



COUNTY GOVERNMENT OF HOMA BAY COUNTY

BUDGET PREPARATION GUIDELINES

FY 2025/2026



30TH AUGUST 2024



efficient and systematic preparation of the budget proposals for all departments, boards and corporations within the County Government of Homa Bay.

II. EFFECTIVENESS AND TIMING

4. The Circular becomes effective from the date of issuance and applies to all County Government Entities including Executive Office of the Governor, County Departments, Boards and other Agencies of the County Government.

III. BACKGROUND OF THE BUDGET PREPARATION PROCESS

5. The Constitution of Kenya under Articles 201, 202 and 220 provide for the principles that guide all aspects of public finance in the republic, the equitable share of revenue between National and County governments including additional allocations to county governments as well as the form, contents and timing of all budgets. Section 104 (1-5) of the County Government Act 2012 requires that a county government shall plan for the county and no public funds shall be appropriated outside a planning framework developed by the County Executive and approved by the County Assembly.
6. This budget preparation process is expected to be regimented and follow the schedules provided in this circular. The budgets created and approved should therefore be those that give effect to and enable prudent management of public resources in line with the letter and spirit of relevant legislations, especially the Public Finance Management Act, 2012. Consequently, county spending entities are expected to make informed choices that are economical both in the short and medium term while also ensuring sustainability.
7. Section 125 of the Public Finance Management Act, 2012 mandates the County Executive Committee Member for Finance to ensure that there is public participation in the Budget process.
8. The budgeting process is a critical endeavor that requires collaboration, accuracy, and strategic thinking. It enables the County Government to allocate resources effectively and ensure that county programs and projects align with the County's priorities and the needs of its citizens. The success of this process depends on the active involvement and commitment of each department, board or corporation within the County Government.
9. In this circular, there are detailed instructions and guidelines for preparing the budget proposals for every department, board and corporation of the County Government. It outlines the key dates, submission requirements, and the necessary templates to be used for budget submissions. Additionally, it highlights the strategic focus areas and development goals that should be considered while formulating budget requests.
10. All departments, boards and corporations of the County Government of Homa Bay are reminded to adhere to the stipulated deadlines in this circular to be able to maintain the smooth flow of the budgeting process. Only through timely submissions can budget proposals be efficiently consolidated, concerns addressed promptly and a constructive review process be facilitated.
11. In the interest of providing clarity on the budgeting guidelines and templates, and addressing questions and concerns regarding this process, all departments, boards and corporations of the County Government are encouraged to actively participate in the budget workshops and training sessions that have been scheduled for that purpose. Ultimately, everyone's contribution is pivotal not only in shaping the County's Financial Plan for the FY 2025/26 but



also creating a budget that reflects Her Excellency's commitment to the development and well-being of the citizens of Homa Bay County.

IV. POLICY FRAMEWORK SUPPORTING THE MEDIUM-TERM BUDGET FOR 2025/26-2027/28

12. The preparation of the 2025/26-2027/28 Medium-Term Budget will be focused on the theme '*Resilience and Sustainable Socio-economic Transformation of Homa Bay*.' It is part of a recognition that Homa Bay County, nestled on the Shores of Lake Victoria and at the Border between Kenya, Uganda and Tanzania, is a county not only in a strategic location but also rich in diverse natural resources, with a determined population, and untapped opportunities. Right now, as the county stands at the threshold of a new era under Her Excellency the Governor, Hon. Gladys Nyasuna Wanga, the County is poised to unlock its boundless potential and transform into a thriving hub of economic growth, social development, and sustainable progress. This vision is not merely an aspiration but a call to action for all stakeholders to collaborate, innovate, and create a brighter future for generations to come.

Benefiting from Our Natural Resources

13. Homa Bay County boasts a wealth of natural resources, from its expansive shores along Lake Victoria to its fertile agricultural lands and abundant aquatic life. The potential for agricultural productivity, aquaculture, and eco-tourism is immense. By harnessing these resources sustainably, the county can drive economic growth, provide livelihoods, and contribute significantly to the County's revenue.

Leveraging Our Cultural Heritage

14. Homa Bay County is a tapestry of Luo and Suba cultures, each contributing to the rich fabric of Homa Bay County's identity. By preserving and celebrating the county's cultural heritage, we can not only enhance our sense of unity but also create avenues for cultural tourism and creative industries. Embracing our traditions while embracing progress will foster a harmonious blend of the old and the new.

Developing Our Human Capital

15. Homa Bay County Government recognizes education as the cornerstone of its development. Consequently, quality education will be prioritized at all levels, so that the county's children and youth are empowered with the skills and knowledge needed to shape their destinies. The County government will continue to support scholarship programs, vocational training centers, and modern early years' educational facilities that equip children to have the necessary head-starts and excel in various fields, creating a workforce ready for the challenges of a rapidly changing world.

Supporting Enterprise Development

16. The County Government of Homa Bay recognizes entrepreneurship and innovation as pivotal to unlocking Homa Bay County's potential. Consequently, the County Government will continue to provide support to startups, local businesses, and tech initiatives, which can drive economic diversification, job creation, and technological advancement. The County Government will establish incubation hubs, provide access to funding, and foster a culture of creativity that propels the county into the forefront of innovation.



Modernizing County Infrastructure

17. The County Government of Homa Bay recognizes modern infrastructure as the backbone of progress. Consequently, the County Government will continue to invest on roads, bridges, healthcare facilities, and public utilities to meet international standards. This will not only enhance the quality of life for citizens but also attract investors and facilitates the seamless movement of goods and services across the county.

Improving Environmental Stewardship

18. For the County Government of Homa Bay, preserving the environment is not a choice but a responsibility. Therefore, the County Government will continue to implement robust environmental conservation measures, promote renewable energy, and undertake reforestation initiatives. By embracing such sustainable practices, our natural resources will be safeguarded for future generations while mitigating the effects of climate change. This initiative will benefit a great deal from the additional allocation funding expected through the Financing Locally Led Climate Action (FLLoCA Grant).

Engaging and Empowering Communities

19. The journey towards unlocking Homa Bay County's potential is incomplete without the active involvement of citizens. Through regular town hall meetings, participatory planning, and open dialogues, the County government will ensure that the aspirations and needs of communities are integrated into the county's development agenda.
20. All expenditures are expected to be aimed at leveraging opportunities to unlock the County's endless potential while promoting the overall objectives of the County Government of Homa Bay. While the challenges that lie ahead have to be acknowledged, our unwavering commitment, combined with the dedication of every individual, will propel us towards realizing our goals. By unlocking the endless potential within our grasp, we will be writing a new chapter in our history—one that is defined by justice, unity, and prosperity.
21. Sector Working Groups will be expected to critically evaluate proposals for funding to ensure they are aligned with the County Integrated Development Plan (CIDP) for 2023-2027 and the aspirations of the public as captured in reports of public participation held throughout the budget process. It is noteworthy that it is at the Sector Working Groups where respective county entities will bid for resources to support various programs agreed within the ceilings provided in Annex I.

