



COUNTY GOVERNMENT OF MOMBASA

**DEPARTMENT OF FINANCE AND ECONOMIC
PLANNING**

BUDGET CIRCULAR 2021/2022

AUGUST 2020

To obtain copies of the document, please contact:

Public Relations Office

Department of Finance and Economic Planning

County Assembly Building

P. O. Box 90440-80100

MOMBASA, KENYA

Tel: +254-41-2311531

Fax: +254-41-2311531 countyfinance@mombasa.go.ke



COUNTY GOVERNMENT OF MOMBASA
DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

REF: CECM/F&EP/ADM/08/20

Date: 14th August, 2020

County Treasury Circular No: B1/2020

To: All Accounting Officers

**RE: BUDGET PREPARATION GUIDELINES FOR THE FINANCIAL YEAR
BUDGET 2021/22**

Foreword

The Public Financial Management Law enacted in 2012 prescribes the Budget making process. As the Executive Member of Finance, I am required by The Act to oversee the budget process. In this Regard I issue the following guidelines that should guide the budget making for FY 2021/2022. The County will prepare the Program Based Budget as per the PFM Act.

The purpose of this circular is to inform and guide County departments on the preparation of the Budget for the period 2021/22. It also provides essential guidelines on the preparation of expenditure estimates and lays emphasis on efficiency, effectiveness and transparency of county public spending. These guidelines are issued as per the requirement of section 128 of Public Finance Management Act (PFM ACT 2012). The guidelines provide information on the following:

- a) Schedule for preparation of the budget, specifying the key dates by which the various processes are to be completed;
- b) The methodology for the review and projection of revenues and expenditures;
- c) Key policy areas and issues to be taken into consideration when preparing the budget;
- d) The procedures to be followed by members of the public who wish to participate in the budget process;
- e) The format in which information and documents relating to the budget are to be submitted; the information to be in conformity with standard budget classification systems as prescribed by regulations;

The implementation of the programme budgeting will involve the following steps;

- Establishing a meaningful functional programme and activity and classification of the government operations.
- Bringing the system of accounting and financial management in accordance with the classification made.
- Estimating the quality of physical resources like personnel, materials and services
- Developing standard norms for work units of performance.

For that reason, our main budget implementation tools will be;

- Comparing the Budget with the Actual performance.
- Analyzing to what extent procurement plans have been adhered to.
- Gauging the extent to which Annual development plans have been implemented
- Comparing the Departmental Cash flows predictions with reality (Actual).

Departments are therefore required to prepare realistic programme budgets as outlined in this guideline with a complete set of Cash flows, Procurement Plans and Annual Development Plans.

It is my wish that you will comply.



Maryam Mbaruk

EXECUTIVE COMMITTEE MEMBER – FINANCE AND ECONOMIC PLANNING

Foreword	iii
Abbreviations and Acronyms	vi
Legal Basis for the Publication of the Budget Guidelines	vii
Notable Broad Policies in Preparation of the Budget	viii
INTRODUCTION.....	1
Background	1
Objectives of the Budget Guidelines.....	1
THE BUDGETARY PROCESS FOR ANY GIVEN YEAR.....	2
Overview	2
Methodology for review and projections of revenues and expenditures	2
GUIDELINES	2
TIMELINES	7
DEADLINES TO BE OBSERVED BY MOMBASA COUNTY DEPARTMENTS	7
ANNEX I: REPORT FORMAT FOR DEPARTMENTAL PUBLIC EXPENDITURE REVIEW (DPER)	10
1.0 Introduction	10
2.0 The Department Programmes.....	10
2.1 Expenditure Performance.....	10
SOURCES OF FINANCES	14
Human Resources Development and Capacity Building.....	15
ANNEX II: PROGRAM BASED BUDGET TEMPLATE	16
VOTE NO:	16
A. Vision.....	16
B. Mission.....	16
C. Strategic Overview and Context for Budget Intervention	16
D. Programmes and their Objectives	16
Programme 1:.....	16
Programme 2:.....	16

Programme ...:	16
E. Summary of Expenditure by Programmes (Kshs.)	16
F. Summary of Expenditure by Economic Classification (Kshs.)	17
G. Summary of Expenditure by Programme and Economic Classification (Kshs.)	18
H. Details of Staff Establishment by Organization Structure (Delivery Units)	19
I. Summary of Programme Outcome and Performance Indicators for 2021/2022-2023/2024	19
J: Summary of the Programme Outputs and Performance Indicators	20
ANNEX III: PROJECTS IMPLEMENTATION TEMPLATE	21
ANNEX IV: CASH FLOW PROJECTION TEMPLATE	21
ANNEX V: BUDGET CALENDAR FOR THE FY 2021/22 MTEF BUDGET PROCESS	22
ANNEX VI: COMPOSITION AND TERMS OF REFERENCE FOR THE SECTOR WORKING GROUPS (SWG's)	23

