COUNTY GOVERNMENT OF KILIFI

THE COUNTY TREASURY

TREASURY CIRCULAR NO.1/2015

TO: ALL COUNTY ACCOUNTING OFFICERS

GUIDELINES FOR THE PREPARATION OF THE MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF) BUDGET FOR THE PERIOD 2016/17 – 2018/19

ISSUED ON 28TH AUGUST 2015

A. PURPOSE OF THE GUIDELINES

1. These guidelines provide clear instructions on the processes and procedures for preparing the 2016/17 – 2018/19 MTEF Budget proposals for County government departments and entities in accordance with the Public Financial Management Act 2012. The guidelines are intended to:

i. Advise on the policy framework underpinning the Budget for the 2016/17 – 2018/19 MTEF period;

ii. Provide guidance on the form and content of the budget proposals and the cost of the programmes to be funded

iii. Emphasize the constitutional timelines and requirements indicated in the attached budget calendar.

BACKGROUND

2. Budget preparation and subsequent implementation is geared towards improving the livelihood of the people through improved incomes and social welfare. This is only possible if we reflect on the productivity of the public sector and our ability to implement decisions and policies more effectively. As a county we have to show greater commitment to ensuring that the citizenry receive better services from all the County government institutions. This is only possible if we invest in broad based programmes that are aimed at increasing economic growth.

3. The aim of the 2016/17 – 2018/19 Medium Term Expenditure Framework Budget for the County is to strike an appropriate balance between support for growth and continued fiscal discipline while providing room for the implementation of devolution as enshrined in the constitution. Specifically, the 2016/17 budget will aim at achieving efficiency and improving the productivity of expenditure while at the same time ensuring that adequate resources are available for operations and maintenance, and implementation of our development agenda.

4. In this regard, public spending should not be seen as an end in itself but the basis for achieving development objectives outlined in the Second Medium Term Plan of Kenya Vision 2030 and the County's annual plans. The focus of the 2016/17 – 2018/19 will therefore be on programmes aimed at achieving high levels of investment in economic and social infrastructure which promote rapid economic growth, support employment and broaden economic activity.

B. THE GUIDELINES

5. The following will guide the preparation of 2016/17 – 2018/19 MTEF County budget proposals.

I. Medium Term Development Strategy

6. The priorities outlined in the Medium Term Plan of Kenya Vision 2030 and the County Integrated Development Plan will guide the development of sector priorities, policies, plans and monitoring and evaluation processes for FY 2016/17 - 2018/19 County MTEF budget.

7. When preparing the budget proposals, County government departments are expected to focus on the County priorities contained in the Second Medium Term Plan of the vision 2030 and the County Annual Development Plans. County government departments should ensure that budget proposals give priority to the following:

a) Programmes/projects that address the national priorities and objectives of the Vision 2030 and the second Medium Term Plan.

b) Programmes/projects that address the County priorities and objectives of the County Integrated Development Plans and the Annual Development Plans.

c) Programmes/projects that invest in priority areas that support social development and economic growth and transformation

d) Adequate provision for mandatory expenditures

8. County government entities are expected to ensure that proposed programmes and projects are in line with the objectives of Vision 2030. Specifically, the County government departments will be expected to:

i. Review County objectives and strategies in line with the overall goals outlined in the Vision 2030;

ii. Review County objectives and strategies in line with the overall goals outlined in the County Integrated Development Plans and Annual development plans;

iii. Identify the programmes and the necessary policy, legal and institutional reforms required;

iv. Analyze cost implications of the proposed programmes, projects and policies for the MTEF period;

v. Prioritize County Programmes and allocate resources appropriately in accordance with an agreed criteria and justification for the prioritization;

vi. Coordinate activities leading to the development of County department reports and indicative County Budget proposals

II. County Integrated Development Plan

9. The county government now has its first approved County Integrated Development Plan which sets out the development priorities for the county. Copies of the County Integrated Development Plan are already out and Accounting Officers are expected to align their budgets to the approved County Integrated Development Plan.

III. Programme-Based Budgeting (PBB)

10. It is expected that the 2016/17 MTEF Budget will be presented and approved in programmes in accordance with Section 210 (12) of the Public Financial Management Act (PFM Act) 2012.

11. In view of this, county departments are expected to define programmes with clear objectives (which usually refer to outcomes), and linked to outputs, performance indicators and targets. In designing programmes, the structure should match up to the main lines of service delivery in the County departments. Programme performance indicators should mainly be indicators of programme outputs (services provided) and outcomes (effectiveness),

12. Programme performance targets should be specific, measurable, achievable, realistic, and time bound. Targets should be set only for those key performances which are considered reasonably controllable and for which baseline performance has been reliably measured. It is emphasized that each programme should be confined within a single MDA and all functions should fall within programmes.