V. SPECIFIC GUIDELINES

A) Budget Calendar and Requirements

22. The PFM Act, 2012 and its attendant regulations specify the key policy documents that must be prepared for approval by the County Executive Committee and the County Assembly within the timelines specified, which should be strictly adhered to at all times. The key policy documents that must be prepared and approved during the FY 2025/26 budget process include:



Budget Policy Documents	Timelines
2025/26 Annual Development Plan	September 1, 2024
2024 County Budget Review and Outlook Paper	October 30, 2024
Sector Working Group on Budget	November 30, 2024
2025 County Fiscal Strategy Paper	February 28, 2025
2025 County Debt Management Strategy Paper	February 28, 2025
2025/26 Annual Budget Estimates & Supporting Documents	April 30, 2025
2025/26 County Annual Appropriation Bill	April 30, 2025
2025 County Finance Bill	April 30, 2025

23. To facilitate the finalization and approval of the aforementioned policy documents and bills within the timelines stipulated in Annex II of this circular, Accounting Officers are required to strictly undertake the activities outlined in the Budget Calendar within the set timeframes.

B) Institutional Framework for Guiding the Budget Process

24. The budget formulation process shall be managed by three major groups, namely: Macro Working Group, Budget Procedure Group and Sector Working Groups.

• Macro Working Group

25. The Macro Working Group shall provide the basic architecture defining broadly how and in what quantities the County Government of Homa Bay shall raise revenue and finance its expenditure. It is the group that will formulate the County's statement of fiscal aggregates designed to meet fiscal objectives consistent with the macro-economic environment.

26. In designing the fiscal framework (or the statement of government operations), the Macro Working Group shall:

- Define the resource envelop, including taxes, service charges, grants and social contributions;
- Allocate resources to the broad categories of expenditure;
- Provide for key policy priorities of the County Government, including GENOWA Agenda and the Bottom-Up Economic Transformation Agenda (BETA) of the National Government;
- Take in to account the fiscal responsibility principles; and
- Identify and manage the potential sources of fiscal risks, including recurrence of the Covid-19 pandemic waves, continuing uncertainties in the world economy, uneven economic recovery, climate change impacts, wage pressures and volatility in interest rates.

27. The Macro Working Group meetings shall be chaired by the CEC Member for Finance and shall draw its membership from Chief Officers and Directors responsible for Budget, Planning,



Public Participation, Project Finance, Resource Mobilization (Internal Revenue & External Resources), Administration, ICT and Financial Reporting.

- **Budget Procedure Group**

28. The Budget Procedure Group shall be responsible for the preparation of the County Budget Review and Outlook Paper, County Fiscal Strategy Paper and Estimates of Development and Recurrent Expenditure for all spending entities. It shall ensure that preparation of budget documents begins with a review of policy directions captured in sectoral policies and plans, including strategic plans.
29. The Budget Procedure Group shall also ensure that there is compliance with fiscal responsibility requirements as well as the thresholds for public participation, transparency and accountability in budget preparation. It shall therefore interrogate budgets and assess whether set allocative criteria and priorities have been applied and the necessary procedures have been followed. It shall also seek explanations from officers who prepare budget estimates and ensure those explanations are included in the budget documents.
30. The Budget Procedure Group shall be chaired by Chief Officer responsible for Budgets and shall consist of Directors or Senior Accountants responsible for generation and uploading of estimates for their spending entities. It is during BPG meetings that budget decision at the executive level shall be defended.
31. All Accounting Officers are required to nominate officers to sit on the Budget Procedure Group. Officers nominated shall be senior enough to offer competent explanations of allocative decisions of the nominating spending entity. The Deputy Governor, the County Secretary, CEC Members or Chief Officers may attend BPG meetings to have a feel of the on-goings or provide direction on any matters of interest.

- **Sector Working Groups**

32. SWGs are the most critical avenue for resource allocation and distribution. As such, it's important that Accounting Officers ensure participation of their spending entities in the SWGs. Participation should strictly be by officers who are senior enough to articulate entity mandates, make decisions and justify resource requirements during the bidding process within the available ceilings.
33. Sectors of Homa Bay County shall mirror those of the National Government with the exception of two sectors: National Security and; Governance, Justice, Law and Order. The two sectors house constitutional functions preserved for the National Government. The sectors are organized in line with the UN best practice for Classification of Functions of Government (COFOG). The composition of Sector Working Groups provided for in Annex III is consistent with the UN-classification where the functions of the County Government have been mapped into 8 sectors, namely:
 - Agriculture, Rural and Urban Development (ARUD);
 - Energy, Infrastructure and ICT (EII);
 - General Economic and Commercial Affairs (GECA);
 - Health;
 - Education;
 - Public Administration and Inter-Government Relations (PAIR);
 - Social Protection, Culture and Recreation (SPCR); and
 - Environmental Protection, Water and Natural Resources (EPWNR)



34. SWGs shall be responsible for formulating sector budget proposals and developing sectoral policies. SWGs shall comprise the following:
- i) Chairperson – One Accounting Officer chosen by consensus by other Accounting Officers;
 - ii) Sector Convenor – Appointed by the County Treasury;
 - iii) Projects Committee Members – Nominated by the various spending entities;
 - iv) SWG Secretariat Members- Appointed by the Sector from among secretariats of PCs;
 - v) Representatives of Development Partners;
 - vi) Representative of the Kenya Private Sector Alliance;
 - vii) Representatives of National Public Sector Organizations.
35. SWGs are expected to ensure that planned programmes and projects seek to address the broad county objectives. Specifically, the SWGs are mandated to:
- i) Review performance of the various programmes and use the findings to guide resource allocation;
 - ii) Identify the policy, legal and institutional reform requirements for the sector;
 - iii) Estimate the cost implication of the planned projects;
 - iv) Prioritize sector programmes/projects and allocate resources appropriately in accordance with the agreed-upon criteria;
 - v) Identify the programmes and projects to be funded under PPP; and
 - vi) Coordinate activities leading to the development of sector reports and sector budget proposals.
36. Chairpersons of SWGs are required to convene meetings and ensure that all activities of the Sector Working Group are completed in accordance with the scheduled time frame. The final Sector Reports should be ready for submission to the County Budget and Economic Forum and the County Treasury not later than December 30, 2024 in line with the format indicated in the Annex VII.
37. The indicative sector ceiling for the financial year 2024/25 are provided in the Annex I. The broad fiscal parameters for the FY 2025/26 will be elaborated in the County Budget Review and Outlook Paper due at the County Assembly later in the year. The final ceilings will be reviewed, firmed up and approved together with the County Fiscal Strategy Paper, 2025 due from the County Assembly by March 14, 2025.

C) Form and Content of the Budget

- **Programme Based Budgeting (PBB)**

38. The FY 2025/26 budget appropriation shall be made at vote and programme level in accordance with the PFM Act, 2012. The programmes are expected to be aligned with the mandates of the respective County Government Entities. **Where a new programme is proposed, approval must be obtained from the County Treasury.** Presentation of the Programme Based Budget shall be in the format captured in Annex VI of this circular.



