapur	Turkana North	8,090.00	8,340.00	7,960.00	24,390.00
Kaeris	Turkana North	-	4,150.00	-	4,150.00
Kaleng/Kaikor	Turkana North	5,000.00	5,200.00	-	10,200.00
Kibish	Turkana North	-	9,390.00	-	9,390.00
Nakalale	Turkana North	146,200.00	201,820.00	150,000.00	498,020.00
SUB TOTALS	**Turkana North**	**188,490.00**	**246,750.00**	**214,510.00**	**649,750.00**
Turkwel	Loima	43,000.00	53,100.00	52,000.00	148,100.00
Loima	Loima	2,780.00	8,580.00	-	11,360.00
Lokiriama/Lorengipi	Loima	90,000.00	65,600.00	91,700.00	247,300.00
Lobei/Kotaruk	Loima	2,680.00	5,460.00	5,450.00	13,590.00
SUB TOTALS	**Loima**	**138,460.00**	**132,740.00**	**149,150.00**	**420,350.00**
Kerio	Turkana Central	7,360.00	12,400.00	28,950.00	48,710.00
Lodwar Township	Turkana Central	3,179,715.00	2,607,800.00	4,349,240.00	10,136,755.00
Kangatotha	Turkana Central	162,950.00	119,850.00	128,400.00	411,200.00
County HQs	Turkana Central	876,222.50	1,867,925.00	3,513,470.00	6,257,617.50
Kalokol	Turkana Central	1,038,600.00	690,800.00	1,211,740.00	2,941,140.00
Kanamkemer	Turkana Central	315,700.00	818,700.00	745,460.00	1,879,860.00
LCRH	Turkana Central		5,952,965.00		5,952,965.00
SUB TOTALS	**Turkana Central**	**5,580,547.50**	**12,070,440.00**	**9,977,260.00**	**27,628,247.50**
Lokori/Kochodin	Turkana East	29,000.00	6,820.00	10,990.00	46,810.00
Kapedo/Napeitom	Turkana East	-	9,800.00	5,130.00	14,930.00
Katilia	Turkana East	-	3,650.00	-	3,650.00
SUB TOTALS	**Turkana East**	**29,000.00**	**20,270.00**	**16,120.00**	**65,390.00**
Lobokat	Turkana South	2,814,950.00	3,385,100.00	5,098,250.00	11,298,300.00
Kalapata	Turkana South	15,000.00	8,000.00	7,000.00	30,000.00
Kaputir	Turkana South	2,000.00	53,800.00	52,100.00	107,900.00
Katilu	Turkana South	3,000.00	8,100.00	3,000.00	14,100.00
Lokichar	Turkana South	196,220.00	215,810.00	467,250.00	879,280.00
SUB TOTALS	**Turkana South**	**3,031,170.00**	**3,670,810.00**	**5,627,600.00**	**12,329,580.00**
GRAND TOTAL		**9,563,607.50**	**16,916,380.00**	**16,726,790.00**	**43,206,777.50**

Source: Directorate of Revenue.

2.1.6 Ward Revenue Performance against Quarterly Target

Revenue performance of wards against their quarterly targets is as demonstrated in Table 5.Generally the County's quarter overall revenue performance was above average at 69%. We note that Kang'atotha, Kalokol, Lapur and Kerio wards abnormally surpassed their revenue targets by 66%, 46.7%, 17.5% and 44.6% respectively while Kaeris, Kibish and Lokori underperformed at 5.18%, 12.59% and 17.12% respectively. Nanam and Letea wards did not generate any revenues during the quarter.

Notably Turkana South Sub-county achieved the highest revenue target of 92.80% while Turkana East recorded the least performance at 21.3% in the quarter. Surprisingly the Refugee camp did not generate any revenues despite its reasonably set target.

Table 5: OSR Ward Performance against FY 2018/19

Wards	Total collection	Revenue Target 2018/2019	Performance against Quarter target
Kakuma	912,200.00	2,220,939.50	41.07%
Lokichoggio	868,820.00	1,046,525.00	83.02%
Kalobeyei	223,340.00	241,082.75	92.64%
Songot	58,000.00		
Lopur	51,100.00		
S.B.P Mass coll. Kkm Refugee cmp	-	733,630.00	0.00%
SUB TOTALS	**2,113,460.00**	**4,242,177.25**	**49.82%**
Lake zone	103,600.00	267,085.75	38.79%
Lapur	24,390.00	20,756.75	117.50%
Kaeris	4,150.00	80,112.50	5.18%
Kaaleng'/Kaikor	10,200.00	20,999.25	48.57%
Kibish	9,390.00	74,602.75	12.59%
Nakalale	498,020.00	680,726.25	73.16%
SUB TOTALS	**649,750.00**	**1,144,283.25**	**56.78%**
Turkwel	148,100.00	568,816.75	26.04%
Loima	11,360.00	43,814.25	25.93%
Lokiriama/Lorengipi	247,300.00	593,399.25	41.68%
Lobei/Kotaruk	13,590.00	62,706.75	21.67%
SUB TOTALS	**420,350.00**	**1,268,737.00**	**33.13%**
Kerio	48,710.00	42,501.00	114.61%
Lodwar Township	10,136,755.00	12,483,659.75	81.50%
Kang'atotha	411,200.00	247,361.75	166.23%
County HQs	6,257,617.50	11,486,165.25	54.48%
Kalokol	2,941,140.00	2,004,827.25	146.70%
Kanamkemer	1,879,860.00	3,486,075.50	53.92%
LCRH	5,952,965.00		
SUB TOTALS	**27,623,747.50**	**42,250,590.75**	**65.39%**

Lokori/Kochodin	46,810.00	273,479.00	17.12%
Kapedo/Napeitom	14,930.00	21,224.50	70.34%
Katilia	3,650.00	12,793.50	28.53%
SUB TOTALS	**65,390.00**	**307,497.00**	**21.27%**
Lobokat	11,298,300.00	10,402,227.00	108.61%
Kalapata	30,000.00	26,959.50	111.28%
Kaputir	107,900.00	98,849.00	109.16%
Katilu	14,100.00	**64,470.50**	21.87%
Lokichar	879,280.00	2,694,209.00	32.64%
SUB TOTALS	**12,329,580.00**	**13,286,715.00**	**92.80%**
GRAND TOTAL	**43,206,777.50**	**62,500,000.00**	**69.18%**

Source: Directorate of Revenue

2.1.7 Quarter 3 Revenue Performance compared to the same quarter of FY 2017/18.

Table 6 and Figure 4 below present a comparative analysis of revenue streams for the third quarter of the FY 2018/19 & FY 2018/17/18.As depicted in Table 6 below, average revenue performance for the period indicates a moderate percentage increment of 20.55% in Quarter 3 of the FY 2018/19 compared to the same period in FY 2017/18. There was a mixed performance of the revenue streams in the period under review with some streams recording an increase while others recorded a decrease compared with a similar period in FY 2017/18, see Figure 4 below. Revenue from Cess (Transport, Hide & Skin, Fish, Charcoal, Firewood, Miraa Cess, Hand craft Cess Exhauster Services & Cess) recorded the highest revenue performance in both quarters of FY 2018/19 & FY 2017/18.Most revenues streams posted an increase in revenue in the FY 2018/19 quarter compared to the same quarter in the FY 2017/18.However Royalty, Land survey/Application Fees, House Rent and Other Fees and Charges revenue streams registered decreased revenue in the FY 2018/19 third quarter compared to the same period in the FY 2017/18.

