

OUR REF: JTK/NCG/2013/4 Your Ref: EACC.6/15/4/ (48)-44839

28th October, 2014

Secretary/Chief Executive Officer,
Ethics and Anti-Corruption Commission (EACC)
Integrity Centre
Milimani/Valley Road Junction
P. O. Box 61130-00200
NAIROBI



PARLIAMENT
OF KENYA
LIBRARY

Attn; Directorate of Investigations

Dear sir/Madam,

**RE: PETITION FOR INVESTIGATIONS INTO FINANCIAL AND HUMAN
RESOURCE MISMANAGEMENT AND IRREGULARITIES AND ILLEGALITIES
IN PROCUREMENT BY THE COUNTY GOVERNMENT OF NAROK.**

Reference is made to your letter EACC.6/15/4/ (48)-44839 dated 25TH March, 2014 on the above subject matter and in that regard I wish to state that;

1. It has been Eleven (11) months since I wrote and duly delivered my letter dated 30TH October, 2013 and referenced as [JTK/NCG/2013] petitioning for investigations into the blatant violation of public finance management laws and regulations as particularized in the said letter.
2. Up to this moment, I have not received any communication from your body of the progress being made, if any, towards investigations into the allegations which were raised in the aforementioned letter save for the acknowledgement of receipt referred to herein above.
3. Without any shred of doubt it is public knowledge that you have not even made any enquiries of the grave allegations raised in the said letter despite the overwhelming evidence attached to it.
4. I speak because I know that silence breeds a culture of impunity in which the people of Kenya grow fearful, retreating from the affairs of this Country and thereby surrendering their sovereignty as a people to a cabal of quislings and self-seekers.
5. The upshot of the foregoing leads to only one conclusion: That you are either unable or unwilling to carry out the investigations as the duty bestowed upon you by the law and it is needless to over emphasize.

THE SENATE
RECEIVED

13 NOV 2014

SPEAKER'S OFFICE



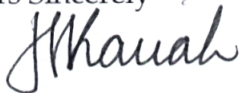
Meanwhile and as supported by the further reports attached to this letter, the vice continues unabated.

In the months of March, 2013 to December, 2013 the Mara Conservancy collected a total of **One Hundred and Forty Four Million Five Hundred and Fourteen Thousand and Fifty Two Cents (Ksh. 144,514.52)** on behalf of the Narok County Government as disclosed and displayed on its official website ([website, www.maratriangle.org](http://www.maratriangle.org)). However, the Narok County Budget Implementation Review Report 2013/2014 as published by the office of the Controller of Budget shows that only **Eighteen Million Four Hundred and Thirty One Thousand and Seventy Five Kenya Shillings (Ksh.18, 431,075.00)** was actually remitted/deposited into the county revenue account. In effect a Total of **One Hundred and Twenty Six Million Eighty Three Thousand Four Hundred and Forty Four Kenya Shillings (Ksh.126, 083,444.00)** cannot be accounted for.

I raised the above issues one year ago and your *failure/or refusal* to act has emboldened the leadership of the County government of Narok to continue perpetuating the vice with impunity.

The purpose of this letter therefore is to put you on notice that unless I receive a satisfactory explanation within the next Seven(7) days from the date of this letter on the progress of meaningful investigations regarding the grave complains raised by myself almost a year ago, I will exercise any other available legal options including suing your body.

Yours Sincerely



JOSEPH T. OLE KARIA

Cc.

1. Director of Public Prosecutions (DPP)
2. Head of Public Service and Chief of Staff
3. Cabinet Secretary Devolution
4. Controller of Budgets
5. Auditor General
6. Governor Narok County
7. County Secretary Narok County Government
8. County Commissioner Narok County
9. Senator Narok County
10. County Women Representative Narok County
11. All Members of Parliament Narok County
12. Speaker Narok County Assembly
13. The Mara Conservancy.
14. KAPS Ltd.



ETHICS AND ANTI-CORRUPTION COMMISSION

INTEGRITY CENTRE (Valley Rd. /Miiimani Rd. Junction) P.O. Box 61130 -00200, NAIROBI, Kenya.
TEL.: 254 (020) 2717318/ 310722, MOBILE: 0729 888881/2/3
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When replying please quote:

Our ref. EACC. 6 /15/4/ (48) – 44839

25th March, 2014

Joseph T. Ole Karia
P. O. Box 45
LOLOLULUNGA – NAROK SOUTH

Dear Sir,

**RE: PETITION FOR INVESTIGATIONS INTO FINANCIAL AND HUMAN RESOURCE
MISMANAGEMENT AND IRREGULARITIES IN PROCUREMENT BY THE COUNTY
GOVERNMENT OF NAROK**

Reference is made to your letters Ref: **JTIK/NCG/2013** dated 10th October 2013 and 30th October 2013 on the above.

The Commission has noted the allegations and necessary steps will be taken to verify the same to inform action as need be. Delay in responding to your correspondences is regretted.

Yours faithfully,

JOHN L. LOKOLOI
FOR: SECRETARY/CHIEF EXECUTIVE OFFICER

JLL/doo

OUR REF: JTK/NCG/2013

YOUR REF: TBA

30TH OCTOBER, 2013

JOSEPH T. OLE KARIA,
PO BOX 45 OLOLULUNGA,
NAROK SOUTH
CELL NO. 0729539554



Secretary/Chief Executive Officer,
Ethics and Anti-Corruption Commission (EACC)
Integrity Centre
Milimani/Valley Road Junction
P.O. Box 61130-00200
NAIROBI

Attn: Directorate of Investigations

Dear Sir/Madam,

**RE: PETITION FOR INVESTIGATIONS INTO FINANCIAL AND HUMAN
RESOURCE MISMANAGEMENT AND IRREGULARITIES AND ILLEGALITIES
IN PROCUREMENT BY THE COUNTY GOVERNMENT OF NAROK.**

We are all walking a difficult path given that there are some in this Country who still worship money and unfortunately believe that with money, all else is possible. It is not in denial that our Country is still suffering from a strong hang-over from the decades of run-away corruption and injustice perpetrated by those in power.

There will always be enemies of the rule of law doing all they can, within and outside acceptable frameworks, to undermine social justice. How else can one explain that directors of a private company can successfully keep away the powerful office of the Auditor General from auditing/scrutinizing a critical source of public revenue for the last ten years with impunity?

Be that as it may, I wish to refer to my letter dated 16th October, 2013 addressed to the Narok County Government Executive Committee and copied to the Ethics and Anti-Corruption Commission (EACC) among other public offices. A copy of "*the letter*" is herein annexed for ease of reference.

The aforementioned letter discloses hard and salient facts on allegations ranging from serious financial and human resource mismanagement to irregularities and illegalities in procurement against the Governor Narok County and other Narok County Government officials "*the County Government*". A response by the County Government on account of the said letter is still pending but meanwhile, investigations by your esteem body must commence to forestall further loss of public funds. The allegations touch on several critical issues as herein below highlighted;

1. It is of my concern that the County Government of Narok and the Mara Conservancy "*the Conservancy*" together with its collecting agent **KAPS Ltd.** have been and continue to engage unabated in suspect financial transactions which already have and continue to cost the County millions of monies.
2. Accordingly, you must not lose sight of the fact that the Narok County Governor is a founder member of the Mara Conservancy and a very active director of the same. This background is very important to the appreciation of the intertwined interests under the circumstances.
3. The Conservancy is exclusively mandated to manage the Mara Triangle by an agreement dated 12th April 2005 between the Conservancy and the now defunct County Council of Trans-Mara. However, the Mara Conservancy has been acting in serious violation of its obligations under clauses 8.3 (a) and (b), 8.4 and 8.5 of the said agreement. A copy of "*the Agreement*" is herein annexed for reference.
4. The Conservancy has knowingly failed to remit and or account for the "**Council Proportion**" of the revenue collected from the Mara Triangle as outlined under Clause 8.3 (b) since the commencement date of the agreement. The Conservancy has been misleading the public and government auditors, in pretense of transparency and accountability, by publishing fabricated financial information on its official website (www.maratriangle.org). The amounts of revenue purported to be collected and divided by the Conservancy in accordance with the provisions of clause 8.3 (a) and (b) of the agreement and as published on the said website are in monumental contrast with the actual amounts remitted according to the statements of the corresponding County Government Revenue Account. Herein attached for examination are the monthly records of the Conservancy's account of revenue collected and remitted as published on their official website and the official bank statements of the corresponding County Revenue Account for the period starting from the commencement of the financial year 2012/2013 to date.
5. It is worthy of note that the Conservancy might have realized that the publishing of the above referred information on their website is the 'Achilles heel' of their fraud syndicate comprising of the Conservancy, its collecting agent **KAPS Ltd.** and corrupt County Government officials in the department of finance. To that effect,

probably on account of the letter, the Conservancy has stopped the publishing of the September and October 2013 returns on the website as has been the norm for the past about ten years they have been in operation. Certainly mischief is a foot.

6. The Conservancy has willfully failed to account for the **"Running Costs"** as provided for under Clause 8.3 (a) of the agreement. Game viewing fees and other revenue collected by the Conservancy from the Mara Triangle are never deposited into the County Revenue Account prior to the computation and payment of the running costs. The Conservancy has been and continues to draw unaccounted for advances of undisclosed amounts from the revenue collections. The advances and the Running Costs are disbursed from the Conservancy's collection accounts instead of the County Government Revenue Account which ought to be their point of payment. This is ostensibly to avoid detection of the payments at the County Treasury and to ensure that the same is out of the radar of the Auditor General and the controller of budgets. Even if the purport of the agreement is to authorize the Conservancy to draw and or retain the Running Costs in the above described manner, the process remains irregular and illegal as it contravenes the provisions of the Public Finance Management Act.
7. In line with the foregoing, the Auditor General has in its **2012/2013** audit report alluded to the fact that they have indeed been unable to obtain any financial records necessary to make any meaningful audit report on the transactions between the Conservancy and the County Government. This was due to the inability to retrieve Payment Receipts that ought to have been issued by the County's Chief Finance Officer on a monthly basis to acknowledge payment of the **'Council Proportion'** pursuant to **Clauses 8.4 and 8.5** of the agreement. The effect of this is that the Conservancy is in fundamental breach of the agreement by its failure to discharge its obligation to make the payment in question to the former council and now to the County Government.
8. Tourists and visitors lodging at **Kichwa Tembo Camp (KTC)** which is under the management of **&Beyond Company Ltd.** and situated within the infamous **Oloololo private Game Ranch** do not pay park viewing fees to the collecting agency when and if they make entry into the park. I am alive to the fact that the two former directors of the Mara Conservancy (Governor Samuel Kuntai Ole Tunai and MCA. Kuya Ole Kijape) are the directors of Oloololo private Game Ranch. In fact Mr. Tunai, the Governor, is up to date a signatory to the accounts of the Mara Conservancy which fact amounts to sacrilege to the provisions of the **Public Officer Ethics Act** in regard of the glaring and daring conflict of interest.
9. Despite of having firsthand knowledge and information on the blatant breach of the agreement by the Conservancy and the enormity of the losses in public revenue

- continuously being occasioned by such breach, the County Government has stood by in acquiescence as the two rogue companies continue to siphon public money in breach of Public Finance Regulations. As a result the County continues to lose colossal amounts of money from their financial manipulation and corruption.
10. The County Governor, Mr. Tunai, in his imperious character has tactfully orchestrated and managed to successfully curtail and or frustrate any internal or external audit or probe into the transactions and operations between the Conservancy and the County Government. This has left the '*business*' to a few top County officials who find favor with the Governor in total disregard of the principle of checks and balances in handling public revenue. But it goes even deeper.
 11. It cannot be a coincident that the County Governor, Mr. Kuntai Samuel Ole Tunai, did reject a Mr. John Misiingi who was a public officer and unilaterally appointed one Mr. Charles Gitau as a County Chief Finance officer under transitional provisions despite what is public knowledge that Mr. Charles Gitau has never been a public officer and indeed has been and continues to be an employee (Chief Accountant) and a signatory to the accounts again of the aforementioned Mara Conservancy which is in contractual agreement with the County Government and to which the Governor was until very recently a director. The Governor deliberately and irregularly effected the secondment and placement of Mr. Gitau and other staff from private institutions outside the public service contrary to laid down procedures and regulations with a view to advance his personal devious agenda. Such placement flies in the face of the provisions of the **Public officer Ethics Act** on conflict of interest.
 12. The County Treasury led by Miss. Lena Munge as the County Executive Secretary for Finance and the now infamous Mr. Charles Gitau as the Chief Accounting Officer have failed to discharge their responsibilities under **Section 68 of the Public Finance Management Act** to ensure that expenditure of public funds is effective, efficient, economical and transparent. Furthermore, Ms. Lena Munge has influenced all County Revenue to be deposited in the **Kenya Commercial Bank (K.C.B.)** which is her immediate former employer but possibly with an aim of manipulating foreign currency exchange rates for personal gain.
 13. The County Governor has caused the County Government to enter into irregular and illegal procurement of services without the approval of the **County Government tender and procurement committees** and without due diligence being conducted to ensure that the County Government gets value for its money.
 14. In a show of brazen bravado, the Narok County Governor has unilaterally and without a hint of shame caused the notorious company associated with the Mara

Conservancy, namely **KAPS Ltd.** to be awarded the tender for revenue collection in the **Cis-Mara** side of the Maasai Mara game reserve, otherwise with an objective to perpetuate fraud.

15. It has now become apparent that the **Equity Bank e-ticketing Agency** was revoked unilaterally by Mr. Tunai not because of its inefficiency as the public might have been made to believe, but with the sole intention of replacing it with **KAPS Ltd.** a company that has become synonymous with the Mara Conservancy, consequences notwithstanding. As a matter of fact, damages on unlawful termination of the Equity Bank contract to the tune of **Kenya shillings one point two Billion (Ksh 1,200,000,000.00)** is staring at the face of the County Government. In this regard Mr. Tunai should be found to be personally liable.
16. The office of the Governor has been routinely engaging the services of a state of the art helicopter hired from the **Lady Lori Kenya Group**, a private company, contracted through direct procurement and or single sourcing using public funds contrary to law. In the first instance such services are extravagant and unnecessary and certainly not in public interest. The Governor has been operating from Nairobi and traversing the county in the expensive machine on account of public funds to areas that would otherwise have been easily accessible from the County Headquarters via road and with much financial expedience.
17. The County Governor, without the approval of the tender committee, has caused the County Government to award a tender for the provision of ticketing services to the Maasai Mara Game Reserve to the **Kenya Association of Tour Operators (KATO)** in suspicious circumstances. The tender was awarded through direct procurement and or single sourcing for speculative reasons and particularly to eliminate fair competition. This is in disregard of the fact that the Association has been and should still be in the black books of the County government after a protracted legal battle with its predecessor, Narok County Council, which saw the council lose millions of Shillings both to corruption and in legal fees. The dispute arose from fraudulent financial dealings by KATO in Cohorts with corrupt council officials at the time. The contract instrument on the recent award has not been availed if at all it's in existence for scrutiny in the spirit of transparency and accountability.
18. I wish to raise my concerns as to whether **S.29** and **S. 74** of the Public Procurement & Disposal Act 2006 were complied with when the decision was made to award **KAPS Ltd**, the Lady Lori Group and the Kenya Association of Tour Operators (**KATO**) with the respective contracts.
19. The County Governor has caused the appointment of the firm of **Kemboy & Company Advocates** to the County Government's panel of Advocates despite a

glaring conflict of interest and prejudice to the County as outlined in the letter. The firm has been and continues to represent the Governor, Mr. Tunai, in an assortment of cases for and against his person and his enterprises including the recent election petition challenging his election as Narok County Governor. As a result Mr. Tunai has caused to be authorized irregular payments of large sums of money to the firm on account of exaggerated disbursements.

20. The replacement of the firm of Okong'o Omogeni & Company Advocates with the firm of Kamunda Njue & Company Advocates in the long standing **Olkiombo Case-HCCC1565/2000** is suspicious and untimely. The case is at an advance stage as it's part-heard, therefore the circumstances surrounding the replacement of Senior Counsel Omogeni are unclear and not justified at all.

Recommendations/ Requests

21. It is in light of the forgoing summary of facts and allegations that I would kindly but urgently wish to invite the Ethics and Anti-Corruption Commission (EACC) to launch inquiries into the various issues highlighted through my personal initial concerns and investigation but more specifically;
 - i. An inquiry into the management and operation of the revenue collection services offered by the Mara Conservancy and **KAPS Ltd.** to the County Government and more particularly a tight scrutiny of the full, detailed, accurate and proper accounts and records of the said entities in respect of the transactions-including **electronic money transfers**- in this regard since the commencement date of the Agreement to date.
 - ii. Thorough Investigations into the allegations of failure by the County Government to exercise prudence in the management of public funds resulting into loss of colossal amounts of money and more essentially a close scrutiny of the full, detailed, accurate and proper accounts and records of the now defunct County Council of Trans-Mara and the County Government in respect of the transactions-including electronic money transfers and receipts - in this regard since the commencement date of the Agreement to date.
 - iii. A close examination of copies of receipts that had been or ought to have been issued by the then County Council of Trans-Mara and now by the County Government's Chief Finance officer to the Mara Conservancy in furtherance of **Clause 8.5** of the agreement dated **12th April, 2005** between the then Council and now the County Government of Narok from the commencement date of the agreement to date.

- iv. An accurate reconciliation of the Conservancy's financial records and reports with those of the now defunct County Council of Trans-Mara and the County Government's.
- v. An audit on account of all park entry fees to the Mara Triangle collected from or payable by tourists and visitors lodging at Kichwa Tembo Camp from the beginning of the financial year 2012/2013 up to date and an inquiry as to why the said tourists and visitors to Kichwa Tembo are exempted from paying park fees.
- vi. Investigations into allegations that the Narok County Governor Mr. Samuel Ole Tunai, County Executive Secretary for Finance Ms. Lena Munge, Chief Accounting Officer (Transition) of the County Mr. Charles Gitau together with other officials within the Narok County Government, the Mara Conservancy, the Management of Ooloololo Game Ranch and Directors of &Beyond Company Ltd. in cohorts with corrupt internal and external auditors have coalesced into a **corruption syndicate/cartel** that has enabled the Governor to run the County Government like a private enterprise. The alleged conspiracy has culminated into a scandal of monumental proportion that has so far cost the defunct County and now the County Government colossal amount of a whopping **Two hundred and Forty Six million One Hundred and Ninety Four Thousand in Kenya shillings (Ksh. 246,194,140.60)** within a period of only one year. Refer to the *Annexed table on reconciliation*.
- vii. What is even more shocking is the fact that after officers from the Auditor General's Office based in Nakuru failed to access and or retrieve the records of the transactions between the conservancy and the County Government, they decided to go mute about it which leads to one question; were they compromised? And if they were they should be charged for abuse of office.
- viii. Directive to &Beyond Company Ltd. and the management of Ooloololo private Game ranch jointly and severally for the production for examination of copies of financial transactions and records of tourists that make entry to the Mara Triangle from the commencement of the financial year 2012/2013 to date.
- ix. Whether there is manipulation Since the County Government does not have a dollar account
- x. Investigations into the circumstances leading to the authorization of payment of about **Kenya Shillings Fifty Two Million (Ksh. 52,000,000.00)** to the firm

of Kemboy & Company Advocates in fees and exaggerated disbursements within a record period of two months from the date of their appointment to the panel of advocates for the County Executive.

- xi. Investigations into the allegations of irregular and illegal procurement procedures in the awards of public tenders to KAPS Ltd, the Kenya Association of Tour Operators (KATO) and the Lady Lori Kenya Group(helicopters) and examination of the contractual instruments if any.
- xii. A report detailing the circumstances under which the firm of Okong'o Omogeni & Company Advocates was removed from representing the County Government in the Olkiombo case and any interests around the appointment of Kamunda Njue & Company Advocates in their place.
- xiii. An inquiry as to how Mr. Charles Gitau, an employee [accountant] of the Mara Conservancy continues to moonlight between public and private offices by doubling up as the Chief Finance officer of the County Government and if the allegations are true, whoever is culpable must be made to account.

I kindly request the Commission to expedite the said inquiries due to the sensitive nature of the facts and allegations.

NOTE: That I undertake to engage the public and other government agencies, including both houses of Parliament, the Controller of Budgets, the Public Procurement Oversight Authority (PPOA) and the office of the Auditor General to explain the profundity of the issues at hand.

Yours Faithfully.



JOSEPH T. OLE KARIA

Annexures

1. The letter
2. The Agreement
3. The Articles & Memos of the Mara Conservancy.
4. The statements and records of the Mara Conservancy website (www.martriangle.org)
5. The Bank statements from Narok County Government
6. Reconciliation Table

C.c.

1. Head of Public Service and Chief of Staff [State house]
2. Cabinet Secretary for Devolution
3. Auditor General
4. Controller of Budgets
5. Governor Narok County
6. Narok County Executive Committee
7. County Commissioner Narok County
8. The Senator Narok County
9. The Women Rep. Narok County
10. All Hon. Members of Parliament Narok County
11. Speaker Narok County Assembly
12. All M.C.As Narok County
13. &Beyond Company Ltd.
14. The Mara Conservancy
15. KAPS Ltd.

Table of Reconciliation between the Financial Statements and Records of the Mara Conservancy & KAPS Ltd. with those of the County Government for the period from the beginning of the financial year 2012/2013 to date.

YEAR	MONTH	REVENUE COLLECTED BY THE CONSERVANCY (Ksh)	REVENUE SURRENDERED TO THE COUNTY GOVT.(Ksh)	EMBEZZLED/ UNACCOUNTED REVENUE (Ksh)
2012	JULY	14,724,788.65	NIL	14,724,788.65
	AUGUST	27,245,057.40	NIL	27,245,057.40
	SEPTEMBER	37,201,861.05	NIL	37,201,861.05
	OCTOBER	21,615,269.50	NIL	21,615,269.50
	NOVEMBER	23,541,969.00	NIL	23,541,969.00
	DECEMBER	12,721,238.75	NIL	12,721,238.75
2013	JANUARY	15,270,020.00	NIL	15,270,020.00
	FEBRUARY	17,143,808.00	NIL	17,143,808.00
	MARCH	14,130,558.75	NIL	14,130,558.75
	APRIL	8,346,937.50	NIL	8,346,937.50
	JUNE	6,628,077.50	NIL	6,628,077.50
	JULY	15,608,353.75	3,356,086.00	12,252,267.75
	AUGUST	30,272,013.75	5,947,852.00	24,324,161.75
	SEPTEMBER	-	-	-
TOTAL		255,498,078.60	9,303,938.00	246,194,140.60

NOTE:

Revenue Collected by the Conservancy above is the 'Council Proportion' which includes the amounts distributed to both the former County Council of Transmara (Now County Government) and the Group Ranches and excludes the 45% 'Running costs' deducted by the Conservancy.

Exchange Rate

All conversions have been calculated at a standard rate of 1US\$ Dollar = Ksh. 85.00



OFFICE OF THE CONTROLLER OF BUDGET

NAROK COUNTY
BUDGET IMPLEMENTATION
REVIEW REPORT

SECOND QUARTER
FY 2013 /2014

JANUARY 2014

Foreword

I am pleased to present the second quarter Budget Implementation Review report for the FY 2013/14 period under the devolved government for Narok County. This report provides important information on the execution of the Narok County budget. The report highlights the performance of revenue collection, exchequer issues and expenditure of the County Government and its entities.

The Office of the Controller of Budget established under Article 228 of the Constitution of Kenya 2010 is mandated to oversee implementation of the budgets of the National and County governments by authorizing withdrawals from the Consolidated Fund (**Article 206**), Revenue Fund (**Article 207**) and Equalization Fund (**Article 204**). It is on this basis that the Office is required to prepare quarterly budget implementation reports for the County Governments hence the production of Narok County Budget Implementation report.

The essence of reporting on budget implementation is to create awareness among the County stakeholders and enable them to interrogate the usage of public resources and the underlying policy guidelines so as to meet specific priority needs. Further, this reporting function is line with the requirements of the Constitution of Kenya, 2010, Article 201 on government's efforts to promote openness, transparency and accountability on all aspects of public finance.

Finally, it's my hope this report would increase the public participation of Narok residents in scrutinizing the government's policies and priorities to ensure optimal utilization of public resources for the benefit of all citizens of the County.

Mrs. Agnes N. Odhiambo

CONTROLLER OF BUDGET

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Executive Summary

This is the second quarter FY 2013/14 Budget Implementation Review Report for Narok County Government. The report highlights the financial performance of the County Government for the period July to December 2013. In addition, it outlines the government's revenue inflows from all sources and its expenditures. This is aimed at informing the Executives, Parliament, National Assembly and the public on budget execution.