39. In designing new programmes, the structure should mirror the main lines of service delivery in the proposing entity. Each County Government Entity is expected to have for each of its programmes:
- (i) Outcomes and outputs which are Specific, Measurable, Achievable, Realistic and Time bound (SMART) and which are derived from the Government Strategies;
 - (ii) Performance indicators and targets for outputs and outcomes that are Clear, Relevant, Economic, Adequate and Monitorable (CREAM);
 - (iii) Programme targets the achievement of which the entity can have reasonable influence;
40. Accounting Officers should ensure that every programme has a distinctive description that reflects the main objective of the programme. Each programme or sub-programme must remain confined within a single county entity and all entity functions must fall within some defined programmes. There will be no activities or functions which are not assigned to some programme even if they are cross-cutting. It is noteworthy that **service delivery units with no clear outputs, performance indicators and targets shall be targeted for rationalization and reduced funding.**
41. All existing programmes have been coded in the IFMIS platform and can be changed with authority from the County Treasury. There should not be any duplication of programmes or programme names and, there should be no cross-cutting activities or functions that are not housed in any of the identified programmes. Accounting Officers to ensure compliance with the existing chart of accounts.
42. In situations where a county spending entity has more than one development programme, another programme should be created to cater for management and administration of overhead costs which cannot be attributed to any single 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 IT services which are not specific to any particular programme.
43. The performance overview and background for programme funding should include: a brief description of the mandate; expenditure trends; major achievements based on the planned output for the previous MTEF period; constraints and challenges experienced in implementing the previous year's budget, and how they are being addressed, and major services/outputs to be provided in the next budget in line with programmatic allocation for development and recurrent.





- **Three-Year 'Rolling' Medium-Term Budget Estimates**

44. The estimates shall be presented in a Three-Year 'Rolling' Medium-Term Budget plans where the first year's budget estimates form the starting point for the next year's budget estimates. Under this approach, budget resources will continue to be appropriated on an annual basis but the budget planning process will include estimates of expenditure and revenue for the two outer years. Accounting Officers should note that the ceilings for Personnel Emoluments and Development in the outer years will remain binding in accordance with the provisions of the PFM Regulations, 2015.

- **Medium Term Development Strategy**

45. The 2025/26 – 2027/28 Medium-Term Budget will be based on the third, fourth and fifth years of the CIDP 2023-2027 and will build on the progress made in the previous years. Harnessing of the Bottom-Up Economic Transformation Agenda of the National Government will also be prioritized within the context of 'Unlocking the County's Endless Potential.' SWGs are therefore required to undertake a thorough review of budget proposals from County Government Entities with a view to channeling more resources towards improving productivity and sustainably accelerating economic growth and job creation.

- **Programme Performance Review**

46. In the appropriation of resources, the Sector Working Group will be required to take in to account the findings of the review of performance of the entity programmes. Accounting Officers are therefore expected to have undertaken Programme Performance Reviews where they undertake detailed assessment of progress achieved towards realization of targeted outcomes and outputs after implementation of the Medium-Term Budgets for FY 2022/23-2024/25. The format for the review and reporting is provided in Annex V.
47. During the review, previous budgetary allocations, actual expenditures and achievement of planned outputs and outcomes will be analyzed. Indicators of both financial and nonfinancial performance for each programme will also be captured. The review will also be assessing whether the affected county government entities are adhering to stated policies and whether value for money was achieved in previous budget allocations; which programmes/projects have been finalized or are on-going and what are the new and urgent policy priorities. Equally, details will be provided of outstanding commitments, implementation experiences and lessons learnt that should form the basis for guiding expenditure allocations in the Medium-Term Budget.
48. County Entities will be expected to bid for resources only after finalizing the PPR and making available the report to the SWG. Once done, the Accounting Officer can proceed to finalize the preparation of their draft FY 2025/26 budgets later in the year using the format provided in Annex IV of this circular.



D) Prioritization and Allocation of Resources

49. In order to ignite the local economy and put it on the path to sustainable and inclusive recovery, it will be important to make available adequate resources to support provision of core services while ensuring equity and reducing waste through duplication and other inefficiencies. The County Government of Homa Bay will continue with its policy of expenditure prioritization with a view to funding programmes that safeguard livelihoods, create jobs, and revive the economy and businesses. Given that background, the following weighted criteria will serve as the guide for prioritization and final allocation of resources:

Score/Weighting Criteria	% Weight
Program performance review findings on the on-going programs	10.00
Linkage of the programme with broad strategic objectives highlighted in the CIDP, CSIP, and other plans as well as in response to and furtherance of the objects of the new Constitution	10.00
Linkage with flagship projects/interventions of the current political administration	7.50
Degree to which the programme sustainably addresses the core challenges of Poverty and Unemployment	25.00
Degree to which the programme addresses the core mandate of the spending entity	7.50
Expected outputs and outcomes from the programme	22.50
Linkage of the programme with other programmes	2.50
Cost-effectiveness and sustainability of the programme	15.00
Total	100.00

50. Based on the above broad guidelines, SWGs are expected to develop and document the criteria for resource allocation with the help of the weighting formula provided above. Further, the Sector Working Groups could help prioritize projects by considering:

- Analysis of the baseline expenditure after excluding all the 'one-off' expenditure for the previous years;
- Identification of pending activities of low priority in order to realize savings that could be directed to the high priority programmes;
- Allocation of resources to projects that have been fully processed (i.e., feasibility study done, with detailed designs, necessary approvals, and land secured). The SWGs should actually pay attention to the estimated requirements for each of the stages of the project cycle;
- Requirements for innovation/interventions to ensure efficiency savings in entity budgets (through reduction of operating costs and elimination of non-core service delivery activities); and
- Detailed explanation for re-scheduling of projects which should include savings and financial implication.



51. Accounting Officers are required to ensure that costing of activities in their respective programmes is accurate and takes in to account the ceilings provided in Annex I of this Circular. Attempts at exaggerating resource requirements must be avoided at all costs.

E) Recurrent Budget Expenditure

52. Sector Working Groups and the Budget Procedure Group must make sure that the necessary current expenditure required for effective service delivery and implementation of recurrent projects is provided. Personnel emoluments should be provided for adequately so that all salaries, allowances and benefits approved are covered. All allocations for personnel emoluments should be supported by Integrated Personnel Payroll Data (IPPD). Each entity will therefore be required to provide this information to support their personnel costs.
53. For effective reference, recurrent expenditure is expected to grow by an average of three (3) per cent per annum. This is to take care of a natural growth in personnel emoluments. Consequently, a recurrent growth rate of 5 percent will be applied to projections of the FY 2025/26 except where additional requirements are approved by the County Treasury or additional programmatic expenditures are required. SWGs should also ensure that priority is given to spending needs for utilities and other mandatory obligations. Each allocation should be supported by service provision agreements, demand notes, and documentary evidence of past expenditure trend.

• Provision for Personnel Emoluments

54. Section 107(2c) in the Public Finance Management Act 2012, stipulates that the county's government expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government total revenue as prescribed by the County Executive Member for Finance in regulations and approved by the county assembly. Specifically, total county expenditure on wages and salaries should not exceed 35 per cent of the county budget in line with the PFM regulations of 2015.
55. Whereas there will always be need to recruit some new cadres of staff and retain the existing staff in the county's public service, this must be done within a framework that is affordable and sustainable for the county. There is an urgent need to free fiscal resources from unproductive recurrent expenditure to make them available to finance critical county initiatives that could unlock the county's growth potential and enable sustainable development. Therefore, **SWGs should not allocate resources for new recruitment, interns, casuals or staff upgrades unless there is prior approval from the County Executive Committee.** County Government Entities should however provide adequate resources to cater for movement from one pay grade to another.
56. In exercising essential controls and ensuring prudent management of the wage bill, reference is expected to be made to the County Government Act, 2012. In section 55 (b, d; i and ii, and f), the objective of the county public service has been stipulated to provide a framework of uniform norms and standards to be applied in all counties in respect of establishment and abolition of offices in the county public service. Appointment of persons to hold or act in those offices is also provided as is human resource management and career development practices.