13. Accounting Officers should ensure that in designing programmes, each and every function or activity undertaken by the MDA is included in relevant programmes. In particular, care should be taken to ensure that:

i. There are no crosscutting activities or functions which are not assigned to respective programmes;
ii. Each programme has a distinctive name that reflects the overall objective of a programme; and
iii. There is no duplication of programme names used by other County departments.

14. In cases where a County department has more than one programme, an additional programme should be created to cater for management and administration overhead costs which cannot be attributed to only one programme. Such a programme should be confined to common services such as general administration, financial services, accounting, internal audit, procurement, planning services, human resource management and ICT services which are not programme-specific.

15. In preparing the narrative justification portion of the programme budget (context for budget intervention), County departments are required to include a description of the main services (outputs) provided by the programme, a statement of the programme's overarching objective, a brief discussion of programme achievements for the last financial year, and a brief description of the achievements expected in the next year. A description of important issues, concerns, and summary of implementation plans should also be included. ***The format for presentation of PBB is indicated in Annex III.***

IV. Performance Review of the Expenditure

16. Programme performance review is a critical factor in successful programme budgeting and requires continuous refinement of plans and budgets. In addition to that, it helps in

realizing the County government's strategic and policy priorities and it encourages accountability within the County departments.

17. The programme performance expenditure review focuses on the efficiency and effectiveness of programme expenditure and whether spending is focused on the highest priorities and therefore using the lessons learnt for making decision on future expenditure decisions.

18. The programme performance expenditure review process will be used to determine MTEF budgetary allocations by assessing whether value for money has been obtained in previous allocations, which programmes are to be given priority in terms of funding and whether it will be prudent to discontinue some projects or hand them over to other County MDAs. This is expected to contribute towards an efficient and effective way of allocating resources towards the realization of the objectives of Vision 2030.

19. Programme performance expenditure review will be an annual exercise carried out between July and Mid-September. County MDAs are therefore expected to have commenced the Programme performance expenditure reviews. This entails undertaking a detailed appraisal of the composition, allocation and utilization of its expenditure during the period March to June 2015. County MDAs will **only be allowed to bid for resources in the sector** after the finalization of the review of programme expenditures. Further a template for Programme Performance Reviews reports is provided in ***Annex II of this Circular***

V. Prioritization and Allocation of Resources

20. The County government will continue with its policy of expenditure prioritization with a view to funding core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies. These decisions will have implications in the budget ceilings to be provided in the County Fiscal Strategy Paper (CFSP).

21. The following criteria will serve as a guide for allocating resources:

- Linkage of the programme with the Objectives of Medium Term Plan of Vision 2030.
- Linkage of the programme with the Objectives of the County development plans.
- Degree to which a programme addresses core poverty interventions
- Degree to which the programme is addressing the core mandate of the County department.
- Expected outputs and outcomes from a programme
- Linkage of a programme with other Programmes
- Cost effectiveness and sustainability of the programme

- Immediate response to the requirements of the implementation of the constitution
- Ongoing activities of the Government flagship projects

22. Based on the broad guidelines, each County government department is expected to develop and document the criteria for resource allocation. Further, County government departments shall undertake a reprioritization exercise which must address the following:

- The County government departments should thoroughly analyze the base line expenditure and remove all the once off expenditure for the previous years;
- The County government departments should identify the programmes/projects that are of low priority and come up with savings which should be directed to high priority programmes that promote social-economic;
- The County government departments are also required to introduce mechanism of efficiency savings in their budgets. This is intended to ensure that funds are directed to service delivery, rather than non-essential spending. Efficiency savings can be achieved through reducing operating costs and non-service delivery activities and should be considered for all programmes;
- The County government departments are also expected to provide a detailed explanation for the rescheduling of projects where the rescheduling has been done.

VI. Specific Guidelines

Wages & Salaries

23. The County government is committed to implementing an affordable pay policy within the Public Sector which provides for a harmonized and unified framework for determining pay while eradicating wage discrepancies.

24. While we appreciate the need to improve remuneration for County public servants, any pay adjustments must be consistent and guided by the following principles:

a) Pay increases should be geared towards supporting efficient delivery of public services.

b) Pay increases should be affordable. The growth in the earnings in the County public sector should be in line with what is being experienced in the economy as a whole. Any proposed salary increases should give the County Government as an employer enough flexibility to fund other development programmes.

c) Pay increases should be fair, equitable and just across the entire County public service. Selective pay awards to specific sectors in the service is not only unfair but has the potential of demotivating other staff not benefiting from the awards and justifies counter demands from the other sectors not considered.