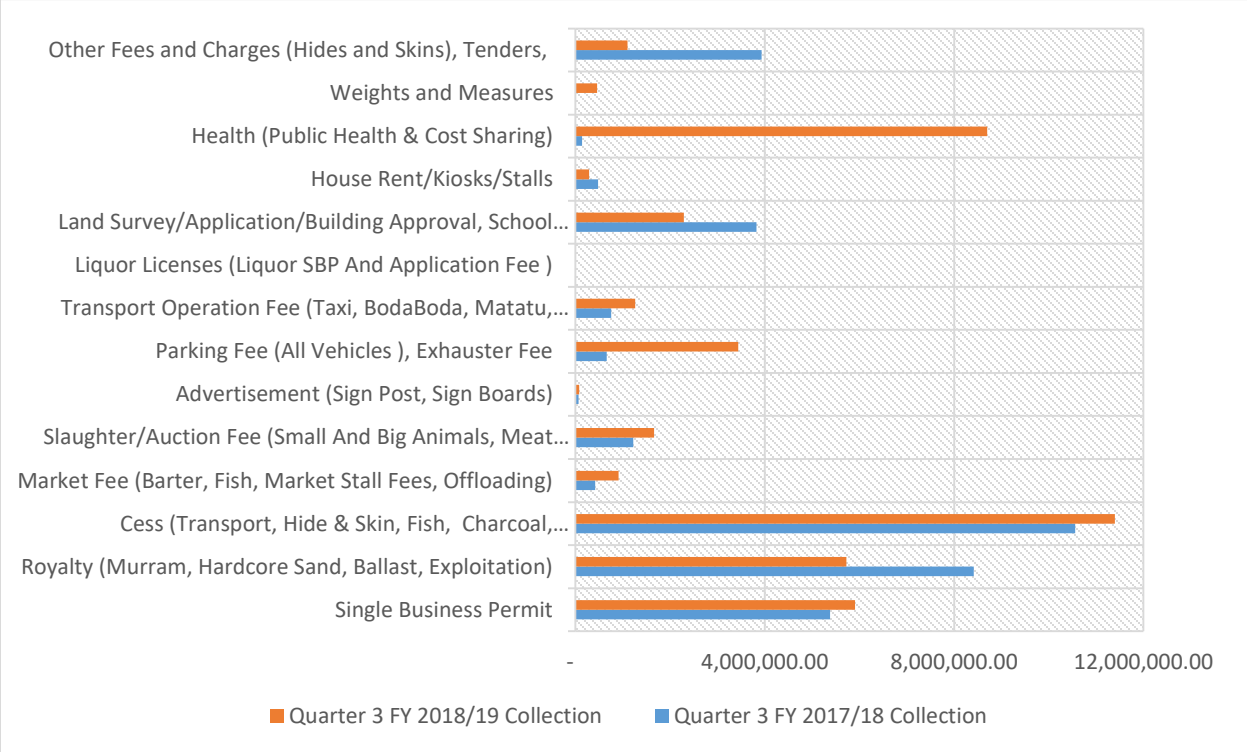
Table 6: Revenue Collected by Stream Compared to same period in FY 2017/18

Revenue Stream	Quarter 3 FY 2017/18 Collection	Quarter 3 FY 2018/19 Collection	Variance	Percentage Change
Single Business Permit	5,376,700.00	5,905,470.00	528,770.00	9.83%
Royalty (Murram, Hard core Sand, Ballast, Exploitation)	8,414,371.00	5,724,940.00	(2,689,431.00)	-31.96%
Cess (Transport, Hide & Skin, Fish, Charcoal, Firewood, Miraa Cess, Handicraft Cess, Exhauster Services &Cess	10,557,410.00	11,398,080.00	840,670.00	7.96%
Market Fee (Barter, Fish, Market Stall Fees, Offloading)	418,940.00	908,750.00	489,810.00	116.92%
Slaughter/Auction Fee (Small And Big Animals, Meat Insp. Fee)	1,220,720.00	1,661,960.00	441,240.00	36.15%
Advertisement (Sign Post, Sign Boards)	66,200.00	75,380.00	9,180.00	13.87%
Parking Fee (All Vehicles), Exhauster Fee	658,450.00	3,438,970.00	2,780,520.00	422.28%

Transport Operation Fee (Taxi, Boda Boda, Matatu, Canter, Lorry, And Buses)	756,830.00	1,259,440.00	502,610.00	66.41%
Liquor Licenses (Liquor SBP And Application Fee	-	-	-	
Land Survey/Application/Building Approval, School Reg. Fee, Holding Ground Fee, Burrow Pit Fee, Toilet Fee, Land Transfer Fee	3,825,100.00	2,288,900.00	(1,536,200.00)	-40.16%
House Rent/Kiosks/Stalls	475,790.00	291,000.00	(184,790.00)	-38.84%
Health (Public Health & Cost Sharing)	140,000.00	8,696,920.00	8,556,920.00	6112.09%
Weights and Measures	2,000.00	454,700.00	452,700.00	22635.00%
Other Fees and Charges (Hides and Skins), Tenders,	3,929,629.25	1,102,267.50	(2,827,361.75)	-71.95%
TOTAL	**35,842,140.25**	**43,206,777.50**	**7,364,637.25**	**20.55%**

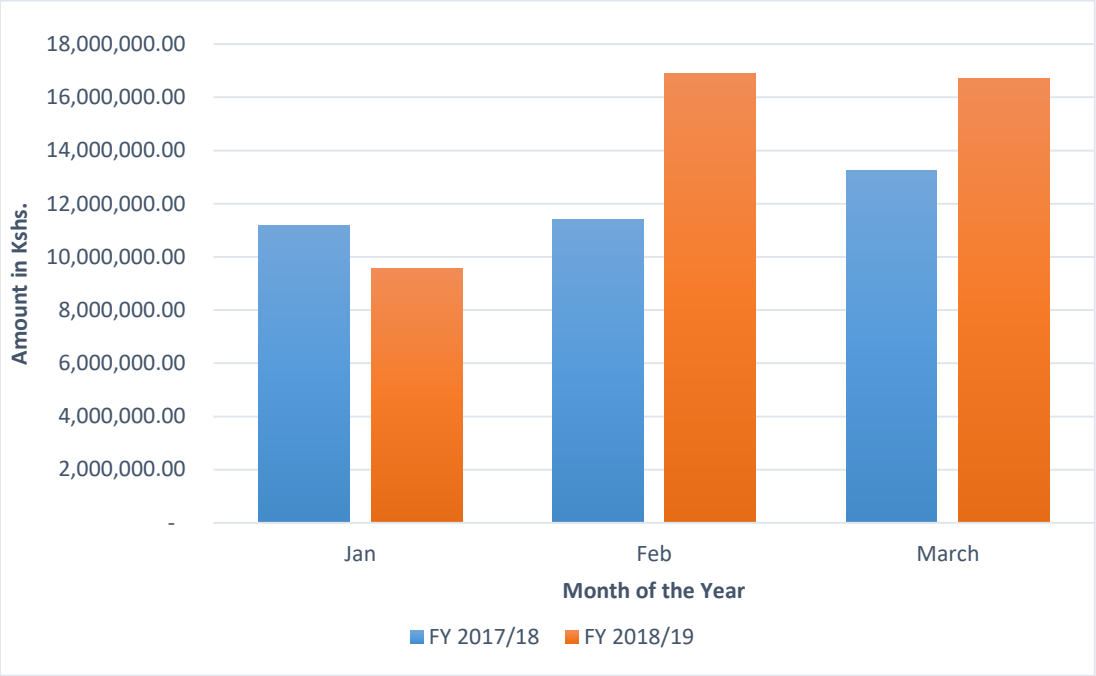
Source: Analysis by Directorate of Budget