Chapter one of the report outlines the County's political landscape, socioeconomic and demographic features. The revenue performance, exchequer issues and departmental expenditure analysis is also discussed in chapter one. According to the figures provided by the County Treasury, the local revenue collections stood at **Ksh. 1,054,377,971**. The underperformance in revenue was attributed to security threats to tourism, underreporting and/or loopholes with the manual revenue collection system.

Chapter two provides a summary of county budget implementation based on the County's overall revenue with analysis of revenue by source. The total revenue sources amounted to **Ksh. 2,408,034,586**; of which the National Grant was **Ksh.1,353,656,615** and local collection amounted to **Ksh.1,054,377,971**. The County received exchequer of **Ksh.2,176,574,286** towards its expenditures. The total recurrent expenditure amounted to **Ksh.1,359,418,961** (88.26% of the total expenditure) while development expenditure amounted to **Ksh. 126,549,671** (11.74% of the total expenditure).

Chapter three highlights the departmental reports in terms of their key mandates, key priorities, department's allocation and the budget performance. Finally, Chapter four provides challenges affecting budget implementation and recommendations. Some of the main challenges noted are; inadequate capacity on budgeting and budget process, low revenue collections, go-slow of the County Assembly members which affected the passage of key legislation and the general

oversight role, lack of a fully-fledged Internal Audit committee and County Treasury charging all personnel costs from one vote head.

In conclusion, the Office of the Controller of Budget recommends that County Assembly to finalize their go-slow urgently in order to embark on their constitutional mandate, County Treasury to realign their salaries by charging respective vote heads, an agreed framework of how the County finances are to be managed between the Executive and Assembly, establishment of the Internal Audit committee and build the capacity of the County Treasury by retraining on budgeting and budget process.

Acronyms

AIA	Appropriation in Aid
AIE	Authority to Incur Expenditure
BSD	Budget Supply Department
CBK	Central Bank of Kenya
CFS	Consolidated Fund Services
CoB	Controller of Budget
FY	Financial Year
GOK	Government of Kenya
IFMIS	Integrated Financial Management Information System
MDAs	Ministries Departments and Agencies
MTEF	Medium Term Expenditure Framework
PFM	Public Financial Management
OCob	Office of the Controller of Budget
SMC	School Management Committee
TA	Transitional Authority

1.3 County Budget Process

Budget is the principle policy instrument used for allocating resources among competing entities and holding them accountable of their expenditure and revenue which they control. The PFM Act, 2012 prescribes the budget process for County Governments which includes 5 stages namely; formulation, approval, execution, monitoring and reporting.

Narok County during the FY 2013/14 prepared a draft budget of Ksh.9,701,413,660 which was later revised to Ksh.8,083,853,311 and assented to by Governor on 28th October, 2013. The budget was revised because of the OCOB advise to remove the allocation on car grants Ksh.900,000,000, the overambitious local revenue estimates of Ksh.1,030,310,024, factoring of the equalization fund of Ksh.300,000,000, inadequate allocation to devolved function among other requirements. The revised budget had a recurrent and development allocation of Ksh. 5,681,245,870 (70.28%) and Ksh. 2,402,607,441 (29.72%) respectively. The allocation for development partially meets the 30% threshold as spelt out in the PFM Act, 2012.

Other emerging issues in the budget process include the failure by the County treasury to prepare key budget policy documents for the FY 2014/15 which includes issuing the budget circular, Budget Review and Outlook Paper, County Fiscal Strategy Paper, formation of the Budget and Economic Forum, and publicizing of the Integrated County development Plan for 2013-2018, as a major document for linking planning and policy to budgeting.

1.0 INTRODUCTION

1.1 Mandate of the Office of Controller

The Office of Controller of Budget (OCOB) is an independent office, established by Article 228 of the Constitution of Kenya, 2010. Pursuant to Article 228 (4) of the Constitution, the office is mandated to oversee the implementation of the budgets of both levels of government, which entails regular monitoring and evaluation of government programmes and projects, with the approved budgets as the yardstick. In addition, this Office is mandated to prepare quarterly, annual and special reports on budget implementation and submit to the legislature and executive on budget implementation matters of national and county governments as provided in Article 228 (6) of the Constitution of Kenya, 2010.

1.2 General County Environment

1.2.1 County Political Landscape

Narok County is one of the 47 counties of the republic of Kenya provided in the Constitution of Kenya 2010. The County lies between 0°50' and 1°50' South and Longitude 34° 35' East. It borders the republic of Tanzania to the South, Kisii, Migori, Nyamira and Bomet Counties to the West, Nakuru County to the North and Kajiado County to the East. The county headquarter is at Narok Town. The county covers an area of 17,933.1Km² representing 3.1% of the total area in Kenya and therefore the eleventh largest county.

The County is made up of six constituencies which include Kilgoris, Emurua Dikirr, Narok North, Narok East, Narok West, and Narok South; all together having a total of 30 electoral wards representing 2.1% of all county assembly wards in the country. The county is divided into four administrative Sub-Counties namely Transmara West, Narok North, Narok South and Transmara

East. Transmara East was hived off Transmara West in 2009. The sub counties are further subdivided into 16 divisions, 92 locations and 182 sub locations with 169,220 households.

1.2.2 Socioeconomic and Demographic features

Narok County is home to the famous Maasai Mara Reserve, a key natural resource for the county and by extension the country. The main crops grown in the county are wheat, barley, maize, beans, Irish potatoes and horticultural crops. These crops are grown under rain fed, micro irrigation, and sprinkle and drip irrigation. Maize, wheat, barley and sugarcane are grown as cash crops. Maize and wheat are the highest income earning cash crops in the county.

According to the Kenya National Population and Housing Census of 2009, the population of Narok County was 850,920 composed of 429,026 males and 421,894 females; representing 2.2% of the national population. Narok County was the 21st most populated County in Kenya. The population was projected to increase to 979,770 in 2012 composed of 493,991 males and 485,779 females. The population will further increase to 1,239,320 by 2017. The population growth rate is 3.3% where a majority of the population is between the ages of 0-14 years (53%), ages 15-64 take a proportion of 45% and those above 65 occupy only 2% of the entire population. As regards gender parity, the county population is almost evenly distributed between males and females with a ratio of 1.02 to 1.

With a total enrollment of 175,409 pupils, the number of primary schools is 624 providing the pupil to teacher ratio for public schools to stand at 33:1. The enrollment rate is skewed towards the boys who are about 83% compared to girls who are 73%. The number of secondary's school stand at 77 with an average total enrollment of 13,852 and 689 pre-primary schools. The higher education system is not well developed with just one university, (Maasai Mara University), three colleges and eight Youth Polytechnics.

In terms of healthcare, the County has eight four dispensaries, sixteen health centers, one sub district, and three district hospitals. The doctors to population ratio stand at 1:100,953 with the infant mortality rates of 60 per 1,000 (Rift Valley Province), under-five mortality rates is 12 per 1,000 (Rift Valley Province). The major prevalent diseases include malaria, foot and mouth, trypanosomiasis, and HIV/Aids.

2.0 COUNTY BUDGET IMPLEMENTATION SUMMARY

2.1 County Revenue

The County's overall revenue is composed of the National Government grant, and County own revenue collections. The total revenue for the County amounts to Ksh. 2,408,034,586 with the National shareable of Ksh.1,353,656,615 and local collections of Ksh. 1,054,377,971 accounting for 56.21% and 43.79% respectively. The major source of local revenue is Maasai Mara Game Reserve charges/fees which accounted for 95.40% of the total local revenues collected during the period under review.

2.1.1 Local Revenue Collection

The total collection from all sources amounted to Ksh. **1,054,377,971** for the period July to December 2013. The amount collected for the month of July, August, September, October, November and December 2013 is Ksh. 271,778,308; Ksh.276,535,079; Ksh.205,875,130 Ksh.181,675,801, Ksh.91,761,637 and Ksh.25,694,971 respectively showing a sharp decline over the period as per the returns from the County Treasury (**Annex 1**).The County had a target on local revenues of Ksh.2,108,131,490 but the performance was far below the target at 50.01%.

The revenue trend implies that either the forecast was too ambitious or there are loopholes in the manual system of revenue collection thus the need to be revise the budget downwards and/or employ an automated system of revenue collection. In addition, there seems to be no reconciliation on the reports generated from LAIFOMS and bank statements from the County revenue collection account by the County Treasury thus the disparity in reporting. The table below shows the local collections;

Table 1: Monthly Analysis of Local Revenue Collection by Revenue Source

FOR THE PERIOD JULY - DECEMBER 2013

SOURCE	13-Jul	13-Aug	13-Sep	13-Oct	13-Nov	13-Dec	TOTAL
1 Single Business permit	1,290,560	1,033,230	378,730	472,195	468,110	746,670	3,388,495
2 Cess revenue	2,094,807	4,351,434	2,542,596	2,174,043	3,438,435	1,909,130	16,510,445
3 Market and Slaughter fees	2,136,100	537,330	1,009,670	842,420	860,600	514,770	5,900,890
4 House rents	23,200	13,000	22,100	21,400	31,800	9,400	120,900
5 Water and sewerage	-	-	-	0	0	0	0
6 Conservancy & solid disposal	41,800	-	-	0	0	0	41,800
7 Vehicle parking	471,300	652,120	820,380	552,210	937,310	634,140	4,067,460
8 Plot rent	1,415,130	2,122,569	969,264	1,317,921	2,582,338	1,149,016	9,556,238
9 Park Entry Income	255,548,753	259,177,468	186,013,058	153,121,643	62,807,548	9,479,126	928,147,596
10 Lodge Tariffs	1,970,022	3,069,928	3,213,292	15,633,462	15,945,707	8,319,942	48,152,353
11 Mara Conservancy	3,356,086	5,000,000	10,082,370	6,212,575	4,999,044	2,000,877	30,650,952
12 Miscellaneous Income	3,430,550	578,000	823,670	1,039,982	1,035,740	931,900	7,839,842
TOTAL	271,778,308	276,535,079	205,875,130	181,387,851	93,106,632	25,694,971	1,054,377,971

Source: Narok County Treasury, 2013

2.1.2 Exchequer Release to the County

The County's total revenues totaled Ksh. 2,408,034,586 out of which Ksh. 2,176,574,286 was released to the County for expenditures in the provision of services during the 1st and 2nd quarter of 2013/14. There was no variance in terms of release to the County Treasury. The table below illustrates the requisition and eventual release of the revenue;

Table 2: Disbursements to Narok County Revenue Fund account from OCOB

CREDIT DATE	TITLE	AMOUNTS	% of the Total
July, 2013	Narok County Exchequer Account	190,000,000	8.73
21 st August, 2013	Narok County Exchequer Account	160,000,000	7.35
6 th September 2013	Narok County Exchequer Account	468,832,000	21.54
15 th October 2013	Narok County exchequer account	630,742,286	28.98
24 th December 2013	Narok County exchequer account	727,000,000	33.40
TOTAL RELEASE		2,176,574,286	100

Source: National Treasury & OCOB, 2013

2.2 County Budget Expenditure

This section analyses budgeted expenditure verses exchequer issues and actual expenditure of the County. It includes discussion of total County Expenditure as well as economic classification of the total expenditure.

2.2.1 Total County Expenditure

The total County expenditures amounted to Ksh. **1,485,968,632** which accounted for **68.27%** of the total exchequer issue. The recurrent and development expenditures amounted to Ksh. 1,359,418,961 and Ksh. 126,549,671 accounting for 72.35% and 42.52% of the exchequer issue respectively. Thus the total expenditure indicates an overall absorption capacity of **68.27%** for the 1st half year of FY 2013/14, with development accounting for an absorption of 42.52%. The table below illustrates the county expenditures;

Table 3: Analysis of Actual Expenditure by Economic Classification

Expenditure	Revised Budget	Exchequer Issues	Total Expenditure	% of Exch. Issue to Rev. Budget	% Of Total Expenditure To Exche. Issue
Recurrent	5,681,245,870	1,878,979,843	1,359,418,961	33.07	72.35
Development	2,402,607,441	297,594,443	126,549,671	1.24	42.52
TOTAL	8,083,853,311	2,176,574,286	1,485,968,632	26.92	68.27

Source: Narok County Treasury & OCOB, 2013

Recurrent Expenditure

The County had a recurrent exchequer issue of Ksh. 1,878,979,843 composed of personnel costs, and recurrent operations during the period under review. However, the County made a provision for pending bills which accounted for 3.49% of the expenditure at Ksh. 65,591,320; personnel costs amounted to Ksh. 650,197,116 (34.60%), while operations and maintenance amounted to Ksh. 662,002,252 (35.23%).

With exchequer issue of Ksh.1,878,979,843 towards recurrent expenditure, the county spent Ksh.1,359,418,961 which represented 72.35% of the exchequer issue. The department of Cultural & Social Services reported the highest absorption rate of 91.27% while the department of County Executive Services accounted for the lowest absorption of 27.63% of the exchequer

issue. In terms of actual expenditure, the Finance and Planning department accounted for the highest expenditure of Ksh. 975,637,104 which was attributed to the practice of the County Treasury charging all salaries and some recurrent operations from this vote head. The department of Public Works had the least expenditure of Ksh.667,500. The exchequer issue and the respective actual recurrent expenditures by the County departments were as shown below;

Table 4: Analysis of total Recurrent Expenditure by Departments

	SOURCE	REVISED BUDGET	EXCHEQUER ISSUES	ACTUAL EXPENDITURE	% of Exche. To Rev. Budget	% of Actual Expend. To Exch. Issues
1	County Assembly Services	574,915,629	219,264,273	119,535,361	38.14	54.52
2	County Executive Services	328,582,718	55,691,933	15,389,032	16.95	27.63
3	Finance Management	3,363,243,477	1,204,581,251	975,637,104	35.82	80.99
4	Agriculture	245,968,188	41,217,392	34,215,252	16.76	83.01
5	Environment & Natural	70,625,816	7,045,330	4,793,329	9.98	68.04
6	Education Youth Affairs	291,207,984	120,633,164	23,838,934	41.43	19.76
7	Health services	472,305,271	152,363,446	136,451,418	32.26	89.56
8	Physical Planning	57,650,583	5,329,605	3,672,563	9.24	68.91
9	Public Works	10,214,542	1,728,244	667,500	16.92	38.62
10	County Transport	88,875,980	20,200,000	8,809,791	22.73	43.61
11	Trade Development	81,995,739	26,963,517	23,406,450	32.88	86.81
12	Cultural & Social Services	19,144,942	10,151,688	9,265,422	53.03	91.27
13	County Public service Board	76,515,000	13,810,000	12,075,685	18.05	87.44
	TOTAL	5,681,245,870	1,878,979,843	1,359,418,961	33.07	72.35

Source: Narok County Treasury & OCOB, 2013

Development Expenditure

The total development estimates amounted to Ksh. 2,402,607,441 with an exchequer issue of Ksh.297,594,443 to the County. The County Assembly Services, Education, Physical Planning, Trade development, Culture and Social Services and County Public Service Board didn't have any allocation by the County Treasury thus accounting for zero expenditures. However, the department of Finance and Planning had the highest exchequer issue/allocation and accounted for highest absorption of 61.43% while the department of Environment and Natural resources had the least absorption of 3.12%. Overall, the county had an absorption capacity of 42.52% which was far below the exchequer issue.

The majority of the development expenditure went towards the maintenance of rural roads, payment of pending bills for development projects taken over by the County Government, construction/refurbishment of residential and non-residential buildings. The table below illustrates the total development County expenditure;

Table 5: Analysis of total Development Expenditure by Departments

	SOURCE	Revised Budget	Exchequer Issues	Actual Expenditure	% Of Exche. To Rev. Budget	% Of Actual Expend. To Exche. Issues
1	County Assembly Services	127,000,000	0	0	0	0
2	County Executive Services	307,000,000	7,000,000	7,000,000	2.28	100
3	Finance Management	428,850,000	98,181,101	60,316,846	22.89	61.43
4	Agriculture	115,000,000	10,000,000	0	8.70	0
5	Environment & Natural	70,000,000	20,000,000	624,340	28.57	3.12
6	Education Youth Affairs	23,700,000	0	0	0	0
7	Health services	63,200,000	5,000,000	0	7.91	0
8	Physical Planning	50,000,000	0	0	0	0
9	Public Works	50,000,000	10,000,000	0	20.00	0
10	County Transport	1,050,558,037	147,413,342	58,608,485	14.03	39.76
11	Trade Development	117,299,404	0	0	0	0
12	Cultural & Social Services	0	0	0	0	0
13	County Public Service Board	0	0	0	0	0
	TOTAL	2,402,607,441	297,594,443	126,549,671	12.39	42.52

Source: Narok County Treasury & OCOB, 2013

2.2.3 Economic Classification of County Expenditure

The County Government was issued an exchequer of Ksh. **2,176,574,286** out of which they spent Ksh. 650,197,116; Ksh.662,002,252; Ksh.65,591,320; and Ksh. 108,177,944 on personnel costs, use of goods, debt repayments and development expenditure respectively. Personnel costs issues accounted for 33.38% of the revised budget, use of goods 27% and development 12.39%. However, in terms of actual expenditure to exchequer issue, personnel costs accounted for 82.58%, use of goods for 60.65% and development expenditure was at 36.35%. Overall, 68.27% of the exchequer issue was absorbed by the County Government. The expenditure on debt repayment was not appropriated by the County Assembly although the County Treasury indicated that, it was factored in the ongoing projects, a line item of the revised budget. The table below illustrates the expenditure by economic classification;

Table 6: Analysis of County Expenditure by Economic Classification

Expenditure	Revised Budget	Exchequer Issues	Actual Expenditure	% Of Exche. to Rev. Budget	% Of Actual Expend. to Exche. Issues
Personnel	2,358,629,551	787,394,420	650,197,116	33.38	82.58
Use of Goods	4,042,616,319	1,091,585,423	662,002,252	27.00	60.65
Debt Repayment	0	0	65,591,320	0	0
Development	2,402,607,441	297,594,443	108,177,944	12.39	36.35
TOTAL	8,803,853,311	2,176,574,286	1,485,968,632	24.72	68.27

Source: Narok County Treasury & OCOB, 2013

3.0 DEPARTMENTAL REPORTS

This Section outlines the mandate and key priorities of each department. It also takes a critical analysis of each of department's revenue and budget performance. The County had twelve department/units which included County Assembly Services, County Executive Services, Financial Management Services, County Agriculture, County Environmental & Natural Resources, County Education and Youth Affairs, County Health Services, County Public Works, County Transport, County Trade Development, County Cultural and Social Services, and County Public Service Board.

3.1 County Assembly Services

3.1.1 Introduction

Narok County Assembly with 47 members and a few support staff has established its County Assembly Board during the period under review. The mandate of the County Assembly is to vet and approve nominees for public offices, approve the budget and expenditure for the County Government, approve borrowing, approve County development planning and perform any other roles set out under Article 185 of the Constitution.

3.1.2 Key priorities for the department

The County Assembly Services had a number of priority activities during the period under review based on their mandate. The department has prioritized provision of leadership, improving relations between the two arms of the County Government, preparation of key legislation for delivery of devolved services and ensuring a stable environment for political, social and economic development of the County.

• 3.1.3 Department's Allocation from the County Treasury

- The County Treasury allocated Ksh. 191,218,926 to the department out of the total appropriated amount of Ksh. 701,915,629 which represents 27.24% of the total revised budget. With the legislative agenda as the departments' mandate, the amount was meant to cater for salaries, operations and maintenance and refurbishment of non-residential buildings in order to facilitate

the County Assembly members and its staff. There was no requisition for development expenditure by the department during the period under review.

3.1.4 Budget Performance

The department was allocated an exchequer of Ksh. 191,218,926 out of which they absorbed Ksh. 119,535,361 accounting for 62.51%. The entire expenditure was on recurrent activities with recurrent operations accounting for the largest expenditure of Ksh. 87,105,257 where purchase of motor vehicles amounted to Ksh.36,442,016 accounting for 41.84%. Personnel emoluments expenditure accounted for 60.67% of its exchequer issue at Ksh.32,430,104. However, there was no requisition and expenditure on development budget.

Table 7: Analysis of Expenditure and Exchequer Issues of the County Assembly Services

Expenditure	Revised Estimates	Exchequer Issues	Actual Expenditure	% of Exch. to Revised Budget	% of Actual Expenditure to Exchequer
Personnel Emoluments	120,777,833	53,449,606	32,430,104	44.25	60.67
Recurrent Operations	454,137,796	137,769,320	87,105,257	33.34	63.23
Development expenditure	127,000,000	0	0	0	0
Total Expenditure	701,915,629	191,218,926	119,535,361	27.24	62.51

Source: Narok County Treasury & OCOB, 2013

3.1.5 Conclusion

The budget performance of the County Assembly indicated that the absorption capacity was at 62.51% with no reported expenditure on development budget. With an expenditure of Ksh. 119,535,361, the department's absorption is too low because of non-recruitment of budgeted staff, overstated expenditure needs and/or slow rate of procurement processes. We recommend that the requisite processes be expedited in order to increase the absorption rate. Indeed, expenditures on certain items like salaries is not consistent on a month-to-month basis raising queries on the actual personnel emoluments charged to the department.

3.2 County Executive Services

3.2.1 Introduction

The executive authority of the County is vested in the County Executive as stated in Article 179 of the Constitution. The mandate of the executive is to supervise and administer the delivery of services in the county and in all decentralized units.

3.2.2 Key priorities for the department

The department with an overall mandate of administering provision of goods and services to the public, devoted most of its resources in capacity building of its executives and engagements with potential investors locally and abroad. The executive was able to initiate the procurement process for recruitment of human resource audit consultant, revenue collection agent consultant and finance management audit consultant. However, a head count of the county staff was conducted in order to realign the counties staffing levels, a report of which was handed over to the County Public Service Board for action.

3.2.3 Department's Allocation from the County Treasury

The County Executive Services had an exchequer issue of Ksh. 62,691,933 accounting for 9.86% which was meant to meet personnel costs, operations and maintenance and development expenditure. The department had an allocation for recurrent of Ksh. 55,691,933 accounting for 88.83% and a development issue of ksh.7,000,000 at 11.17%. In particular, personnel costs, recurrent operations and development expenditure had exchequer issues of 6.76%, 25.28% and 2.28% of their revised budget respectively.

3.2.4 Budget Performance

In the period under review, the department had an expenditure of Ksh. 15,389,032 providing an absorption capacity of 24.54% for both recurrent and development expenditure. The recurrent expenditure operations had an absorption capacity of 18.36%, development expenditure was at 100% while personnel emoluments accounted for 0% absorption capacity. The personnel emoluments for the department were being charged from one vote head (Finance Management

Services) which is against prudent finance management practices. The table below illustrates the budget performance of the department;

Table 8: Analysis of Expenditure and Exchequer Issues of the County Executive Services

Expenditure	Revised Estimates	Exchequer Issues	Actual Expenditure	% of Exch. to Revised Budget	% of Actual Expenditure to exchequer
Personnel Emoluments	147,842,858	10,000,000	0	6.76	0
Recurrent Operations	180,739,860	45,691,933	8,389,032	25.28	18.36
Development expenditure	307,000,000	7,000,000	7,000,000	2.28	100
Total Expenditure	635,582,718	62,691,933	15,389,032	9.86	24.54

Source: Narok County Treasury & OCOB, 2013

3.2.5 Conclusion

The County Executive Services had a low absorption of 24.54% with indications of no expenditure on salaries reported indicating that the vote head reallocated funds to pay its personnel costs yet it had an approved budget. This is an indication of poor prudent financial management by the County Treasury.

3.3 Financial Management Services

3.3.1 Introduction

The department is in charge of facilitating the operation of other departments in terms of financial services under the administration of the County Treasury. In addition, the department was in charge of running the operations of the 3 sub-counties; Former Town Council of Narok, Transmara, and County Council of Narok in terms of financing personnel emoluments, recurrent and development expenditures.

3.3.2 Key priorities for the department

The department being instrumental in maintaining the functioning of other departments, had the key priority of availing funds when needed by the executive especially on operations and maintenance of vehicles, hospitality, office furniture, office supplies, purchase of vehicles and

other operational funds. It was also in charge of ensuring that all employees of the County Government are supported in providing services to the citizens.

3.3.3 Department's Allocation from the County Treasury

The department had an exchange issue of Ksh. 1,302,762,352 out of a revised budget of Ksh. 3,792,093,477 accounting for 34.35% of the budget. The total allocation was made of Ksh. 1,204,581,251 (92.46%) for recurrent expenditure and a development issue of Ksh. 98,181,101 (7.54%). Out of this allocation, Ksh. 561,221,065 was meant for personnel emoluments, ksh. 643,360,186 for recurrent operations and Ksh. 98,181,101 for development expenditure accounting for 37.20%, 34.69 and 22.89% respectively of the revised budget. The allocation was to service personnel emoluments for the staff of the three former councils, recurrent operations expenditures and construction of county offices and other infrastructural works.