Abbreviations and Acronyms

ADP:	Annual Development Plan
BG	Budget Guidelines
CBROP:	County Budget Review and Outlook Paper
CDMSP:	County Debt Management Strategy Paper
CFSP:	County Fiscal Strategy Paper
CIDP:	County Integrated Development Plan
COB:	Controller of Budget
DPER:	Departmental Public Expenditure Review
FY:	Financial Year
MTEF:	Medium Term Expenditure Framework
MTP:	Medium-Term Plan
PFM:	Public Finance Management
SWGs:	Sector Working Groups
TNT:	The National Treasury

Legal Basis for the Publication of the Budget Guidelines

The Budget Guidelines is prepared in accordance with Section 128 of the Public Financial Management Act, 2012. The law states that:

- (1) The County Executive Committee member for finance shall manage the budget process for the county.
- (2) Not later than the **30th August** in each year, the County Executive Committee member for finance shall issue a circular setting out guidelines to be followed by all of the county government's entities in the budget process.
- (3) The County Executive Committee member for finance shall include in the circular
 - (a) A schedule for preparation of the budget, specifying the key dates by which the various processes are to be completed;
 - (b) The methodology for the review and projection of revenues and expenditures;
 - (c) Key policy areas and issues to be taken into consideration when preparing the budget;
 - (d) The procedures to be followed by members of the public who wish to participate in the budget process;
 - (e) The format in which information and documents relating to the budget are to be submitted;
 - (f) The information to be in conformity with standard budget classification systems as prescribed by regulations; and
 - (g) Any other information relevant to the budget process
- (4) A County Government Entity shall comply with the guidelines and, in particular, shall adhere to the key dates specified in the schedule referred to in subsection (3)(a)

Notable Broad Policies in Preparation of the Budget

In line with the Constitution, the Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFM law (Section 15) states that:

- 1) Over the medium term, a minimum of 30% of the budget shall be allocated to development expenditure
- 2) The Government's expenditure on wages and benefits for public officers shall not exceed a percentage of the Government revenue as prescribed by the regulations.
- 3) Over the medium term, the Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure
- 4) Public debt and obligations shall be maintained at a sustainable level as approved by County Assembly
- 5) Fiscal risks shall be managed prudently
- 6) A reasonable degree of predictability with respect to the level of levies and charges rates and levies and charges bases shall be maintained, taking into account any levies and charges reforms that may be made in the future

INTRODUCTION

Background

This County Budget Guideline (BG) is prepared under the Public Financial Management Act, 2012. In line with the law, the BG contains a Format of the Budget to be adhered to by Various Departments of the County of Mombasa and dates in the Preparation of the Budget of the financial year 2021/22, and informs the Departments to consult the CFSP and the CBROP for their revenue and expenditure Ceilings.

Objectives of the Budget Guidelines

Under section 129 of PFM Act, the objective of the Budget Guideline is to: -

- i)** Enable the County Executive Committee member for finance to submit to the County Executive Committee for approval;
 - a) The budget estimates and other documents supporting the budget of the county government, excluding the county assembly; and
 - b) The draft Bills at county level required to implement the county government budget, in sufficient time to meet the deadlines prescribed elsewhere in this BG.
- ii)** Enable the Executive Committee member for finance upon approval of the budget by the executive committee to;
 - a) Submit to the county assembly the budget estimates, supporting documents, and any other Bills required to implement the budget, except the Finance Bill, by the **30th April in that year**; and
 - b) Ensure that the estimates submitted in subsection (a) are in accordance with the resolutions adopted by county assembly on the County Fiscal Strategy Paper.
- iii)** To enable the county assembly clerk to prepare and submit to the county assembly the budget estimates for the county.
- iv)** To enable the County Executive Committee member for finance to prepare and present his or her comments on the budget estimates presented by the county assembly clerk.

To enable the County Executive Committee member for finance to ensure that the budget process is conducted in a manner and within a timeframe sufficient to permit the Participants in the process to meet the requirements of the Constitution and the PFM Act.