25. The number of County public sector employees is not expected to increase except where County Treasury has given specific approval on availability of funds for new recruitment.

26. Accounting officers should not award any adjustment to salaries, remuneration and benefits. Such requests for salary and allowances reviews in the County public sector should be channeled to Salaries and Remuneration Commission for guidance through the County Public Service Board.

Use of Goods and Services

27. The County government will undertake such austerity measures to scale down non-core operational expenditures mainly in the use of goods and services. Savings identified should be directed towards investment, maintenance and other development needs of the County. In the FY 2016/17, County departments will be expected to prepare their budgets for operations and maintenance in the context of a hard budget constraint. County Treasury will critically review budget proposals and where necessary make reallocations from the less productive items in order to direct the savings toward capital investment and other priority areas.

Accounting Officers are required to fully provide for fixed costs and other mandatory requirements based on the trend or existing agreements. Accounting Officers are reminded that requests for additional funding beyond the provided ceiling will expose their budgets to a fresh scrutiny by County Treasury with a view to reprioritize expenditure plans to accommodate new request within the set ceiling.

Consultancies and Professional Services

28. While the County government acknowledges the contribution of consultants and professional service providers to the delivery of public services, we should be concerned over the long term nature and cost of many of these consultancy arrangements. Moving forward, any funding factored in the budget for consultancies, contracted professional services, contracted technical services and feasibility studies, will have be fully justified. In view of this, County entities requesting such funds will be required to provide the following to justify such expenditures:

(i) Details of the specific task and timeframe the consultant is expected to undertake;

(ii) Why the task cannot be undertaken by County Ministerial/ Department / Agencies (MDA's) staff;

(iii) Details of steps being taken by the MDAs to address skills gap so as to reduce the reliance on external consultants; and

(iv) Details (including duration and cost) of all consultancy or professional service contracts, entered into by the MDAs in the last two financial years.

Capital Projects

29. Completion of the on-going projects and programmes must be accorded priority. In this regard, capital expenditure must be applied towards the funding of on-going projects and programmes that are near completion and have under gone due process. County government departments should provide adequate information to support the existence of ongoing projects which should include a list of the ongoing projects with details of total cost, start and end date, cumulative expenditure to date, balance to completion, and amount required over the medium term.

30. Any proposal for additional allocation of resources must be accompanied by a cost benefit analysis. The proposed additional or new expenditure will have to be aligned with the department's mandate and should be subject to the available fiscal space. In addition, departments are required to furnish full information on the projects for which they require counterpart funding.

31. The Proposed capital projects will be subjected to an evaluation process in order to determine priority for financing.

32. Priority for financing projects should be given to those projects that are in full compliance with the Government regulations and priorities as outlined in the Second Medium Term Plan of Kenya Vision 2030 for the period 2013 – 2017, and which are fully justified for financing.

33. County departments should indicate how their proposed projects will contribute to economic growth, job creation and increased citizen's welfare.

Capital expenditures

34. It is reiterated that funding to capital projects should be based on realistic costing. Proposed capital projects should be evaluated in the context of the following ***(see annex II on PBB)***

35. Preference for financing should be given to those projects which are in full compliance with the County government priorities reflected in Sector Reports and which are fully justified for financing.

36. Priority should be given to completion of on-going projects before embarking on new ones

37. MDAs should indicate how the proposed projects will contribute in economic growth, job creation and increased citizen's welfare;

38. Resources to projects should be strictly apportioned in accordance with the actual financial requirement over the medium term;

Externally Funded Projects

39. With respect to donor-funded projects, only those projects for which the County Government has already negotiated grants or signed MoUs with Donors will be factored in the

Budget for FY2016/17. Accounting Officers should ensure that externally financed projects are in line with overall County priorities and ensure that County government counterpart funding is adequately provided for as per the agreement. MDAs will be required to provide proof for requirement of counterpart funding where this is needed.

Resource Envelope

40. The key county policy document that informs the budget of the County Government is the Budget County Fiscal Strategy Paper (CFSP) which provides a framework for the county government to manage its fiscal resources. CFSP outlines the fiscal rules to assist the county government with achieving sustainable economic growth through correct management of its resources which includes keeping ongoing expenditure in line with normal, sustainable revenues.