Figure 4: Comparative Revenue stream Performance for FY 2018/19 & FY 2017/18



Source: Analysis by Directorate of Budget

Figure 5: Quarter 3 Comparative OSR Monthly Collection FY 2018/19 & 2017/8



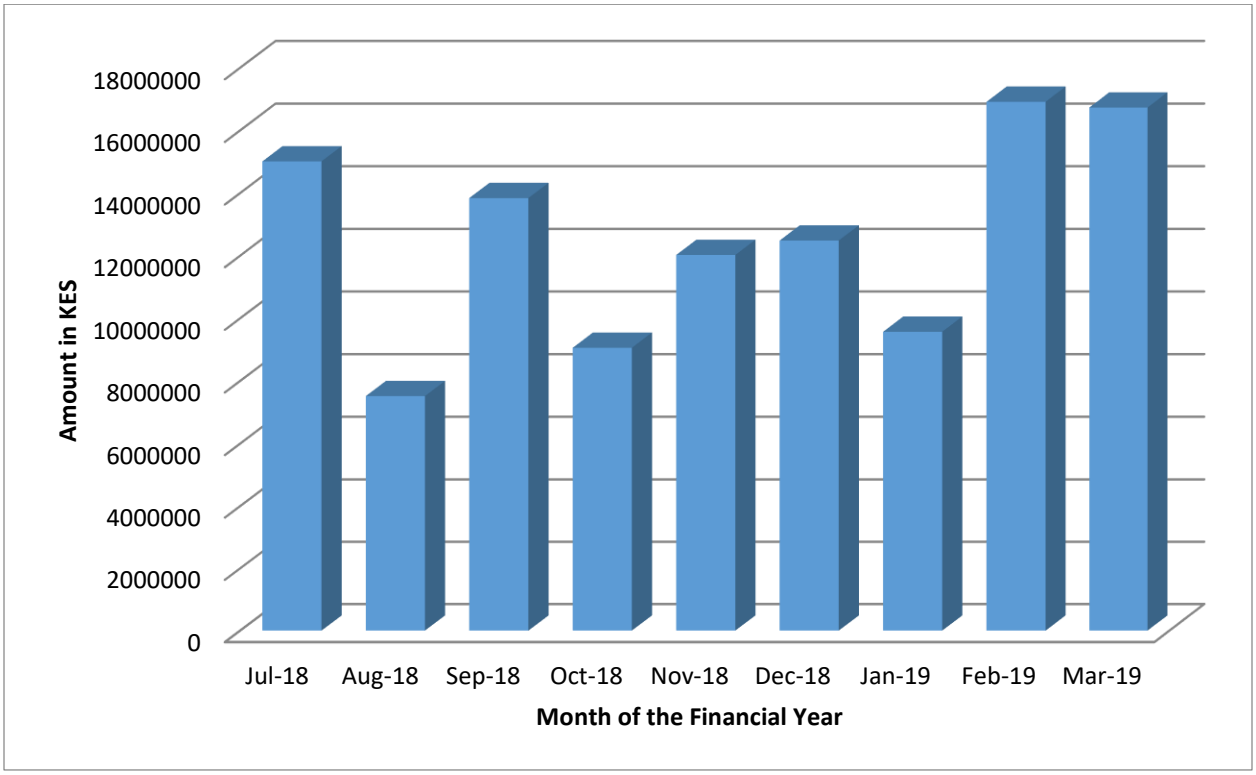
Source: Analysis by Directorate of Budget, Turkana County

As depicted in Figure 5 above, the highest OSR was collected in the months of February and March for both FY 2017/18 & 2018/19 years. As compared to the FY 2017/8 third quarter revenue collection, revenue collection increased in the months of February (by 12%) and March (by 4.2%) in FY 2018/19 but decreased in January by 21.7%.

2.1.8 Cumulative OSR Collection (July 2018-March 2019)

Figure 6 below gives OSR collections for the period running July 2018 to March 2019, representing three quarters of the Financial Year. Clearly monthly revenue collection trend so far is zig zag, with high revenues collected in the months of February and March because of business permits renewal while August recorded the least revenue. July recorded high revenue because of payments made to contractors towards the end of June (close of the fiscal year 2017/18).

Figure 6. Analysis of Revenue collection from July 2018- March 2019



Source: Analysis by Directorate of Budget, Turkana County

Table 7. Analysis of total revenue collection for the 3 quarters ending March 2019 against their targets

Revenue Stream	County Entity	Cumulative 3 Quarters Revenue	Target for 3 Quarters	Performance %
Single Business Permit	TRADE	12,104,670.00	25,300,636.50	48%
ROYALTY (Murram, Hard Core Sand, Ballast, Exploitation)	LANDS	16,896,047.00	31,062,148.50	54%
CESS (Transport ,Hide & Skin, Fish Cess, Charcoal Cess, Firewood, Miraa Cess, Handicraft Cess, Exhauster Services &Cess	TRANSPORT	28,664,410.00	38,878,638.75	74%
MARKET FEE (Barter, Fish, Market Stall Fees, Offloading)	TRADE	2,895,390.00	5,181,954.00	56%
SLAUGHTER/AUCTION FEE (Small And Big Animals, Meat Insp. Fee)	PASTORAL	3,662,030.00	3,422,558.25	107%
ADVERTISEMENT (Sign Post, Sign Boards)	LANDS	1,017,160.00	132,441.00	768%
PARKING FEE (All Vehicles), Exhauster Fee	LANDS	3,830,300.00	2,842,646.25	135%
TRANSPORT OPERATION FEE (Taxi, Boda Boda, Matatu, Canter, Lorry, And Buses)	ROADS	5,213,990.00	9,940,586.25	52%
LIQUOR LICENCES (Liquor SBP And Application Fee)	HEALTH	76,400.00	46,780.50	163%
LAND SURVEY/APPLICATION/ BUILDING APPROVAL, School Reg. Fee, Holding Ground Fee, Burrow Pit Fee, Toilet Fee , Land Transfer Fee	LANDS	13,323,719.35	10,917,125.25	122%
House Rent/Kiosks/Stalls	LANDS	782,850.00	1,701,138.00	46%
HEALTH (Public Health & Cost Sharing)	HEALTH	21,393,527.16	37,936,701.75	56%
Weights And Measures	TRADE	602,300.00	175,895.25	342%
OTHER FEES AND CHARGES(Hides And Skins), Tenders,	FINANCE	2,665,156.00	19,960,749.75	13%
T0tal		**113,127,949.51**	**187,500,000.00**	**60%**

Source: Analysis by Directorate of Budget, Turkana County

From table 7 above, it can clearly be seen that a number of revenue streams: Advertisement, Weights & Measures, Liquor Licenses, Parking Fee, Land Survey and Slaughter & Auction Fees performed well above their set revenue targets for the nine months of the Financial Year 2018/19.It can also be noted that Other Fees and Charges performed dismally in revenue collection at 13% of the nine months revenue target.