57. For effective and efficient human resource management and development the following guidelines should apply:

- All matters human resource in the county government will be submitted to the County HRM Advisory Committee first (for consideration and recommendation), before being taken to the County Executive Committee for determination;
- New proposals for creation of posts will be submitted to the County Public Service Board only after being determined by the County Executive Committee.
- Once the optimal staff establishment is reached, spending entities will only recruit to cater for natural attrition including death, retirement, resignation or incapacitation.
- Accounting Officers will submit budget for all their human resource requirements based on their HR plans and submit the personnel list together with their budget requests complete with personal numbers, names and job groups of officers, allocations for basic pay, house allowances, commuter allowances, leave allowances, gratuity, pension and all other allowances provided for in law or by regulations.
- All planned awards and reviews of remuneration and benefits shall be approved by the Salaries and Remuneration Commission upon first obtaining written approval from the County Executive Committee and the County Treasury on the availability of funds for the exercise. Proof of the same should be provided to SWGs.

• **Use of Goods and Services**

58. All requirements for use of goods and services should be accurately costed. Each allocation should be supported by service provider agreements, demand notes and any other document consistent with past trends. Sector Working Groups and the Budget Procedure Group must make sure that adequate budgetary provision is made for payment of utilities under the respective County Government Entities (Departments, Boards and Corporations).

• **Other Recurrent Expenditure**

59. All subscriptions/contributions to internal and external organizations shall remain consolidated under the County Treasury Budget. County Governments Entities (CGEs) are however allowed to review and justify their proposed variation of such payments. The County Treasury shall spearhead the rationalization of such proposals and seek the CEC approval for the inclusion of viable ones in its budget.

60. All transfer to Government Agencies must be critically reviewed and justified. Where no sufficient documentation or evidenced justification is provided, the earmarked provision will be scaled down or eliminated and the savings realized redirected to other priority programmes within the CGE or other CGEs within the sector.

61. Unlike previous years, each CGE will be required to budget for its own ICT needs. However, the ICT Directorate must be consulted during any purchase of computers, printers and other ICT equipment; purchase of ICT networking and communication equipment; purchase of software, connected ICT professional services; purchase of photocopiers; and purchase of specialized ICT equipment for clear specifications and guidance.



F) Development Budget Estimates

• Preparation, Appraisal and Approval of New Projects

62. The County Government of Homa Bay is committed to executing capital projects that meet objectives highlighted in the relevant planning documents. These capital projects are defined as groups of related activities that are implemented to achieve specific outputs and to address certain public needs. They should be based on comprehensive needs assessment and have time frames for completion and realization of desired results. The Public Investment Management Guidelines issued by the National Treasury shall provide the basis for preparation, appraisal and approval of all capital projects to be included in the budget. **Accounting Officers are required to ensure that all projects are adequately prepared, appraised and approved by the County Treasury before they seek approval from the CEC.**
63. Specifically, SWGs should ensure that before any project is considered for inclusion in the budget, the Accounting Officer has fulfilled the following minimum requirements:
- All conditions precedents are duly fulfilled, including land acquisition and meeting of other stakeholder requirements such as counterpart contribution;
 - Detailed designs are completed and other approvals which are applicable obtained;
 - Project has obtained all the necessary regulatory approvals;
 - Detailed resource requirements including funding sources and personnel to operationalize the project are planned for;
 - Project details are captured in the relevant Public Investment Management Information System
64. SWGs must ensure that projects that fully meet the above conditions are allocated adequate resources within the ceilings provided. Where the above conditions have not been met, the CGE can only request for resources to meet these prerequisites in the financial year under consideration. Financing agreements with Development Partners will only be executed for pipelined projects and new projects shall only be considered for funding if they have been appraised, approved and pipelined by 30th June of the preceding financial year.
65. The list of all on-going and pipelined capital projects must be submitted to the County Treasury in the format provided in a format under each sub-programme as follows:

Project Code & Project Title	Estimate Cost of the Project or Contract Value (a)	Financing		Timeline		Actual Cum. Expend. up to 30/6/25 (b)	Outstanding Project Cost as at 30/6/25 (a) - (b)	Allocation for FY 2025/2026		Allocation for FY 2026/27		Projection for FY 2027/28		Project Status
		HB C	Other (Specify)	Start Date	Expected Completion Date			HB C	Other	HB C	Other	HB C	Other	



Annex I: Indicative Recurrent and Development Ceilings for the FY 2025/26

Vote No.	Name of County Government Entity	Revenue/Expense Group	RECURRENT		DEVELOPMENT	
			Approved	Ceiling	Approved	Ceiling
			FY 2024/25	FY 2025/26	FY 2024/25	FY 2025/26
5120	Department of Finance and Economic Planning	Gross	707,575,155	706,783,684	238,935,539	37,432,079
		A-I-A			11,860,528	12,809,370
		Net				
		Salaries	452,893,113	511,949,906		
		Grants				
		Others				
5122	County Public Service Board	Gross	69,457,403	79,703,143	0	3,454,000
		A-I-A				
		Net				
		Salaries	53,244,549	54,841,886		
		Grants				
		Others				
5123	County Assembly Service Board	Gross	1,027,160,105	1,158,815,556	142,564,789	166,704,140
		A-I-A				
		Net				
		Salaries	465,579,343	479,546,723		
		Grants				
		Others				
5124	Homa Bay Municipal Board	Gross	29,756,691	29,432,360	48,861,088	17,653,877
		A-I-A				
		Net				
		Salaries	22,945,272	24,052,174		
		Grants				
		Others				
5125	Office the Deputy Governor and Department of	Gross	210,480,293	231,528,322	262,538,880	450,393,761
		A-I-A			48,876,158	52,786,251
		Net				



memorandum from the CEC member of finance as such requests represent a rejection of the position of the County Executive Committee. All CEC members and their Accounting Officers who appear before County Assembly Committees must therefore be sufficiently briefed by their technical officers for the exercise.

VI. CONCLUSION

84. 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, including County Directors and Members of Boards and Corporations for which they are responsible.

ISSUED BY:

SOLOMON OBIERO

CECM - FINANCE AND ECONOMIC PLANNING

COUNTY GOVERNMENT OF HOMA BAY

**CC: H.E. The Governor,
H.E. The Deputy Governor,
The County Secretary,
All Directors,
County Government of Homa Bay.**

**The Speaker,
The Clerk,
County Assembly Of Homa Bay.**



Despite budget constraints, use can be made of virtual platforms to engage those stakeholders where physical meeting is not affordable.

78. There are many reasons for including stakeholders in the deliberations on the budget. These include among others, to:

- Help better inform the public about county priorities and budget estimates, including revenues, expenditures and challenges;
- Clearly highlight the trade-offs associated with allocating limited resources among competing priorities;
- Provide important information to policy-makers about the kind of goods and services that citizens value;
- Avoid situations where important issues may be overlooked or under-prioritized due to poor involvement;
- Minimize or eliminate instances of designing schemes that do not address the concerns and priorities of people affected by the project; and
- Enhance transparency of the government budget making process.