41. The 2016 CFSP will provide the framework for determining how much to spend on planned investments and programmes aimed at enhancing economic growth in line with Vision 2030. In particular, the CFSP will set out the sector strategies, targets, deliverables and projected cost of implementation. It provides the basis for effective monitoring of the inputs, outputs, outcomes and impact of sector performance.

42. It is expected that the CFSP will be adopted in early 2016. Accounting Officers are therefore urged to familiarize themselves with the annual County Fiscal Strategy Paper when it is formally adopted.

Public Participation and Stakeholder Involvement

43. Public participation and involvement of other stakeholders in the MTEF budget process is important as well as a Constitutional requirement. County government departments are required to identify and involve the stakeholders throughout the budget preparation process, and information of their involvement documented.

44. The draft county budget should be presented to members of public in all seven sub-counties in the county for public input through public forums. Communication to the public on organised budget forums may be made via print media (news papers), radio stations, posters or mobile public announcements. Each county department/entity will nominate an informed representative in all budget forums.

IFMIS Plan to Budget

45. Accounting Officers are expected to ensure that budget proposals are prepared and submitted through the IFMIS Plan to Budget system at the County Treasury. Authorized users will be expected to key in data at original submission level (version) and adjust the same to fit the ceilings before final submission to the County Treasury.

Standard Chart of Accounts

46. The Government of Kenya has been implementing a Standardized Chart of Accounts (SCOA) from 1st July 2012. The SCOA should be used use by all County departments. The SCOA cording structure has been able to provide a consistent basis for integrating planning,

budgeting, accounting; compiling budget allocations and programmes and project costs within and across various County government agencies; capturing data at the point of entry throughout the County government and consolidating government wide financial information. Accounting Officers are requested to ensure that the budget submissions adhere to the stipulated coding structure of the SCOA for consistency and standardization. The SCOA is inbuilt in the IFMIS system.

C. COUNTY BUDGET PROCESS

47. The county budget process will be as set out in Section 125 of the PFM Act, 2012. Accounting Officers are therefore urged to familiarize themselves with the full content of that section of the Act. A summary of the county budget process has been attached for your information and strict compliance ***(See annex III).***

D. COUNTY SECTOR WORKING GROUPS

48 Sector working groups are useful in engaging the county budget stakeholders effectively from the onset of the budget making process. The groups are defined by the sectors of the county economy as represented by the various county departments. For the purposes of budget preparation every department shall be deemed as a sector and shall therefore constitute a sector working group. The number of sector working groups should not exceed the number of gazetted departments in the county government.

49 Sector working groups shall comprise of;

a) A representative of the county treasury
b) Representative of the Planning function
c) County department's officials
d) One representative by invitation from the following stakeholder category;
    1. Professional Associations
    2. Tertiary Education Associations
    3. Commercial and Industry groups
    4. Worker –affiliated groups
    5. NGOs/CBOs and Donors
    6. Two representatives from village groups

E. PREPARATION AND SUBMISSION OF BUDGET PROPOSALS

50 Accounting Officers are requested to ensure that all activities of County government departments are completed on scheduled timelines, including the drafting of departments Budget Proposals. The Sector budget proposals should be ready for submission to the County Treasury not later than 10th December 2015 in line with the ***format indicated in Annex IV.***

48. The attached budget calendar outlines the timelines for the budget process in accordance to the requirements of the Public Financial Management Act 2012. All activities are equally important and Accounting Officers should provide documentary evidence of completion of each activity within the provided timelines ***(See Annex I)***

49. Accounting Officers are required to strictly adhere to the timelines provided in order to ensure timely preparation and implementation of the budget as well as compliance with the law.

F. PRESENTATION OF ANNUAL BUDGET FOR FY 2016/17

Statement of Receipts and Payments for FY 2016/17

Departments should give a comprehensive schedule of receipts and payments that will accrue during the budget FY. Care must be taken and ensure reasonable and realistic projections are made using the provided format ***(See Annex V)***

Annual Recurrent Budget for FY 2016/17

53 The proposed annual recurrent budget must contain three (3) years financial summary; i.e. the previous FY 2014/15, the latest forecast for the current FY 2015/16 and proposed budget for FY 2016/17.

54 The following guidelines should be taken into account in preparing the annual recurrent budget;

- All estimates of revenue and expenditure should be realistic and based on resources that are available from locally generated revenues OR budgetary provisions from the National exchequer under devolved funds.
- Departments should ensure funds are prioritized towards achievement of departments' core mandate, realization of Key Results Areas (KRA) identified in their respective sectors as articulated in the CIDP and prioritized in the County Fiscal Strategy Paper and delivery of flagship projects.
- Annual recurrent budget for FY 2016/17 should be prepared in details clearly indicating all sources of revenue earmarked to defray recurrent expenditures.
- In the event a department wants to use funds re-voted from the previous year's budget, this should be disclosed in form of explanatory notes clearly indicating expenditures that will be defrayed by such funds.