2.2 Equitable Share

The National Shareable revenue for the County issued by the Exchequer and received into the Turkana County Revenue Fund (CRF) account within the third quarter was KES. 4,038,825,000 as summarized in Table 8 below.

Table 8: Exchequer Issues

Date Received.	Amount Received
2-January-19	1,077,020,000.00
29-January-19	1,077,020,000.00
1-March-19	861,616,000.00
29-March-19	1,023,169,000.00
Total CRF Receipts	**4,038,825,000.00**

Source: Turkana CRF Statement

2.3 Conditional Grants

During the quarter, Conditional Grant of KES. 11,087,060.80 was received on 28th February 2019 into the Turkana CRF as a conditional grant for Transforming Health Services. This was the first conditional grant to be received by the Turkana CRF since the beginning of the FY 2018/19.

2.4 County Revenue Basket for the Quarter (January-March 2019)

Table 9 below summarizes the actual consolidated County Revenue (Equitable share, Own Source Revenue and Conditional Grants) basket available for spending within the quarter.

Table 9: Consolidated Revenue basket for the quarter.

Source	Amount
CRF Opening Balance as at 01-01-2019	1,448,380,223.75
Exchequer Issues	4,038,825,000.00
Conditional Grants	11,087,060.80
OSR remittance from KCB to CRF Account with CBK	58,727,371.95
Total Revenue at CRF Available for spending	**5,557,019,656.50**

Source: CRF Statement

3.0 EXPENDITURE PERFORMANCE

3.1 County Revenue Fund (CRF) Releases

In this period under review, not all consolidated revenue for the quarter was available for spending. Out of the total revenue of KES 5,557,019,656.50 in the CRF account within the quarter, only KES. 1,916,445,275 (Executive and County Assembly releases combined) and KES. 615,419,092 (Executive and County Assembly releases) were released from CRF account for recurrent and development expenditure respectively, giving a combined figure of KES. 2,531,864,367 for both recurrent and development purposes. Table 9 below summarizes the CRF releases for spending to both recurrent and development accounts for the County Executive and the County Assembly.

Table 10: CRF Releases

	County Executive		County Assembly	
Date	**Recurrent A/C**	**Development A/C**	**Recurrent A/C**	**Development A/C**
2-Jan-19	146,810,201.00			
11-Jan-19	253,795,000.00			
21-Jan-19				114,601,398.00
22-Jan-19		95,023,200.00		
24-Jan-19			65,000,000.00	
25-Jan-19	117,650,666.00			
4-Feb-19		275,710,529.00		
5-Feb-19	426,622,756.00		96,000,000.00	
14-Feb-19				
21-Feb-19	140,339,556.00			
26-Feb-19			60,000,000.00	
28-Feb-19	99,886,178.00			
4-Mar-19	269,917,182.00			
15-Mar-19	11,087,060.00			
18-Mar-19		130,083,965.00		
20-Mar-19	229,336,676.00			
Total	**1,695,445,275.00**	**500,817,694.00**	**221,000,000.00**	**114,601,398.00**

Source: *Source: Turkana CRF Statement*

3.2 Expenditure (Recurrent & Development) Analysis

As shown in Table 10 below, the cumulative expenditure for the third Quarter FY 2018/19 for both the Executive and the Assembly amounted to KES. 2,367,340,667 comprising of KES. 1,943,729,780 recurrent expenditure and KES. 423,610,887 development expenditure.

Table 11: Quarter 2 Turkana County Expenditure Summary

COUNTY ENTITY	RECURRENT EXPENDITURE	DEVELOPMENT EXPENDITURE	TOTAL EXPENDITURE
Governance (Office of the Governor and Liaison)	72,961,910	-	72,961,910
Office of the Deputy Governor	950,460	-	950,460
County Attorney	5,951,300	-	5,951,300
Finance and Planning	111,470,654	118,642,968	230,113,622
Water Services, Environment and Mineral Resources	40,988,339	14,855,837	55,844,176
Health & Sanitation Services	239,206,387	35,999,707	275,206,094
Trade, Gender and Youth Affairs	39,588,641	29,090,577	68,679,218
Education, Sports and Social Protection	56,388,346	96,074,824	152,463,169
Public Services, Decentralized Administration & Disaster Management	955,688,728	-	955,688,728
Infrastructure Transport & Public Works	8,758,415	1,534,076	10,292,491
Agriculture, Pastoral Economy & Fisheries	69,156,158	5,178,603	74,334,760
Tourism, Culture and Natural Resources	32,202,584	9,162,257	41,364,841
Lands, Energy, Housing & Urban Areas Mgt.	25,350,350	-	25,350,350
County Public Service Board	27,160,433	-	27,160,433
County Assembly	257,907,077	113,072,038	370,979,115
TOTAL EXPENDITURE	**1,943,729,780**	**423,610,887**	**2,367,340,667**

Source: Directorate of Accounting Services.

3.2.1 Actual Expenditure against target Expenditure.

It is worth noting that all County Entities reported expenditure within the quarter as summarized in Table 12 below. The County Assembly, exceeded its quarterly expenditure performance target by 14.9%. The Department of Finance & Economic Planning, the County Public Service Board and the Public Service, Administration and Disaster Management reported expenditure performance of 98.42%, 85.56% and 81.07% against quarterly targets respectively. The County departments of Infrastructure, Transport & Public Works, Office of the Deputy Governor and County Attorney reported the least expenditure for the quarter at 4.53%, 15.57% and 19% respectively. On average, the third quarter budget absorption rate for the entire County is 63.45% (for both the Executive and the Assembly) while the average absorption rate for the County Executive only is at 58.6% for the quarter.