THE BUDGETARY PROCESS FOR ANY GIVEN YEAR

Overview

1. The Budget process for any given year shall follow the process illustrated in BG-2021.

Methodology for review and projections of revenues and expenditures

2. After the operations of the County in regards to local revenue collections and Departmental expenditures in the first quarter, the County is at liberty to review the budget through a supplementary at any time deemed necessary within the financial year, thus Treasury will lead the Departments accordingly.
3. The main aim of the supplementary budget is to aid the County Departments to realign, reallocate and re prioritize their expenditures and to ensure the County improves its budget implementation.

GUIDELINES

(a) Departmental Public Expenditure Review (DPER)

4. In the past, we have noted with concern that most departments do not take into account the DPER recommendations in informing the subsequent budgets. Assessment of past performance is crucial to strategic planning and preparation of expenditure estimates for the 2021/2022 FY budget. The overall objective of the DPER is to inform the budget process by providing an in-depth analysis of budget performance in the past so as to inform the future budget decisions. It is a critical self-assessment of each department on challenges, weaknesses and successes while charting the way forward to improve performance.
5. The DPER process will continue to provide useful information to the ensuing budget by assessing whether departments adhere to their stated policies and whether value for money have been achieved in previous budget allocations, which programmes/projects are on-going/finalized, new and urgent policy priorities. Accounting Officers are urged to immediately embark on the preparation of the 2021/22 Budget.
6. The Departmental Public Expenditure Review recommendations are key in the preparation of subsequent County Government budgets. Assessment of past performance is crucial in strategic planning and preparation of expenditures estimates for the 2021/22 FY. The overall objective of the DPER is to inform the Budget process by providing an in-depth analysis of budget performance in the past so as to inform the future budget decisions. It is a critical self-assessment of each department on challenges, weaknesses and successes while charting the way forward to improve performance.

7. The DPER process will continue to provide useful information on the ensuing of 2021/22 budget by assessing whether the departments adhere to their stated priorities and whether value for money have been achieved in previous budget allocations, which programmes/ projects are on- going/ finalized, new and urgent policy priorities.

(b) Programme Based Budgeting (PBB)

8. Each department will be required to present detailed programmes with clearly defined outcomes, outputs and performance indicators. In designing programmes, Accounting Officers should ensure that the structure corresponds to main lines of service delivery and mandate performed by the department/sector.
9. Please ensure that in designing programmes, each and every function or activity undertaken by your department is included in relevant programmes. There should be no cross-cutting activities of functions which are not assigned to respective programmes.
10. Ensure that a programme is created to cater for common services such as general administration and planning services which are not programme specific in nature.

(c) Prioritization and Allocation of Resources

11. The County Government will continue with its spirit of prudence in expenditure management with a view of funding only core services and reducing costs through the elimination of wastages and inefficiencies.
12. In order to achieve the targets envisaged in the ADP for 2021, it is important that adequate resources are availed to support projects/programmes outlined in the ADP. This calls for establishment of clear criteria for allocating resources amongst priority programmes. The following criteria will serve as a guide for allocating:
 - Provision for mandatory expenditures such as salaries, rent, utilities, etc.
 - Resources required for sustaining or completing on-going programmes in each department.
 - Linkage of the projects/ programmes with ADP objectives.
 - Degree to which a projects/programme addresses core poverty intervention.
 - Degree to which the project/ programme is addressing the core mandate of the department.
 - Linkage with other projects/programmes
 - Cost effectiveness and sustainability of the projects/programmes.

13. Departments are required to undertake a prioritization exercise which must address the following:

- **Identification of “one-off” expenditure**

This refers to amounts for “one –off projects” or activities where spending is supposed to take place over a defined period say one financial year.

- **Slow spending programmes:** Programmes that may not have met targets due to procurement problems, lack of human resources, poor planning, legal and other challenges should be identified so that the resources are directed to other priority programmes.

- **Efficiency savings:** The efficiency saving initiative is intended to ensure that funds are directed to key service delivery rather than non-essential spending.

- **Rescheduling of projects or activities:** Where implementation of projects or activities has been rescheduled, departments should provide a detailed explanation for the rescheduling. Departments should also indicate the savings and financial implications of rescheduling projects and activities.

14. Any proposal for additional allocations of resources must be justified. The proposed additional expenditure will have to be aligned with the department and should be subject to the available fiscal space.

(d) Personnel Emolument Budget

15. Each department shall prepare its staff Budget in Consultation with the Human resource department in the format annexed. The personnel budget shall include a reconciliation of staff who left service through natural attrition, resigned or were discontinued and new staff joining them with a separate list of these staff members. For this purpose, suspended staff are considered to be still in employment and shall be budgeted for fully. However, a separate list should be given. The departments should also reconcile Interdepartmental staff transfer and avail the list.