Annual Capital (Development) Budget

55 Departments should provide summary of the respective project's feasibility study report for all development projects in order of priority. There should be clear indications of how each project links to the department's mandate and strategic plan in line with the county's strategic goals, CIDP and delivery of the CFSP flagship projects.

The proposed annual development budget should clearly indicate the total project cost, expected impact and other justifications. (See Annex VI)

- There should be project implementation schedule clearly indicating the level of completion for on-going projects, expected remaining work(s) and time frame to complete the project.

- The development budget and feasibility study shall be appraised to ensure consistency with the department's mandate and Strategic plan, the county goals, CIDP and delivery of flagship projects.
- Implementation of any new projects should only commence once the source of financing of the project has been confirmed and approved by the county treasury.

Financial Position

56 The proposed annual budget should also include the actual financial position for three prior years or number of years in existence whichever is less, the latest forecast for the current FY as at June 30th 2016 and the projected financial position as at June 30th 2017.

Annual Cash Flow Statement

57 The PFM Act under section 127 (1) requires a county government to prepare its annual cash flow projection for the next FY by June 15th each year. Accounting Officers are expected to submit annual cash flow statements for their respective departments to the county treasury not later than June 10th 2016 in the provided format ***(See Annex VII).***

Quarterly/ Cumulative Reports

58 In accordance with the PFM Act 2012, Section 16 (3) departments should submit quarterly reports to the County Treasury not later than fifteen (15) days after the end of each quarter. The County Executive Member for Finance on a quarterly basis shall table before the County Assembly quarterly and cumulative compliance reports on Revenue and Expenditure. In this regard therefore, all departments should submit in the prescribed format a report of receipts and payments for each respective quarter and cumulative figures for previous quarters for the FY under review within ten (10) days after the end of the quarter.

G. REVISION OF BUDGETS

59 Since departments submit their proposed annual budget before April for the FY commencing 1st July, it is possible that unforeseen events may change the actual operations of the department and revision of the budget will be necessary.

60 Any revised budget resulting in a change in excess of 10% of the approved annual budget shall be tabled for review and approval by the County Assembly through a supplementary process. No revised budget shall be submitted for approval after the annual budget for the succeeding FY has already been tabled to the County Assembly. The County Treasury shall not approve any expenditure which has already been incurred; all expenditure must receive prior approval.

J. CORDINATION OF THE BUDGET MAKING PROCESS

62 The budget office is not expected to prepare budget proposals for any department. It is the duty and responsibility of each county department/entity to prepare their respective

budgets geared towards delivering the department's mandate. Consultations are permitted at all stages whereas the budget office will ensure proper coordination of the entire budget making process.

63 The county treasury deployed accountants in all departments for enhanced autonomy. It is upon the accounting officers to involve and make maximum use of these skills in the budget making process.

H. DEADLINE FOR SUBMISSION OF ANNUAL BUDGTES

64 All county departments/entities should submit their proposed annual budgets for the FY 2016/17 to the County Treasury for consolidation not later 15th January 2016. A soft copy of the same should be submitted to the Head of Treasury Budget via email address *fbirya@kilifi.go.ke* and should include details of the contact person in case of need for clarification.

I. RESPONSIBILITY FOR SUBMISSION

65 The responsibility to ensure that the department prepares and submits its respective annual budget lies with the Chief Officer in charge or the secretary in the case of the County Public Service Board. The County Treasury will not consider for approval any proposed annual budgets which do not comply with the guidelines in this circular in form and content. This includes budget proposals submitted outside the provided timelines.