3.3.4 Budget Performance

The Finance Management Services with an exchange of Ksh. 1,302,762,352 had an overall absorption of 78.89% with personnel emoluments accounting for the highest absorption of 80.98% while recurrent operations had an expenditure of Ksh. 512,957,018 accounting for 79.73% and development expenditure of Ksh. 60,316,846 accounting for 61.43%. The department's personnel emoluments was used to pay other departments salaries and recurrent operations, a practice deemed to be equivalent to reallocation of funds.

Table 9: Analysis of Expenditure & Exchange Issues of the Financial Management Services

Expenditure	Revised Estimates	Exchange Issues	Actual Expenditure	% of Exch. to Revised Budget	% of Actual Expenditure to Exch.
Personnel Emoluments	1,508,643,859	561,221,065	454,480,186	37.20	80.98
Recurrent Operations	1,854,599,618	643,360,186	512,957,018	34.69	79.73
Development expenditure	428,850,000	98,181,101	60,316,846	22.89	61.43
Total Expenditure	3,792,093,477	1,302,762,352	1,027,754,050	34.35	78.89

Source: Narok County Treasury & OCOB, 2013

3.3.5 Conclusion

With a budget absorption of 78.89%, the department showed above average absorption in both recurrent and development expenditures. However, the development issue at 22.89% shows a less than a quarter requisition at half-year, an indication that the eventual absorption might be less than half of the approved budget. Indeed, the County should enhance development expenditure by up scaling the procurement processes. For accountability and efficient financial management all personnel costs should be allocated to their respective vote heads.

3.4 Agriculture, Livestock and Co-operative Development

3.4.1 Introduction

The department performs all functions outlined in Part 2 (1) of the Fourth schedule of the CK 2010. This includes crop and animal husbandry, livestock sale yards, plant and animal disease control, County abattoirs and fisheries.

3.4.2 Key Priorities of the Department

The key priorities of the department include the acquisition of a strategic stock for fertilizer for farmers, construction of cattle dips, abattoirs and sale yards. The department had also prioritized the reimbursement of salaries to national government for devolved staff under the county government.

3.4.3 Departments Allocation from County Treasury

The department had an exchequer issue of Kshs 51,217,392 with recurrent accounting for 80.48% and development expenditure accounting for 19.52% of the total issue. Of the recurrent issues, personnel emoluments amounted to Ksh.23,121,792 and recurrent operations Ksh.18,095,600. Overall, the exchequer issue accounted for 14.19% of the total revised budget with personnel emoluments accounting for the highest allocation at 19.75% of the revised budget. .

3.4.4 Budget Performance

The department had an absorption capacity of 66.81% of the exchequer issue, with personnel costs accounting for the highest absorption compared to the exchequer issue at 100%. The salaries were for the reimbursement to National Government for the devolved staff. In addition, the recurrent operations accounted for 61.30% absorption while development expenditure was at nil. The acquisition of a strategic stock reserve for fertilizer was acquired at ksh.10,206,200 for farmers in the County.

Table 10: Analysis of Expenditure and Exchequer Issues of the Agriculture, Livestock and Co-operative Development

Expenditure	Revised Estimates	Exchequer Issues	Actual Expenditure	% of Exch. to Revised Budget	% of Actual Expenditure to Exch.
Personnel Emoluments	117,078,288	23,121,792	23,121,792	19.75	100
Recurrent Operations	128,889,900	18,095,600	11,093,460	14.04	61.30
Development expenditure	115,000,000	10,000,000	0	8.70	0
Total Expenditure	360,968,188	51,217,392	34,215,252	14.19	66.81

Source: Narok County Treasury & OCOB, 2013

3.4.5 Conclusion

The bulk of the allocation which catered for salaries for devolved staff while other expenditure like development expenditure had zero absorption is a sign of slow growth in the sector and given its significance in the county and the country, less growth would be expected without development investment. However, the department had an overall absorption of 66.81%, a fairly average absorption during the period.

3.5 Environment and Natural Resources

3.5.1 Introduction

The department performs functions outlined in Part 2 (10)& (11) of the Fourth schedule of the CK 2010. This includes electricity and gas reticulation, energy regulation, forestry, soil and water conservation, water and sanitation, and storm management systems.

3.5.2 Key Priorities of the Department

The department had also prioritized the reimbursement of salaries to national government for devolved staff under the county government, the construction of an effective drainage system, water pans for the Narok town including catering for domestic travel activities.

3.5.3 Departments Allocation from County Treasury

This department received an exchequer of Kshs 27,045,330 for both recurrent and development activities which represented 19.23% of the revised budget during the period under review. The recurrent expenditure received an exchequer of Ksh.7,045,330 while development was allocated Ksh.20,000,000 representing 26.05% and 73.95% of the allocation respectively.

3.5.4 Budget Performance

The department with an exchequer of 19.23% of the revised budget expended 100% of its personnel emoluments allocation meant for reimbursement for seconded staff by the national government. There was no reported personnel emoluments expenditure on this vote head other than the seconded officers. Recurrent operations accounted for 32.98% of the exchequer issue majorly on fuel and lubricants and domestic travel costs while development expenditure which accounted for 3.12% of the issue was for construction of civil works at Narok town. Overall, the department had absorption of 20.03% of the exchequer issue. The table shows the analysis of exchequer issues and expenditure.

Table 11: Analysis of Expenditure and Exchequer Issues of the Environment and Natural Resources

Expenditure	Revised Estimates	Exchequer Issues	Actual Expenditure	% of Exch. to Revised Budget	% of Actual Expenditure to Exch.
Personnel Emoluments	15,395,712	3,685,330	3,685,330	23.94	100
Recurrent Operations	55,230,104	3,360,000	1,107,999	6.08	32.98
Development expenditure	70,000,000	20,000,000	624,340	28.57	3.12
Total Expenditure	140,625,816	27,045,330	5,417,669	19.23	20.03

Source: Narok County Treasury & OCOB, 2013

3.5.5 Conclusion

The department demonstrated a low absorption rate at 20.03% based on the exchequer issue with a large proportion of this expenditure going towards reimbursement of salaries to devolved staff. No major development infrastructural project was carried out since only 3.12% of the development budget was expended to the drainage of the Narok town, an indication of low absorption rate.

3.6 Education, Youth and Social welfare

3.6.1 Introduction

The department performs all functions outlined in Part 2 (4) & (9) of the Fourth schedule of the CK 2010. This includes pre-primary education, home craft centres, village polytechnics and childcare facilities.

3.6.2 Key Priorities of the Department

The department has prioritized the promotion of girl child education, Early Child Development (ECD) programmes and promotion of vocational training for the youth. To achieve these priorities, the department intends to recruit ECDE teachers, provide bursaries to vulnerable students, and create awareness and public campaign to both youths and women in order to empower them.

3.6.3 Departments Allocation from County Treasury

The department was allocated an exchequer of Ksh. 120,633,164 for recurrent activities accounting for 100% of the issues. There was no provision for development expenditure during the period under review. The recurrent operations was composed of personnel emoluments and recurrent operations of Ksh.4,678,164 and Ksh.115,955,000 respectively representing 3.88% and 96.12% of the allocation to recurrent activities.

3.6.4 Budget Performance

Out of the total recurrent allocation, personnel emoluments accounted for 100% absorption rate for devolved staff reimbursement while recurrent operations accounted for 16.52% absorption rate. Overall, the department's actual expenditure to the exchequer issue stood at 19.76%, an indication of a poor absorption capacity for the department. The recurrent operations consumed the highest expenditure of ksh.17,185,600 meant for awareness and public campaigning for the youth and women in the county.

Table 12: Analysis of Expenditure and Exchequer Issues of the County Education, Youth and Social welfare Services

Expenditure	Revised Estimates	Exchequer Issues	Actual Expenditure	% of Exch. to Revised Budget	% of Actual Expenditure Exch.
Personnel Emoluments	10,679,449	4,678,164	4,678,164	43.81	100
Recurrent Operations	211,868,535	115,955,000	19,160,770	54.73	16.52
Development expenditure	92,360,000	0	0	0	0
Total Expenditure	314,907,984	120,633,164	23,838,934	38.31	19.76

Source: Narok County Treasury & OCOB, 2013

3.6.5 Conclusion

The department's capacity to absorb the allocated funds was generally poor accounting for 19.76% of the exchequer issue. The lack of allocation of funds for development expenditure, although budgeted for, illustrated ineffective planning as the first half year 2013/14. Indeed, the requisition towards bursaries although not expended was requisitioned during the period under review.

3.7 County Health Services

3.7.1 Introduction

The department is in charge of County health facilities and pharmacies, rehabilitation and maintenance of county health facilities including maintenance of vehicles, medical equipment and machinery, inspection and licensing of medical premises, promotion of primary health care, licensing and control of undertakings that sell food to the public, veterinary services, enforcement of waste management policies, standards and regulations.

3.7.2 Key Priorities of the Department

The Health services had priorities of ensuring that the operational activities of its medical facilities especially the dispensaries was not interrupted because of transfer of healthcare function to the County Government. Therefore, the purchase of specialized materials and supplies for patients care, the reimbursement of personnel emoluments to devolved staff, refurbishment of buildings and constructions of non-residential building was of priority.

3.7.3 Departments Allocation from County Treasury

The department had an exchequer issue of Ksh. 157,363,446 which accounted for 29.39% of the revised budget with recurrent and development expenditure amounting to Ksh. 152,363,446 and Ksh.5,000,000 accounting for 96.82% and 3.18% of the total recurrent allocation respectively. Personnel emoluments exchequer accounted for 35.27% of the revised budget while development allocation accounted for the least allocation of 7.91% of the revised budget.

3.7.4 Budget Performance

During the period under review, the department out of the total allocation of Ksh. 157,363,446 had expenditures of Ksh. 136,451,418 with personnel emoluments accounting for the highest expenditure of Ksh. 125,275,446 representing an absorption capacity of 100%. The larger proportion of recurrent operations went towards supply of specialized materials to dispensaries in the county amounting to Ksh.9,016,400 thus recurrent operations accounted for an absorption of

4.13% However, there was no development expenditure although the department had an exchequer issue. The table below illustrates the performance of the department;

Table 13: Analysis of Expenditure and Exchequer Issues of the County Health Services

Expenditure	Revised Estimates	Exchequer Issues	Actual Expenditure	% of Exch. to Revised Budget	% of Actual Expenditure to Exch.
Personnel Emoluments	355,168,980	125,275,446	125,275,446	35.27	100
Recurrent Operations	117,136,291	27,880,000	11,175,972	23.13	4.13
Development expenditure	63,200,000	5,000,000	0	7.91	0
Total Expenditure	535,505,271	157,363,446	136,451,418	29.39	86.71

Source: Narok County Treasury & OCOB, 2013

3.7.5 Conclusion

With an absorption capacity of 86.71%, the budgetary provision for the department of health was meant to meet the costs of devolved staff salaries and provision of specialized materials, a core devolved function of the county. The absorption of development expenditure needs to be upscaled especially in the construction of hospital infrastructure since healthcare is a critical component of human wellbeing including employment of adequate resources.

3.8 Physical Planning and Development

3.8.1 Introduction

The department performs functions outlined in Part 2 (8) of the Fourth schedule of the CK 2010. These included land survey and mapping, boundaries and fencing and housing.

3.8.2 Key Priorities of the Department

The department prioritized the reimbursement of personnel emoluments for devolved staff, and recurrent expenditures to maintain office operations. The department didn't have any development agenda for the period under review.

3.8.3 Departments Allocation from County Treasury

The County Treasury allocated Ksh. 5,329,605 to the department for recurrent expenditure with no allocation to the development expenditure. Of the exchequer issue, recurrent operations amounted to Ksh.3,040,000 accounting for 57.04% of the issue while 42.96% of the recurrent expenditure was meant for personnel emoluments. Overall, the total allocation to the department accounted for 4.95% of the revised budget for the period under review.

3.8.4 Budget Performance

The department had an overall absorption capacity of 68.91% with no development expenditure. which was well above average. Of the total absorption, personnel emoluments had the highest rate at 100% due to the reimbursement of salaries while recurrent operations accounted for 45.49% absorption of the exchequer issue. The recurrent expenditure was composed of domestic travel, and fuel and lubricants accounting for the highest expenditure of Ksh.755,680 and Ksh.439,860 respectively. The table below illustrates the performance of the department;

Table 14: Analysis of Expenditure and Exchequer Issues of the County Physical Planning and Development Services

Expenditure	Revised Estimates	Exchequer Issues	Actual Expenditure	% of Exch. to Revised Budget	% of Actual Expenditure to Exch.
Personnel Emoluments	29,289,948	2,289,605	2,289,605	7.81	100
Recurrent Operations	28,360,635	3,040,000	1,382,958	10.72	45.49
Development expenditure	50,000,000	0	0	0	0
Total Expenditure	107,650,583	5,329,605	3,672,563	4.95	68.91

Source: Narok County Treasury & OCOB, 2013

3.8.5 Conclusion

The department of Physical Planning with an overall expenditure 68.91% to exchequer issue centered majorly on reimbursement of personnel emoluments and other recurrent which couldn't account for productive activities in the county. The lack of allocation to development expenditure indicates inadequate capacity to drive the development agenda for the department.

3.9 Public Works and Services

3.9.1 Introduction

The department performs functions outlined in Part 2 (5) of the Fourth schedule of the CK 2010. This includes county roads, street lighting and storm water management in built-up areas.

3.9.2 Key Priorities of the Department

The department had the priorities of providing adequate resources for recurrent operations, and construction of civil works meant for Narok town drainage. The department therefore made provisions for both recurrent and development expenditure.

3.9.3 Departments Allocation from County Treasury

The County Treasury made a provision of Ksh. 11,728,244 to the department for both recurrent and development expenditure with recurrent and development accounting for 52.26% and 14.74% respectively. The personnel emoluments had a zero allocation raising a concern on which vote head that the department was charging the department's salaries. The overall exchequer to revised budget accounted for 19.48%.

3.9.4 Budget Performance

With an exchequer issue of Ksh. 11,728,244, the department had an absorption capacity of 5.70% which amounted to Ksh.667,500. Since there was no allocation to personnel emoluments, the absorption was 0% while recurrent operations had an absorption of 38.63%. Despite of the allocation for development expenditure of ksh.10,000,000, there was no expenditure as at the end of the period providing an absorption of 0%. The table below illustrates the performance of the department;

Table 15: Analysis of Expenditure & Exchequer Issues of the County Public Works and Services

Expenditure	Revised Estimates	Exchequer Issues	Actual Expenditure	% of Exch. to Revised Budget	% of Actual Expenditure to Exch.
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Personnel Emoluments	2,773,600	0	0	0	0
Recurrent Operations	7,440,942	1,728,244	667,500	23.23	38.93
Development expenditure	50,000,000	10,000,000	0	20	0
Total Expenditure	60,214,542	11,728,244	667,500	19.48	5.70

Source: Narok County Treasury & OCOB, 2013

3.9.5 Conclusion

The overall absorption of the department was substantially low compared to the budgetary allocation accounting for 5.70%. The department failed to adequately provide for personnel emoluments thus charging other departments salaries for its staff, an indication of unsound financial practice. In addition, the development expenditure had a zero allocation indicating missed development opportunity during the period under review.

3.10 County Transport

3.10.1 Introduction

The department is mandated with construction and maintenance of county roads including primary roads linking all sub-county head quarters and minor roads linking markets and administrative centers, mechanical and transport equipment usage in consultation with the national government, public road transport and licensing of public service vehicles operations.

3.10.2 Key Priorities of the Department

The County through the assistance of the mechanical and transport department of the national government hired the equipment to construct and maintain a number of rural roads in the county. Because of the poor nature of the county roads, the sub-county and minor road maintenance was of priority to enable county residents to carry on their activities efficiently while saving time and money.

3.10.3 Departments Allocation from County Treasury

The department which is key in supporting other sectors of the county in terms of agricultural and industrial productivity was allocated Ksh. 167,613,342 during the period under review. The exchequer issue was composed of Ksh. 147,413,342 for development expenditure and Ksh.

20,200,000 for recurrent expenditure accounting for 87.95% and 12.05% respectively. The development allocation was for rural roads maintenance (Ksh.141,413,342), servicing of loan acquired by the defunct Transmara Council of Ksh.6,000,000. The fuels and lubricants for recurrent operations amounted to Ksh.15,000,000 while no allocation was made towards personnel costs during the period.

3.10.4 Budget Performance

The department had a general absorption rate of 37.25% for both recurrent and development expenditure at Ksh. 62,435,743. Recurrent expenditure accounted for 31.41% while development accounted for 38.05% absorption rate. There was no expenditure for personnel emoluments despite of their having been staff associated to the department. Large portion of the recurrent expenditure was composed of Ksh.2,973,795 for fuel and lubricants, and Ksh.2,312,200 for routine maintenance, Ksh.57,550,343 was expended for construction of rural roads and Ksh.6,000,000 for purchase of tractor. The table below illustrates the performance of the department.

Table 16: Analysis of Expenditure and Exchequer Issues of the County Transport Services

Expenditure	Revised Estimates	Exchequer Issues	Actual Expenditure	% of Exch. to Revised Budget	% of Actual Expenditure to Exch.
Personnel Emoluments	9,000,000	0	0	0	0
Recurrent Operations	79,875,980	20,200,000	6,345,125	25.29	31.41
Development expenditure	1,050,558,037	147,413,342	56,090,618	14.03	38.05
Total Expenditure	1,139,434,017	167,613,342	62,435,743	14.71	37.25

Source: Narok County Treasury & OCOB, 2013

3.10.5 Conclusion

The absorption capacity of the department was at 37.25% based on expenditure of Ksh. 62,435,743 for both recurrent and development expenditure. The recurrent operations had an absorption of 31.41% with a large portion of its expenditure going towards fuel and lubricants and routine maintenance. The development expenditure accounted for 38.05% of the exchequer issue which was meant for construction of rural roads.

3.11 County Trade Development

3.11.1 Introduction

Trade development and regulation department is in charge of fair trading practices including verification of weighing and measuring instruments, inspection of weighing and measuring instruments and pre-packed goods, investigation of complaints relating to unfair trade practices, and prosecution of offences arising from unfair trade practices.

3.11.2 Key Priorities of the Department

The key priority of the department included Maasai Mara branding at the bequest of Miss. Tourism Narok County. The theme was geared towards making Maasai Mara game reserve a point of destination for both local and foreign tourists through an aggressive campaign to market the game reserve using Miss Tourism. The overall objective was to increase the revenue raising capacity of the county which would go towards provision of services to the residents.

3.11.3 Departments Allocation from County Treasury

The Trade development and regulations department had an exchequer issue of Ksh. 26,963,517 for recurrent expenditure accounting for 100% allocation. There was no allocation for development expenditure. The recurrent allocation was meant for reimbursement of personnel emoluments for devolved staff of Ksh. 2,014,847 and recurrent operations of Ksh. 24,948,670 accounting for 26.85% and 33.49% of the revised budget.

3.11.4 Budget Performance

The absorption capacity of the department was at 86.81% which was above average given the exchequer release of Ksh. 26,963,517. The recurrent operations had an absorption rate of 85.74% while personnel emoluments had an absorption capacity of 100% during the period under review. An expenditure of Ksh.17,761,974 was utilized for the advertising Maasai Mara brand (Miss Tourism) which accounted for 64.02% of the exchequer issue to the department. The department

didn't have any allocation for development expenditure during the period under review. The table below illustrates the performance of the department;

Table 17: Analysis of Expenditure and Exchequer Issues of the County Trade Development Services

Expenditure	Revised Estimates	Exchequer Issues	Actual Expenditure	% of Exch. to Revised Budget	% of Actual Expenditure to Exch.
Personnel Emoluments	7,503,744	2,014,847	2,014,847	26.85	100
Recurrent Operations	74,491,995	24,948,670	21,391,603	33.49	85.74
Development expenditure	117,299,404	0	0	0	0
Total Expenditure	199,295,143	26,963,517	23,406,450	13.53	86.81

Source: Narok County Treasury & OCOB, 2013

3.11.5 Conclusion

Trade development and regulation is a major component of county's industrialization and the promotion of activities that would create a conducive environment for such growth is key for the county. With a revised budget of Ksh.117,299,404, the development expenditure didn't receive any allocation during the period under review showing inadequate capacity to absorb such funds during the period under review.

3.12 County Cultural & Social Services

3.12.1 Introduction

The department is mandated with overseeing County cultural services, public entertainment and public amenities by licensing and regulating county betting, casinos and other forms of gambling, racing, cinemas, libraries excluding Kenya National Library Services, and museums.

3.12.2 Key Priorities of the Department

The key priority of the department during the period under review was to support the cultural heritage of the county during the Inter-County Athletics competition, and reimbursement of personnel emoluments.

3.12.3 Departments Allocation from County Treasury

The department had an exchequer issue of Ksh. 10,151,688 for recurrent expenditure. There was no development budgetary allocation in the appropriated budget. The personnel emoluments amounted to Ksh. 1,628,619 (16.04%) and recurrent operations amounting to Ksh. 8,523,069 (83.96%) providing an overall exchequer issue of 53.03% to the department.

3.12.4 Budget Performance

The department of Cultural and Social Services had an absorption capacity of 92.27% of the exchequer releases with personnel emoluments accounting for 100% of the absorption rate. Recurrent operations had absorption of 89.60% with Ksh.4,501,296 expended for domestic travel and subsistence among other recurrent operations. The county Treasury had no appropriated budget for development budget thus no performance was reported. The table below illustrates the performance of department.

Table 18: Analysis of Expenditure & Exchequer Issues of the Cultural & Social Services

Expenditure	Revised Estimates	Exchequer Issues	Actual Expenditure	% of Exch. to Revised Budget	% of Actual Expenditure to Exch.
Personnel Emoluments	4,925,280	1,628,619	1,628,619	33.07	100
Recurrent Operations	14,219,662	8,523,069	7,636,803	59.94	89.60
Development expenditure	0	0	0	0	0
Total Expenditure	19,144,942	10,151,688	9,265,422	53.03	92.27

Source: Narok County Treasury & OCOB, 2013

3.12.5 Conclusion

The cultural and social dimension of the county which makes Narok unique is a rich resource for the county thus the budgetary allocation of Ksh. 10,151,688 provided the highest absorption rate of 92.27%. The exchequer issue for the department has surpassed the half-mark for the period under review with inadequate provision for personnel emoluments.

3.13 County Public Services Board

3.13.1 Introduction

The department with the mandate of managing the human resources at the county level as established in the County Government Act. 2012 became operational during the period under review.

3.13.2 Key Priorities of the Department

The department had the priority of filling key job vacancies in order to build human capacity for service delivery. As a result, the refurbishment of rented premises to create adequate space for its staff and rationalizing the human capital was of concern to the department.

3.13.3 Departments Allocation from County Treasury

The County treasury made an exchequer issue of Ksh.13,810,000 to the department accounting for 20.55% of the revised estimates during the period under review. The allocation was basically for recurrent operations with no provision for personnel emoluments and development expenditure. The major allocations was composed of Ksh.3,000,000 for printing, advertising and information supplies and domestic travel of ksh.1,200,000.

3.13.4 Budget Performance

The department had an expenditure of Ksh. 12,075,685 providing for 87.44% of the exchequer issue. With no personnel emoluments and development expenditure, the absorption of 87.44% was well above average with refurbishment of building and advertising accounting for the largest expenditure of Ksh.4,291,140 and Ksh.2,867,422 respectively.

Table 19: Analysis of Expenditure and Exchequer Issues of the County Public Services Board

Expenditure	Revised Estimates	Exchequer Issues	Actual Expenditure	% of Exch. to Rev. Estimate	% of Actual Expe. to Exch. Issue
Personnel Emoluments	9,300,000	0	0	0	0
Recurrent Operations	67,215,000	13,810,000	12,075,685	20.55	87.44

Development expenditure	0	0	0	0	0
Total Expenditure	76,515,000	13,810,000	12,075,685	20.55	87.44

Source: Narok County Treasury & OCOB, 2013

3.13.5 Conclusion

With the establishment and operationalizing of the department the budgetary allocation and its expenditure is likely to increase in the second half of the year. The absorption capacity of 87.44% was above average based on Ksh.12,075,685 spent during the period under review.

4.0 Challenges on Budget Implementation

The county faces a number of challenges ranging from human resource capacity, public financial management practices to inadequate financial resources which include;

- i. Go-slow of the County Assembly members agitating for higher pay which affected the passage of key legislation and the general oversight role.
- ii. The Internal Audit department lacks a fully-fledged committee to monitor the operations of the county and its reporting system.
- iii. The County assembly seeking autonomy in managing their expenditures when monies are requisitioned since the Executive has not given them authority to open their accounts at CBK.
- iv. County Treasury charging all personnel costs from one vote head and yet they have several vote heads on which to charge expenditures.
- v. Slow pace in preparing key policy documents guiding the budgetary process such as Budget Review and Outlook paper, Debt Management Strategy Paper, establishment of Economic and Budget Forum, Publicizing the Development Plan among others.