16. **Furthermore, the Department should notify the Human Resource Department on the intended Staff Promotions and Recruitments to ensure they are fully factored in the Budget.**

17. The personnel expenditures should then be summarized per programme and entered in the standard budget template annexed.

(e) Operations and Maintenance Budget

18. Departments should consult CFSP and CBROP for ceilings of this expenditure. They should then distribute them according to their needs as per the Standard budget template annexed by programme.
19. Departments should prepare a procurement plan to exhaust the expenditure above. From the procurement plan, one should be able to discern how much the department will spend each month.
20. Where expenditures like office imprest and refunds cannot be procured by the procurement department, such should be considered as direct procurement.

(f) Development Expenditures

21. The County Government recognizes that mobilizing resources required for capital investments as set in the CIDP is key in projects implementation. In view of the foregoing, Sector Working Groups are encouraged to identify and prioritize projects where private sector shall be engaged through Public Private Partnership (PPP) arrangements, thereby closing the gap in investment capital, technology and knowhow needed to improve the efficiency and delivery of public services in the County.
22. Departmental ceilings should be obtained from the CBROP and the CFSP and this should guide Departments as they prepare Annual Development Plans.
23. Accounting Officers should ensure that adequate funding is allocated to capital development that are in line with the County's development agenda. Proposed capital projects will be evaluated in the context of the following:
 - Priority should be given to ongoing projects
 - Projects that are in full compliance with the Government regulations and priorities outlined in the ADP; and
 - Departments should indicate how their proposed projects will contribute to County development in terms of job creation and increased citizen's welfare
24. In preparing the Annual development plan, every department shall adhere with Article 220(2) of the Constitution, which states—
 - a) Strategic priorities for the medium term that reflect the county government's priorities and plans;
 - b) A description of how the county government is responding to changes in the financial and economic environment
 - c) Programmes to be delivered with details for each programme of—
 - i. The strategic priorities to which the programme will contribute;
 - ii. The services or goods to be provided;
 - iii. Measurable indicators of performance where feasible; and

- iv. The budget allocated to the programme;
 - d) Payments to be made on behalf of the county government, including details of any grants, benefits and subsidies that are to be paid;
 - e) A description of significant capital developments;
 - f) A detailed description of proposals with respect to the development of physical, intellectual, human and other resources of the county, including measurable indicators where those are feasible;
 - g) A summary budget in the format required by regulations; and
 - h) Such other matters as may be required by the Constitution or the PFM Act.
25. The departments should then summarize the items in the development plan and post them in the standard budget template per programme

(g) Levies, Fees and Charges.

26. Departments should budget for their revenues appearing in the Finance Act. Ideally the revenue should exceed or be equal to the total expenditure ceilings of the department a part from the departments which provide vital services and do not generate any revenue.
27. It is the responsibility of the departments to inform the Executive Member of Finance through the Chief Officer of Finance any emerging changes in collection of those revenue sources, any requisite laws required to feature in the Finance Bill, need to abolish certain sources or introduce new source of revenue.
28. If any department feels there is conflict in classification of revenue per departments, they should raise the issue and the Executive Member of Finance shall chair such meeting with all departments and they shall agree which departments generate what source of revenue.
29. Once a revenue has been associated with a certain department, it's the Department's obligations to advise the Executive of Member of Finance continually on the Revenue enhancement plans and actions, methods of preventing leakages and such collection methods that are cost effective, enhance efficiency and flexibility.
30. For budgeting process, revenue shall include all sources for example, donations, grants, government transfers and other partnerships.
31. Estimated Revenue should then be aggregated into major A-in A heading and posted to the standard template annexed, but a separate list of individual revenue items provided.

(h) Cash Flow Projections

32. After coming up with programs, the departments should add up items of the individual budget programs to come up with a total budget.

33. The departments are expected to start a new year with a nil balance since any unutilised funds should be swiped back to the County Revenue Fund
34. Starting with a nil balance for the Month of July ,departments should add their expected revenue for the month, then subtract the expected expenditures for the month as depicted by the staff Budget, the procurement plan and the annual development plan, the balance should start a similar circle the following month up to June 30th
35. Any Remaining balance on 30th June should be transferred to County Revenue Fund and a certificate together with the necessary documentary evidence issued to the Controller of Budget.
36. A Sample of a cash flow Projections is annexed

TIMELINES

37. Departments should submit their Budgets by **15 March 2021**, to the County treasury for compilation before they are submitted to the County Cabinet on **20th April 2021**.