CONCLUSION

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

KOMBE, JOHN HAROLD
CEC FINANCE AND ECONOMIC PLANNING

Copy to: H. E. Amason Jeffah Kingi
Governor, Kilifi County

ANNEX I: BUDGET CALENDAR FOR THE FY 2016/17 MTEF BUDGET

ACTIVITY	RESPONSIBILITY	DEADLINE
1**. Develop and issue MTEF Budget Circular**	County Treasury	30/8/2015
2. Launch Departmental budget work groups	County Treasury	15/9/2015
3. Performance review and strategic planning		
3.1 Preparation and submission of Annual Development to County Exec Committee	County Departments	1/9/2015
3.2 Review and update of strategic plans		15/9/2015
3.3 Review of programme outputs and outcomes		"
3.4 Expenditure Review		"
3.5 Progress report on MTP implementation		"
3.6 Preparation of annual plans		"
4. Determination of Fiscal Framework		
4.1 Estimation of Resource Envelope	County Treasury	10/9/2015
4.2 Determination of policy priorities		10/9/2015
4.3 Preliminary resource allocation to sectors		"
4.4 Draft Budget Review Outlook Paper (BROP)		20/9/2015
4.5 Submission and approval of BROP by County Executive Committee		20/9/2015
4.6 Submit approved BROP to County Assembly		30/9/2015
5. Preparation of MTEF budget proposals		
5.1 Draft sector report	Sector Working groups	1/10/2015
5.2 Convene public sector hearing	County Departments	15/10/2015
5.3 Submission of sector report to treasury	“	22/11/2015
5.4 Submission of sector working group report to treasury	Sector Working groups	30/11/2015
6. Draft County Fiscal Strategy Paper (CFSP)		1/12/2015
6.1 Develop and issue guidelines on CFSP	County Treasury	1/12/2015
6.2 Review of draft CFSP for departmental input	“	15/12/2015
6.3 Present draft CFSP for public participation	“	15/1/2016
6.4 Submission of CFSP to County Executive Committee	“	20/2/2016
6.5 Submission of CFSP to County Assembly for approval	“	28/2/2016
7. The 2014/15 Supplementary Budget		
7.1 Develop and issue guidelines on 2015/16 supplementary budget	Treasury	10/11/2015
8. Preparation and Approval of Final MDAs programme Budgets		
8.1 Develop and issue guidelines on preparation of 2016/17 MTEF Budget	Treasury	15/2/2016
8.2 Submission of budget proposals to treasury	Departments	5/3/2016
8.3 Consolidation of the draft budget estimates	Treasury	15/3/2016
8.4 Present draft budget estimates for public participation	Treasury	25/3/2016.
8.5 Submission of draft budget estimates to County Assembly	Treasury	30/4/2016
8.6 Review of draft budget estimates by County Assembly	County Assembly	15/5/2016
8.7 Report on draft estimates from County Assembly	County Assembly	30/5/2016
8.8 Consolidation of the final budget estimates	Treasury	13/6/2016
8.9 Submission of Appropriation bill to County Assembly	Treasury	15/6/2016
8.10 Appropriation Bill passed	County Assembly	30/6/2016
8.11 Gazzetment of Appropriation Act	County Treasury	5/7/2016
8.12 Finance Bill passed	County Assembly	30/9/2016
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ANNEX II: PERFORMANCE REPORT: JULY 2014 - JULY 2015

Vote No ……………………………………………………………………………………

Vote Name ………………………………………………………………………………

DELIVERY OF OUTPUTS

Summarise the major achievements in the delivery of outputs during July 2013 - June 2015

EFFICIENCY SAVINGS

Explain the major steps taken by the department in reducing budgeted costs of its outputs and or improving the delivery of outputs

INFORMATION OF PROGRAMMES

Programme 1

outcome(s)

Budgetary Provision 2012/13	Budgetary Provision 2013/14	Budgetary Provision 2014/15	
Staffing Level	Managerial staff	Technical staff	
output 1:	Performance indicator 1	Progress and Remarks	
	Performance indicator 2, 3 etc	Progress and Remarks	
output 2,3 etc	Related Performance indicators	Progress and Remarks	Support Staff

Programme 2,3 etc

PROGRAMME MONITORING

Explain the process undertaken to monitor the progress of programme outcomes and performance indicators of associated outputs

Indicate data constraints if any and what steps are being taken/will be taken to address data deficiency

PROGRAMME IMPLEMENTATION 2014/15

PROGRAMME 1:

Current Expenditure

21000000 compensation of employees

220000000 use of goods and services

260000000Grants and Other Transfers

270000000 Social Benefits

Capital Expenditure

310000000 Acquisition of Non-Financial Assets

Repeat as above for programme 2,3 etc

CAPITAL PROJECTS IN THE MINISTRY/DEPARTMENT/AGENCY

Project 1:		Location
Contract date	Contract Completion date	Expected final cost
Contract cost	Expected final cost	
Completion stage 2012/13 (%)	Composition stage 2013/14 (%)	Completion stage 2014/15 (%)
Budget Provision 2012/13	Budget provision 2013/14	Budget Provision 2014/15