- vi. The repayment of debt and pending bills was not properly allocated and/or appropriated including the lack of Debt Management Strategy since the spending by the County Treasury was captured as on-going projects which create ambiguity.
- vii. Inadequate consultations with the devolved function entities on budgetary allocations to cater for their service delivery.

4.1 Recommendations

The following recommendations that are aimed at improving budget implementation and also provide solutions to some challenges identified earlier in the report:

- i. The County Assembly to finalize their go-slow urgently in order to embark on their constitutional mandate as provided for in the Kenya Constitution. In addition an agreed framework of how the County finances are to be managed should be agreed between the Executive and Assembly by authorizing them to open their account at CBK.
- ii. The Internal Audit committee needs to be established urgently and its reporting system supported in order to enhance the operational activities of the county financial activities.
- iii. County Treasury should realign their budget to accommodate the sub-counties expenditures tying personnel costs and the associated recurrent operations in the sub-counties.
- iv. The County should improve the absorption of departmental requisitions by expediting requests by departments and urgently employ Chief Officer who shall be in charge of the departments.
- v. The debt repayment and pending bills be properly appropriated by the County Assembly and its eventual expenditure be reflected accordingly.
- vi. The Transition Authority should provide authority to the County Assembly to open an account at CBK to enhance their autonomy and reduce the thug of war between the assembly and the executive.

4.2 Conclusion

The absorption of resources during the period under review was generally above average especially on the recurrent expenditure which accounted for 72.35 per cent of the exchequer issue. However, the absorption rate for the development expenditure of Ksh. 126,549,671 only accounted for 42.52 per cent of the issue, an indication of the challenges of resource planning and procurement which is affecting the service delivery. The County Government therefore, needs to improve their absorption rates in the second half of FY 2013/14 to ensure that all the programmed and budgeted activities are implemented.

The Office of the Controller of Budget has noted with concern the continuous decline of local revenue collection and increased/uncontrolled expenditures on foreign travel, domestic travel, hospitality and fuel and lubricants which may not translate to service delivery to citizens. An automated based revenue collection system needs to be developed in place to curb leakage of the revenues since the manual system is prone to abuse. The County should curtail expenditures on foreign and domestic travel by reducing the travel delegation, reduce fuel consumption, and manage hospitality supplies and services. Indeed, excessive expenditure on unproductive areas should be put in place through institutional capacity and systems so as to improve budget execution that is consistent with the desired outcomes.

The County Treasury should adopt the nationally acceptable budgeting and reporting standards where expenditures are not lumped in one vote head. The salaries for various vote heads are being charged under Headquarters which is not even a department within the County Government. Such expenditures should be spread to various departments with their associated recurrent operations.

The devolved functions departments require re-intergration with the mainstream county government for them to work in harmony in terms of unbundling of service delivery and budgetary allocations. The County treasury should improve budget execution through an optimal requisition that can efficiently provide services to the public and satisfy the key stakeholders of the County Government. Indeed, a control mechanism of avoiding unnecessary leakage of funds.

The County Treasury should improve their capacity building initiatives in order to efficiently implement, prepare and manage the budgeting and expenditure process. The delay in preparation of key budgetary documents is an indicator of inadequate capacity in the County.

Lastly, Narok County Government need to put measures to ensure that Bills that affect the public financial management are passed on time and submitted to the relevant authorities on time to avoid service delivery delays. Indeed, legislation on the County Emergency Fund, the 19 per cent Fund, the County Bursary Fund should be passed as a matter of urgency to avoid last minute push for funding.

ANNEXES

Annex 1: Total Local Revenue Collection for the period July to December 2013

NAROK COUNTY GOVERNMENT					
ACTUAL MONTHLY LOCAL REVENUE COLLECTION					
FOR THE 2 ND QUARTER 2013/14 (OCTOBER - DECEMBER 2013)					
		Oct-13	Nov-13	Dec-13	TOTAL
1	SINGLE BUSINESS PERMITS				
	SBP current year	465,085	0	692,000	4,222,635
	SBP arrears	0	0	6,000	6,000
	Penalties for late renewal of permits	3,910	6,940	10,670	74,410
	Permit application forms	0	3,000	5,000	39,300
	Sign boards	3,200	0	10,000	24,150
	TOTALS	472,195	468,110	723,670	4,366,495
2	CESS REVENUE				
	Produce Cess	1,592,503	1,467,590	283,200	9,875,750
	Cattle cess	381,700	378,700	214,600	2,191,000
	Sheep & Goat cess	199,840	247,150	192,990	1,454,460
	Quarry cess	0	0	0	425,900
	TOTALS	2,174,043	2,093,440	690,790	13,947,110
3	MARKETS & SLAUGHTER FEES				
	Barter Market Cess	758,980	775,300	585,270	5,427,490
	Slaughter fees	83,440	82,500	25,700	459,300
	Hides & skins cess & Banda	0	2,800	3,800	14,100
	Sugar Cane Cess	0		8,630	541,817
	Tea produce	0	1,344,995	1,209,710	2,554,705
	TOTALS	842,420	2,205,595	1,833,110	8,997,412
4	HOUSE RENTS				
	Houses	21,900	21,800	4,400	82,600
	Council premises	0	0	0	0
	Market stall rent	0	10,000	5,000	34,000
	Bus park kiosks	0	0	0	292,250
	TOTALS	21,900	31,800	9,400	408,850
5	WATER & SEWERAGE				
	Exhauster charges	0	0	0	0
	TOTALS	0	0	0	0
6	CONSERVANCY & SOLID WASTE				
	Refuse collection fees	0	0	0	40,600

	Burial fees	0	0	0	1,200
	TOTALS	0	0	0	41,800
7	VEHICLE PARKING				
	Bus park	552,210	937,310	596,440	3,885,260
	street & taxis	0	0	37,700	182,200
	TOTALS	552,210	937,310	634,140	4,067,460
8	PLOT RENT				
	Land rates	805,445	817,157	582,037	4,248,535
	plot rents current year	76,960	1,714,081	0	3,005,618
	Land rates previous year	408,216	0	512,482	2,035,438
	Penalties for late payments of rates	700	0	5,700	6,400
	Subletting fees	6,000	0	0	14,750
	Plot application fees	8,100	2,800	0	26,700
	Plot transfer fees	0	0	0	8,000
	Sub-division fees	0	0	0	1,000
	Change of name	0	0	0	4,000
	Survey fees	5,000	5,000	400	38,400
	Plan approval fees	4,500	27,500	0	80,500
	Beacon search fees	0	0	0	0
	Change of user	0	0	0	8,000
	Building inspection fees	3,000	16,000	5,000	28,000
	Clearance certificates	0	0	43,397	50,897
	Stand premium	0	0	0	0
	TOTALS	1,317,921	2,582,338	1,149,016	9,556,238
9	MISCELLANEOUS INCOME				
	Seach fee	0	0	0	1,500
	Sale of Council minutes	0	0	0	0
	Misc income	888,282	828,540	11,800	2,469,842
	Impounding charges	0	0	54,000	54,000
	Towing fees	0	0	14,500	14,500
	Charcoal cess	0	0	0	0
	Court fines	0	0	0	0
		0	0	793,000	4,171,000
	Sale of tender documents				
	Hire of stadium/Hall	0	0	0	0
	Hire of council vehicles	0	0	0	0
	sale of tree seedlings	0	0	00	3,450
	Disposal of council assets	0	0	0	0
	Nursery school fees & Reg of School	58,500	27,000	0	507,850
	Insurance recoveries	0	0	0	0
	Sand Cess	93,200	180,200	73,100	73,100
	TOTALS	1,039,982	1,035,740	946,400	7,854,342

10	Maasai Mara Revenues				
		15,633,462	15,945,707	7,335,442	47,167,853
	Lodge Tariffs				
		153,121,643	62,807,548	38,252,916	928,888,949
	Park Entry fees				
	Filming fees	0	0	0	30,000
	Camping fees	0	0	144,500	147,975
	Serena Levies	0	0	0	5,000,000
	Mara Conservancy	6,212,575	4,999,044	0	11,211,619
	TOTALS	174,967,680	83,752,299		
	GRAND TOTALS	181,675,801	91,761,637		

Source: Narok County Treasury

Annex 2: Revenue Sources and Expenditure for the Period July to December 2013

REVENUE SOURCES							
	July	August	September	October	November	December	Total
National Government Grant	0	328,745,178	328,745,178	386,759,033	309,407,226	425,434,936	1,779,091,551
Own Revenue	271,778,308	276,535,079	205,875,130	181,675,801	91,761,637	25,694,971	1,054,377,971
Total Revenue	271,778,308	605,280,257	205,875,130	568,434,834	401,168,863	451,129,907	2,833,469,522
Total Exchequer Releases	190,000,000	160,000,000	468,832,000	630,742,286	0	727,000,000	1,357,742,286
TOTAL EXPENDITURE							
	July	August	September	October	November	December	Total
Personnel Emoluments	53,907,774	2,922,431	156,880,035	99,722,707	180,968,292	155,795,877	650,197,116
Operations & Maintenance	23,026,144	76,279,740	217,674,830	126,165,162	137,641,116	108,395,797	662,002,252
Development	900,000	38,021,059	2,980,581	29,164,325	36,529,843	22,842,873	173,769,264
Total	77,833,918	117,223,230	377,535,446	255,052,194	355,139,251	276,231,381	1,485,968,632



OFFICE OF THE CONTROLLER OF BUDGET

NAROK COUNTY
BUDGET IMPLEMENTATION
REVIEW REPORT

FIRST QUARTER
FY 2013 /2014

OCTOBER 2013

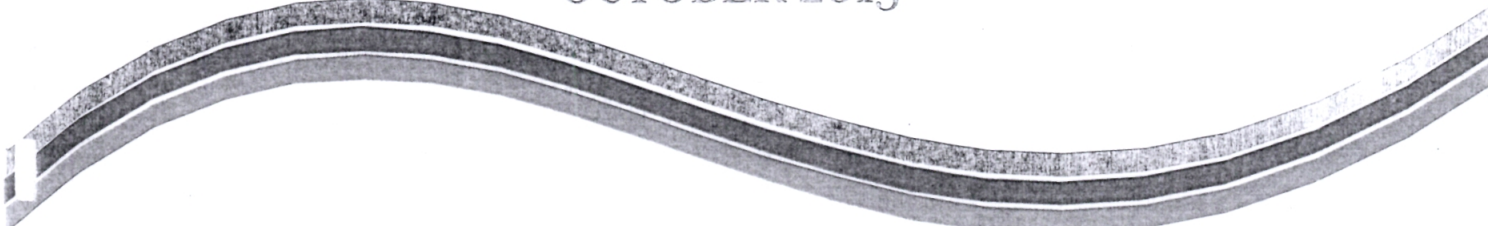
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Acronyms

AIA	Appropriation in Aid
AIE	Authority to Incur Expenditure
BSD	Budget Supply Department
CBK	Central Bank of Kenya
CFS	Consolidated Fund Services
CoB	Controller of Budget
FY	Financial Year
GOK	Government of Kenya
IFMIS	Integrated Financial Management Information System
MDAs	Ministries Departments and Agencies
MTEF	Medium Term Expenditure Framework
PFM	Public Financial Management
OCob	Office of the Controller of Budget
SMC	School Management Committee
TA	Transitional Authority

1.2.2 Socioeconomic and Demographic features

Narok County is home to the famous Maasai Mara Reserve, a key natural resource for the county and by extension the country. The main crops grown in the county are wheat, barley, maize, beans, Irish potatoes and horticultural crops. These crops are grown under rain fed, micro irrigation, and sprinkle and drip irrigation. Maize, wheat, barley and sugarcane are grown as cash crops. Maize and wheat are the highest income earning cash crops in the county.

According to the Kenya National Population and Housing Census of 2009, the population of Narok County was 850,920 composed of 429,026 males and 421,894 females; representing 2.2% of the national population. Narok County was the 21st most populated County in Kenya. The population was projected to increase to 979,770 in 2012 composed of 493,991 males and 485,779 females. The population will further increase to 1,239,320 by 2017. The population growth rate is 3.3% where a majority of the population is between the ages of 0-14 years (53%), ages 15-64 take a proportion of 45% and those above 65 occupy only 2% of the entire population. As regards gender parity, the county population is almost evenly distributed between males and females with a ratio of 1.02 to 1.

With a total enrollment of 175,409 pupils, the number of primary schools is 624 providing the pupil to teacher ratio for public schools to stand at 33:1. The enrollment rate is skewed towards the boys who are about 83% compared to girls who are 73%. The number of secondary's school stand at 77 with an average total enrollment of 13,852 and 689 pre-primary schools. The higher education system is not well developed with just one university, (Maasai Mara University), three colleges and eight Youth Polytechnics.

In terms of healthcare, the County has eight four dispensaries, sixteen health centers, one sub district, and three district hospitals. The doctors to population ratio stand at 1:100,953 with the infant mortality rates of 60 per 1,000 (Rift Valley Province), under-five mortality rates is 12 per 1,000 (Rift Valley Province). The major prevalent diseases include malaria, foot and mouth, trypanosomiasis, and HIV/Aids.

2.0 COUNTY BUDGET IMPLEMENTATION SUMMARY

2.1 County Revenue

The County's overall revenue is composed of the national Government grant, and County own revenue collections. The total revenue for the County amounts to Ksh. 1,082,933,695 of which National grant was Ksh.328,745,178 and own local revenue collection was Ksh. 754,188,517 (Annex 1). The major source of local revenue is Maasai Mara park entry fee which accounted for over 96% of the total local revenues.

2.1.1 Local Revenue Collection

The total collection from all sources amounted to Ksh.754,188,517 during the 1st Quarter 2013/14 with over 96% of the collections from the Park entry fees. The amount collected for the month of July, August and September is Ksh. 271,778,308; Ksh.276,535,079; and Ksh.205,875,130 respectively. The analysis shows a downward trend in terms of collections which is assumed to be due to reduced tourist visitation and/or loopholes in revenue collection. In addition, there seems to be a continuous disparity between the amounts collected as per reports generated from LAIFOMS and bank statements from the County Revenue collection account. Indeed, the bank statement shows a total collection of Ksh.676,379,291 while LAIFOMS indicates Ksh.754,188,517. The table below shows the local collections according to LAIFOMS;

NAROK COUNTY GOVERNMENT					
ACTUAL MONTHLY LOCAL REVENUE COLLECTION					
FOR THE 1 st QUARTER 2013/14 (JULY - SEPTEMBER 2013)					
	SOURCE	Jul-13	Aug-13	Sep-13	TOTAL
1	Single Business permit	1,290,560	1,033,230	378,730	2,702,520
2	Cess revenue	2,094,807	4,351,434	2,542,596	8,988,837
3	Market and Slaughter fees	2,136,100	537,330	1,009,670	3,683,100
4	House rents	23,200	13,000	22,100	58,300
5	Water and sewerage	-	-	-	-
6	Conservancy & solid disposal	41,800	-	-	41,800
7	Vehicle parking	471,300	652,120	820,380	1,943,800
8	Plot rent	1,415,130	2,122,569	969,264	4,506,963
9	Maasai Mara Income	260,874,861	267,247,396	199,308,720	727,430,977
10	Miscellaneous Income	3,430,550	578,000	823,670	4,832,220
	TOTAL	271,778,308	276,535,079	205,875,130	754,188,517

Source: Narok County Treasury, 2013

Recurrent Expenditure

The recurrent allocation of Ksh. 747,651,828 went towards County Assemblies Services, County Executive Services, Financial Management Services, County Health services, County Cultural and Social Services, and County Trade Development for the months July to September 2013. However, the County was able to spend 70.42% of its allocation to cater for personnel costs, recurrent operations and a balance of Ksh.222,960,874 was unspent as at 30th September 2013. The table below illustrates the total recurrent expenditure;

NAROK COUNTY GOVERNMENT						
RECCURENT EXPENDITURES						
FOR THE PERIOD OF JULY TO SEPTEMBER 2013						
			EXPENDITURE			TOTAL
	SOURCE	ALLOCATION	JULY	AUGUST	SEPTEMBER	
1	County Assembly Services	102,107,864	6,097,000	20,505,057	16,370,289	42,972,346
2	County Executive Services	16,902,333	1,703,480	2,023,579	6,098,960	9,826,019
3	Finance Management	608,941,665	69,133,438	52,172,239	344,264,902	465,570,579
4	Agriculture	0	0	0	0	0
5	Environment & Natural	0	0	0	0	0
6	Education Youth Affairs	0	0	0	0	0
7	Health services	4,500,000	0	0	4,023,000	4,023,000
8	Physical Planning	0	0	0	0	0
9	Public Works	0	0	0	0	0
10	County Transport	0	0	0	0	0
11	Trade Development	10,698,670	0	0	3,797,714	3,797,714
12	Cultural & Social Services	4,501,296	0	4,501,296	0	4,501,296
	TOTAL	747,651,828	76,933,918	79,202,171	374,554,865	530,690,954

Source: Narok County Treasury, 2013

Development Expenditure

The total development estimates of Ksh.71,180,172 was allocated to the County Transport department at Ksh. 26,000,000 for construction of rural roads and other infrastructure works and Ksh.45,180,172 to the Finance Management Services under the County headquarters for construction of County offices. However, a total amount of Ksh.29,278,532 was unspent as at 30th September, 2013. The other county departments didn't have allocation for development expenditure. The table below illustrates the total development expenditure;

3.0 DEPARTMENTAL REPORTS - RECURRENT AND DEVELOPMENT

The County had seven department/units which were financially operational which included County Assembly Services, County Executive Services, Financial Management Services, County Health Services, County Transport, County Trade Development, and County Cultural and Social Services.

3.1 County Assembly Services

3.1.1 Introduction

Narok County Assembly has 30 elected members, and 17 nominated members with the legislative authority of the County Government. The Assembly is operating with a few staff as the County Assembly Board has not recruited. The mandate of the County Assembly is to vet and approve nominees for public offices, approve the budget and expenditure for the County Government, approve borrowing, approve County development planning and perform any other roles set out under Article 185 of the Constitution.

3.1.2 Key Priorities for the Department

The County Assembly Services had a number of priority activities during the 1st Quarter based on their mandate. The department was instrumental in approving key county documents including the Finance Bill, 2013 which was passed on 30th September, 2013, the County Integrated Plan 2013 – 2018. In addition, a number of capacity building activities were conducted on the County Assembly members to equip them for the right skills and competences to manage public affairs. The Departmental Committees of the Assembly have been engaged in a number of consultations on issues affecting the Narok residents which would inform passage of certain bills.

3.1.3 Department's Allocation from the County Treasury

The County Treasury allocated Ksh.102,107,864 to the department out of the total requisition of Ksh. 818,832,000 which represents 12.47% of the total exchequer release to the County. With the legislative agenda as the departments' mandate, the amount was meant to cater for personnel costs and recurrent operations. In addition, there was no development allocation.

3.2.2 Key Priorities for the Department

The department with an overall mandate of administering provision of public services, devoted most of its resources in executive heads capacity building and engagements with potential investors. The executive was able to initiate the human resource head count in order to realign the County's staffing levels, a report of which was handed over to the County Public Service Board. The audit of asset and liabilities was a key priority although the handing over of such assets and liabilities had not yet been done by 30th September, 2013. Enhancing the revenue raising measure from the park entry fees and other local sources was also a key priority.

3.2.3 Department's Allocation from the County Treasury

The County Executive Services had an allocation of Ksh. 16,902,333 by the County Treasury out of the total exchequer issues of Ksh.818,832,000 accounting for 2.06% of the total requisition. This allocation was meant for personnel costs, and recurrent operations during the period under review. The department didn't request funds for salaries in the month of August and September, a factor which raises queries on which vote head the County Treasury was charging salaries. However, the County did not requisition development budget expenditure.

3.2.4 Budget Performance

In the period under review, the department by 30th September, 2013 had expenditures of Ksh. 13,553,078 providing an absorption capacity 80%. Personnel costs were not charged within the department raising queries on where the County Treasury was charging personnel emoluments for the Executive Services and yet they had an approved budget. In addition, the department seemed to have overspent on recurrent operations with absorption capacity of 114%. The County Treasury has yet to explain on these variances in the vote head. The table below illustrates the budget performance of the department;

NAROK COUNTY GOVERNMENT				
COUNTY EXECUTIVE SERVICES				
FOR THE 1 ST QUARTER 2013/14 (JULY- SEPTEMBER 2013)				
DESCRIPTION	ALLOCATION	Exchequer Release	Expenditure	Performance

3.3.3 Department's Allocation from the County Treasury

The department had an allocation of Ksh.654,121,837 out of the total exchequer issues to the County of Ksh. 818,832,000 accounting for 79.88% of the requisition during the period under review. Out of these allocation, Ksh. 608,941,665 was meant for recurrent expenditure and Ksh.45,180,172 for development expenditure. The allocation was to service personnel emoluments for the staff of the three former councils, recurrent operations expenditures and construction of county offices and other infrastructural works.

3.3.4 Budget Performance

The Finance Management Services had an appropriated allocation of Ksh.654,121,837 from Treasury with an allocation of 32% on personnel costs, 61% on operation costs, and 7% on development expenditure. The County spent these allocation as Ksh.196,660,039, Ksh.267,838,040 and Ksh.21,901,640 on personnel emoluments, recurrent operations and development expenditure respectively, providing an absorption rate of 93%, 66% and 48% on personnel costs, recurrent operations and development expenditure respectively. The overall absorption capacity of the funds was 74% as illustrated in the table below.

NAROK COUNTY GOVERNMENT				
FINANCE MANAGEMENT SERVICES				
FOR THE 1 ST QUARTER 2013/14 (JULY- SEPTEMBER 2013)				
DESCRIPTION	Allocation	Exchequer Release	Expenditure	Performance
Finance Management Services	654,121,837	654,121,837	486,399,719	74%
Personnel	211,649,605	211,649,605	196,660,039	93%
Recurrent Operations	397,292,060	397,292,060	267,838,040	67%
Development	45,180,172	45,180,172	21,901,640	48%

Source: Narok County Treasury, 2013

3.3.5 Conclusion

The budget performance of the department had an average absorption rate of 74%. The personnel costs had the highest absorption rate at 93%, recurrent operations was at 67% and development

3.4.4 Budget Performance

During the period under review, the department out of the total allocation of Ksh.4,500,000 had expenditures of Ksh.4,023,000 for provision of specialized material and supplies to the local dispensaries providing an absorption capacity of 89.4%. However, there was no allocation for personnel costs and development expenditure although the department had an approved budget. It was reported that that the departments' budget was still being realigned to the functional requirements of devolution. The table below illustrates the performance of the department;

NAROK COUNTY GOVERNMENT				
COUNTY HEALTH SERVICES				
FOR THE 1 ST QUARTER 2013/14 (JULY- SEPTEMBER 2013)				
DESCRIPTION	Allocation	Exchequer Release	Expenditure	Performance
Health Services	4,500,000	4,500,000	4,023,000	89.4%
Personnel	0	0	0	0
Recurrent Operations	4,500,000	4,500,000	4,023,000	89.4%
Development	0	0	0	0

Source: Narok County Treasury, 2013

3.4.5 Conclusion

With an absorption capacity of 89.4% and an allocation of 1% of the total requisition, the budgetary provision for the department of health was inadequate to meet the devolved activities of healthcare services. The approved budget needs to be revised in order to take cognizance of the devolved activities given to the County Government for continuation of services. Indeed, healthcare being a critical component of human wellbeing including that of County staff adequate resources need to be devoted to this sector.

3.5 County Transport

3.5.1 Introduction

The department is mandated with construction and maintenance of county roads including primary roads linking all sub-county head-quarters and minor roads linking markets and

Recurrent Operations	0	0	0	0
Development	26,000,000	26,000,000	20,000,000	76.92%

Source: Narok County Treasury, 2013

3.5.5 Conclusion

The absorption capacity of the department at 76.92% was well above average given the development expenditure trends in the road construction and other infrastructure works. This was attributed to the hiring of equipments from the Mechanical and Transport department which didn't require the procurement process leading to high absorption capacity.

3.6 County Trade Development

3.6.1 Introduction

Trade development and regulation department is mandated with maintaining fair trading practices including verification of weighing and measuring instruments, inspection of weighing and measuring instruments and pre-packed goods, investigation of complaints relating to unfair trade practices, and prosecution of offences arising from unfair trade practices.

3.6.2 Key Priorities of the Department

The key priority of the department included Maasai Mara branding through Miss. Tourism (Narok County). The theme was geared towards making Maasai Mara game reserve a point of destination for both local and foreign tourists through an aggressive campaign to market the game reserve using Miss Tourism. The overall objective was to increase the revenue raising capacity of the County which would go towards provision of services to the residents.