Table 12: Expenditure analysis against Quarterly Target

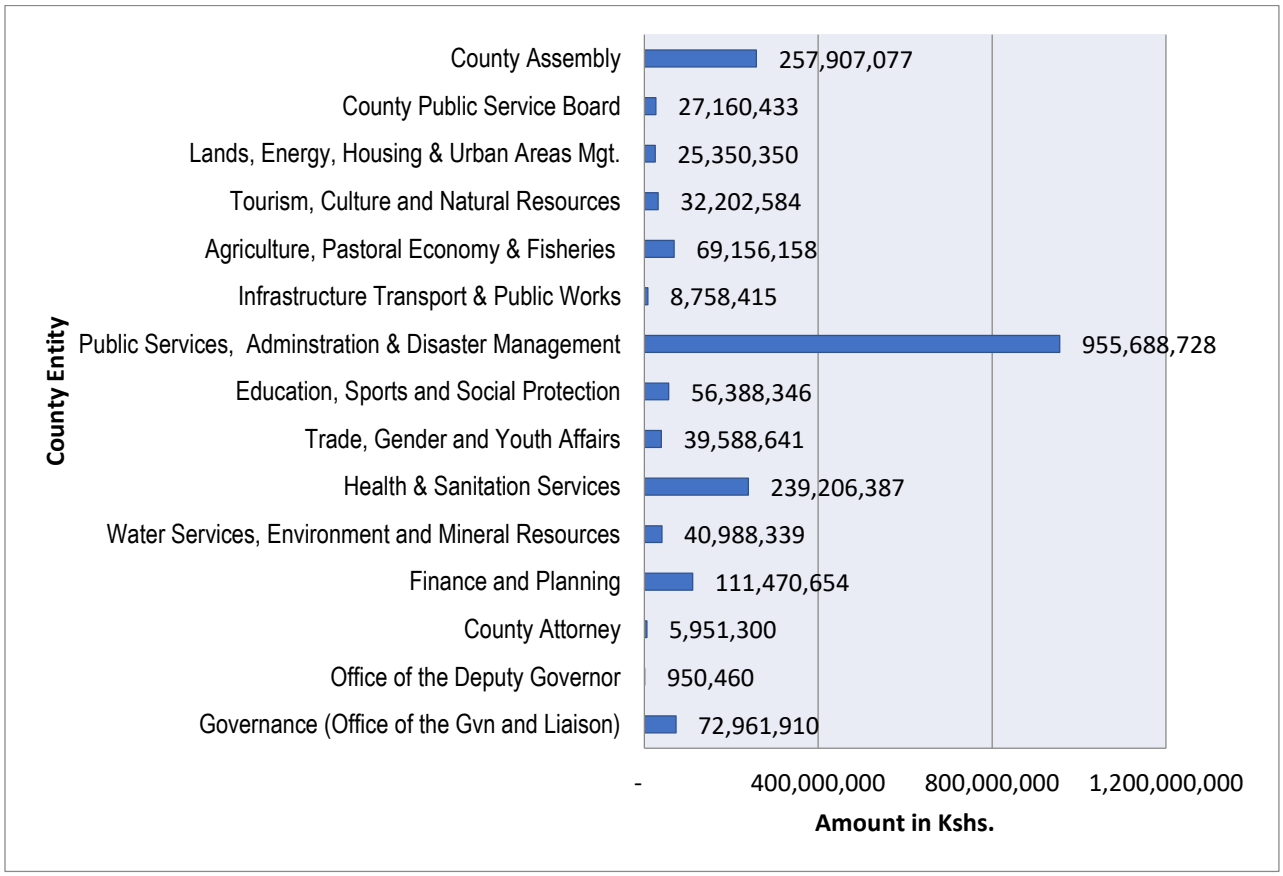
COUNTY ENTITY	QUARTER 3 EXPENDITURE	EXPENDITURE TARGET	ABSORPTION
Governance (Office of the Governor and Liaison)	72,961,910.45	150,769,759.37	48.39%
Office of the Deputy Governor	950,460.00	6,105,674.75	15.57%
County Attorney	5,951,300.00	31,317,500.00	19.00%
Finance and Planning	230,113,621.85	233,801,784.25	98.42%
Water Services, Environment and Mineral Resources	55,844,175.95	229,775,264.50	24.30%
Health & Sanitation Services	275,206,093.55	406,292,097.07	67.74%
Trade, Gender and Youth Affairs	68,679,218.10	146,669,934.50	46.83%
Education, Sports and Social Protection	152,463,169.20	350,067,399.07	43.55%
Public Services, Administration & Disaster Management	955,688,727.85	1,178,893,406.50	81.07%
Infrastructure Transport & Public Works	10,292,491.45	227,454,072.03	4.53%
Agriculture, Pastoral Economy & Fisheries	74,334,760.26	239,827,385.79	31.00%
Tourism, Culture and Natural Resources	41,364,840.50	74,563,760.87	55.48%
Lands, Energy, Housing & Urban Areas Mgt.	25,350,350.35	101,024,269.41	25.09%
County Assembly	370,979,114.90	322,895,471.90	114.89%
County Public Service Board	27,160,432.60	31,744,751.90	85.56%
TOTAL EXPENDITURE	**2,367,340,667.01**	**3,731,202,531.92**	**63.45%**

Source: Directorate of Budget Analysis

3.2.2 Recurrent Expenditure by Entity

From figure 7 below, the department of Public Service, Administration and Disaster Management reported the highest recurrent expenditure of KES. 955,688,728 as a result of payment for Medical Insurance Cover and Compensation to Employees, translating into 86.5% absorption of the quarterly recurrent expenditure target. The County Assembly and the department of Health and Sanitation Services recorded a significant amount of recurrent expenditure reported at KES. 257,907,077 and KES. 239,206,387 respectively. Office of the Deputy Governor, Infrastructure Transport & Public Works and Office of the County Attorney recorded the least expenditure.

Figure 7: Recurrent Expenditure Performance by Entity



Source: Budget Directorate Analysis.

3.2.3 Quarter 3 Comparative Total Expenditure Performance for FY 2018/19 & 2017/18

From figure 8 below, it is evident that the quarter's expenditure rose steadily from January and reached apex in February and declined in the last month of the quarter for both years, with expenditure path assuming a normal distribution curve. This depicts the slow start of the activities normally experienced at the start of the calendar year. Generally less expenditure was reported in the quarter of FY 2018/19 compared to the same period in the FY 2017/18.

Figure 8: FY 2018/19 Quarter 3 Monthly Expenditure Performance vis-a-vis to FY 2017/18

Source: Analysis by the Directorate of Budget

3.2.4 Development Expenditure by Entity

Table 13 below displays monthly development expenditure for each entity in the quarter. The County received KES 615,419,092 funds from the Exchequer for the development budget implementation during the quarter. The Department of Finance and Economic Planning reported the highest development expenditure of KES. 118,642,968 with absorption rate of 105.9% for the quarter. The County Assembly reported the second highest development expenditure of KES. 113,072,038. The County Departments of Governance, Public Service, Administration & Disaster Management and Lands, Energy, Housing & Urban Areas Management did not report any development expenditure during the period under review. The average absorption rate for the quarter is below average at 29.5% while the 9 months (June 2018-March 2019) absorption rate is 15.2%, as depicted in the subsequent Table 14 below.