Provide a brief overview of the specific needs to be addressed by the project

Repeat as above for projects 2,3 etc

ANNEX III: FORMAT FOR PRESENTATION OF PROGRAMME-PERFORMANCE BASED BUDGETS

Vote No:

Vote Title:

Part A: Mission

Part B: Vision

Part C: Strategic Objectives

Part D: Context for Budget Intervention

This section is supposed to be a review of MTEF period 2012/13– 2014/15 and should briefly discuss the followingexpenditure trends;

- *Major achievements for the period;*
- *Constraints and challenges in budget implementation and how they are being addressed; and*
- *Major services/outputs to be provided in MTEF period 2016/17 – 2018/19 (the context within which the budget is required)*

Part E: Programme Objectives/*Overall outcome*

(List all the programmes and their strategic objectives. Please note that each programme must have only one strategic objective/*outcome*)

Part F: Summary of Expenditure by Programmes, 2016/17 -2018/19 (KSh Millions)

Programme	Estimates 2015/16	Estimates 2016/17	Projected Estimates	
			2017/18	2018/19
Programme 1: (*State the name of the programme here*)[1]				
Sub Programme (SP)				
SP 1. 1				
SP 1. 2.				
… N				

[1] *NB. Repeat as shown in the Table under section "E" above for all Programmes. Provide total expenditure for each programme and their summation must equal the total expenditure of the vote.*

Total Expenditure of Programme 1				
Programme 2: (*State the name of the programme here*)				
	Estimates 2015/16	Estimates 2016/17	Projected Estimates	
			2017/18	2018/19
SP 2. 1				
SP 2. 2.				
… N				
Total Expenditure of Programme 2				
Total Expenditure of Vote -------				

Part G. Summary of Expenditure by Vote and Economic Classification[2] (KShs. Million)

Expenditure Classification	Estimates 2015/16	Estimates 2016/17	Projected Estimates	
			2017/18	2018/19
Current Expenditure				
Compensation to Employees				
Use of goods and services				
Current Transfers Govt. Agencies				
Other Recurrent				
Capital Expenditure				
Acquisition of Non-Financial Assets				
Capital Transfers to Government Agencies				
Other Development				
Total Expenditure of Vote ……				

[2] The total current expenditure and capital expenditure must be equal the total expenditure vote given in tables E, F, & G.

Part H. Summary of Expenditure by Programme, Sub-Programme and Economic Classification (KShs. Million)

Expenditure Classification	Estimates 2015/16	Estimates 2016/17	Projected Estimates	
			2017/18	2018/19
Programme 1: (State the name of the programme here)				
Current Expenditure				
Compensation to Employees				
Use of goods and services				
Current Transfers Govt. Agencies				
Other Recurrent				
Capital Expenditure				
Acquisition of Non-Financial Assets				
Capital Transfers to Govt. Agencies				
Other Development				
Total Expenditure				
Sub-Programme 1: (State the name of the Sub-Programme here)				
Current Expenditure				
Compensation to Employees				
Use of goods and services				
Current Transfers Govt. Agencies				
Other Recurrent				
Capital Expenditure				
Acquisition of Non-Financial Assets				
Capital Transfers to Govt. Agencies				
Other Development				
Total Expenditure				

- Repeat as above in cases where a Department has more than one programme and/or sub-programmes

Part J: Summary of the Programme Outputs and Performance Indicators *for FY 2016/17*

Programme	Delivery Unit	Key Outputs (KO)	Key Performance Indicators (KPIs)	Target(Baseline) 2015/16	Target 2016/17	Target 2017/18	Target 2018/19
Name of Programme Outcome:							
SP1.1							
SP.2							
…							
SP.N							

ANNEX IV: SECTOR WORKING GROUP REPORT FORMAT

TABLE OF CONTENTS

(Please ensure that Headings and Subheadings are identical to those in the report)

[8] Chapters 1 – 5 should form the main body of the report and should be divided into logical sections and subsections, using appropriate headings and numbering. Its purpose is to explain the conclusions and to justify the recommendations

EXECUTIVE SUMMARY

(Restate conclusions for each section and summarize findings and recommendations under this section)

CHAPTER[3] ONE:

1. INTRODUCTION

1.1. Background

1.2. Sector Vision and Mission

1.3. Strategic goals/Objectives of the Sector

1.4. Sub–Sectors and their Mandates

1.5. Autonomous and Semi Autonomous County Government Agencies

1.6. Role of Sector Stakeholders

(The introduction should briefly describe context; identify general subject; describe the problem or issue to be reported on; define the specific objective for the report; outline the scope of the report; and comment on any limitations of the report)