3.6.3 Departments Allocation from County Treasury

The department was allocated Ksh.10,698,670 out of the total exchequer release of Ksh.818,832,000 accounting for 1.30% of the total allocation. The expenditure was used in advertising Maasai Mara Brand and domestic travel related costs for the branding through Miss

3.7 County Cultural & Social Services

3.7.1 Introduction

The department is mandated with overseeing County cultural services, public entertainment and public amenities by licensing and regulating County betting, casinos and other forms of gambling, racing, cinemas, libraries excluding Kenya National Library Services, and museums.

3.7.2 Key Priorities of the Department

The key priority of the department during the period under review was to support the cultural heritage of the county during the Inter-County Athletics competition. The uniqueness of the county which has been recognized internationally was a key priority to the department through allocation of Ksh.4,501,296 for the competitions.

3.7.3 Departments Allocation from County Treasury

The County Treasury allocated Ksh. 4,501,296 towards the County Cultural and Social services for domestic travel and subsistence services during the Inter-County competition. This allocation accounted for 1% of the entire allocation to the County Government. There was no provision for personnel costs and development expenditure during the period under review.

3.7.4 Budget Performance

The department of Cultural and Social Services had an absorption capacity of 100% of the exchequer releases. The allocation which was essentially on recurrent operations was on domestic travel and subsistence for the athletics competition. Indeed, it's assumed that the expenditure had an intangible contribution to Narok County in terms of maintaining the social cohesion, cultural and heritage practices. The table below illustrates the performance of department.

NAROK COUNTY GOVERNMENT				
COUNTY CULTURAL AND SOCIAL SERVICES				
FOR THE 1 ST QUARTER 2013/14 (JULY- SEPTEMBER 2013)				
DESCRIPTION	Allocation	Exchequer Release	Expenditure	Performance
Cultural & Social Services	4,501,296	4,501,296	4,501,296	100%

4.0 Challenges on Budget Implementation

The county faces a number of challenges ranging from human resource capacity, financial management systems to adequate financial resources which include;

- i. Slow response of the County to revise the budget according to recommendation of OCOB despite of the 30th September 2013 deadline.
- ii. Slow roll out and adoption of Integrated Financial Management Information System (IFMIS) including inaccessibility to use the system in implementing the budget.
- iii. Ongoing refurbishment of physical infrastructure to accommodate the personnel leading to sharing of office space and disruption of services delivery.
- iv. Adjournment/go-slow of the County Assembly sittings agitating for higher pay has affected the passage of key legislation like the Finance Bill and revised Budget.
- v. Complaints from the devolved function entities on lack of budgetary allocations to cater for their critical service.
- vi. The Internal Audit department lacks an audit committee to monitor the financial operations of the County and its reporting system.
- vii. The County Assembly seeking autonomy in controlling their expenditures when monies are requisitioned since the Executive hasn't given them authority to manage their funds.
- viii. The County Treasury charging all personnel costs from one vote head and yet they have several vote heads on which to charge the respective expenditures.
- ix. County assembly reallocating requisitioned funds poses challenges in terms reporting and accountability of expenditures.
- x. The County Treasury's expenditure on unappropriated AIA collected from sale of tender documents during the 1st Quarter thus its accounting is not clear.

4.1 Recommendations

The following recommendations that are aimed at improving budget implementation and also provide solutions to some challenges identified earlier in the report:

- i. County Government to speed up the revision of the budget to reflect lawful expenditures and provision for devolved functions as spelt out Transition to devolved Government

relief, bursaries allocations which are not supported by any legislative authority. The OCOB had recommend to the County to come up the necessary legislation to support such expenditures or otherwise remove the expenditures from the approved budget. Indeed, the revision of the budget had not been done by the 30th September, 2013 as recommended by the OCOB.

The continuous usage of manual accounting system in finance management of public funds at the County has been an issue of concern in terms of its efficiency and effectiveness. The manual system seems to be ineffective in terms of controls in expenditure especially the imprest usage. Indeed, the IFIMS department must move with speed and address the challenges of connectivity and speed as claimed by the County as the major impediment on its usage. The inadequate capacity and space to operationalize the system must be addressed by the County Government.

The County Treasury should adopt the nationally acceptable budgeting and reporting standards where expenditures are not lumped in one vote head especially salaries for various vote heads as reported by the County Treasury. Such expenditures should be spread to various departments with their associated recurrent operations. In addition, reallocation within the County assembly vote should be avoided in order to enhance prudent financial management.

Finally, the realignment of the budget to accommodate the devolved functions and the new entities of the County Government would enhance the effective provision of services to the residents of Narok. Most of the Executive service departments mandated with devolved functions require adequate provision of funds to avoid disruption of services which were offered by the National government. Indeed, the County Assembly should resume their sittings in order to support their constitutional mandate of passing the revised budget which majorly addresses the budgetary provisions for devolved functions.

	Refuse collection fees	40,600	-	-	40,600
	Burial fees	1,200	-	-	1,200
	TOTALS	41,800	-	-	41,800
7	VEHICLE PARKING				
	Bus park	326,800	652,120	820,380	1,799,300
	street & taxis	144,500	-	-	144,500
	TOTALS	471,300	652,120	820,380	1,943,800
8	PLOT RENT				
	Land rates	449,235	1,303,217	291,444	2,043,896
	plot rents current year	248,075	793,352	173,150	1,214,577
	Land rates previous year	626,570	-	488,170	1,114,740
	Penalties for late payments of rates	-	-	-	-
	Subletting fees	8,750	-	-	8,750
	Plot application fees	-	12,000	4,000	16,000
	Plot transfer fees	-	-	8,000	8,000
	Sub-division fees	1,000	-	-	1,000
	Change of name	4,000	-	-	4,000
	Survey fees	13,500	10,000	4,500	28,000
	Plan approval fees	48,500	-	-	48,500
	Beacon search fees	-	-	-	-
	Change of user	8,000	-	-	8,000
	Building inspection fees	-	4,000	-	4,000
	Clearance certificates	7,500	-	-	7,500
	Stand premium	-	-	-	-
	TOTALS	1,415,130	2,122,569	969,264	4,506,963
9	MISCELLANEOUS INCOME				
	Seach fee	1,500	-	-	1,500
	Sale of Council minutes	-	-	-	-
	Misc income	35,200	-	706,020	741,220
	Impounding charges	-	-	-	-
	Towing fees	-	-	-	-
	Charcoal cess	-	-	-	-
	Court fines.	-	-	-	-
		3,378,000	-	-	3,378,000
	Sale of tender documents	-	-	-	-
	Hire of stadium/Hall	-	-	-	-
	Hire of council vehicles	-	-	-	-
	sale of tree seedlings	-	-	3,550	3,550
	Disposal of council assets	-	-	-	-
	Nursery school fees & Reg of School	15,850	385,000	21,500	422,350
	Insurance recoveries	-	-	-	-

Annex 3: List of Ongoing Projects for the period July to September 2013

NAROK COUNTY GOVERNMENT									
ONGOING PROJECTS AS AT 30th SEPTEMBER 2013									
No	Name of Project	Year	Description	Location	Budgeted COST	Payments	Balances	Contractor	Status
1	Olorropil Sec. School	2011/12	2 Classrooms	Olorropil	1,000,000	500,000	500,000	S.M.C	On Going
2	Olchorro Pri. School	2011/12	2 Classrooms	Olchorro	1,001,193	501,193	500,000	S.M.C	On Going
3	Oltiyani Pri. School	2011/12	2 Classrooms	Olchorro	1,000,000	500,000	500,000	S.M.C	On Going
4	Oloikarere Pri. School	2011/12	2 Classrooms	Suswa	1,000,000	500,000	500,000	S.M.C	On Going
5	Kipise Hills School	2011/12	Dormitory	Enoosupukia	2,001,193	1,100,000	901,193	Santan Co.	On Going
6	Talek Pri. School	2011/12	3 Classrooms	Talek	2,001,193	1,000,000	1,001,193	S.M.C	On Going
7	Saleita Sec. School	2011/12	4 Classrooms	Ildamat	2,001,193	1,000,000	1,001,193	S.M.C	On Going
8	Masantare Pri. School	2011/12	Dormitory	Ololulunga	1,001,193	500,000	501,193	S.M.C	On Going
9	Kuto Sec. School	2011/12	Dormitory	Mulot	2,001,193	500,000	1,501,193	S.M.C	On Going
10	Enelelerai Sec. School	2011/12	Classrooms	Enelelerai	1,000,000	500,000	500,000	S.M.C	On Going
11	Olepolos Sec. School	2011/12	Admin. Block	Olpusimoru	2,001,193	1,500,000	501,193	Jumwaka	On Going
12	Kisiriri Sec School	2011/12	3 Classrooms	Enaibelbel	1,600,000	772,000	828,000	S.M.C	On Going
13	Sanaet Prim. School	2011/12	2 Classrooms	Siyaiei	1,000,000	500,000	500,000	S.M.C	On Going
14	Olchorro Sec School	2011/12	1 Classrooms	Olchorro	793,700	600,000	193,700	S.M.C	On Going
15	Mosiro Sec School	2010/11	3 Classrooms	Mosiro	2,000,000	1,600,000	400,000	Hamon Young	On Going
16	Aitong Sec School	2010/11	4 Classrooms	Aitong	2,500,000	2,000,000	500,000	Jitegemee	On Going
17	Iloshoron Dam	2010/11	Dam	E/Enterit	1,000,000	550,000	450,000	Nash Ent.	On Going
18	Olturoto Pri. School	2010/11	2 Classrooms	Upper Melili	1,240,000	500,000	740,000	S.M.C	On Going
19	Oldonyo Orasha Primary	2010/11	2 Classrooms	Maji Moto	1,000,000	500,000	500,000	S.M.C	On Going
20	Esoit Pri. School	2010/11	1 Classrooms	Olderkesi	1,193,700	693,700	500,000	S.M.C	On Going

NAROK COUNTY GOVERNMENT
COUNTY EXECUTIVE EXPENDITURES
1ST QUARTER FY 2013/14 (JULY – SEPTEMBER 2013)

DESCRIPTION	ESTIMATE 2013/14	JULY REQUISIT.	AUGUST REQUISIT	SEPT. REQUISIT	TOTAL REQUISITION	JULY EXPENDI.	AUGUST EXPENDI.	SEPTEMBER EXPENDI.	TOTAL EXPENDI.
Basic Salaries - Permanent Employees	1,206,590,609	76,649,605	-	130,000,000	206,649,605	49,317,774	-	147,342,265	198,660,039
Basic Salaries - Narok HQ	925,636,970	64,149,605	-	130,000,000	206,649,605	49,317,774	-	147,342,265	150,660,039
Basic Salaries - TMCC HQ	161,596,312	8,000,000	-	-	-	-	-	-	-
Basic Salaries -FORMER TOWN	119,357,327	4,500,000	-	-	-	-	-	-	-
Utilities Supplies and Services	90,000,000	750,000	-	-	750,000	270,750	-	-	270,750
Electricity	12,000,000	500,000	-	-	500,000	20,750	-	138,980	159,730
Water and sewerage charges	10,000,000	250,000	-	-	250,000	250,000	-	-	250,000
Gas expenses	4,500,000	-	-	-	-	-	-	-	-
Utilities, Supplies- Town Cleaning	63,500,000	-	-	-	-	-	-	-	-
Communication, Supplies and Services	20,231,879	386,472	400,000	2,000,000	2,786,472	237,000	28,500	772,499	1,037,999
Telephone, telex, Facsimile and Mobile Phone Services	15,228,560	250,000	200,000	1,500,000	1,950,000	237,000	28,500	615,999	881,499
Internet Connections	3,275,330	136,472	200,000	500,000	836,472	-	-	156,500	836,500
Courier and Postal Services	1,727,989	-	-	-	-	-	-	-	-
Domestic Travel and Subsistence and Other Transportation Costs	78,847,476	2,745,787	7,000,000	10,000,000	19,745,787	2,732,169	6,501,705	9,574,446	18,714,320
Travel Costs (airlines, bus, railway, mileage allowances etc)	50,172,209	2,090,509	6,500,000	10,000,000	18,590,509	2,088,169	6,501,705	9,124,446	17,714,320
Passage and Transfer Expenses	12,948,584	-	-	-	-	-	-	-	-
Field Allowance	15,726,683	655,278	500,000	-	1,155,278	644,000	-	450,000	1,094,000
Foreign Travel and Subsistence, and other transportation costs	40,000,000	500,000	10,000,000	2,000,000	12,500,000	475,580	-	8,944,162	9,419,742
Foreign Travel and Subs.- Others	40,000,000	500,000	10,000,000	2,000,000	12,500,000	475,580	-	8,944,162	9,419,742
Printing, Advertising and Information Supplies and Services	21,503,944	2,300,000	7,000,000	8,700,000	18,000,000	2,262,726	6,651,778	2,806,315	11,720,819
Printing and Publishing Services	9,503,944	-	-	6,000,000	6,000,000	-	-	187,985	187,985
Printing, Advertising - Media & Other	12,000,000	2,300,000	7,000,000	2,700,000	12,000,000	2,262,726	6,651,778	2,618,330	11,522,843
Rentals of Produced Assets	30,000,000	750,000	2,500,000	500,000	3,750,000	673,000	818,000	1,583,538	3,074,538

Payments-Equity/Leases		4					0		
Management Fees	60,000,000								
Contracted Professional Services	300,000,000	-							
Confidential Expenditure	20,000,000	1,000,000	3,000,000	1,000,000	5,000,000	1,000,000	1,300,000	1,000,000	1,000,000
Other Operating Expenses - Other	40,000,000		4,000,000	2,000,000	6,000,000	-	2,126,301	2,382,268	4,058,590
Routine Maintenance-Vehicles and other Transport Equipment	17,311,927	721,330	721,330	1,721,330	3,163,990	601,719	510,437	2,033,686	3,115,342
Maintenance Expenses - Motor Vehicles & Fire Engines	17,311,927	721,330	721,330	1,721,330	3,163,990	601,719	510,437	2,033,686	3,115,342
Routine Maintenance - Other Assets	21,855,948	733,997	-	2,750,000	3,483,997	339,100	145,308	1,997,000	2,000,000
Maintenance of Plant, Machinery and Equipment	5,759,966	479,998		500,000	979,998	140,000	145,308	54,692	500,000
Maintenance of Office Furniture and Fire Equipment	6,095,982	253,999		250,000	503,999	199,100	-	24,850	100,000
Maintenance of Computers, Softwares and networks	10,000,000			2,000,000	2,000,000	-	-	1,917,460	1,000,000
Grants and Other transfers	298,000,000	-	-	-	-	-	-	-	-
Grants	298,000,000								
Emergency Relief and Refugee Assistance	20,000,000	-	-	-	-	-	-	-	-
Emergency Relief and Ref. - Others	20,000,000								
Refurbishment of Buildings	104,438,026	22,000,000	-	-	22,000,000	130,000	758,326	15,224,580	15,224,580
Refurbishment of Non-Residential Buildings	104,438,026	22,000,000			22,000,000	130,000	758,326	15,224,580	15,224,580
Purchase of Vehicles and Other Transport Equipment	200,000,000	-	25,000,000	200,000,000	225,000,000	-	-	118,700,975	118,700,975
Purchase of Motor Vehicles-Game Reserve etc	200,000,000		25,000,000	200,000,000	225,000,000	-	-	118,700,975	118,700,975
Purchase of Office Furniture and General Equipment	224,662,828	-	-	4,000,000	4,000,000	-	-	27,190	27,190
Purchase of Office Furniture and Fittings	17,063,900			2,000,000	2,000,000	-	-	27,190	27,190
Purchase of Computers, Printers and other IT Equipment	136,255,491			2,000,000	2,000,000	-	-	-	-
Purchase of Airconditioners, Fans, and Heating Appliances	3,095,982					-	-	-	-
Purchase of Fire Fighting Vehicles-1 Truck & 2 Landrovers	50,000,000					-	-	-	-
Purchase of Other Equipments	18,247,455					-	-	-	-
NET RECURRENT EXPENDITURE FOR HEAD 0000	3,225,786,360	121,528,858	104,968,704	390,171,330	616,668,892	69,133,438	51,743,739	343,670,000	160,903,289
0000 Narok County									
DEVELOPMENT									

Maintenance Expenses - Motor Vehicles	3,078,000	256,500			256,500	84,590	75,750	-	3,289,340
Purchase of Office Furniture and General Equipment	36,716,000	855,500	-	-	855,500	67,790	80,149	73,680	37,519,419
Purchase of Office Furniture and Fittings	4,266,000	355,500			355,500	67,790	-	73,680	4,614,470
Purchase of Computers, Printers and other IT Equipment	21,564,000	500,000			500,000	-	80,149	-	22,044,149
Purchase of Airconditioners, Fans, and Heating Appliances	774,000				-	-	-	-	-
Purchase of Other Equipments	10,112,000				-	-	-	-	-
NET RECURRENT EXPENDITURE FOR HEAD 0002	281,318,858	9,502,333	800,000	6,600,000	16,902,333	1,703,480	2,023,579	6,096,360	297,545,015
0003 Finance Management Services									
Basic Salaries - Permanent Employees	22,053,250	-	-	-	-	-	-	-	-
Basic Salaries - Finance Management Services	22,053,250				-	-	-	-	-
Communication, Supplies and Services	1,445,958	110,205	100,000	200,000	410,205	-	-	-	-
Telephone, telex, Facsimile and Mobile Phone Services	1,322,460	110,205	100,000	200,000	410,205	-	-	-	-
Courier and Postal Services	123,498				-	-	-	-	-
Domestic Travel and Subsistence and Other Transportation Costs	6,349,866	529,156	500,000	500,000	1,529,156	-	428,500	594,796	8,397,258
Travel Costs (airlines, bus, railway, mileage allowances etc)	6,349,866	529,156	500,000	500,000	1,529,156	-	428,500	594,796	8,397,258
Printing, Advertising and Information Supplies and Services	679,240	-	-	-	-	-	-	-	-
Printing and Publishing Services	679,240				-	-	-	-	-
Training Expenses	5,000,000	-	500,000	500,000	1,000,000	-	-	-	-
Training Expenses - Others	5,000,000		500,000	500,000	1,000,000	-	-	-	-
Hospitality Supplies and Services	1,368,771	-	200,000	-	200,000	-	-	-	-
Catering Services(reception), Accomodation, Gifts, Foods and Drinks	926,236	-	200,000		200,000	-	-	-	-
Boards, Committees, Conferences, Seminars	442,535				-	-	-	-	-
Office and general Supplies and Services	1,986,262	33,019	-	-	33,019	-	-	-	-
General Office Supplies(papers, pencils, forms, small office equip etc)	396,223	33,019			33,019	-	-	-	-
Supplies and Accessories for Computers & Printers	1,590,039				-	-	-	-	-
Fuel Oil and Lubricants	5,000,000	150,000	-	500,000	650,000	-	-	-	-
Refined Fuels and Lubricants for Transport	5,000,000	150,000		500,000	650,000	-	-	-	-

NET DEVELOPMENT FOR HEAD 0011	210,000,000	-	-	-	-	-	-	-	
012 CULTURAL AND SOCIAL SERVICES	2013/2014								
Domestic Travel and Subsistence and Other									
Transportation Costs	4,501,296	-	4,501,296	-	4,501,296	-	4,501,296	-	4,501,296
Travel Costs (airlines, bus, railway, mileage allowances)	4,501,296		4,501,296		4,501,296		4,501,296		4,501,296
NET RECURRENT EXPENDITURE FOR HEAD 0012	4,501,296	-	4,501,296	-	4,501,296	-	4,501,296	-	4,501,296

NAROK COUNTY GOVERNMENT
COUNTY ASSEMBLY EXPENDITURE
1ST QUARTER FY 2013/14 (JULY – SEPTEMBER 2013)

ITEM DESCRIPTION	2013/2014 Estimates	JULY ALLOC	EXP JULY 2013	AUG ALLOC	EXP AUG'13	SEPT'13 ALLO	EXP SEPT'13	TOTAL ALLO (JUL- -SEP)	TOTAL EXP(JUL- -SEP)
County Assembly	KSHS	KSHS	KSHS	KSHS	KSHS				
Office of the Clerk									
Basic Salaries - Permanent Employees	31,781,250	2,648,438			326,177	5,000,000	159,016	7,648,438	485,193
Basic Salaries - County Assembly	31,781,250	2,648,438			326,177	5,000,000	159,016	7,648,438	485,193
Personal Allowance Paid as Part of Salary	24,714,000	1,534,500		1,000,000	664,024			2,534,500	664,024
House Allowance	18,414,000	1,534,500						1,534,500	
Entertainment Allowance	2,800,000	-		500,000				500,000	
Transport Allowance	2,000,000	-		500,000	190,000			500,000	190,000
Extraneous Allowance	1,500,000	-			474,024			-	474,024
Employer Contributions to Compulsory National Social Security Schemes	223,200	18,600						18,600	
Employer Contributions to National Social Security Fund	223,200	18,600						18,600	
Employer Contributions to Social Benefit Schemes	7,529,288	627,441						627,441	
Employer Contributions to Social Security Funds and Schemes - LAPFUND and LAPTRUST	7,529,288	627,441						627,441	
Domestic Travel and Subsistence, and other transportation costs	7,000,000	583,333		1,500,000		1,500,000	98,300	3,583,333	98,300
Travel costs (airlines, bus, railway, mileage allowances, etc	5,000,000	416,667		1,000,000		1,000,000	98,300	2,416,667	98,300
Accommodation- Domestic Travel	2,000,000	166,667		500,000		500,000		1,166,667	
Foreign Travel and Subsistence, and other transportation costs	5,750,000	-	-	750,000	703,370			750,000	703,370

Purchase of Vehicles and Other Transport Equipment	45,000,000	-		10,000,000	10,501,843	20,000,000	11,200,000	30,000,000	11,701,843
						0	0	0	
Purchase of Motor Vehicles	45,000,000	-		10,000,000	10,501,843	20,000,000	11,200,000	30,000,000	11,701,843
						0	0	0	
Purchase of Office Furniture and General Equipment	6,000,000	-		1,000,000	1,296,185		501,972	1,000,000	1,798,157
Purchase of Office Furniture and Fixings	3,000,000	-		1,000,000	1,163,385		501,972	1,000,000	1,665,357
Purchase of Other Office Equipment/printer	3,000,000	-			132,800				132,800
Total Gross Expenditure sub head 0013	81,800,079	133,333		11,180,000	12,168,944	21,180,000	12,964,682	32,493,333	
						0		3	
Net Expenditure Sub-head 0013	81,800,079	133,333		11,180,000	12,168,944	21,180,000	12,964,682	32,493,333	15,133,626
						0		3	
Policy and Research Services		-							
Printing, Advertising, and Information Supplies and Services	3,600,000	-		600,000			12,000	600,000	12,000
Publishing and Printing Services	3,600,000	-		600,000			12,000	600,000	12,000
Specialised Materials and Supplies	4,200,000	-					13,200		13,200
Supplies for Broadcasting and Information Services	4,200,000	-					13,200		13,200
Purchase of Specialised Plant, Equipment and Machinery	5,000,000	-					1,030,000		1,030,000
Purchase of ICT networking and Communications Equipment	5,000,000	-					1,030,000		1,030,000
Net Expenditure sub-Head 0256	12,800,000	-		600,000			1,055,200	600,000	1,055,200
Administrative Services		-							
Fuel Oil and Lubricants	2,000,000	-		500,000		500,000		1,000,000	
Refined Fuels and Lubricants for Transport	2,000,000	-		500,000		500,000		1,000,000	
Routine Maintenance - Vehicles and Other Transport Equipment	2,250,000	-		500,000	1,644,400		319,000	500,000	1,963,400
Maintenance Expenses- Motor Vehicles	2,250,000	-		500,000	1,644,400		319,000	500,000	1,963,400
Net Expenditure Sub-Head 0320	11,960,000	-		1,000,000	1,644,400	500,000	319,000	1,500,000	1,963,400
881 COUNTY LEGISLATURE		-							
Basic Salaries - Permanent employees	85,400,000	7,116,667	4,590,000	500,000	1,268,206	19,032,000	9,378,754	26,843,667	5,266,960
						0		7	
Basic Salaries- County Assembly members	85,400,000	7,116,667	4,590,000		1,268,206	19,032,000	9,378,754	26,148,667	5,266,960
						0		7	
Personal Allowance Paid as Part of Salary	35,000,000	250,001						250,001	
Responsibility Allowance	2,000,000	13,889						13,889	
Mileage Allowance	17,000,000	118,056		500,000				618,056	
County Assembly Attendance Allowance	17,000,000	118,056						118,056	

Travel costs (airlines, bus, railway, mileage allowances, etc)	1,800,000	150,000		200,000		200,000		
Accommodation- Domestic Travel	500,000	41,667		100,000		100,000		
Foreign Travel and Subsistence, and other transportation costs	2,700,000	225,000		350,000		350,000		
Travel costs (airlines, bus, railway, mileage allowances, etc)	1,500,000	125,000		250,000		250,000		
Accommodation	1,200,000	100,000		100,000		100,000		
Net Expenditure Sub-head 0385	5,000,000	416,667	-	650,000	-	650,000	-	-
Net Expenditure head 881	189,300,000	10,449,307	6,097,000	8,300,000		23,382,000		



OFFICE OF THE CONTROLLER OF BUDGET

**NAROK COUNTY
BUDGET IMPLEMENTATION
REVIEW REPORT**

**FOURTH QUARTER
FY 2012 /2013**

AUGUST 2013

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Executive Summary

This is the first Budget Implementation Review Report for Narok County Government in the financial year ending 30th June 2013. The report highlights the financial performance of the County Government for the period March to June 2013. In addition, it outlines the government's revenue inflows from all sources and its expenditures. This is aimed at informing the Executives, Parliament, National Assembly and the public on budget execution.