Other dates to be strictly observed are outlined in the table below.

DEADLINES TO BE OBSERVED BY MOMBASA COUNTY DEPARTMENTS

DATE	COUNTY DEADLINES	DEPARTMENTAL DEADLINES; SUBMISSION TO THE COUNTY TREASURY
30-Aug	BUDGET GUIDELINES	NOT APPLICABLE
1-Sep	ANNUAL DEVELOPMENT PLAN	21 AUGUST 2020
30-Sep	SUBMISSION OF CBROP TO COUNTY CABINET	NOT APPLICABLE
21-Oct	SUBMISSION CBROP TO COUNTY ASSEMBLY	NOT APPLICABLE
1-Jan	SUBMISSION OF RECOMMENDATION TO COMMISSION FOR REVENUE ALLOCATION	30 OCTOBER 2020
31-Jan	SECTOR WORKING GROUPS	NOT APPLICABLE
28-Feb	SUBMISSION OF CFSP TO COUNTY ASSEMBLY	29 JANUARY 2021
28-Feb	SUBMISSION OF CDMS TO COUNTY ASSEMBLY	29 JANUARY 2021
15-Mar	ADOPTION OF THE CFSP	NOT APPLICABLE
20-Apr	DRAFT BUDGET ESTIMATES SUBMITTED TO COUNTY CABINET	15 MARCH 2021
30-Apr	DRAFT BUDGET ESTIMATES SUBMITTED TO COUNTY ASSEMBLY	NOT APPLICABLE
15-Jun	CASHFLOW SUBMISSION TO COB, IBEC & TNT	15 APRIL 2021
30-Jun	PROCUREMENT PLANS	31 MAY 2021
30- Sept	COUNTY FINANCE BILL	NOT APPLICABLE

(i) Involvement of Stakeholders

38. Stakeholders are actors in the budget process with specific interests in the development of policy frameworks and could be organizations or individuals.
39. Involvement of the sub-counties, ward administrators and other stakeholders in the Sector Working Group process is very important.
40. There are many reasons for including all stakeholders in the deliberations on the budget. These include among others:
 - Better informed stakeholders about budgets including revenues, expenditures and challenges;
 - Highlight the trade –offs associated with allocating limited resources.
 - Provide important information to policy makers about the kind of goods and services that citizens value.
 - To avoid situations where important issues may be overlooked or under prioritized due to poor and weak involvement.
 - Minimize or eliminate instances of designing projects and programmes that do not address the concerns and priorities of the citizenry; and
 - Enhanced transparency of the County Government budget making process.
41. Accounting Officers are expected to ensure that key stakeholders are consulted; Sub-County/Ward requirements are prioritized and received within the specified time frame and incorporated within the departmental budget proposals accordingly.

(j) Public Participation

42. The County Government will engage the public in Budget process as per Section 125(2) of the Public Finance Management Act 2012. The County Budget and Economic Forum will be the main team during the public participation. The County will adopt the following as a mode of engagement with the public:
 - Notice Boards
 - Media both printed and radio
 - Brochures
 - Barazas
 - Posters

- County website (www.mombasa.go.ke) whereby comments, posts will be promptly responded to.

(k) Sector Working Groups

43. Accounting Officers are reminded that the Sector Working Groups are the only recognized avenue for bidding for resources. The composition and terms of reference for Sector Working Groups are as indicated

(l) Conclusion

44. Finally, Accounting Officers are requested to ensure strict adherence to these guidelines and to bring the contents of this Circular to the attention of all officers working under them.



Maryam Mbaruk

County Executive Committee Member- Finance and Economic Planning

Copy to: The Governor
The County Secretary
All County Executive Committee Members
County Assembly Clerk

ANNEX I: REPORT FORMAT FOR DEPARTMENTAL PUBLIC EXPENDITURE REVIEW (DPER)

Executive Summary

Under this section departments are required to provide a brief summary of the key issues in the report. It should highlight the major issues discussed in each section of the report.

1.0 Introduction

This section should discuss the overall objective of undertaking expenditure review; state any challenges which may hinder effectiveness of expenditure reviews; show the link between the expenditure review and achievement of the County priorities through the budget; provide a brief explanation of the methodology used to undertake the review; and provide an overview of the various sections of the report and their relevance.

2.0 The Department Programmes

This section should state Mission and Vision of the department in relation to its mandate; review the programmes of the department in relation to its mandate and the Vision as stated above; review the expenditures of the department, review the performance of the programmes in relation to the flagship projects as provided in the CIDP.