Table 13: FY 2018/2019 Budget Quarter 3 Monthly Analysis of Development Expenditure

COUNTY ENTITY	Revised FY 18/19 Budget	Quarter 3 Budget Target	Jan	Feb	March	TOTAL	Absorption Rate
Governance (Office of the Gvn and Liaison)	205,138,265	51,284,566	-	-	-	-	0.00%
Office of the Deputy Governor	-	-	-	-	-	-	0.00%
County Attorney	-	-	-	-	-	-	0.00%
Finance and Planning	448,013,681	112,003,420		113,271,198	5,371,771	118,642,968	105.93%
Water Services, Environment and Mineral Resources	693,210,907	173,302,727			14,855,837	14,855,837	8.57%
Health & Sanitation Services	584,886,255	146,221,564		21,175,702	14,824,005	35,999,707	24.62%
Trade, Gender and Youth Affairs	481,250,199	120,312,550		18,130,933	10,959,644	29,090,577	24.18%
Education, Sports and Social Protection	700,557,727	175,139,432		39,164,963	56,909,860	96,074,824	54.86%
Public Services, Administration & Disaster Management	156,348,522	39,087,131	-	-	-	-	0.00%
Infrastructure Transport & Public Works	863,885,485	215,971,371		-	1,534,076	1,534,076	0.71%
Agriculture, Pastoral Economy & Fisheries	757,375,825	189,343,956		4,000,000	1,178,603	5,178,603	2.74%
Tourism, Culture and Natural Resources	139,728,227	34,932,057			9,162,257	9,162,257	26.23%
Lands, Energy, Housing & Urban Areas Mgt.	265,684,745	66,421,186	-	-	-	-	0.00%
County Assembly	452,281,888	113,070,472	113,072,038	-	-	113,072,038	100.00%
County Public Service Board	3,602,902	900,725	-	-	-	-	0.00%
TOTAL BUDGET	**5,751,964,627**	**1,437,991,157**	**113,072,038**	**195,742,797**	**114,796,053**	**423,610,887**	**29.46%**

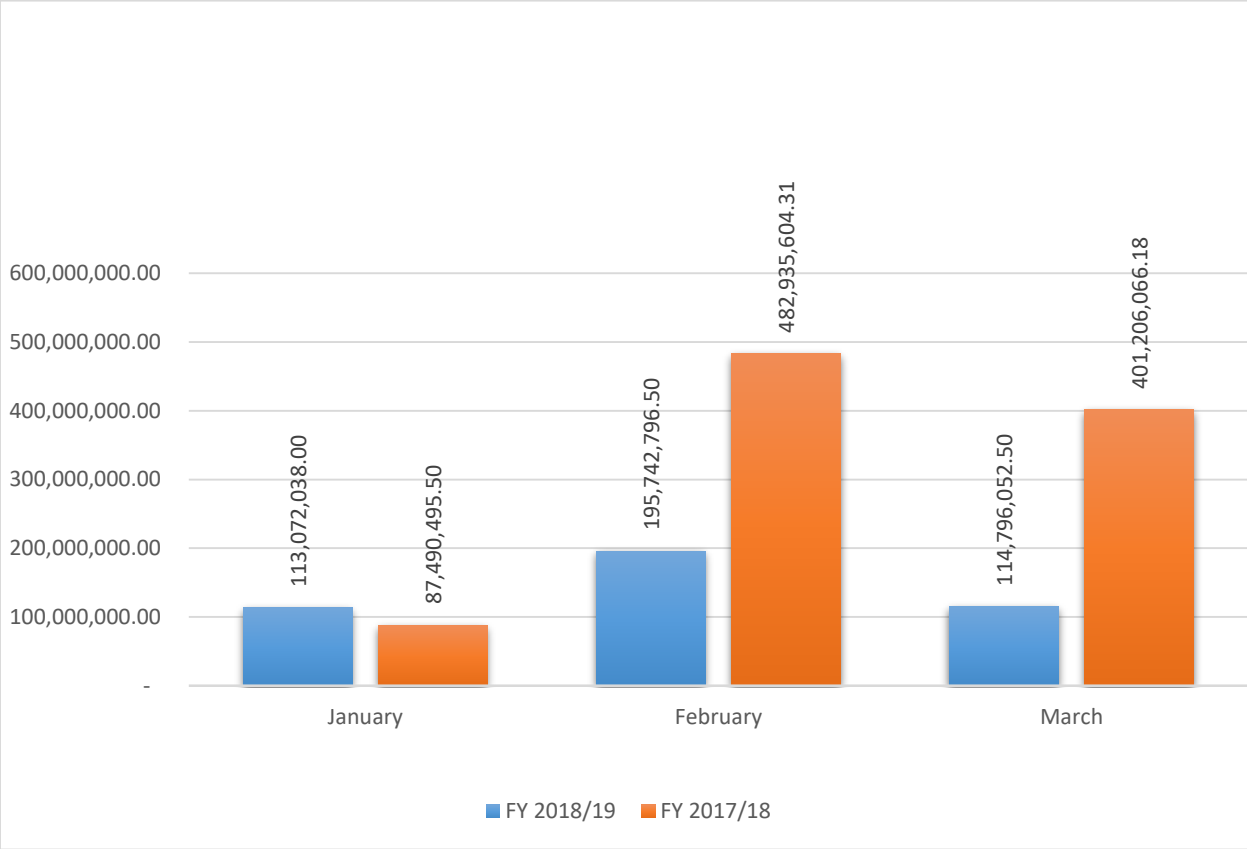
Source: Directorate of Accounting Services

Table 14: Analysis of Development Expenditure for the nine months against the target Budget.

COUNTY ENTITY	Revised FY 18/19 Budget	Budget Target for 3 Quarters	1st Quarter	2nd Quarter	3rd Quarter	TOTAL	Absorption Rate
Governance (Office of the Gvn and Liaison)	205,138,265	153,853,699	-	-	-	-	0.00%
Office of the Deputy Governor	-	-	-	-	-	-	0.00%
County Attorney	-	-	-	-	-	-	0.00%
Finance and Economic Planning	448,013,681	336,010,261	-	13,092,414	118,642,968	131,735,382	39.21%
Water Services, Environment and Mineral Resources	693,210,907	519,908,180	-	32,833,014	14,855,837	47,688,851	9.17%
Health & Sanitation Services	584,886,255	438,664,691	-	66,552,228	35,999,707	102,551,935	23.38%
Trade, Gender and Youth Affairs	481,250,199	360,937,649	-	32,844,565	29,090,577	61,935,142	17.16%
Education, Sports and Social Protection	700,557,727	525,418,295	-	67,971,286	96,074,824	164,046,109	31.22%
Public Services, Decentralized Administration & Disaster Management	156,348,522	117,261,392	-	-	-	-	0.00%
Infrastructure Transport & Public Works	863,885,485	647,914,114	-	12,916,654	1,534,076	14,450,730	2.23%
Agriculture, Pastoral Economy & Fisheries	757,375,825	568,031,869	-	4,000,000	5,178,603	9,178,603	1.62%
Tourism, Culture and Natural Resources	139,728,227	104,796,170	-	-	9,162,257	9,162,257	8.74%
Lands, Energy, Housing & Urban Areas Mgt.	265,684,745	199,263,558	-	-	-	-	0.00%
County Assembly	452,281,888	339,211,416			113,072,038	113,072,038	33.33%
County Public Service Board	3,602,902	2,702,176	-	-	-	-	0.00%
TOTAL BUDGET	**5,751,964,627**	**4,313,973,470**	**-**	**230,210,160**	**423,610,887**	**653,821,047**	**15.16%**

Source: Directorate of Accounting Services

Figure 9: Q 3 FY 2018/19 Development Expenditure Compared to FY 2017/18 Quarter 3



Source: Analysis by the Directorate of Budget.

As seen in Figure 9 above development expenditure for the two quarters for both financial years steadily rose and attained maximum expenditure in the month of February and dropped in March. Development expenditure for the FY 2018/19 quarter was less compared to a similar period in the FY 2017/18.