Chapter one of the report outlines County political landscape, socioeconomic and demographic features of the County, the revenue performance, exchequer issues released and the sectoral expenditure analysis. According to the figures provided by the County Treasury, the local revenue collections stood at Ksh. 212,268,298. The underperformance in revenue collection was attributed to underreporting and/or loopholes with the revenue collection.

Chapter two provides a summary of county budget implementation based on the County's overall revenue with analysis of revenue by source. The total revenue sources amounted to Ksh. 473, 008,308; of which the exchequer releases to the county accounted for Ksh.199, 147,809, Ksh. 61,592,200 as a conditional grant and own revenue collections of Ksh. 212,268,298. However, there was no donor funding for the period under review. The total recurrent expenditure amounted to Ksh.378, 080,094 (80% of the total) while development expenditure amounted to Ksh. 17,542,026 (20% of the total)

Chapter three highlights the departmental reports in terms of their key mandates, key priorities, department's allocation and the budget performance. The County Assembly Services, County Executive Services and the Finance Management Services received allocations of ksh. 114,337,957.00, Ksh. 37,306,241.00 and Ksh. 47,503,611:00 respectively out of which the total expenditure amounted to Ksh.99,070,805, Ksh. 26,230,918 and Ksh. 35,891,782 representing an absorption capacity of 87%, 70% and 76% respectively.

Acronyms

AIA	Appropriation in Aid
AIE	Authority to Incur Expenditure
BSD	Budget Supply Department
CBK	Central Bank of Kenya
CFS	Consolidated Fund Services
CoB	Controller of Budget
FY	Financial Year
GOK	Government of Kenya
IFMIS	Integrated Financial Management Information System
MDAs	Ministries Departments and Agencies
MTEF	Medium Term Expenditure Framework
PFM	Public Financial Management
OCoB	Office of the Controller of Budget
SMC	School Management Committee
TA	Transitional Authority

Narok County is a cosmopolitan comprising of a populace of diverse ethnicity and nationality majority being Maasai and Kipsigis with pockets of the Kikuyu, Kisii, Luos, Luhya, Kambas, among others. The population growth rate is 3.3% where a majority of the population is between the ages of 0-14 years (53%), ages 15-64 take a proportion of 45% and those above 65 occupy only 2% of the entire County population.

With a total enrollment of 175,409 pupils, the number of primary schools is 624 providing the pupil to teacher ratio for public schools to stand at 33:1. The enrollment rate is skewed towards the boys who are about 83% compared to girls who are 73%. The number of secondary's school stand at 77 with an average total enrollment of 13,852 and 689 pre-primary schools. The higher education system is not well developed with just one university, (Maasai Mara University), three colleges and eight Youth Polytechnics.

In terms of healthcare, the County has eight four dispensaries, sixteen health centers, one sub district, and three district hospitals. The doctors to population ratio stand at 1:100,953 with the infant mortality rates of 60 per 1,000 (Rift Valley Province), under-five mortality rates is 12 per 1,000 (Rift Valley Province). The major prevalent diseases include malaria, foot and mouth, trypanosomiasis, and HIV/Aids.

The County has a road network of approximately 2,798.4 Km, (260 km bitumen, 840km Gravel surface and 1,698.4km earthen), connecting the various administrative areas of the County. The County has 15 commercial banks, eight micro-finance institutions and 15 SACCOs. In addition, the County has 10 post offices/Sub-post offices, 1,643 landline Telephone connections and 52% mobile coverage; Safaricom, Airtel, Yu and Telecom network providers are available in the County. Fibre optic cable is yet to be laid to all sub-county headquarters.

NAROK COUNTY GOVERNMENT					
ACTUAL MONTHLY LOCAL REVENUE COLLECTION					
FOR THE YEAR PERIOD MARCH TO JUNE 2013					
SOURCE OF REVENUE	Mar-13	Apr-13	May-13	Jun-13	TOTAL
CENTRAL GOVERNMENT TRANSFERS	0	0	0	0	0
SINGLE BUSINESS PERMITS	3,702,470	3,825,735	3,456,309	1,340,070	12,324,584
CESS REV ENUE	600,178	1,427,225	416,110	794,722	3,238,235
MARKRTS & SLAUGHTER FEES	550,470	1,170,926	1,400,370	1,397,860	4,519,626
HOUSE RENTS	33,600	24,100	75,200	80,200	213,100
WATER & SEWERAGE	-	-	-	-	-
CONSERVANCY & SOLID WASTE DISPOSAL	560,700	701,200	433,500	145,600	1,841,000
VEHICLE PARKING	476,410	377,500	610,560	537,990	2,002,460
PLOT RENT	1,922,346	1,523,073	1,287,291	1,133,516	5,866,226
PARK ENTRY FEES	51,644,115	39,134,595	45,767,645	21,382,018	157,928,283
MARA CONSERVANCY	3,775,243	-	3,444,213	-	7,219,456
MISCELLANEOUS INCOME	9,412,538	1,963,846	4,301,354	1,437,500	17,115,238
GAME 19%	-	-	-	-	-
TOTAL	72,678,070	50,148,200	61,192,552	28,249,476	212,268,298

Source: Narok County Treasury

2.1.2 Exchequer Release to the County

The county was allocated Ksh. 199,147,809 according to the CRA recommendation and the exchequer release to the County amounted to Ksh. 199,147,809. In addition, there was a unconditional grant from the Transitional authority of Ksh. 61,592,200. There was no variance in terms of release to the County Treasury.

2.2 County Budget Performance

The County had an absorption capacity of 81% on recurrent expenditure of the Ksh. 199,147,810 allocated to the County for the period March- June 2013. The Development expenditure had absorption of 5% based on the Ksh. 61,592,200 allocated by the Transition Authority for infrastructural and civil work.

2.2.1 Total County Expenditure (Recurrent vs. Development)

The County was allocated a total budget of Ksh. 260,740,010 out of which Ksh. 199,147,810 was for recurrent expenditures and an additional Ksh. 61,592,200 on development expenditures.

2.2.3 Economic Classification of County Expenditure

The County Government was allocated Ksh.260, 740,010 out of which they spent Ksh. 164,971,408 which accounts for 63% absorption rate. The low absorption was due to the challenges of procurement on the development expenditure funds which were meant for construction of County infrastructure. Therefore, the County Treasury had a total unspent balance of Ksh. 95,768,602 as at 30th June 2013. The table below illustrates the expenditure by economic classification;

NAROK COUNTY GOVERNMENT				
EXPENDITURE BY ECONOMIC CLASSIFICATION				
Expenditure	Printed Estimates	Revised Estimates	Expenditure	Balance
Personnel	89,922,201	89,922,201	89,903,320	18,881
Use of Goods	109,225,609	109,225,609	71,952,365	37,273,244
Debt Repayment	0	0	0	0
Development	61,592,200	61,592,200	3,115,723	58,476,477
TOTAL	260,740,010	260,740,010	164,971,408	95,768,602

Source: Narok County Treasury

maintainance and refurbishment of non-residential buildings in order to facilitate the county assembly members and its staff.

3.1.4 Budget Performance

The department was allocated a total budget of Ksh. 114, 337, 957 out of which they absorbed Ksh. 99,070,805 providing an absorption capacity of 87%. The bulk of the expenditure Ksh. 71,921,388 went to service salaries and allowances for the Members of the County Assembly with an absorption capacity of 99% while the recurrent operations amounted to Ksh. 27,149,417 with an absorption capacity of 64%. The procurement processes hampered the utilization of the allocation towards refurbishment of buildings with just a parity of Ksh.1, 012,040 utilized for small renovations of the Speakers Office providing absorption of 9% on the item.

NAROK COUNTY GOVERNMENT				
DEPARTMENTAL REPORTS				
DEPARTMENT	Estimates (Budget)	Exchequer Release	Expenditure	Performance
County Assembly services	114,337,957	114,337,957	99,070,805	87%
Personnel	71,922,201	71,922,201	71,921,388	99%
Recurrent Operations	42,415,756	42,415,756	27,149,417	64%
Development	0	0	0	0%
TOTAL				

Source: Narok County Treasury

3.1.5 Conclusion

The contribution of the department in terms of its mandate was evident by the production of the County Appropriation Act, 2013 and the assent of the same thereafter by the Governor. The department devoted a lot of time in capacity building which was critical in performance of their duties. The resources absorption was above average with a performance of 87% on the amount allocated. However, the procurement processes hampered the absorption rate on the amount allocated towards refurbishment resulting into an absorption rate of 9%.

County executive services	37,306,241	37,306,241	26,230,918	73%
Personnel	18,000,000	18,000,000	17,981,932	99%
Recurrent Operations	19,306,241	19,306,241	8,248,986	43%
Development	0	0	0	0

Source: Narok County Treasury

3.2.5 Conclusion

The budget performance under the County Executive Services had an absorption capacity of 99% on personnel but the recurrent operations had a low absorption rate of 43% due to the procurement process required on the refurbishment of buildings. In addition, part of the personnel expenditure for the department was used to top up payment for salaries to the county staff that had revenue shortages.

3.3 Financial Management Services

3.3.1 Introduction

The department was in charge of facilitating the operation of other departments in terms of financial services under the administration of the County Treasury. In addition, the department was in charge of running the operations of the 3 sub-counties; Former Town Council of Narok, Transmara, and County Council of Narok in terms of financing personnel emoluments, recurrent and development expenditures.

3.3.2 Key priorities for the department

The department being instrumental in maintaining the functioning of other departments, had the key priority of availing funds when needed by the executive especially on maintenance of vehicles, hospitality, office furniture, office supplies, purchase of vehicles and other operational funds. It was also in charge of ensuring that all employees of the County Government are supported in providing services to the citizens.

TOTAL	72,678,070	50,148,200	61,192,552	28,249,476	212,268,298
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Source: Narok County Treasury

Indeed, the actual collections reported was split into; Town Council of Narok Ksh. 19,905,924, Transmara Ksh. 24,944,914 and County Council of Narok Ksh. 150, 551,072. The County Treasury reported that there was no LATF received by the County during the period. The analysis is shown below;

NAROK COUNTY GOVERNMENT					
TOTAL LOCAL REVENUE COLLECTION					
FOR THE PERIOD MARCH TO JUNE 2013					
Sub-County	Mar-13	Apr-13	May-13	Jun-13	TOTAL
Town Council of Narok	5,967,646	6,218,703	4,755,332	2,964,243	19,905,924
Transmara	14,709,664	1,973,986	6,885,548	1,375,715	24,944,913
County Council of Narok	52,020,760	42,955,512	55,574,800	-	150,551,072
TOTAL	72,698,070	51,148,201	67,215,680	4,339,958	195,401,909

Source: Narok County Treasury

3.3.4 Budget Performance

The Finance Management Services had an appropriation of Ksh. 270,131,096 which was exclusively spent on personnel emoluments and recurrent operations. The department was inadequately funded to meet the expenditure needs of the County with its large workforce and as such the expenditure was exhausted in the month of May. In June, the County Treasury reported that they utilized part of the personnel emoluments' allocation in the County Assembly and Executive services to finance the employees' salaries for the month of June 2013. However, an allocation towards refurbishment of residential buildings of Ksh. 10,930,769 was unutilized as at 30th June 2013 because of the procurement processes.

NAROK COUNTY GOVERNMENT				
DEPARTMENTAL REPORTS				
DEPARTMENT	Estimates (Budget)	Exchequer Release	Expenditure	Performance
Finance Management	47,503,611	47,503,611	36,572,842	80%

The reallocation of Ksh. 19,500,000 from the exchequer issues of Ksh. 199,147,810 was critical in supporting the long-running programme of scholarships and bursaries by the defunct Local Authorities. Indeed, the other units within the County had challenges in sufficiently financing their operations.

3.5 Other Departments

The departments of County Public Services Board; Transport, Roads, Public Works and Housing; Health and Emergency Services; Water, Irrigation and Sanitation; Agriculture, Livestock and Co-operative Development; Tourism and Culture, Education, Youth and Social welfare; Land, Energy, Environment and Natural Resources; Trade, Economic Planning and Industrialization had not been constituted fully. The Executive Committee members who are expected to be the heads of those departments were appointed during the April/May 2013 and therefore their associated expenditures could not be reflected and/or incurred for the period under review.

Capital projects

The key activities/programmes in the County are illustrated in Annex 3 which highlights the list of ongoing projects. Out of the budgeted project cost of Ksh. 44,371,944, only ksh. 24,364,413 has been paid leaving unpaid creditors of Ksh. 20,007,531 who have been outstanding for over an average of 2.5 years. The projects are reported to have been financed through LATF funds which has since lapsed from FY 2013/14. During the period under review the County Treasury reported that they did receive any LATF.

In addition, the County has accumulated pending bills/creditors of Ksh. 304, 404, 718 over the last few years. Some of these bills (**Annex 4**) include the statutory and general creditors, and LATF uncleared cheques. The County Treasury reported that they have budgeted for these creditors in the FY 2014/15 Budget.

The local revenue collection measures should be enhanced since the reported leakages from the collection agents is enormous which may hamper service delivery at the County. In addition, County Treasury should put measures to ensure all revenue from all sources collected is deposited into the County Revenue Collection Account at Co-operative Bank regularly and further swept to the County Revenue Fund Account as per the set regulations. This would assist the County in accumulating adequate cash flows and establish a basis for future requisition of credit from the County Revenue Fund.

The IFMIS system needs to fast tracked to fully operationalisation to as to curb leakages, save time and resources used in the public financial management in the county. The G-Pay should be put into operation and the usage of bank checks downscaled so as to enhance efficient and effective reconciliations of payments. The challenges of connectivity should be a priority for the National Government as it embarks on the disbursement of funds to the County for FY 2013/14.

Procurement processes should be aligned to the laid down government framework and fast-tracked in order to secure the expenditures within the budgeted framework. This would improve the absorption rate of the funds allocated to the County so as to provide the required services to the citizens of Narok. In addition, the pending bills should be repaid so as that the County is able to maintain its creditworthiness to the general public.

We also recommend that monthly reports should be submitted by the County Treasury in a timely manner and in the format prescribed by the Office of the Controller of Budget in order to facilitate the production of accurate reports which would facilitate timely and effective decision making.

4.2 Conclusion

The absorption of resources during the period under review was generally high especially on the recurrent expenditure. However, the absorption rate for the Development expenditure of Ksh. 61,592,200 was only Ksh. 3,115,723 as at 30th June 2013 indicating the challenges of

ANNEXES

Annex 1: Summary of Revenue and Expenditure for period March to June 2013

NAROK COUNTY GOVERNMENT							
RECURRENT AND DEVELOPMENT EXPENDITURE ESTIMATES FOR THE FINANCIAL YEAR ENDING JUNE 2013							
II). HEADS AND ITEMS UNDER WHICH THESE EXPENDITURES WILL BE ACCOUNTED FOR BY NAROK COUNTRY							
				PRINTED ESTIMATE S	REVISED ESTIMATE S	TOTAL EXPENDITURE	BALANCE
000 1			0001 Country Assembly Services				
	01		Headquarters				
		2110 100	Basic Salaries - Permanent Employees	71,922,201	71,922,201	71,921,388	813
		2110 116	Basic Salaries - Country Assembly Services	71,922,201	71,922,201	71,921,388	813
		2210 300	Domestic Travel and Subsistence and Other Transportation Costs	23,117,850	23,117,850	23,055,387	62,463
		2210 301	Travel Costs (airlines, bus, railway, mileage allowances etc)	23,117,850	23,117,850	23,055,387	62,463
		2210 800	Hospitality Supplies and Services	7,705,950	7,705,950	3,081,990	4,623,960
		2210 801	Catering Services(receptions), Accommodation, gifts, food and drinks	7,705,950	7,705,950	3,081,990	4,623,960
		3110 302	Refurbishment of Buildings	18,091,956	11,591,956	1,012,040	10,579,916
		3110 302	Refurbishment of Non-residential Buildings	18,091,956	11,591,956	1,012,040	10,579,916
			NET EXPENDITURE FOR HEAD 0001	120,837,957	114,337,957	99,070,805	15,267,152
000 2			0002 County Executive Services				
	01		Headquarters				
		2110 100	Basic Salaries - Permanent Employees	18,000,000	18,000,000	17,981,932	18,068
		2110 117	Basic Salaries -County Executive Services	18,000,000	18,000,000	17,981,932	18,068
		2210 300	Domestic Travel and Subsistence and other Transportation Costs	5,785,714	5,785,714	5,784,014	1,700
		2210 301	Travel Costs (airlines, bus, railway, mileage allowances etc)	5,785,714	5,785,714	5,784,014	1,700
		2210 800	Hospitality Supplies and Services	1,928,571	1,928,571	1,923,062	5,509

		2640 100	Scholarship and other Educational Benefits	-	19,500,000	19,500,000	-
		2640 100	Scholarship and other Educational Benefits	-	19,500,000	19,500,000	-
		3110 300	Refurbishment of Buildings	18,091,956	11,591,956	681,060	10,910,896
		3110 302	Refurbishment of Non-Residential Buildings	18,091,956	11,591,956	681,060	10,910,896
		3110 700	Purchase of Vehicles and Other Transport Equipment	10,000,000	10,000,000	9,999,857	143
		3110 701	Purchase of Motor Vehicles	10,000,000	10,000,000	9,999,857	143
		3111 000	Purchase of Office Furniture and General Equipment	3,250,000	3,250,000	3,241,130	8,870
		3111 001	Purchase of Office Furniture and Fittings	300,000	300,000	297,645	2,355
		3111 002	Purchase of Computers, Printers and other IT Equipment	1,400,000	1,400,000	1,398,105	1,895
		3111 003	Purchase of Air conditioners, Fans, and Heating Appliances	50,000	50,000	46,000	4,000
		3111 009	Purchase of Other Equipments	1,500,000	1,500,000	1,499,380	620
			NET EXPENDITURE FOR HEAD 0003	34,503,611	47,503,611	36,572,842	10,930,769
			TOTAL NET RECURRENT EXPENDITURE NAROK COUNTY	199,147,810	199,147,809	161,874,565	37,273,244
							-
		3110 200	Development	61,592,200	61,592,200	3,115,723	58,476,477
			TOTAL NET EXPENDITURE NAROK COUNTY	260,740,010	260,740,009	164,990,288	95,749,721

Source: Narok County Treasury

Annex 2: Total Local revenue Collection for the period March to June 2013

NAROK COUNTY GOVERNMENT						
ACTUAL MONTHLY LOCAL REVENUE COLLECTION						
FOR THE PERIOD MARCH TO JUNE 2013						
		Mar-13	Apr-13	May-13	Jun-13	Totals
1	CENTRAL GOVERNMENT TRANSFERS					
	LATF	0	0	0	0	0
	RMLF	0	0	0	0	0
	Disaster fund & Kazi kwa Vijana	0	0	0	0	0

	Plot transfer fees	141,000	135,000	148,500	90,000	514,500
	Sub-division fees	3,000	7,500	5,000	6,000	21,500
	Change of name	4,000	-	12,000	-	16,000
	Survey fees	22,500	17,000	15,000	6,000	60,500
	Plan approval fees	10,000	52,800	12,500	37,500	112,800
	Beacon search fees	-	-	-	-	-
	Change of user	16,000	8,000	16,000	8,000	48,000
	Building inspection fees	27,000	-	34,500	30,000	91,500
	Clearance certificates	-	-	-	-	-
	Stand premium	-	-	-	-	-
	TOTALS	1,922,346	1,523,073	1,287,291	1,133,516	5,866,226
10	Park entry Fees	51,644,115	39,134,595	45,767,645	21,382,018	157,928,283
11	Mara Conservancy	3,775,243	-	3,444,213	-	7,219,456
	TOTALS	55,419,358	39,134,595	49,211,858	21,382,018	165,147,829
12	MISCELLANEOUS INCOME					
	Search fee	10,000	15,000	11,000	5,500	41,500
	Sale of Council minutes	600	1,933,846	4,234,354	-	6,168,800
	Misc income	9,396,938	10,000	-	386,000	9,792,938
	Impounding charges	4,000	-	-	-	4,000
	Towing fees	-	-	-	-	-
	Charcoal cess	-	-	-	-	-
	Court fines	-	-	-	-	-
	Sale of tender documents	-	-	51,000	1,031,000	1,082,000
	Hire of stadium/Hall	1,000	-	-	1,000	2,000
	Hire of council vehicles	-	-	-	-	-
	sale of tree seedlings	-	-	-	-	-
	Disposal of council assets	-	-	-	-	-
	Nursery school fees & Reg of School	-	5,000	5,000	14,000	24,000
	Insurance recoveries	-	-	-	-	-
	TOTALS	9,412,538	1,963,846	4,301,354	1,437,500	17,115,238
13	Game 19%	-	-	-	-	-
	GRAND TOTALS	72,678,070	50,148,200	61,192,552	28,249,476	212,268,298

Source: Narok County Treasury

Annex 3: List of Ongoing Projects for the period ending 30th June 2013

NAROK COUNTY GOVERNMENT									
ONGOING PROJECTS AS AT 30th JUNE 2013									
No	Name of Project	Year	Description	Location	Budgeted COST	Payments	Balances	Contractor	Status
1	Olorropil	2011/12	2	Olorropil	1,000,000	500,000	500,000	S.M.C	On

26	Ilmotiok Polytechnic	2009/10	2 Rooms	Ilmotiok	1,000,000	500,000	500,000	S.M.C	On Going
27	Olorite Pri. School	2009/10	Light Grading	Loita west	1,000,000	550,000	450,000	Jitegemee	On Going
28	Olepolos Dispensary	2009/10	Dispensary	Olpusimoru	700,000	500,000	200,000	Dispensary	On Going
29	Sakutiek Sec. school	2009/10	Dining Hall	Upper Melili	1,500,000	750,000	750,000	Dankev	On Going
30	Olokurto H/Centre	2009/10	Health Centre	Olokurto	1,044,593	489,170	555,423	Health Centre	On Going
	TOTAL				44,371,944	24,364,413	20,007,531		On Going
	NB; S.M.C - School Management Committee								

Source: Narok County Treasury

Annex 4: Summary of pending Bills for the Period ending 30th June 2013

NAROK COUNTY GOVERNMENT		
SUMMARY OF PENDING BILLS		
FOR THE PERIOD ENDING 30TH JUNE 2013		
ENTITY	DESCRIPTION	TOTAL AMOUNT OWED
Narok County Council	General Creditors	69,381,304
	Projects/development	22,318,846
	Bursary	8,817,308
	LATF Project	20,007,531
	LATF Uncleared Cheques	15,062,912
	19% Officer	15,989,987
	Statutory Creditors	129,653,210
Narok Town Council	General Creditors	23,173,620
TOTAL		304,404,718

Annex 5: Revenue Sources and Expenditure as at 30th June 2013

NAROK COUNTY					
REVENUE SOURCES					
For the period (March-June 2013)					
	March	April	May	June	Total
National Government Grant	-	79,659,124	59,744,335	59,744,350	199,147,809
Own Revenue	72,678,070	50,148,200	61,192,552	28,249,476	212,268,298
LATF	-	-	-	-	-
Transition	-	-	-	61,592,200	61,592,200



GENERAL

The long rains failed over most of the country, certainly April and May were driest for the past twenty years in the Mara. There were a few scattered showers over most of the Triangle that just maintained a green tinge to the grass – a far cry from the normal storms. Kenya does not need a drought this year. There will be crop failure and many of the crops in Narok County are going to fail. Narok County is a major meat supplier, Kenya's largest wheat producer and also a major maize producer. The Narok maize crop has not only been hit by drought but has been affected by Maize Lethal Necrosis Disease (MLND) – a very severe viral disease that appears to be widespread in the maize producing areas of Trans Mara. This drought will no doubt also have an impact on Kenya's export crops – tea and coffee and possibly horticulture. There is already talk of importing maize – reduced export earnings and the increased cost of importing food. Couple this with a major reduction in Kenya's other major foreign exchange earner; tourism, and it will be very difficult to meet growth projections for 2014/15. Kenya is very reliant on hydroelectric power and will probably have to supplement this with expensive diesel power – at least until other forms of natural, wind and geothermal, power come on line. All this is a potential recipe for inflation and devaluation.