2.1 Expenditure Performance

Indicate broad outputs in relation to the intended output in the previous financial year. The review should be summarized as provided in the format below

Table 1

Programme/Sub Programme	Intended Output	Output Achieved	Remarks
Programme Name:			
Programme Outcome.....			

Sub-Programme 1: Sub-Programme 2: etc.			
--	--	--	--

Discuss the implementation of the capital projects. The review should focus on the set targets as spelt out in the departmental work plan. The table below may be used to summarize the information

Table 2

Project	Original contract sum to completion	Expected sum to completion	Original date of completion	Expected date of completion	2019/20 target	2019/20 achievement	Remarks

State any challenges experienced in implementation of the budget during the years under review (2019/20).

Expenditure Analysis for the Period 2019/20

Discuss the trends in allocation of total expenditure over the period stated above. Summarize these allocations as provided in Table 2.1 below

Discuss the absorption of the expenditure allocations by comparing the budgeted expenditures (approved estimates) with the actual expenditures (these expenditures should be based on the past financial years.

Analyze expenditures as indicated in tables 2.1 – 2.7 and clearly explain the observed trends.

Table 2.1: Analysis of Department’s Total Expenditure, FY 2019/20 (Kshs. Million)

	Planned Estimates	Revised Estimates	Actual Expenditure
	2019/20	2019/20	2019/20
Recurrent			
Development			

	Planned Estimates	Revised Estimates	Actual Expenditure
Total			
Rec. as % of Total			
Dev. as % of Total			

Table 2.2: Analysis of Expenditures by Economic Classification

	Approved Estimates	Revised Estimates	Actual Expenditure
	2019/20	2019/20	2019/20
Recurrent Budget			
Compensation to Employees			
Use of Goods and Services			
Grants, Transfers and Subsidies			
Acquisition of Non-Financial Assets			
Total Recurrent Budget			
2. Development Budget			
Compensation to Employees			
Use of Goods and Services			
Grants, Transfers and Subsidies			
Acquisition of Non-Financial Assets			
Total Development Budget			
Total Expenditures			

Table 2.3 Analysis of Expenditures by Programmes and Sub Programmes

	Approved Estimates	Revised Estimates	Actual Expenditure
	2019/20	2019/20	2019/20
Programme Name			
Sub Programme 1			
1. Recurrent Budget			
Compensation to Employees			
Use of Goods and Services			

	Approved Estimates	Revised Estimates	Actual Expenditure
Grants, Transfers and Subsidies			
Acquisition of Non-Financial Assets			
2.Development Budget			
Compensation to Employees			
Use of Goods and Services			
Grants, Transfers and Subsidies			
Acquisition of Non-Financial Assets			
Total Expenditures			

NB/ Repeat the above for all sub programmes of each programme

Table 2.4: Expenditure by Sub-Vote or By Functional Units (KShs. Million)

	Approved Estimates	Revised Estimates	Actual Expenditure
	2019/20	2019/20	2019/20
1.Recurrent Budget			
Sub-Vote 1			
Sub-Vote 2			
Sub-Vote3			
Sub- Vote			
Total Recurrent			
2.Development Budget			
Sub-Vote 1			
Sub-Vote 2			
Sub-Vote3			
Sub- Vote n			
Total Development			
3. Total Budget			

SOURCES OF FINANCES

Table 2.5: Sources of Finances (Kshs. Million)

	Approved Estimates	Revised Estimates	Actual Expenditure
	2019/20	2019/20	2019/20
GOK			
Recurrent A-in-A			
Donor			
Revenue			
Loan			
Grant			
AIA			
Loan			
Grant			
Others- Specify			
Total			

Clearly state the reasons for divergences between budget and the actual receipts

2.3 Analysis of Pending Bills

Analyze the trends in stock of pending bills according to type (recurrent and development)

Provide the nature of pending bills e.g. utility, personal claim etc

Analyze the stock in pending bills as a proportion of total departmental expenditure over the period of review.

Discuss any measures undertaken or proposed to settle these pending bills.

Table 2.6: Summary of Pending Bills by nature and Type (Kshs. Million)

Type/nature	Due to lack of liquidity	Due to lack of provision
	2019/20	2019/20
1. Recurrent		
Utility		
Telephone		
Electricity		
Water		
Personal Claims		
Others-Specify		
2. Development		
Utility		
Telephone		
Electricity		
Water		
Personal Claims		
Others-Specify		
Total Pending Bills		

Human Resources Development and Capacity Building

Discuss key personnel changes over the past 3 years and how it has affected the performance of the department.