4.0 KEY FINDINGS

4.1.0 Revenue

4.1.1 Equitable Revenue Share

i. During the quarter the County had an Equitable Share Revenue of KES 5,487,205,224.55 in its CRF account available for spending. However the Office of the Controller of Budget allowed the County to withdraw an aggregate of KES 2,531,864,367 Equitable Share Revenue from the CRF account within the quarter, KES 1,916,445,275 and KES 615,419,092 being withdrawals for the recurrent and development expenditure respectively.

ii. The County also received from the Exchequer a transforming Health Services Conditional Grant of KES 11,087,060.

4.1.2 Own Source Revenue.

i. Own Source Revenue collected in the quarter increased by 28.7% from KES 33,559,501 collected in the previous quarter to KES 43,206,777.5.However, the quarter's OSR target of KES. 62,500,000.00 was not achieved, with an average target performance rate of 69.1%.

ii. When compared to a similar quarter in the FY 2017/18, revenue collected in the quarter under review in FY 2018/19 increased by 20.6% from KES 35,842.140.25 to KES 43,206,777.50.

iii. Some revenue streams such as Weight and Measures, Parking Fee, Advertisement and Slaughter/Auction Fee abnormally surpassed their quarterly targets by 675.5%, 226.9%, 70.8% and 45.7% respectively.

iv. Cess and Health Fees are the best performing revenue streams in the quarter, generating KES 11,398,080 or 26.4% and KES. 8,696,920 or 20.1% of quarter revenues respectively. The Cess revenue stream has continued to lead and remained an all-time Own Source Revenue top earner for the County. Liquor Licenses, Advertisement and House Rent/Kiosks/Stalls were the worst performing revenue streams.

v. The Department of Infrastructure, Transport and Public Works collected the most revenue of KES 12,657,530 representing 27.4% of the revenue collected in the quarter while the department of Finance and Economic Planning collected the least revenue of KES 1,102,267.50, representing 2.6% of the revenue collected in the quarter.

vi. Turkana Central Sub-County generated the highest revenue of KES 27,623,747.50 representing 63.9% of the total revenue collected in the quarter, with a revenue target performance index of

65.4%.Turkana East sub-county generated the least revenue of KES 65,390,representing 0.2% of total revenue collected in the quarter.

vii. Lobokat Ward and Lodwar Township ward generated the highest revenues of KES. 11,298,300 (26.1%) and KES. 10,136,755 (23.5%) respectively during the quarter. Katilia, Kaeris and Kibish wards generated the least revenue of KES. 3,650, KES. 4,150 and KES. 9,390 respectively.

viii. Turkana South Sub County realized a high revenue performance of 92.8% of its OSR target during the period under review whilst Turkana East Sub County posted the least OSR performance target at 21.3%.

ix. Evidently the Own Source Revenue targets have persistently not been met and this will no doubt result into the occurrence of pending bills.

4.2 Expenditure.

i. The recurrent expenditure is reported at KES 1,943,729,780 and development reported at KES 423,610,887 for the period under review resulting into an aggregate expenditure of KES. 2,367,340,667, representing 63.5% performance against its expenditure target of KES. 3,731,202,532 for the quarter.

ii. The Department of Public Service, Administration and Disaster Management reported the highest recurrent expenditure of KES. 955,688,728 translating into 86.5% absorption rate while the Office of the Deputy Governor reported the least recurrent expenditure at KES 950,460.

iii. The Department of Finance and Economic Planning reported the highest development expenditure of KES 118, 642, 968, representing 105.9% absorption rate. Department of Infrastructure reported the least development expenditure of KES 1,534,076 while the County Departments of Governance, Public Service, Administration & Disaster Management and Lands, Energy, Housing & Urban Areas Management did not expend any development funds during the period under review.

iv. The General Absorption rate for the County for the period under review is 63.5%.The development expenditure is underperforming way below average at an absorption rate of 29.5% for the quarter under review and at 15.2 % for the nine months period (July 2018-March 2019).

5.0 RECOMMENDATIONS

i. Targets for the revenue streams which abnormally surpassed their own source revenue targets should be revised to reflect their revenue generation potential.

ii. The quarterly revenue targets have persistently not been achieved. There is a great need for the revenue directorate to focus on strategies of increasing revenue collection so as to achieve targets to avoid occurrence of pending bills.

iii. The Directorate of revenue should leverage on revenue collection especially in areas such as Lobokat ward and Lodwar Township by considering posting and retaining competent, committed and hardworking staff to collect revenues in these locations.

iv. There is still potential in growing the OSR collections, for instance Cess has continuously been an all-time leading revenue stream. It is therefore imperative that both levels of government should strive and cooperate in investing and improving road networks to open the county to many regional corridors while ensuring there is an uninterrupted flow of transportation through provision of adequate security. This effort will also attract investment which is a revenue driver.

v. Delay in the requisitioning and disbursement of funds have negatively impacted budget implementation more so the funds for development which have undesirably affected project implementation yet we are 3 months to the end of FY 2018/19.Analysis reveals that development expenditure is extremely underperforming at KES 423, 610, 887 (15.2%) during the quarter. Examination of why the funding of the development expenditure isn't frequently released by the Exchequer ought to be undertaken.

6.0 ANNEXES

6.1 OSR by Ward

Table 9: Revenue Collection per Ward

WARDS	Sub-County	Jan-19	Feb-19	Mar-19	3RD QUARTER
Kakuma	Turkana West	256,900.00	272,300.00	383,000.00	912,200.00
Lokichoggio	Turkana West	279,140.00	299,680.00	290,000.00	868,820.00
Kalobeyei	Turkana West	59,900.00	106,290.00	57,150.00	223,340.00
Songot	Turkana West		58,000.00		58,000.00
Lopur	Turkana West		39,100.00	12,000.00	51,100.00
S.B.P Mass coll. Kkm Refugee cmp	Turkana West	-	-	-	-
SUB TOTALS	**Turkana West**	**595,940.00**	**775,370.00**	**742,150.00**	**2,113,460.00**
Lake zone	Turkana North	29,200.00	17,850.00	56,550.00	103,600.00
Lapur	Turkana North	8,090.00	8,340.00	7,960.00	24,390.00
Kaeris	Turkana North	-	4,150.00	-	4,150.00
Kaleng/Kaikor	Turkana North	5,000.00	5,200.00	-	10,200.00
Kibish	Turkana North	-	9,390.00	-	9,390.00
Nakalale	Turkana North	146,200.00	201,820.00	150,000.00	498,020.00
SUB TOTALS	**Turkana North**	**188,490.00**	**246,750.00**	**214,510.00**	**649,750.00**
Turkwel	Loima	43,000.00	53,100.00	52,000.00	148,100.00
Loima	Loima	2,780.00	8,580.00	-	11,360.00
Lokiriama/Lorengipi	Loima	90,000.00	65,600.00	91,700.00	247,300.00
Lobei/Kotaruk	Loima	2,680.00	5,460.00	5,450.00	13,590.00
SUB TOTALS	**Loima**	**138,460.00**	**132,740.00**	**149,150.00**	**420,350.00**
Kerio	Turkana Central	7,360.00	12,400.00	28,950.00	48,710.00
Lodwar township	Turkana Central	3,179,715.00	2,607,800.00	4,349,240.00	10,136,755.00
kangatotha	Turkana Central	162,950.00	119,850.00	128,400.00	411,200.00
County HQs	Turkana Central	876,222.50	1,867,925.00	3,513,470.00	6,257,617.50
Kalokol	Turkana Central	1,038,600.00	690,800.00	1,211,740.00	2,941,140.00