79. Involvement of decentralized units and non-state actors within the Sector Working Group process is very important. Accounting Officers are expected to ensure key stakeholders are consulted; requirements of the decentralized units (sub-counties, municipalities, towns and wards) are prioritized and received within the specified time frames (See the Budget Calendar in Annex II); and incorporated within the departmental budget proposals accordingly.

80. All public participation processes/consultations should be documented for reference purposes. Further, SWGs should ensure that the CEC members, Chief Officers and Heads of Service Delivery Units are adequately briefed and collectively take responsibility for the budget proposals.

G) Appearance before Assembly Committees to Defend Budgets

81. Section 9 of the County Government Act, 2012 provides that Members of County Assembly should refrain from undertaking executive functions or delivery of services. However, they must hold county officers responsible for implementation of approved plans through effective oversight. Projects to be implemented must strictly be those captured in the County Integrated Development Plan, 2023-2027 and the Annual Development Plan, 2025/26 in line with provisions of the County Government Act, 2012.

82. While appearing before the relevant committees of the County Assembly therefore, the Accounting Officers and technical Officers must promote the objects of Article 201 of the Constitution by upholding the principles of accountability, openness, public participation and promotion of equity. The responsible CEC member must be provided with the relevant support documents including minutes, list of beneficiaries, progress reports, public participation reports, among other programme documents.

83. All spending entities must recognize that they appear before the committees primarily to explain government policies, defend government positions and provide evidence of achievements or lack thereof. NO NEW REQUESTS shall be made except through a



sports and energy sub-sectors. The allocations are proposed as follows (but this shall be informed by the available resources/funds)

County Entity Hosting the Ward-Based Project	Current Allocation Per Ward (2024/25)	Proposed Allocation Per Ward (2025/26)
Department of Roads, Public Works, Transport and Infrastructure	10,000,000	10,000,000
Department of Water, Sanitation, Irrigation, Environment, Energy and Climate Change	3,500,000	4,000,000
Department of Trade, Industry, Tourism, Investment, Cooperatives Development and Marketing	1,000,000	1,500,000
Department of Education, Human Capital Development and Vocational Training	500,000	4,000,000
Department Health	3,000,000	3,000,000
Department Gender, Sports, Culture	1,000,000	1,000,000
Office of the Deputy Governor, Department of Agriculture and Livestock	1,000,000	1,000,000
Total Per Ward	20,000,000	24,000,000

75. As part of measures to ensure equity in the distribution of ward-based development projects, the County Treasury proposes that consideration is made of each sub-location so that over a span of the three MTEF years, at least every corner of the ward is touched by some county government project. Equally, it is important to undertake additional measures to ensure sustainability of the proposed projects. Therefore, projects identified must be acceptable and relevant to the needs of locals; viable and adaptable to the changing circumstances; and whose benefits the beneficiaries are able to keep flowing long after the government support is withdrawn.

76. All proposed projects must have clear rationale, demand and supply basis, costs, anticipated outputs and performance metrics, risks and mitigation measures which are to be met before they qualify for funding. The demands placed on the beneficiaries must be those they can meet now and in future and in the most cost-effective fashion. No harm to the environment should be allowed unless compensatory measures are put in place so that neither current nor future generations can suffer mitigatable losses.

- **Involvement of Stakeholders**

77. Ownership of the budget process and support for the subsequent implementation decisions could be lost if key stakeholders are excluded. SWGs should therefore identify all the critical stakeholders including development partners, private sector actors, community-based organizations and local community leaders and engage them in programme prioritization.



- **Management of Projects by Project Committees**

69. Every Accounting Officer is required to establish a projects committee (PC) for his/her entity comprising of the Accounting Officer or his alternate at the level of Director (Chairperson); the monitoring and evaluation focal person (secretary); head of finance/accounting; and up to a maximum of 4 representatives from the relevant technical directorates of the entity appointed by the Accounting Officer.

70. The terms of reference of the PC shall include:

- i) Prioritization of projects based on the strategic plan of the entity, the CIDP and the CSIP;
- ii) Assessment of the viability and sustainability of new projects;
- iii) Approval of projects to be implemented based on the established criteria;
- iv) Identification of potential project risks and mitigating measures;
- v) Providing guidance on any changes in the project design during implementation;
- vi) Monitoring and evaluating the achievement of programmes/project outputs and outcomes; and \
- vii) Recommending the mode of project financing.

71. The names of persons appointed to the entity projects committee should be submitted the County Treasury not later than September 15, 2025. The PC shall be recommended for appropriate training both in-house training and training within the Kenya School of Government.

- **Criteria for Sequencing Projects**

72. While identifying and prioritizing projects, the PCs will take the following into consideration:

- i) The strategic importance of the project in unlocking or optimizing the endless potential of Homa Bay County;
- ii) Alignment of the project with entity strategy;
- iii) Impact/Contribution of the project on extreme poverty and unemployment;
- iv) Strategic importance of the project for promoting growth and job creation;
- v) Presence of champions and resource partners for the project, and
- vi) Fiscal viability and sustainability including community ownership and contribution.

73. **Completion of on-going projects must be accorded priority.** Any proposal for allocation of resources must be accompanied by a cost-benefit analysis. The proposed additional or new expenditure will have to be aligned with the mandate of the spending entity and the available fiscal space. In addition, the spending entity will have to provide information for projects that require counterpart funding. The format for reporting on projects is already provided in Paragraph 24 of this circular.

- **Allocation for Ward-Based Development Projects**

74. The County Government of Homa Bay recognizes that project formulation and implementation is enhanced when responsibility for resource development and management is devolved to the lowest possible unit. Consequently, the County Treasury will set aside at least 30% of total development allocation towards implementation of ward-based development initiatives touching on the roads, water, health, education, trade, agriculture,



	Amount in KSh.					Amount in KSh.					Amount in KSh.			
XX1														
XX2														
.....														
XXn														

66. The County Government of Homa Bay recognizes that mobilizing resources required for pipelined projects is a major challenge. In view of this, Sector Working Groups are encouraged to identify and prioritize areas or projects where the private sector should be engaged through Public Private Partnership (PPP) arrangements, thereby closing the gap in investment capital, technology and know-how needed to improve the efficiency and delivery of public services.

67. At least **30 per cent of the total budget must go into the annual capital investment** budget. The County Government of Homa Bay is intent on maintaining a disciplined program for making capital investments and managing its capital resources. The Capital Improvement Committee (CIP) will manage all capital projects, system wide and regardless of funding source, to ensure compliance with County, National and International Development Agency guidelines and regulations. The CIC shall ensure there is a project implementation committee (PIC) for each capital project consisting of the publics to operate in a manner prescribed in the public participation legislation.

- **Dealing with On-Going and Stalled Projects**

68. In the FY 2025/26, emphasis will be placed on the completion of ongoing and stalled projects. In particular, projects nearing completion should be funded adequately to ensure the citizens start benefiting from them as soon as possible. CGEs must therefore provide adequate information to support allocation of adequate funds to ongoing/stalled projects. For purposes of unity in definition, the PIM guidelines shall apply:

- (i) **Ongoing projects** are those whose implementation is underway with implementation works having commenced or contractual commitments already entered into;
- (ii) **Stalled projects** are those whose implementation had stopped for whatever reason or has been receiving inadequate allocation which cannot facilitate its meaningful progress over the medium term;
- (iii) **New projects** are pipelined projects that had been prioritized for financing, but implementation works are yet to begin or contractual commitment is yet to be entered into;
- (iv) **Pipelined projects** are those that have been appraised and granted the necessary approvals ready for prioritization and budget allocation.