State any constrains to service delivery

Describe efforts being undertaken to combat HIV/AIDS, disability and gender mainstreaming issues in the department.

Challenges

In this section discuss any challenges experienced in reviewing the expenditures and the budget process in general

Conclusions

This section should provide conclusions drawn from the review

Key Recommendations

This section should provide recommendations to improve implementation of the budget in terms of efficiency, effectiveness, timeliness and target for better service delivery.

ANNEX II: PROGRAM BASED BUDGET TEMPLATE

VOTE NO:

A. Vision

B. Mission

C. Strategic Overview and Context for Budget Intervention

Major Achievements for the period

Constraints and challenges in budget implementation

How the Constraints and Challenges will be addressed

Major services/outputs to be provided in medium term period 2021/22 – 2023/24 and the inputs required (the context within which the budget is required)

D. Programmes and their Objectives

Programme 1:

Objectives:

Programme 2:

Objectives

Programme ...:

Objectives

E. Summary of Expenditure by Programmes (Kshs.)

PROGRAMME		Estimates	Projected Estimates	
		2021/2022	2022/2023	2023/2024
P1				
P2				
Sub Programme (SP)				
SP2.1				

PROGRAMME		Estimates 2021/2022	Projected Estimates	
			2022/2023	2023/2024
SP2.2				
SP2.3				
SP2.4				
P...				
Sub Programme (SP)				
SP....				
SP...				
Total for				

F. Summary of Expenditure by Economic Classification (Kshs.)

PROGRAMME		Estimates 2021/2022	Projected Estimates	
			2022/2023	2023/2024
P1				
P2				
Sub Programme (SP)				
SP2.1				
SP2.2				
SP2.3				
SP2.4				

PROGRAMME		Estimates 2021/2022	Projected Estimates	
			2022/2023	2023/2024
P3				
Sub Programme (SP)				
SP3.1				
SP3.2				
Total for				

G. Summary of Expenditure by Programme and Economic Classification (Kshs.)

PROGRAMME		Estimates 2021/2022	Projected Estimates	
			2022/2023	2022/2023
P1				
P2				
Sub Programme (SP)				-
SP2.				
SP2.				
SP2.				

PROGRAMME	Estimates 2021/2022	Projected Estimates	
		2022/2023	2022/2023
SP2.			
P3			
SP3.			
SP3.			
Total for			

H. Details of Staff Establishment by Organization Structure (Delivery Units)

S no	Designation	Job-Group	In Post	2021-2022	2022-2023	2023-2024
1	Member - County Executive Committee	8	1			
2	County Chief Officer	S	1			
3	Administrative Assistant	S	1			
4	Administrative officer	Q	1			
5	Administrative Officer [2]	Q	1			
6	Administrative Officer [1]	P	4			
7	Administrative Officer [2]	M	2			
8	Administrative Officer [3]	M	1			
9	Assistant Director - Comm. Dev. (Msa)	M	2			
10	Assistant Director Office Administrative Services	L	2			
11	Assistant Office Administrator [3]	L	12			
12	Administrative Assistant	L	2			
	TOTAL					

I. Summary of Programme Outcome and Performance Indicators for 2021/2022- 2023/2024

Name	Program Outcome	Expected Outputs	Medium Term Performance Indicators
1. General Administration, Planning and support services			
2.			
3.			

J: Summary of the Programme Outputs and Performance Indicators

Code	Key Outputs	Key Performance Indicators	Targets
P1: Administration, Planning and Support Services			
Sp1: Administration, Planning and Support Services			
Outcome: XXXX			
Delivery Units	XXX		
Sp2: XXXX			
Outcome: XXXX			
Delivery Units	XXXXX		
P2: XXX			
Sp2:XXX			
Delivery Units		XXXX	
Outcome: XXX			
Sp1: XXXX			
Delivery Units: XXX			
Outcome: XXX			
Sp3: XXX			
Delivery Units: XXX			
Outcome: XXX			
Sp4: XXXX			
Delivery Units	XXX		
Outcome: XXX			
P3: XXXX			
Outcome: XXXX.			
Delivery Units	XXXX		

ANNEX III: PROJECTS IMPLEMENTATION TEMPLATE

Project Name	Location/ Ward	Objective	Expected outputs/Outcomes	Performance Indicators	Target	Time Frame (Start-End)	Estimated Cost (Kshs) in Millions		
							2021/22	2022/23	2023/24