CHAPTER TWO

2. PERFORMANCE REVIEW 2012/13 – 2014/15

2.1. Performance of Programmes

2.2. Review of Key indicators of Sector Performance

2.3. Expenditure Analysis

2.3.1. Analysis of recurrent expenditure

2.3.2. Analysis of Development Expenditure

2.3.3. Analysis of Externally Funded Programmes

2.3.4. Expenditure Review by Programmes

2.4. Review of Pending Bills

2.4.1. Recurrent Pending Bills

2.4.2. Development Pending Bills

CHAPTER THREE

3. MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD 2016/17 – 2018/19

3.1. Prioritization of Programmes and Sub-Programmes

3.1.1. Programmes and their Objectives

3.1.2. Programmes, Sub-Programmes, Expected Outcomes, Outputs, and Key Performance Indicators for the Sector

3.1.3. Programmes by Order of Ranking

3.2. Analysis of Resource Requirement versus allocation by:

3.2.1. Sector(recurrent and development)

3.2.2. Sub-Sectors(recurrent and development)

3.2.3. Programmes and Sub-programmes

3.2.4. Semi Autonomous County Government Agencies

3.2.5. Economic classification

3.2.6. Resource Allocation criteria

CHAPTER FOUR

4. CROSS-SECTOR LINKAGES AND EMERGING ISSUES CHALLENGES

CHAPTER FIVE

5. CONCLUSION

This section should summarize the key findings of the report, as outlined in the discussion under the chapters 1-5 of the report. The Conclusions should relate specifically to the report's objectives (as set out in the introduction); identify the major issues; be arranged in order of importance; be specific, and to the point; and be a list of numbered points

CHAPTER SIX

6. RECOMMENDATIONS

This section should outline future actions. The Recommendations should be action orientated, and feasible; Relate logically to the Conclusions; be arranged in order of importance; and be to the point

REFERENCES

This section should list the sources referred to in the report

APPENDICES

Appendices should contain information that is too complex to include in the report. You need to direct readers to this information, as in "Appendix A provides an overview of the Budget of Department X".

ANNEX V: STATEMENT OF RECEIPTS AND PAYMENTS

	2016-2017
RECEIPTS	**Kshs**
Tax Receipts	xxx
Social Security Contributions	xxx
Proceeds from Domestic and Foreign Grants	xxx
Exchequer releases	xxx
Transfers from Other Government Entities	xxx
Proceeds from Domestic Borrowings	xxx
Proceeds from Foreign Borrowings	xxx
Proceeds from Sale of Assets	xxx
Reimbursements and Refunds	xxx
Returns of Equity Holdings	xxx
Other Receipts	xxx
TOTAL RECEIPTS	**xxx**
PAYMENTS	
Compensation of Employees	xxx
Use of goods and services	xxx
Interest payments	xxx
Subsidies	xxx
Transfers to Other Government Units	xxx
Other grants and transfers	xxx
Social Security Benefits	xxx
Acquisition of Assets	xxx
Finance Costs, including Loan Interest	xxx
Repayment of principal on Domestic and Foreign borrowing	xxx
Other Payments	xxx
TOTAL PAYMENTS	**xxx**
SURPLUS/DEFICIT	**xxx**

ANNEX VI: DEVELOPMENT PROJECTS

VOTE 311000000 KILIFI COUNTY LIST OF DEVELOPMENT PROJECTS FY 2016/2017					
DEPARTMENT/ENTITY (Name and Code)					
PROJECT	SUB COUNTY	WARD	SITE	ITEM VOTE	BUDGET
TOTAL					

ANNEX VII: CASH FLOW PROJECTIONS

	2016						2017						
	Jul	**Aug**	**Set**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**June**	**Total**
Balance brought forward													
RECEIPTS													
Tax Receipts													
Social Security Contributions													
Proceeds from Domestic and Foreign Grants													
Exchequer releases													
Transfers from Other Government Entities													
Proceeds from Domestic Borrowings													
Proceeds from Foreign Borrowings													
Proceeds from Sale of Assets													
Reimbursements and Refunds													
Returns of Equity Holdings													
Other Receipts													
Total Receipts													
PAYMENTS													
Compensation of Employees													
Use of goods and services													
Interest payments													
Subsidies													
Transfers to Other Government Units													
Other grants and transfers													
Social Security Benefits													
Acquisition of Assets													
Finance Costs, including Loan Interest													
Repayment of principal on Domestic and Foreign borrowing													
Other Payments													
Total Payments													
Balance Carried Forward													