	Agriculture and Livestock	Salaries	190,553,525	196,270,131		
		Grants			370,486,765	
		Others				
5126	Department of Gender Equality and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services	Gross	153,719,567	147,091,524	95,000,000	66,036,133
		A-I-A			3,789,720	4,092,898
		Net				
		Salaries	83,952,751	86,471,333		
		Grants				
		Others				
5127	Department of Roads, Public Works, Transport and Infrastructure	Gross	157,385,190	173,123,709	889,974,496	826,422,356
		A-I-A			107,019,050	119,861,336
		Net				
		Salaries	140,541,654	144,757,904		
		Grants				
		Others				
5128	Department of Blue Economy, Fisheries, Mining and Digital Economy	Gross	90,898,817	99,315,581	93,691,161	91,927,711
		A-I-A			64,995,733	70,195,392
		Net				
		Salaries	76,286,892	78,575,499		
		Grants				
		Others				
5129	Department of Education, Human Capital Development and Vocational Training	Gross	1,246,301,659	1,268,631,825	85,000,000	227,609,965
		A-I-A				
		Net				
		Salaries	761,173,789	784,009,003		
		Grants				
		Others				
5130	Department of Public Health and Medical Services	Gross	2,594,718,389	2,608,278,253	320,000,000	519,055,896
		A-I-A	1,842,658,247			
		Net				
		Salaries	1,860,404,232	1,916,216,359		
		Grants			168,446,765	181,922,506



		Others				
5131	Department of Lands, Physical Planning, Housing and Urban Development	Gross	82,313,342	54,244,676	1,072,020,992	169,249,428
		A-I-A			62,600,644	
		Net				
		Salaries	42,308,719	43,577,981		
		Grants			170,000,000	210,000,000
		Others				
5132	Department of Trade, Industry, Tourism, Cooperative Development and Marketing	Gross	165,259,292	176,285,221	205,204,927	335,742,244
		A-I-A			185,342,142	200,169,513
		Net				
		Salaries	148,767,292	153,230,311		
		Grants				
		Others				
5133	Department of Water, Sanitation, Irrigation, Environment, Energy and Climate Change	Gross	251,284,923	261,013,415	450,484,144	412,306,003
		A-I-A			799,987	4,087,454
		Net				
		Salaries	167,996,400	173,036,292		
		Grants			200,000,000	220,000,000
		Others				
5134	Department of Governance, Administration, Communication and Devolution	Gross	440,000,546	484,903,460	23,000,000	27,632,000
		A-I-A			5,411,728	5,844,666
		Net				
		Salaries	250,000,000	257,500,000		
		Grants				
		Others				
5135	Executive Office of the Governor	Gross	402,146,771	585,361,448	230,000,000	86,350,000
		A-I-A				
		Net				
		Salaries	271,389,661	278,631,351		
		Grants				
		Others				
5136		Gross	9,870,274	8,657,301	8,000,000	8,635,000



	Kendu Bay Municipal Board	A-I-A				
		Net				
		Salaries	3,803,640	3,917,749		
		Grants				
		Others				
5137	Mbita Municipal Board	Gross	9,870,274	8,657,301	8,000,000	8,635,000
		A-I-A				
		Net				
		Salaries	3,803,640	3,917,749		
		Grants				
		Others				
5138	Ndhiwa Municipal Board	Gross	9,870,274	8,657,301	8,000,000	9,405,215
		A-I-A				
		Net				
		Salaries	3,803,640	3,917,749		
		Grants				
		Others				
5139	Oyugis Municipal Board	Gross	12,833,620	9,716,982	24,800,000	8,635,000
		A-I-A				
		Net				
		Salaries	3,803,640	3,917,749		
		Grants				
		Others				
Expenditure by Economic Classification			7,670,902,585	8,100,201,064	4,206,076,016	3,473,279,810
Projected Total Expenditure for the FY 2025/26						11,573,480,874

Annex II: Budget Calendar: Schedule for the Preparation of the FY 2025/2026 Budget

ACTIVITY	RESPONSIBILITY	DEADLINE
▪ Conduct public participation on the CADP 2025/26 at the Sub-Ward Level	Chief Officer Finance & Economic Planning	August 27, 2024
▪ Undertake ward-level consultations on the CADP 2025/26	Chief Officer Finance & Economic Planning	August 20 2024
▪ Convene Macro-Working Group meeting to consider Budget Circular and the Draft ADP	CECM Finance	August 26, 2024



▪ Have the CEC approve and issue 2025/26 Budget Preparation Guidelines	CECM Finance	August 29, 2024
▪ Finalize and submit County Annual Development Plan to CBEF and CEC	Chief Officer Finance & Economic Planning	August 29, 2024
▪ Submit County Annual Development Plan to County Assembly	CECM Finance	August 31, 2024
▪ Publish and publicize the CADP vide Radio	CECM Finance	September 9, 2024
▪ Finalize Public Expenditure Reviews	Accounting Officers	September 10, 2024
▪ Develop the Medium-Term Budget Framework	Chief Officer Finance & Economic Planning	September 16, 2024
▪ Convene Macro Working Group Meeting to consider CBROP and the Fiscal Framework	CECM Finance	September 17, 2024
▪ Finalize County Budget Review and Outlook Paper (CBROP)	CECM Finance	September 23, 2024
▪ Hold the CBEF Meeting to consider CBROP and the Fiscal Framework	CECM Finance	September 25, 2024
▪ Hold CEC Meeting to consider CBROP	CECM Finance	October 3, 2024
▪ Submit CBROP to the County Assembly	CECM Finance	October 11, 2024
▪ Circulate CBROP to Accounting Officers	CECM Finance	October 15, 2024
▪ Receive budget submissions from devolved units	Accounting Officers	October 18, 2024
▪ Convening the First Sector Working Group meetings	Chief Officer Finance & Economic Planning	October 18, 2024
▪ Convene Second Sector Working Group Meetings	Chief Officer Finance & Economic Planning	October 25, 2024
▪ Convene Third Sector Working Group Meetings	Chief Officer Finance & Economic Planning	November 4, 2024
▪ Submit Sector Reports	SWG Chairpersons	November 11, 2024
▪ Retreat to Develop the First Draft Estimates of Development and Recurrent for the County Government of Homa Bay	Chief Officer Finance & Economic Planning	November 29, 2024
▪ Publish Sector Reports	CECM Finance	November 29, 2024
▪ Convene Macro-Working Group meeting to consider the First Draft Estimates	CECM Finance	December 4, 2024
▪ Have the First Draft County Debt Management Strategy Paper ready	Chief Officer Finance & Economic Planning	December 17, 2024
▪ Have the First Draft County Fiscal Strategy Paper 2025 ready	Chief Officer Finance & Economic Planning	January 13, 2025
▪ Convene Macro-Working Group meeting to consider the First Drafts of CDMSP and CFSP	CECM Finance	January 20, 2025
▪ Convene Sector Working Group Meetings to consider the First Drafts of CDMSP and CFSP	Chief Officer Finance & Economic Planning	February 3, 2025