The Mara River has been low all year, with the exception of one or two flash floods in March. Hippo contamination seems very high and the water has a dark green tinge and strong smell of rotting vegetation – probably even more marked than during other periods of exceptionally low flow that we have witnessed in the past.

The Chief Executive met with community leaders in Narok on the 12th, to discuss a revenue sharing formula from funds generated by the Reserve. The County Government, in consultation with the leaders, will make a final decision. Three of our Board members met with the Governor on the 15th.

The United States, Britain, France and Australia issued Travel Advisories to their citizens on the 15th – citing a credible threat in Mombasa and in densely populated areas of Nairobi. The following day two bombs went off in the Gikomba Market in Nairobi – killing around a dozen people and injuring over 70. The immediate reaction by some of the large British Tour Operators was to evacuate over 600 tourists and to cancel all flights to Mombasa until the end of October. A disaster for tourism; already reeling from the worst year in recent memory. People in the security business are saying that the bombs are becoming very sophisticated and many multinational companies are making evacuation plans, in the event that things escalate out of control. The President subsequently announced some measures aimed at revitalising the industry: removing VAT from airline tickets, reducing KWS Park entrance fees from US\$ 90 to US\$ 80 and some measures that will encourage domestic tourism.

We held a Board meeting in Nairobi on the 16th. The Board endorsed our willingness to extend our Management Agreement with Narok County for a further five years; as provided for in Section 5, Clause 2 of the current agreement.

Garvey, our sniffer dog at Purungat, became ill with trypanosomiasis and had to be taken to Nairobi for treatment. He was treated on the 17th, and returned to the Mara on the 19th. The dog vaccination campaign continues and so far over 3,000 dogs have been vaccinated against Canine Distemper and Rabies.

We were awarded a Certificate of Excellence from Trip Advisor for the third year running.

The Chief Executive and wardens attended a meeting on security at Mara Sarova on the 28th. It was decided that there should be metal detecting wands at entry points and at the camps and lodges.

RESEARCH

Ms Ljubica Butcovic and her partner, Kevin Smallman, will be studying the Oloololo lion pride for the next three months as part of Ljubica's post-graduate degree.

WILDLIFE

Large numbers of zebra crossed into the Mara Triangle from the Loita Plains – indicating the severity of the drought in the eastern portion of the Mara ecosystem.

One young elephant was found dead near Kichwa Tembo camp, there were no visible signs of injury and it would appear that it slipped and fell.

The three large male lions that first appeared along the Tanzanian border/Egyptian Goose area have moved to near Little Governors. On the 26th they met up with a lioness and three cubs, a little under a year old. The males then chased and killed all three cubs. The mother escaped. This happens all too often in the Triangle – hopefully these three males will form their own territory and be a strong enough coalition to sire and raise many cubs in future.

The first wildebeest started appearing in the Triangle on the 27th. We can expect the migration to start in earnest by early June, at least a month earlier than normal and an indication of the severity of the drought in the Serengeti.

STAFF

The Kenya Wildlife Service trained five members of staff on rhino identification and monitoring at Sekenani between the 26th and 30th.

Ms Angela Yang returned to the United States on the 26th. She has put in a number of fund-raising proposals and we hope that they will start yielding some support and funds in the coming months. Ms Yang has revamped our facebook page and we now have over 25,000 fans.

Dr Asuka Takita has taken six week's unpaid leave. She was instrumental for the production of a documentary for the Japanese audience on poaching and the ivory trade. Two documentaries have been aired on Japanese television and has reached an audience of millions.

TOURISM

People in the tourism industry are all complaining of a 25-30% reduction in the number of visitors. Operators who have taken out loans are having to re-schedule payments and there is a chance that a number of camps will have to close. The Government has just announced the release of funds for promotion and marketing – probably too little, too late to have a significant impact on this year. The other measures announced by the President on the 23rd will also help, but whereas filling beds with local tourists will help the industry, it will not make a substantial difference to Park and Reserve revenues – you need six local tourists to pay the equivalent of one non-resident in Park fees. Kenya's Parks and Reserves, the foundation on which the tourism industry is built, are facing increasing pressure from encroachment and poaching and

any reduction in revenue will only compromise the ability of the Kenya Wildlife Service and Counties to protect and maintain these invaluable areas.

We had another attempt at defrauding the Triangle of Park fees on the 27th – people using someone else's identification to get citizen rates, instead of paying the non-resident rate. They were fined Ksh 10,000 each and made to pay the full Park fee.

SECURITY

Twenty-five people were arrested for poaching in May – five of them on the Narok side of the Reserve.

One person was arrested on the night of 27th April by the Iseiya team.

Three people were ambushed by the Ngiro-are team on the night of the 2nd near Lempise, in the Lemai Wedge; two escaped and one person was arrested.

The Ngiro-are rangers arrested one person during a late patrol on the evening of the 5th – two managed to escape.

A routine patrol found some poacher tracks near Nyumba Nane on the 6th – a thorough search of the area found no further signs. The following day the rangers crossed the river and found a recently butchered hippo carcass and a spear from a freshly speared hippo. They found a vacated camp along the same stream and another on Sand River.

The Ngiro-are rangers patrolled the escarpment towards Lemai on the 10th and came across three people on the Mara River. Two of the people escaped across the river, the third was arrested with a machete and fishing gear.

The Ngiro-are team arrested one person, from a group of five, on the 11th – as they came into the Lemai Wedge from Kigonga. They had dogs, machetes and spears when arrested, and were on their way to hunt warthog. Five days later, on the 16th, three more people were arrested in the same area with dogs, spears and machetes – again on their way to hunt warthogs.

Our teams continued monitoring the area just across the Mara River, on the Narok side of the Reserve and were rewarded on the 18th – when they came across six poachers who had killed and butchered a hippo. The team managed to arrest five people – from Kigonga and Masanga in Tanzania. Morani, one of our dogs, was responsible for locating one of the poachers. The five all pleaded guilty to poaching and being in Kenya illegally – they were each jailed for two years for poaching and an additional three months for illegal entry.

The next day one of our patrols came across a large load of dried meat, saucepans and maize meal abandoned upstream from the Talek junction, on the Mara River. There was no sign of a poachers' camp on our side of the river and so our rangers crossed over on the 21st and found where the poachers had been camping on the Narok side of the river and where they had killed and butchered a hippo.

The Ngiro-are team set an ambush at Ol Donyo Nasipa – on the Kenya/Tanzania border – on the night of the 20th and managed to arrest two people. The two were part of a group of five who were hunting Thompson's gazelle with dogs and torches. No animals were killed.

The Ngiro-are rangers joined forces with their Tanzanian counterparts from Kokatende for a late patrol in the Lemai Wedge on the 27th. The patrol was a great success, with the arrest of ten people – armed with spears and knives and on their way to hunt gazelle with dogs at around 6.00 pm.

REVENUE AND ACCOUNTS

Our revenue in March and April was actually slightly higher than for the same period last year. However, the overall trend has been consistently downwards since 2011 – our share of revenue between July and April was Ksh 131,427,000 in 2011/12, Ksh 121,003,000 in 2012/13 and Ksh 112,050,000 so far in the 2013/14 financial year (see Table 2). We are faring better than most, hopefully because we offer the best product in the Mara.

The Kenya Shilling was also slightly stonger in 2011; trading at around Ksh 82. It remained remarkably constant in 2012 and 2013, at around Ksh 85/86, but has begun to slide to Ksh 87 : 1 US\$ in the past month.

REVENUE COLLECTED AND DISTRIBUTED FOR THE MONTH OF APRIL 2014

	NOVEMBER-13			
	US\$	KSH	US\$	KSH
Collected				
Ticket sales	135,405.00	2,779,900.00	-	-
Non-ticket sales	5,380.00	104,700.00		
Balance for Distribution	140,785.00	2,884,600.00	-	-
Distributed				
Trans Mara County Council	51,704.80	1,058,349.00	-	-

Group Ranches	25,726.95	528,181.00		
Sub-total	77,431.75	1,586,530.00	-	-
Mara Conservancy	63,353.25	1,298,070.00	-	-

TOTAL MONTHLY REVENUE COLLECTED SINCE JULY 2011

	2011	2012	2013
July	57,134,120.00	48,416,518.00	55,572,270.00
August	65,145,760.00	66,209,101.00	64,184,060.00
September	55,219,600.00	43,903,820.00	41,690,275.00
October	43,064,725.00	42,303,296.00	34,658,900.00
November	29,888,685.00	23,129,525.00	21,337,280.00
December	27,568,760.00	27,763,750.00	18,340,450.00
January	29,587,960.00	31,454,940.00	21,686,950.00
February	23,477,120.00	25,968,430.00	21,579,650.00
March	16,894,510.00	15,176,250.00	17,206,910.00
April	17,093,100.00	11,794,190.00	14,992,110.00
	365,074,340.00	336,119,820.00	311,248,855.00

DEVELOPMENT

We removed a huge boulder from the main road near Purungat. The boulder was forcing vehicles to pass at a dangerous angle.

We have started grading our main roads and this work should be complete by the end of June.

A very large tree had been washed up against the lower bridge at Purungat, we had to use a power saw to remove it.

We installed grills on the windows at the Gate House, Purungat.

The waste water system was unblocked at Iseiya. We also did a major clean up of the compound and collected over two pick-up loads of rubbish – much of it discarded lunch boxes and water bottles from the car wash area.

The mess tent in the Chief Executive's tent was repaired and a new flysheet made.

REPORT ON FOCUS FOR FEBRUARY

Complete dog kennel	Done
Possibly burn one small block	Not done
Continue with road maintenance	Done
Hold Board meeting	Done
Work with Country on stakeholders' meeting	Set for June
Survey Reserve boundary	Not done

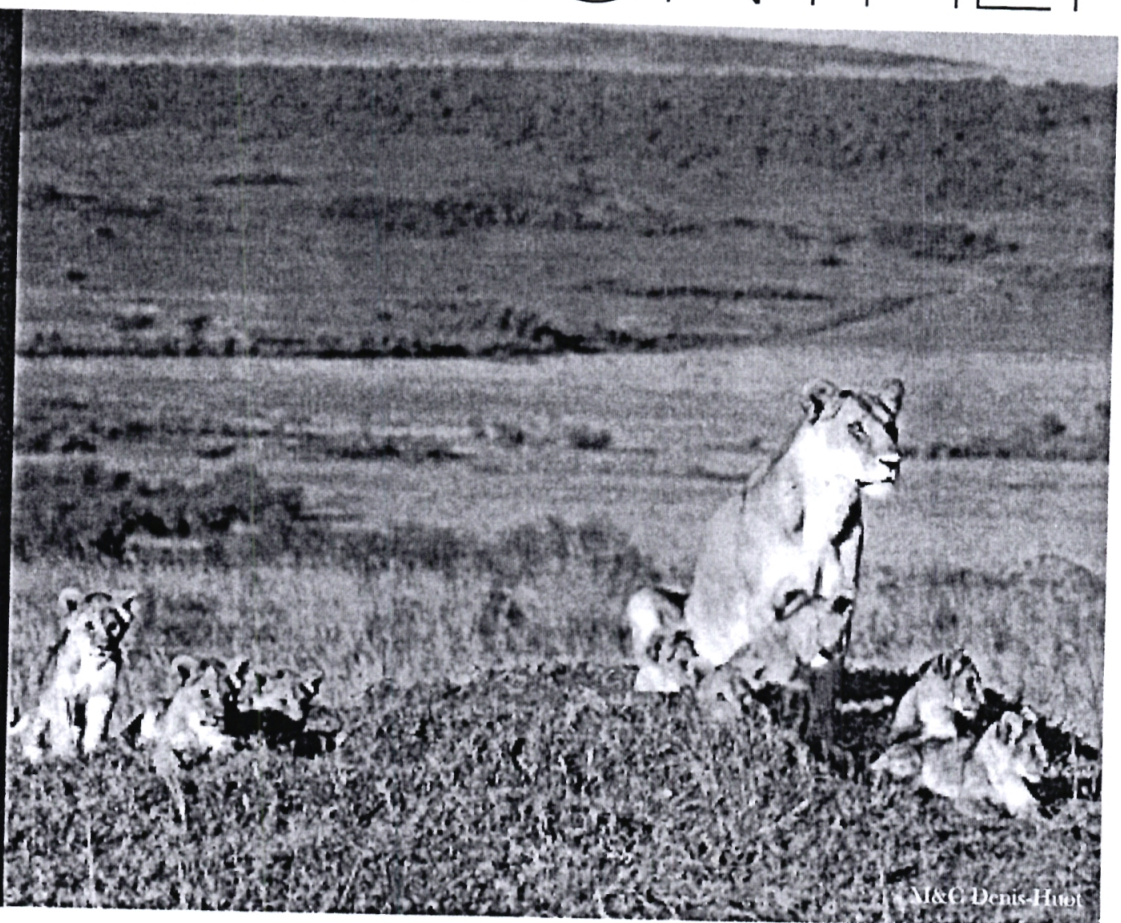
FOCUS FOR MAY 2014

- Cut game viewing tracks;
- Continue grading roads;
- Prepare annual work plan and budget;
- Hold Board meeting in the Mara;
- Work with County on stakeholders' meeting; and
- Survey Reserve boundary.

MARA MONTHLY

JANUARY 2014

Lion cubs were seen frequently during February in the Mara Triangle



M&C Denis-Hubb

MARA CONSERVANCY CHIEF EXECUTIVE'S REPORT FOR JANUARY 2014

By Brian Heath

GENERAL

Two weeks of scattered showers and thunderstorms kept the Triangle green for most of December. One or two of the storms were extremely heavy – in excess of 65 mm (2.5"). As usual, these heavy storms can do considerable damage and this year was no exception, with sections of the roads near Oloololo Gate almost being washed away.

There is absolutely no doubt now about Kenya being off the tourist radar. Tourism in Kenya is about to face a very serious crisis. The official figures indicate that tourist visitors declined by 7% in 2013 – this on the back of a significant drop in 2012. Visitors from Europe declined by 15.3% and visitors to the coast were fewer by 11% (Daily Nation: 20 January 2014, p 29). These figures in themselves are alarming. What they don't reflect is that the rate of decline is increasing. December 2013 was a disaster and the projections for early 2014 are for more of the same. Normally there is a short peak in tourist numbers over the Christmas period – this did not happen this year at all. In fact December was one of the worst months we have had in years and the situation was only salvaged slightly by a significant increase in the number of Kenyans visiting the Mara. However, local tourism centres around school and

We can easily expect a further 10 - 15% decline in tourism in 2014 unless the Government takes action. How does this fit with Government statements about increasing tourists from 1.8 million to 3 million by 2017 (The Standard: 13 January 2014, p14)? It will take a lot more than wishful thinking to turn around the impending tourism disaster facing the country. The fundamentals: alienating the West, insecurity, corruption, poor infrastructure, high taxation (16% VAT has now been imposed on Park Tickets with effect from January 2014), and a poor tourism product – be it at the coast, or in the Parks and Reserves - all need to be addressed, and addressed quickly.

We held a senior staff meeting on the 20th to determine measures that should be taken to cope with the drastic drop in revenue.

WILDLIFE

We have at least two prides with young – less than 3 month old - cubs. One pride has 12 cubs and the other has five.

We have pockets with large wildlife concentrations; the best being near the Tanzanian border. The few resident wildebeest all gave birth around the full moon – a month

STAFF

We conducted our annual staff transfers on the 15/16th and unfortunately had to lay off 14 casuals.

We held a half-day workshop for senior staff on the 20th. The purpose of the workshop was to discuss the financial situation and look for ways of increasing income and reducing expenditure. Everyone agreed that we were facing a very serious financial situation – if we retained the status quo, and increased basic salaries by 60% (now implemented by all Counties), the Conservancy would run out of money in March 2014 and have a shortfall of Ksh 21 million by the end of June. In order to try and alleviate the situation the staff agreed to the following measures:

- Senior management to take a salary cut, up to 50%;
- Conservancy to implement the 60% salary increase, but
 - All staff will take two week's unpaid leave between now and June;
 - There will be no bonuses;
 - All allowances will be drastically reduced;
- The grader will be grounded and only do minimal work;
- One vehicle from Ngairo-are will be grounded;
- Patrols will concentrate on the Triangle.

TOURISM

The Mara Triangle received a certificate of excellence – 5 “stars” for the second year running from Tripadvisor with 228 of 235 reviews either rating it as excellent or very good (205 excellent & 23 very good). (http://www.tripadvisor.com/Attraction_Review-g294209-d671383-Reviews-Mara_Triangle-Maasai_Mara_National_Reserve_Rift_Valley_Province.html).

Visitor numbers are extremely low, with lodges running at 30% occupancy – or lower. For the few people brave enough to visit Kenya and the Mara the game viewing has been wonderful, and people have the Reserve all to themselves!

RESEARCH

We had a group from the Field Museum of Natural History and National Museums of Kenya, headed by Dr Bruce Patterson and Paul Webala, studying bats. They found three species that had not been recorded in the Triangle before.

SECURITY

Eleven people were arrested in January and 65 snares were recovered. A number of hippo were killed on the Tanzanian stretch of the Mara River and there was an increase in night hunting for Thompson's gazelle. This is normal for this time of year and we can expect to see incursions into the Triangle as poachers target warthog.

The Ngairo-are rangers recovered eight wire snares on the 1st at Nyakunguri, a thicket in the Triangle, close to the Tanzanian border. The snares were all set high, for giraffe.

The Isiaya rangers arrested two people at 1.00 am on the night of the 3rd near Konyoike on the Kenya/Tanzania border. The two were part of a larger group who came in at midnight to hunt gazelles with dogs and torches.

The Ngairo-are rangers collected 15 snares near Maji ya Bett on the 5th and then arrested four people at 7.30 pm on the Masanga route into the Lemai Wedge.

On the 6th our rangers found a poached hippo downstream from Kokatende – that whole stretch of the river seems completely devoid of hippo – the result of sustained hunting by the wa Kuria. The following day the rangers arrested one person opposite the Ngira Lugga – had supplies for three days and 22 hooks, all baited with small pieces of fish and set up ready for fishing. That evening the Isiaya rangers arrested two people as they entered the Lemai Wedge to hunt Thompson's gazelle.

Our rangers recovered six snares along the border on the 18th. A day later the Oloololo rangers left at 3.00 am; to follow up on a report of poachers on the Oloisukut Conservancy. Unfortunately the poachers escaped, but the rangers recovered 36 wire snares, four arrows, a spear and four homemade panniers – used to carry out meat.

Our rangers set an ambush near Watu Kumi, in the Lemai Wedge on the night of the 23rd – a large number of

Three species of bats previously not recorded in the Mara were found when bat researchers visited the Mara Triangle.



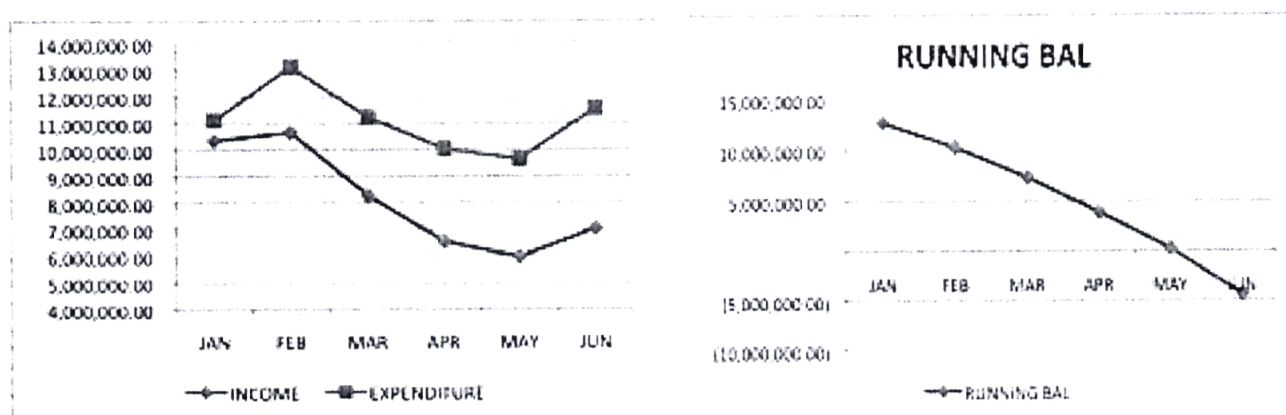
poachers came into the area but all managed to escape. Two people were arrested the following night by the Oloololo/ Anne Kent-Taylor scouts near Ngos-Nanyuki with zebra meat. They were taken to Lolgorien Police Station and prosecuted.

A routine patrol along the Mara River in Tanzania on the 25th came across three fresh hippo carcasses downstream from Kokatende; one of them had been partly butchered. The rangers recovered six spears, torches and knives and it would appear that the poachers had been alarmed by a Tanzanian patrol the previous night.

REVENUE AND ACCOUNTS

December revenue dropped a further 12% on November and a huge 34% on December 2012. Any hopes that we might see a reversal in the downward trend and that tourism might pick up seem unfounded. The two graphs below show the financial situation after the staff meeting on the 20th. The decisions made at the meeting certainly improved a dire situation, but we will still end up in May with no funds, and end the year with a cash deficit of Ksh 4 million. This is probably manageable, with other cost-cutting measures but it will leave us with no reserves and probably another poor tourist year.

Projected gap between income and expenditure between January and June 2014 and cash balances for the same period (Ksh)



REVENUE COLLECTED & DISTRIBUTED FOR THE MONTH OF DECEMBER 2013

	US\$	Ksh	US\$	Ksh
Collected				
<i>Ticketed Sales</i>	139,975.00	3,768,200.00	-	-
<i>Non-ticketed Sales</i>	17,175.00	1,214,500.00		
Balance for Distribution	157,150.00	4,982,700.00	-	-
Distributed				
<i>Trans Mara County Council</i>	59,837.25	2,024,527.00	-	-
<i>Group Ranches</i>	26,595.25	715,958.00	-	-
Sub-total	86,432.50	1,763,575.00	-	-
Mara Conservancy	70,717.50	2,242,215.00		

DEVELOPMENT

- We renovated housing and buildings at Oloololo Gate;

- We used this opportunity to fix minor problems on our equipment and vehicles.

REPORT ON FOCUS ON JANUARY

Transfer staff	Done
Implement new County wage guidelines	Done
Work on new housing	Stopped at floor level
Continue with road repairs	Done
Finalise trip arrangements for staff	Deferred
Survey Reserve boundary	Deferred

FOCUS FOR FEBRUARY

- Continue with minor road repairs;
- Fit six gabions at culvert across the Sabaringo lugga;
- Continue with minor repairs to buildings; and
- Hold Board meeting on 14th.



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MARA MONTHLY

FEBRUARY 2014

March was a difficult month for our resident lions due to scarce prey



M&C Denis-Huet

MARA CONSERVANCY CHIEF EXECUTIVE'S REPORT FOR FEBRUARY 2014

By Brian Heath

GENERAL

There was sufficient rain through the first week to maintain grass growth. We then had a slight westerly wind that brought in a very thick smoke haze that sat over the whole area West of the Rift Valley until the 20th. Elsewhere in the Country, parts were experiencing heavy, unseasonal, rain – the result of a cyclone off Madagascar. The last week of February was as it should be, hot sunny days with a strong easterly wind.

A tussle between the different arms of Government dominated the news for most of February – the legislative arm (Parliament and Senate) seem intent on wresting power from the Governors. This is almost certainly linked to control of funds and resources – the Governors are seen as too powerful. The judiciary, and to a lesser extent, the Presidency have also become embroiled – as each arm determines their respective responsibilities and boundaries. The Constitution is very strong on checks and balances and the recent wrangles would be fine, if done for the right reasons – they are not. What is happening is purely an attempt to wrest financial control and funds from the Governors - and presumably provide opportunities for Members of Parliament and the Senate to “eat”: the

have a negative impact on Kenya's growth projections for 2014. We do not need this in conservation and the tourism industry. It has taken nearly a year for the Counties navigate the minefields on processes, procedures and accounting and start operating – we are only just now beginning to see things happening. No doubt devolution to the Counties has been fraught with difficulties and there may have been cases of misuse of funds and abuse of power. The Auditor General and the Anti-Corruption Commission are dealing with these issues and the President has come out very strongly against corruption.

Mr and Mrs David Watson spent nearly two weeks in the Mara as they worked towards producing a handbook of the Mara Triangle. The Watsons have completely redrawn their Mara Maps and have incorporated the conservancies in their new Atlas of the Masai Mara.

We hosted a Japanese film crew making a documentary on elephant poaching and the ivory trade for Voice, a Japanese network. Ivory is still sought after in Japan and we hope that this documentary will change people's perceptions.

Executive Committee members from the County spent the

We held a Board meeting on the 14th to discuss strategies to combat the significant downturn in tourism. The Board endorsed the measures already taken and agreed to recruit a professional fundraiser. The fundraiser, Ms Angela Yang will start in March and will be paid a commission on any funds raised.