Kanamkemer	Turkana Central	315,700.00	818,700.00	745,460.00	1,879,860.00
LCRH	Turkana Central		5,952,965.00		5,952,965.00
SUB TOTALS	**Turkana Central**	**5,580,547.50**	**12,070,440.00**	**9,977,260.00**	**27,628,247.50**
Lokori/Kochodin	Turkana East	29,000.00	6,820.00	10,990.00	46,810.00
Kapedo/Napeitom	Turkana East	-	9,800.00	5,130.00	14,930.00
Katilia	Turkana East	-	3,650.00	-	3,650.00
SUB TOTALS	**Turkana East**	**29,000.00**	**20,270.00**	**16,120.00**	**65,390.00**
Lobokat	Turkana South	2,814,950.00	3,385,100.00	5,098,250.00	11,298,300.00
Kalapata	Turkana South	15,000.00	8,000.00	7,000.00	30,000.00
Kaptir	Turkana South	2,000.00	53,800.00	52,100.00	107,900.00
Katilu	Turkana South	3,000.00	8,100.00	3,000.00	14,100.00
Lokichar	Turkana South	196,220.00	215,810.00	467,250.00	879,280.00
SUB TOTALS	**Turkana South**	**3,031,170.00**	**3,670,810.00**	**5,627,600.00**	**12,329,580.00**
GRAND TOTAL		**9,563,607.50**	**16,916,380.00**	**16,726,790.00**	**43,206,777.50**

Source: Directorate of Revenue, Turkana County

6.2 Comprehensive Expenditure Matrix

Table 10: Quarter Three Expenditure FY 2018/19 and FY 2017/18 Compared

Q 3 FY 2018/19 Expenditure							Q 3 FY 2017/18 Expenditure					
COUNTY ENTITY	**Budgets**	**JAN**	**FEB**	**MARCH**	**TOTAL**	**Absorption**	**FY 17/18 Budget**	**Jan**	**Feb**	**March**	**Total**	**Absorption**
Governance (Office of the Gvn and Liaison)	**320,198,395**	18,496,435	40,440,950	14,024,525	72,961,910	23%	**412,198,395**	15,696,536	49,008,375	22,550,455	87,255,366	21%
	243,138,265				-	0%	**-**	-	-	-	-	#DIV/0!
Office of the Deputy Governor	**21,136,437**	-	950,460	-	950,460	4%	**21,136,437**	1,582,400	607,500	630,000	2,819,900	13%
	-				-		**-**	-	-	-	-	
County Attorney	**80,270,000**	4,743,800		1,207,500	5,951,300	7%	**-**	-	-	-	-	
	10,000,000				-	0%	**-**	-	-	-	-	
Finance and Planning	**490,479,718**		67,126,465	44,344,189	111,470,654	23%	**331,033,702**	23,487,115	31,033,670	15,444,531	69,965,316	21%
	463,013,681		113,271,198	5,371,771	118,642,968	26%	**425,569,748**	3,767,800	52,848,177	43,349,480	99,965,457	23%
Water Services, Environment and Mineral Resources	**53,673,650**	10,914,530	9,433,828	20,639,980	40,988,339	76%	**53,673,650**	1,338,500	1,588,650	-	2,927,150	5%
	600,774,120			14,855,837	14,855,837	2%	**646,319,694**	18,480,798	110,995,571	40,995,043	170,471,412	26%
Health & Sanitation Services	**888,288,102**	113,537,710	62,026,644	63,642,032	239,206,387	27%	**1,146,521,497**	39,233,492	3,475,967	57,393,876	100,103,335	9%
	623,786,255		21,175,702	14,824,005	35,999,707	6%	**266,425,694**	26,190,900	19,981,167	21,461,104	67,633,171	25%
Trade, Gender and Youth Affairs	**104,429,539**	10,473,525	16,298,766	12,816,350	39,588,641	38%	**104,329,539**	11,727,981	9,797,570	10,248,196	31,773,748	30%
	492,250,199		18,130,933	10,959,644	29,090,577	6%	**256,409,463**	-	23,442,800	20,000,000	43,442,800	17%
Education, Sports and Social Protection	**664,628,853**	7,131,710	36,120,102	13,136,533	56,388,346	8%	**485,051,482**	138,669,482	-	5,613,946	144,283,428	30%
	715,557,727		39,164,963	56,909,860	96,074,824	13%	**368,579,585**	1,555,500	138,669,482	-	140,224,982	38%
Public Services, Administration & Disaster Management	**4,240,957,249**	330,944,711	310,411,703	314,332,314	955,688,728	23%	**3,741,644,299**	347,969,052	347,969,052	307,613,182	1,003,551,286	27%
	180,348,522				-	0%	**55,000,000**	11,690,763	12,632,848	1,367,152	25,690,763	47%
Infrastructure Transport & Public Works	**42,930,803**	6,657,155		2,101,260	8,758,415	20%	**43,950,803**	3,550,894	1,983,440	-	5,534,334	13%
	515,819,924		-	1,534,076	1,534,076	0%	**1,181,717,199**	14,598,305	43,484,877	238,838,919	296,922,101	25%
Agriculture, Pastoral Economy & Fisheries	**168,217,541**	14,603,055	31,385,764	23,167,338	69,156,158	41%	**168,217,541**	10,374,166	6,318,921	2,594,462	19,287,549	11%
	617,736,523		4,000,000	1,178,603	5,178,603	1%	**513,535,201**	2,791,205	73,366,225	1,396,500	77,553,929	15%
	115,902,011	5,621,260	14,587,622	11,993,702	32,202,584	28%	**75,902,011**	247,543	-	2,891,968	3,139,511	4%

Tourism, Culture and Natural Resources	**166,228,227**			9,162,257	9,162,257	6%	**147,790,537**	1,663,325	2,362,599	11,148,442	15,174,366	10%
Lands, Energy, Housing & Urban Areas Mgt.	**65,970,588**	14,830,755	5,303,700	5,215,895	25,350,350	38%	**94,244,088**	8,640,210	2,459,469	5,607,982	16,707,661	18%
	236,211,125				-	0%	**297,004,996**	6,751,900	5,151,858	22,649,427	34,553,185	12%
County Public Service Board	**121,926,106**	9,910,310	6,229,307	11,020,816	27,160,433	22%	**121,926,106**	2,263,950	5,783,823	3,420,000	11,467,773	9%
	-	-	-	-	-		**6,565,609**	-	-	-	-	0%
County Assembly	**839,300,000**	50,225,414	169,024,957	38,656,706	257,907,077	31%	**981,000,000**	91,107,083	87,919,327	70,979,282	250,005,693	25%
	452,281,888	113,072,038			113,072,038	25%	**204,931,320**	**-**	**-**	**-**	-	0%
TOTAL EXPENDITURE	**13,535,455,447**	**711,162,407**	**965,083,067**	**691,095,193**	**2,367,340,667**	**17%**	**12,150,678,594**	**783,378,901**	**1,030,881,369**	**906,193,946**	**2,720,454,215**	**22%**