▪ Conduct public participation on the Draft County Fiscal Strategy Paper 2025	Chief Officer Finance & Economic Planning	February 18, 2025
▪ Submit the CFSP & DMSP to CBEF and CEC	CECM Finance	February 25, 2025
▪ Submit the CFSP & DMSP to County Assembly	CECM Finance	February 26, 2025
▪ Publish and publicize the CFSP 2025 vide Radio	CECM Finance	February 28, 2025
▪ Circulate the Approved 2025 County Fiscal Strategy Paper to Accounting Officers	CECM Finance	March 24, 2025
▪ Issue the Final Treasury Circular on the FY 2025/2026 Budget Estimates	CECM Finance	March 24, 2025
▪ Finalize entity budgets both Itemized and Programme Based Budgets	Accounting Officers	April 7, 2025
▪ Convening First Budget Procedure Group meeting	CECM Finance	April 9, 2025
▪ Hold Sub-County Hearings on the FY 2025/26 Budget Estimates	Chief Officer Finance & Economic Planning	April 17, 2025
▪ Retreat to consolidate reports and incorporate views of the public on the FY 2025/26 Budget Estimates	Chief Officer Finance & Economic Planning	April 23, 2025
▪ Convene final Budget Procedure Group meeting	CECM Finance	April 24, 2025
▪ Submit Budget Estimates to CBEF and the County Executive Committee for approval	CECM Finance	April 26, 2025
▪ Submission of Budget Estimates to the County Assembly	CECM Finance	April 29, 2025
▪ Finalize the Appropriation Bill and submit to the County Assembly	CECM Finance	April 30, 2025
▪ Budget Speech	CECM Finance	June 30, 2025





Annex III: Composition of Sector Working Groups

Sector	Name of Sub-Sector	Sector Convenor
Agriculture, rural, and urban development (ARUD) sector	Agriculture and Livestock	Mr. Mohamed Mafta
	Fisheries and Blue Economy	
	Housing and Urban Development	
	Municipal Board and Town Committees	
	Lands and Physical Planning	
General economic and commercial affairs sector	Trade and Industry	Mr. Simon Oyindo
	Tourism and Investments	
	Cooperatives Development and Marketing	
Energy, infrastructure and ICT	Energy	Mr. Ken Oyier
	Roads and Transport	
	Public Works and Infrastructure	
	ICT and Digital Economy	
Education	Early Childhood Development	Mr. Steve Owino
	Human Capital Development	
	Vocational Training	
Health	Public Health and Medical Services	Mr. Derrick Odhiambo
Social protection, culture and recreation	Gender and Social Services	Mr. Nixon Ochola
	Youth, Sports, Culture and Talent Development	
Public Administration and Inter/intra-government relations	Finance and Economic Planning	Ms. Harriet Atieno
	Governance, Administration, Communication and Devolution Services	
	Executive Office of the Governor	
	County Public Service Board	
	County Assembly Service Board	
Environmental protection, water and natural resources	Water, Sanitation and Irrigation	Mr. Willys Bolo
	Environment, Forestry and Climate Change	



Annex IV: Composition and Terms of Reference for the Sector Working Groups (SWGs)

There shall be a Sector Working Group composed of the following:

- i) Chairperson – An Accounting Officer responsible for one of the sub-sectors/county departments constituting the sector chosen by colleagues;
- ii) Sector Convenor appointed by the CEC Member, Finance and Economic Planning
- iii) Secretariat comprising of technical officers from the county planning unit and relevant departments forming the sector
- iv) Other stakeholders – Development Partners, Representatives of Civil Society Organizations and the Private Sector

The Terms of Reference for the Sector Working Groups will be the following:

- a) Coordinate departmental reviews in accordance with guidelines;
- b) Finalize Plans and Identify and prioritize public programmes to be funded;
- c) Identify programmes to be funded under the Public Private Partnership, Joint Ventures and by the Private Sector;
- d) Coordinate activities leading to the development of sector plans and reports; programme-based budgets; and itemized budgets;
- e) Analyze cost implications of the proposed programmes, projects and policies;
- f) Allocate resources to county departments, decentralized units and public agencies within the sector in accordance with the agreed criteria.

Roles and Responsibilities of the Sector Conveners are as follows:

The sector Conveners are responsible to the CEC Member responsible for Finance and Economic Planning/Treasury and the Sector Chairpersons for overall guidance and oversight of the Sector Working Group consultations, for sound formulation of sector policies and budget priorities. Specifically, the Conveners are expected to perform the following functions:

- Brief the Sector Chairpersons on the county SWG implementation plan
- Ensure the SWGs map out their key stakeholders and invite them to the sector consultative meetings
- Assist the SWGs understand and adhere to budget preparation guidelines
- Ensure that SWGs develop an action plan consistent with timelines set in the budget calendar and the SWG implementation action plan
- Ensure that planned SWGs programmes are anchored on the CIDP
- Ensure SWGs develop and document a prioritization and resource allocation criteria which is consistent with the overall guidelines provided by the County Treasury
- Ensure that programmes are well costed, and have measurable performance indicators
- Ensure that ensuing budget policy priorities and budgets are well informed by previous progress reports and expenditure reviews
- Track implementation of the SWG planned activities and bring to the attention of Chairperson/ Treasury the challenges facing the exercise and the recommended way forward
- Prepare and submit to the County Treasury bi-monthly status reports on the preparation of the budgets and DPER that clearly identifies achievements/progress made, challenges and proposed way forward
- Coordinate the preparation of the Final Sector Presentation for Public Sector Hearings
- Fully participate in the Estimate Working Group meetings with a view to ensuring that policy priorities as agreed upon at the SWG are funded within the available resource envelop.



Annex V: Report Format for Departmental Expenditure Review

Theme:

"Resilience and Sustainable Socio-economic Transformation of Homa Bay"

Executive Summary

Under this section county departments/units/agencies are required to provide a brief summary of the key issues in the report. The report should highlight the major issues discussed in each section of the report.

1. Introduction

This section should discuss the overall objective of undertaking expenditure review; show the link between the expenditure review and the theme of the 2017/2018 PER as stated above; state any challenges which may hinder effectiveness of expenditure reviews; show the link between the expenditure review and achievement of county objectives 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. Entity Programmes

This section should state the mission and vision of the entity; discuss the vision and mission of the entity in relation to its mandate; review programmes of the entity in relation to its mandate and the vision as stated above; review the expenditures of the entity in relation to the programmes and mandate of the entity; review the performance of the programmes of the entity in relation to critical projects as provided for in the CIDP; and discuss the decentralized units and agencies in the entity and how they contribute to achievement of the entity objectives.

2.1 Expenditure Performance

- Indicate broad outputs in relation to the intended outputs in the past year. Review should be summarized as provided in the format below:

Programme/ Programme	Sub-	Intended Output	Achieved Output	Remarks
Programme Name: Programme Outcome:				
Sub-Programme 1:				
Sub-Programme 2:				
e.t.c.				