ANNEX IV: CASH FLOW PROJECTION TEMPLATE

Revenue Stream	Actual Collected (19/20)	Budgeted 20/21	Projected 21/22
Road maintenance fees			
Advertisement income			
Land rates and related fees			
Meat Inspection/Permit			
Clinic cost sharing charges & Other services.			
Business permit fees			
Stadium & Other Playing Fields			
General enforcement charges			
Tender Documents Sale			

ANNEX V: BUDGET CALENDAR FOR THE FY 2021/22

MTEF BUDGET PROCESS

ACTIVITY	PFM DEADLINE	RESPONSIBILITY	REFERENCE
Preparation and issuance of a circular setting out guidelines to be followed by all County Government entities in the budget process	30 th Aug	CEC Member Finance	Art 128 (2) PFM Act 2012
Preparation and Submission of the County Integrated Development Plan 2018-2022 to the County Assembly for approval	1 st Sept	CEC Member, Planning	Art 220, Kenya Constitution 2010, Art 126 (3) PFM Act 2012
Preparation and Submission of the Annual Development Plan to the County Assembly for approval	1 st Sept	CEC Member, Planning	Art 220, Kenya Constitution 2010, Art 126 (3) PFM Act 2012
Publication and publicity of ADP	Within 7 days after submission	CEC Member, Planning	Art 126 (4) PFM Act 2012
Preparation and submission of CFSP to county assembly, after approval by executive	28 th Feb	County Treasury	Art 117(1) PFM Act 2012
Consideration and approval of CFSP	Within 14 days after submission	County Assembly	Art 117(6) PFM Act 2012
Publication and publicity of CFSP	Within 7 days after submission	County Treasury	Art 117 (8) PFM Act 2012
Preparation and submission of Debt management Strategy	28 th Feb	County Treasury	Art 123 (1) PFM Act 2012
Publication and publicity of DMS, submission to CRA and IGBEC	ASPP after submission	CEC Member Finance	Art 123 (3) PFM Act 2012
Submission of budget estimates, supporting documents and all other bills required to implement budget	30 th Apr	CEC Member Finance	Art 129 (2) (a) PFM Act 2012
Preparation and submission of County Appropriation Bill to County Assembly	Upon approval of budget estimates	CEC Member Finance	Art 129 (7) PFM Act 2012
Preparation of annual cash flow projection, submission to controller of budget and copies to IGBEC and National Treasury	15 th June	County Treasury	Art 127 (1) PFM Act 2012
Appropriation Law passed	30 th June	Count Assembly	Art 131 (1) Act 2012
Preparation of County Budget Review and Outlook Paper and submission to County Executive	30 th Sept	County Treasury	Art 118 (1) PFM Act 2012
Consideration and approval of CBROP	Within 14 days after submission	County Executive Committee	Art 118 (4) PFM Act 2012
Submission of CBROP to County Assembly	Within 7 days of approval	County Treasury	Art 118 (4) PFM Act 2012
Publication and publicity of CBROP	ASPP	County Treasury	Art 118 (4) PFM Act 2012

ANNEX VI: COMPOSITION AND TERMS OF REFERENCE FOR THE SECTOR WORKING GROUPS (SWGs)

The SWGs shall consist of the Chief Officer and the heads of departments and Officers who are assigned to undertake planning and budgeting in departments will serve as secretaries.

The terms of reference for the sector working groups will be the following

1. Coordinate the departmental reviews in accordance with the guideline
2. Identify and prioritize the programmes to be funded
3. Identify projects to be funded under PPP and other development partners
4. Coordinate activities leading to the development of sector, programme-based budgets, and itemized budgets
5. Analyse cost implications of the proposed programmes, projects and policies

Roles and responsibilities of sector conveners and co-conveners

Chief Officers are responsible for overall guidance and oversight of the Sector Working Group consultation for sound formulation of departmental policies and budget priorities. Specifically, they are expected to perform the following task:

- Assist SWGs understand and adhere to the budget preparation guideline
- Ensure the SWGs develop an action plan consistent with timelines set in the budget calendar.
- Ensure that planned SWGs programmes are anchored on the ADP and CIDP
- Ensure that SWG develop and document a prioritization and resource allocation criteria which is consistent with the overall guideline provided by the County Treasury
- Ensure that programmes are well costed and have measureable performance indicators
- Ensure ensuing policy priorities and budget is well informed by the previous performance of the departments through such instruments as annual progress report, budget outlook paper etc.
- Track the implementation of the SWG planned activities and bring to attention of the County Treasury the challenges facing the exercise and recommend the way forward
- Fully participate in the working group meetings with a view of ensuring that policy priorities as agreed in the SWG are funded within the available resource envelope