WILDLIFE

We received a report that a leopard killed one of the three cheetah brothers along the border on the 19th. We searched the whole area but found no sign of the leopard or a dead cheetah. Two days later we found all three cheetah – all very healthy. We also found Mlima's male cub – he had just left his mother and was constantly calling for her.

Our lions begin to struggle at this time of year – when prey is relatively scarce. The cubs are the first to suffer and some of them are now rather thin and weak. The Oloololo pride has been leaving the Triangle and going up the escarpment – this is an annual event but is always fraught with danger, as they come into contact with livestock and the temptation to kill cattle increases.

STAFF

We implemented the new cost-cutting measures approved by staff in January and the first groups took their unpaid leave.

We held a Wardens and NCO's meeting on the 27th to discuss issues and agreed to set up a committee to look at discrepancies in salary scales.

TOURISM

February was reasonably busy – but still well down on previous years. The forecast for March, April and May is looking bleak – very few bookings.

Narok County has placed an advertisement in the local press on the 27th February, instructing all hotels, lodges and camps within the Maasai Mara National Reserve to provide the following within fourteen (14) days:

- Certified copies of original lease, duly registered;
- Notification of approval, and approved development plans;

- Environmental Impact Assessment licence;
- Receipts for payments made on account of the requisite licences and permits; and
- Change of user approvals.

We will wait to see what happens, but it is commonly acknowledged that the majority of camps in the Narok portion of the reserve have no legal right to operate within the National Reserve.

SECURITY

Five poachers were arrested in February; another three people were arrested as suspects in a camp theft on Mara North.

A client tent in Kicheche Camp, on Mara North was robbed of US\$ 3,900 as clients were having dinner. We assisted with the dogs and our rangers managed to arrest three people – all employees of the camp.

On the 10th a routine patrol came across fresh tracks in the Lcmai Wedge and then found seven wire snares. They left the snares in place, with the intention of returning to ambush the site. When they did return, the snares had been taken.

On the 12th another patrol found a butchered hippo near the Army Drift, just in Kenya.

On the 14th we received a report that one person had been seen near cul-de-sac on the Narok side of the Reserve. Our rangers joined forces with their counterparts from Musiara and arrested him. He was a suspected stock-thief who had been separated from his companions when they had been scattered by elephant.

The Iseiya team arrested three people during a late patrol on the 17th – the third person would not have been caught without the use of Naeku, one of our dogs. The three were part of a group of five people who were fishing and hunting hippo upstream from Saiyari Camp in the northern Serengeti. They had arrived that morning and had caught some fish but had not yet killed a hippo. One wire snare and a hippo spear were recovered.

A young cheetah was abandoned by its mother "Mlima" this month and started to fend for





The Iseiya rangers picked up one ranger from Kokatende on the 18th and patrolled along the Mara River and then along the “Mama Kent” lugga. They saw two people at around 2.00 pm and managed to arrest one – the other escaped. The poachers had just arrived and had not started hunting.

REVENUE AND ACCOUNTS

January revenue was down on January 2013 by 30%. We are anticipating a 20% decline on last year for February and a similar trend for the low season – March to May. There are reasonable bookings reported for the high season, starting mid June 2014, but we still anticipate a difficult year ahead.

Kenya Airport Parking Services (KAPS) were awarded the contract to collect revenue for Narok County and started collecting Park fees for the Narok portion of the Reserve on the 20th February. There was an instant improvement in revenue collection and the discovery of numerous fake tickets being used by tour companies and guides.

REVENUE COLLECTED & DISTRIBUTED FOR THE MONTH OF JANUARY 2014

	US\$	Ksh	US\$	Ksh
Collected				
<i>Ticketed Sales</i>	185,585.00	2,154,000.00	-	-
<i>Non-ticketed Sales</i>	25,265.00	1,610,700.00		
Balance for Distribution	210,850.00	3,764,700.00	-	-
Distributed				
<i>Trans Mara County Council</i>	80,706.35	1,661,325.00	-	-
<i>Group Ranches</i>	35,261.15	409,260.00	-	-
Sub-total	115,967.50	2,070,585.00	-	-
Mara Conservancy	94,882.50	1,694,115.00		

DEVELOPMENT

- We reinforced the culvert across the Sabaringo Lugga with six gabions. This should halt further erosion on the downstream side of the crossing.
- We have hired out the grader to grade the Mara North airstrip – another contractor provided the murrum.

- We sent Lerejin Lekakwar to repair three TANAPA Land Rovers with the new Puma engines – these vehicles require computer diagnostics.
- The road team spent the month filling in small potholes on our roads.
- We repainted the entrance and office at Oloololo Gate.
- We have ordered new signs for some of the roads.

REPORT ON FOCUS ON FEBRUARY

Continue with minor road repairs	Done
Fit six gabions at culvert across the Sabaringo lugga	Done
Continue with minor repairs to buildings	Done
Hold Board meeting on 14 th	Done
Survey Reserve boundary	Deferred

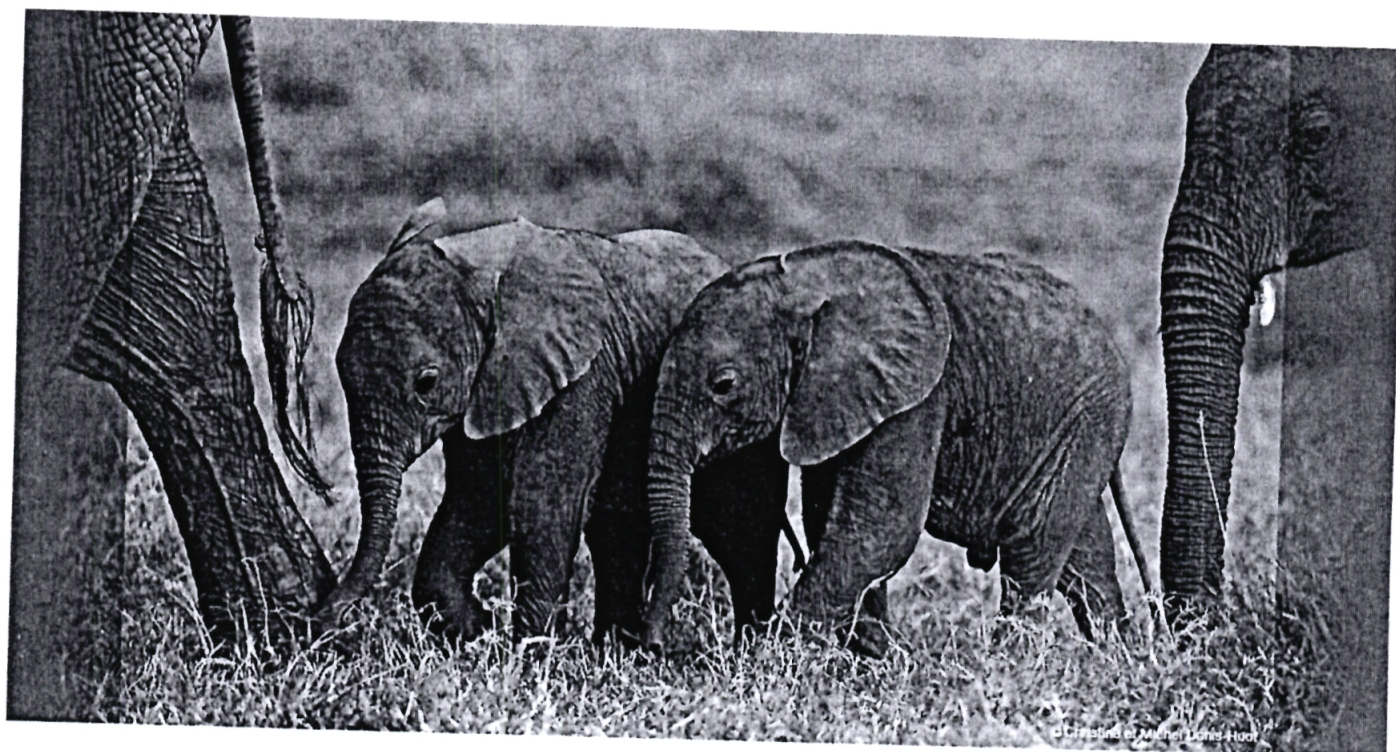
FOCUS FOR MARCH

- Improve kennels at Iseiya and Purungat;
- Continue with road works;
- Cut the Ngiro-are rifle range and do range practice for some of the rangers;
- Dig soak pit for kennels and do repairs to buildings at Ngiro-are;
- Review salaries & rectify anomalies; and
- Survey Reserve boundary.



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GENERAL

The April rains appear to have failed and unless we see any substantial rain in May we can expect a severe drought – we can expect intermittent storms between June and November, but they will probably be insufficient for significant grass growth. The pressure from livestock grazing in the Reserve and Conservancies will increase and there are bound to be a substantial number of cattle deaths. This comes on the back of an extended dry season in 2013 – when thousands of cattle died. Those that did not die have not fully recovered and are still in very poor condition.

We are beginning to see a concerted effort by Government to deal with the security situation. Hundreds, if not thousands, of people have been arrested for being in the country illegally – many of them from neighbouring Somalia and Ethiopia. Caches of arms and bomb-making items have been found in the crackdown. The initial focus for the operation was in the predominantly Muslim neighbourhood of Eastleigh – the focus for much of the insecurity in the recent past. This led to an uproar from the Somali community in Kenya. However, the operation expanded to most towns and centres in the Country and started finding illegal immigrants from all over Africa. There are still people out there with bombs – one was set off in a car on the 24th, killing four people, including two policemen.



The Kenya Wildlife Service (KWS) suspended six senior members of staff, including two who represent the face of their security and elephant programmes, in an attempt to deal with perceived corruption within the organisation. The KWS Director came to Narok County and said that more elephant were being poached in Narok County than anywhere else in the Country – over 20 have been killed this year to date. KWS feel that most of the elephant poaching is happening on the Conservancies and in the Reserve – this is not the case. The truth is that these elephant are being killed on the periphery – where landowners feel they get no benefits from Conservation and the animals are competing for resources.

Narok County is planning a stakeholder's meeting in the Mara for early May. The County will use this meeting to outline their concerns about the Mara; will inform the public of suggested changes that will be taking place, and may even use the forum to institute some of these changes.

RESEARCH

The Kenya Wildlife Service veterinary team darted several buffalo around the 16th – to check them for Trypanosomiasis.

Chris Dutton and Amanda Subalusky have returned to the United States, after an extended period in the Mara. They are hoping to return in August, before Amanda returns to finalise her PhD dissertation on the Mara River.

WILDLIFE

At least eight hyena and several jackal were poisoned around Talek this month. There were unconfirmed reports that lions had also been poisoned around Mara Simba as well.

Wildlife sightings in the Triangle have been excellent; a lot of lions and a few cheetah. Elephant have been numerous, especially in the areas that were flooded in March.

STAFF

Deloitte were contracted by Narok County, they came to the beginning of April to interview all members of staff seconded by the County to the Mara Conservancy.

TOURISM

Mr Richard Corcoran, MD of Liberty Africa Safaris sparked off a debate on factors affecting tourism in a letter to Travel News. Many of his points mirrored our sentiments – maybe not as succinctly put, but articulated all the same, in recent monthly reports.

The bottom line: tourism is going through its worst downturn in recent years, the decline is at least as great as after the post election violence in 2007. However, the downturn will continue for much



longer – at least through 2014 and into 2015, or until the Government addresses the fundamental issues:

- Corruption and insecurity go hand-in-hand – one of the major reasons for insecurity is the corruption surrounding immigration and the security services.
- Cost – Kenya is now an extremely expensive destination and tourists are going to destinations with better security, services and infrastructure, and excellent beaches and game parks – at a fraction of the price.

Sadly, conservation cannot be de-linked from tourism. A 30% downturn in tourism translates to a 30% decline in Park revenue – crucial in protecting our biodiversity, environment and wildlife. It is a vicious cycle – less revenue means fewer resources to protect Kenya's wildlife, this in turn leads to a diminished value on wildlife and more competition for resources; resulting in further loss of wildlife, which will in turn lead to fewer tourists.

SECURITY

Six people were arrested for poaching during April, one of them was trying to sell ivory.

The Ngiro-are rangers arrested three poachers near Kokamange, in the Lemai Wedge, at 7.00 pm on the 7th, a fourth person escaped.

The Iseiya rangers found a zebra caught in a snare near Lempise, in the Lemai Wedge on the 8th – they set an ambush but no one came. Two days later the same team recovered six wire snares in the same area.

On the 9th we received information that three people were trying to sell ivory on the escarpment. We used our informer to arrange a purchase on the 10th and managed to arrest one person and recover 4 kilograms of ivory in a joint operation with the GSU policemen based at Oloololo Gate.

The Ngiro-are rangers arrested two, of three, people near Lempise during a late patrol on the 11th. The two were armed with spears and machetes.

We found a partially butchered buffalo calf on the 23rd near Kishangaa in the Triangle. Our rangers had been called out on a false alarm the previous night and had probably frightened off the poachers.

Our Tanzanian counterparts reported that three armed men had crossed into Kenya along the Sand River on the night of the 23rd. The Narok rangers were unable to respond and so we sent two patrol teams – they found no sign of the bandits but did come across staff from Ashnil cutting down African Olive trees for firewood on the Tanzanian side of the border. The camps all prize the African Olive for their campfires because of its high oil content, and it burns very well. If we have 60 camps



in the Mara all cutting down Olive trees there will be none left – presumably Ashnil have depleted all the trees near their camp.

The rangers patrolled sections of the Narok portion of the Reserve on the 25th and found a recently poached hippo and a vacated poachers' camp. There are obviously people coming across into the South western portion of the main Reserve.

The Mara Elephant Project arrested a poacher with a G3 rifle and 15 rounds of ammunition on the night of the 27th near Lolgorien.

REVENUE AND ACCOUNTS

Our share of revenue for March was considerably less than the funds required to pay salaries – currently running at just under Ksh 8,000,000 (US\$ 93,000) – let alone all the other expenses incurred in running the Triangle. The Chief Executive has been unable to take a salary for March and April and the situation for May looks much worse. We will be very hard pressed to meet our salary obligations in May.

REVENUE COLLECTED AND DISTRIBUTED FOR THE MONTH OF MARCH 2014

	NOVEMBER-13			
	US\$	KSH	US\$	KSH
Collected				
Ticket sales	166,355.00	2,090,400.00	-	-
Non-ticket sales	7,380.00	175,300.00		
Balance for Distribution	173,735.00	2,265,700.00	-	-
Distributed				
Trans Mara County Council	63,946.80	848,959.00	-	-
Group Ranches	31,607.45	397,176.00		
Sub-total	95,554.25	1,246,135.00	-	-
Mara Conservancy	78,180.75	1,019,565.00	-	-

DEVELOPMENT

We patched all the damaged sections of our main roads and will continue to fill in minor potholes.

We used the grader for four days to touch up damaged sections of road – especially areas around

Oloololo Gate and down to Little Governors.

We have almost completed an extension to the dog kennels at Iseiya – this was paid for from a donation.

We repaired our welding machine and had to purchase a transfer box for the old TDI Land Rover.

REPORT ON FOCUS FOR FEBRUARY

Dig soak pit at Ngiro-are	Done
Continue with spot patching on the roads	Done
Ensure all equipment in good working order for the high season	Done
Continue with Fund raising	Ongoing
Continue with dog vaccinations	Done
Survey Reserve boundary	Not done

FOCUS FOR MAY 2014

- Complete dog kennel extension;
- Possibly burn one small block;
- Continue with road maintenance;
- Hold Board meeting;
- Work with County on stakeholders' meeting; and
- Survey Reserve boundary.



GENERAL

The long rains failed over most of the country, certainly April and May were driest for the past twenty years in the Mara. There were a few scattered showers over most of the Triangle that just maintained a green tinge to the grass – a far cry from the normal storms. Kenya does not need a drought this year. There will be crop failure and many of the crops in Narok County are going to fail. Narok County is a major meat supplier, Kenya's largest wheat producer and also a major maize producer. The Narok maize crop has not only been hit by drought but has been affected by Maize Lethal Necrosis Disease (MLND) – a very severe viral disease that appears to be widespread in the maize producing areas of Trans Mara. This drought will no doubt also have an impact on Kenya's export crops – tea and coffee and possibly horticulture. There is already talk of importing maize – reduced export earnings and the increased cost of importing food. Couple this with a major reduction in Kenya's other major foreign exchange earner; tourism, and it will be very difficult to meet growth projections for 2014/15. Kenya is very reliant on hydroelectric power and will probably have to supplement this with expensive diesel power – at least until other forms of natural, wind and geothermal, power come on line. All this is a potential recipe for inflation and devaluation.

The Mara River has been low all year, with the exception of one or two flash floods in March. Hippo contamination seems very high and the water has a dark green tinge and strong smell of rotting



vegetation – probably even more marked than during other periods of exceptionally low flow that we have witnessed in the past.

The Chief Executive met with community leaders in Narok on the 12th, to discuss a revenue sharing formula from funds generated by the Reserve. The County Government, in consultation with the leaders, will make a final decision. Three of our Board members met with the Governor on the 15th.

The United States, Britain, France and Australia issued Travel Advisories to their citizens on the 15th – citing a credible threat in Mombasa and in densely populated areas of Nairobi. The following day two bombs went off in the Gikomba Market in Nairobi – killing around a dozen people and injuring over 70. The immediate reaction by some of the large British Tour Operators was to evacuate over 600 tourists and to cancel all flights to Mombasa until the end of October. A disaster for tourism; already reeling from the worst year in recent memory. People in the security business are saying that the bombs are becoming very sophisticated and many multi-national companies are making evacuation plans, in the event that things escalate out of control. The President subsequently announced some measures aimed at revitalising the industry: removing VAT from airline tickets, reducing KWS Park entrance fees from US\$ 90 to US\$ 80 and some measures that will encourage domestic tourism.

We held a Board meeting in Nairobi on the 16th. The Board endorsed our willingness to extend our Management Agreement with Narok County for a further five years; as provided for in Section 5, Clause 2 of the current agreement.

Garvey, our sniffer dog at Purungat, became ill with trypanosomiasis and had to be taken to Nairobi for treatment. He was treated on the 17th, and returned to the Mara on the 19th. The dog vaccination campaign continues and so far over 3,000 dogs have been vaccinated against Canine Distemper and Rabies.

We were awarded a Certificate of Excellence from Trip Advisor for the third year running.

The Chief Executive and wardens attended a meeting on security at Mara Sarova on the 28th. It was decided that there should be metal detecting wands at entry points and at the camps and lodges.

RESEARCH

Ms Ljubica Butcovic and her partner, Kevin Smallman, will be studying the Oloololo lion pride for the next three months as part of Ljubica's post-graduate degree.

WILDLIFE

Large numbers of zebra crossed into the Mara Triangle from the Loita Plains – indicating the severity of the drought in the eastern portion of the Mara ecosystem.



One young elephant was found dead near Kichwa Tembo camp, there were no visible signs of injury and it would appear that it slipped and fell.

The three large male lions that first appeared along the Tanzanian border/Egyptian Goose area have moved to near Little Governors. On the 26th they met up with a lioness and three cubs, a little under a year old. The males then chased and killed all three cubs. The mother escaped. This happens all too often in the Triangle – hopefully these three males will form their own territory and be a strong enough coalition to sire and raise many cubs in future.

The first wildebeest started appearing in the Triangle on the 27th. We can expect the migration to start in earnest by early June, at least a month earlier than normal and an indication of the severity of the drought in the Serengeti.

STAFF

The Kenya Wildlife Service trained five members of staff on rhino identification and monitoring at Sekenani between the 26th and 30th.

Ms Angela Yang returned to the United States on the 26th. She has put in a number of fund-raising proposals and we hope that they will start yielding some support and funds in the coming months. Ms Yang has revamped our facebook page and we now have over 25,000 fans.

Dr Asuka Takita has taken six week's unpaid leave. She was instrumental for the production of a documentary for the Japanese audience on poaching and the ivory trade. Two documentaries have been aired on Japanese television and has reached an audience of millions.

TOURISM

People in the tourism industry are all complaining of a 25-30% reduction in the number of visitors. Operators who have taken out loans are having to re-schedule payments and there is a chance that a number of camps will have to close. The Government has just announced the release of funds for promotion and marketing – probably too little, too late to have a significant impact on this year. The other measures announced by the President on the 23rd will also help, but whereas filling beds with local tourists will help the industry, it will not make a substantial difference to Park and Reserve revenues – you need six local tourists to pay the equivalent of one non-resident in Park fees. Kenya's Parks and Reserves, the foundation on which the tourism industry is built, are facing increasing pressure from encroachment and poaching and any reduction in revenue will only compromise the ability of the Kenya Wildlife Service and Counties to protect and maintain these invaluable areas.

We had another attempt at defrauding the Triangle of Park fees on the 27th – people using someone else's identification to get citizen rates, instead of paying the non-resident rate. They were fined Ksh 10,000 each and made to pay the full Park fee.



SECURITY

Twenty-five people were arrested for poaching in May – five of them on the Narok side of the Reserve.

One person was arrested on the night of 27th April by the Iseiya team.

Three people were ambushed by the Ngiro-are team on the night of the 2nd near Lempise, in the Lemai Wedge; two escaped and one person was arrested.

The Ngiro-are rangers arrested one person during a late patrol on the evening of the 5th – two managed to escape.

A routine patrol found some poacher tracks near Nyumba Nane on the 6th – a thorough search of the area found no further signs. The following day the rangers crossed the river and found a recently butchered hippo carcase and a spear from a freshly speared hippo. They found a vacated camp along the same stream and another on Sand River.

The Ngiro-are rangers patrolled the escarpment towards Lemai on the 10th and came across three people on the Mara River. Two of the people escaped across the river, the third was arrested with a machete and fishing gear.

The Ngiro-are team arrested one person, from a group of five, on the 11th – as they came into the Lemai Wedge from Kigonga. They had dogs, machetes and spears when arrested, and were on their way to hunt warthog. Five days later, on the 16th, three more people were arrested in the same area with dogs, spears and machetes – again on their way to hunt warthogs.

Our teams continued monitoring the area just across the Mara River, on the Narok side of the Reserve and were rewarded on the 18th – when they came across six poachers who had killed and butchered a hippo. The team managed to arrest five people – from Kigonga and Masanga in Tanzania. Morani, one of our dogs, was responsible for locating one of the poachers. The five all pleaded guilty to poaching and being in Kenya illegally – they were each jailed for two years for poaching and an additional three months for illegal entry.

The next day one of our patrols came across a large load of dried meat, saucepans and maize meal abandoned upstream from the Talek junction, on the Mara River. There was no sign of a poachers' camp on our side of the river and so our rangers crossed over on the 21st and found where the poachers had been camping on the Narok side of the river and where they had killed and butchered a hippo.

The Ngiro-are team set an ambush at Ol Donyo Nasipa – on the Kenya/Tanzania border – on the night of the 20th and managed to arrest two people. The two were part of a group of five who were hunting Thompson's gazelle with dogs and torches. No animals were killed.

The Ngiro-are rangers joined forces with their Tanzanian counterparts from Kokatende for a late patrol in the Lemai Wedge on the 27th. The patrol was a great success, with the arrest of ten people – armed with spears and knives and on their way to hunt gazelle with dogs at around 6.00 pm.

REVENUE AND ACCOUNTS

Our revenue in March and April was actually slightly higher than for the same period last year. However, the overall trend has been consistently downwards since 2011 – our share of revenue between July and April was Ksh 131,427,000 in 2011/12, Ksh 121,003,000 in 2012/13 and Ksh 112,050,000 so far in the 2013/14 financial year (see Table 2). We are faring better than most, hopefully because we offer the best product in the Mara.

The Kenya Shilling was also slightly stonger in 2011; trading at around Ksh 82. It remained remarkably constant in 2012 and 2013, at around Ksh 85/86, but has begun to slide to Ksh 87 : 1 US\$ in the past month.

REVENUE COLLECTED AND DISTRIBUTED FOR THE MONTH OF APRIL 2014

	NOVEMBER-13		US\$	KSH
	US\$	KSH		
Collected				
Ticket sales	135,405.00	2,779,900.00	-	-
Non-ticket sales	5,380.00	104,700.00		
Balance for Distribution	140,785.00	2,884,600.00	-	-
Distributed				
Trans Mara County Council	51,704.80	1,058,349.00	-	-
Group Ranches	25,726.95	528,181.00		
Sub-total	77,431.75	1,586,530.00	-	-
Mara Conservancy	63,353.25	1,298,070.00	-	-

TOTAL MONTHLY REVENUE COLLECTED SINCE JULY 2011

	2011	2012	2013
July	57,134,120.00	48,416,518.00	55,572,270.00
August	65,145,760.00	66,209,101.00	64,184,060.00