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

Project	Original Contract Sum to Completion	Expected Sum to Completion	Original Date of Completion	Expected Date of Completion	FY 2024/25 Target	FY 2024/25 Achievement	Remarks
▪	▪	▪	▪	▪	▪	▪	▪

- Discuss briefly the performance of units and agencies in relation to their targets
- State any challenges experienced in implementation of the budget during the period under review

2.2 Expenditure Analysis for the One Year Period to June 30, 2024

- Discuss the trends in allocation of total expenditure over the period. Summarize the allocations by economic classification as in the table 2.1 below
- Discuss the absorption of the expenditure allocations by comparing the budgeted expenditures (approved estimates) with the actual expenditures.
- Analyze expenditures as in the tables 2.1 to 2.6 below and clearly explain the observed trends

Table 2.1 Analysis of Total Expenditure by Nature and Economic Classification (KSh.)

	As Percentage of Total Expenditure	Printed Estimates	Revised Estimates	Actual Expenditure
1. Recurrent Budget				
▪ Compensation to employees				
▪ Use of goods and services				
▪ Grants, Transfers and Subsidies				
▪ Other Recurrent				
Total Recurrent Budget	(%)			
▪ Acquisition of Non-Financial Assets				
▪ Grants, Transfers and Subsidies				
▪ Other Development				
Total Development Budget	(%)			
Total Expenditures				



Table 2.2 Analysis of Expenditures by Programmes and Sub-Programmes (KSh.)

	Approved Estimates	Actual Expenditures
Programme Name:.....		
Sub-Programme 1:		
2. Recurrent Budget		
▪ Compensation to employees		
▪ Use of goods and services		
▪ Grants, Transfers and Subsidies		
▪ Other Recurrent		
3. Development Budget		
▪ Acquisition of Non-Financial Assets		
▪ Grants, Transfers and Subsidies		
▪ Other development		
Total Expenditure		

N/B: Repeat the above for all sub-programmes in each programme

Table 2.3 Analysis of Expenditure by Sub-Vote or by Functional Units (KSh.)

	Approved Estimates	Actual Expenditures
1. Recurrent Budget		
▪ Sub-Vote 1		
▪ Sub-Vote 2		
▪ Sub-Vote 3.....		
▪ Sub-Vote n		
Total Recurrent		
2. Development Budget		
▪ Sub-Vote 1		
▪ Sub-Vote 2		
▪ Sub-Vote 3.....		
▪ Sub-Vote n		
Total Development		
Total Budget		



Table 2.4 Analysis of Sources of Finances (KSh.)

	Approved Estimates	Actual Receipts
Current Expenditure		
GoK		
A-I-A		
Donor		
Other - Specify		
Capital Expenditure		
GoK		
A-I-A		
Loan		
Grant		
Others-Specify		
Total		

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

Table 2.5 Analysis of Expenditure by Decentralized Units and Public Agencies

Name of the Unit/Agency:

	Revised Budget	Actual Receipts
Source of Funds		
GoK		
Internally Generated Funds		
Loan		
Grants		
Donations		
Others- Specify		
Total		

N/B: Do analysis for each unit/agency and a summary analysis for all units/agencies within the Department.

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, personnel, personal claim, e.t.c



- 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 (KSh.)

	Due to lack of liquidity	Due to lack of provision
Type/Nature		
1. Recurrent		
▪ Utility telephone		
▪ Electricity		
▪ Water		
▪ Personal claims		
▪ Others- specify		
2. Development		
▪ Certified works		
▪ Equipment delivered		
▪ Services provided		
▪ Others- specify		
Total Pending Bills		

3. Human Resources Development and Capacity Building

- Discuss key personnel challenges over the year and how this has affected the performance of the department
- State any other constraints to service delivery
- Describe efforts being undertaken to combat HIV/AIDS, corruption, disability and gender mainstreaming issues in the department
- Review training needs of the department and the likely impact on service delivery

4. Work Plan for the Implementation of the Recommendations of the DPER

In this section, provide a work plan for implementation of the proposed recommendation of the DPER



5. Challenges

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

6. Conclusions

In this section, provide conclusions drawn from the review

7. Key Recommendations

In this section, provide recommendations to improve the implementation of the budget in terms of efficiency, effectiveness, timelines and targets for better service delivery.



Annex VI: Format for the Presentation of Programme-Performance Based Budgets (PBB)

VOTE: 51XX

A. Vision

B. Mission

C. Context for Budget Intervention

In this section briefly discuss the mandate of the spending entity, major achievements in the last MTEF period; constraints and challenges and how they are being addressed; and also, major services/outputs to be provided in the financial year 2024/25 (the context within which the budget is required)

D. Programmes and their Objectives

In this section, list all the programmes and their strategic objectives. Please note that each programme must have only one strategic objective.

E. Summary of Expenditure by Programmes, 2024/25-2026/27 (KSh.)

Programme 1: State the Name of the Programme here				
Sub-Programme (SP)	Approved Estimates 2024/25	Draft Estimates 2025/26	Projected Estimates 2026/27	Projected Estimates 2027/28
SP 1.1				
SP 1.2...				
SP 1.N				
Total Expenditures of Programme 1				
Programme 2: State the Name of the Programme here				
Sub-Programme (SP)	Approved Estimates 2024/25	Draft Estimates 2025/25	Projected Estimates 2025/26	Projected Estimates 2026/27
SP 2.1				
SP 2.2...				
SP 2.N				
Total Expenditures of Programme 2				
Total Expenditure of Vote.....				



Sub-Programme (SP)	Approved Estimates 2024/25	Draft Estimates 2025/26	Projected Estimates 2026/27	Projected Estimates 2027/28
SP 3.1				
SP 3.2...				
SP 3.N				
Total Expenditures of Programme 3				
Total Expenditure of Vote.....				

F. Summary of Expenditure by Vote and Economic Classification (KSh.)

Expenditure Classification	Approved Estimates 2024/25	Draft Estimates 2025/26	Projected Estimates 2026/27	Projected Estimates 2027/28
(1) Current Expenditure				
Compensation to Employees				
Use of Goods and Services				
Current Transfers to Agencies				
Other recurrent				
(2) Capital Expenditure				
Acquisition of Non-Financial Assets				
Use of Goods and Services				
Capital Transfers to Agencies				
Other Development				
Total Expenditure of Vote...				

G. Summary of Expenditure by Programme, Sub-Programme and Economic Classification (KSh.)

Expenditure Classification	Approved Estimates 2024/25	Draft Estimates 2025/26	Projected Estimates 2026/27	Projected Estimates 2027/28
Programme 1: State the Name of the Programme here				
Current Expenditure				

Compensation to Employees				
Use of Goods and Services				
Current Transfers to Agencies				
Other recurrent				
Capital Expenditure				
Acquisition of Non-Financial Assets				
Use of Goods and Services				
Capital Transfers to Agencies				
Other Development				
Total Expenditure of Programme 1				
Programme 2: State the Name of the Programme here				
Current Expenditure				
Compensation to Employees				
Use of Goods and Services				
Current Transfers to Agencies				
Other recurrent				
Capital Expenditure				
Acquisition of Non-Financial Assets				
Use of Goods and Services				
Capital Transfers to Agencies				
Other Development				
Total Expenditure of Programme 2				
Programme 3: State the Name of the Programme here				
Current Expenditure				
Compensation to Employees				
Use of Goods and Services				
Current Transfers to Agencies				
Other recurrent				
Capital Expenditure				
Acquisition of Non-Financial Assets				
Use of Goods and Services				





Capital Transfers to Agencies				
Other Development				
Total Expenditure of Programme 3				

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

H. Summary of Programme Outputs and Performance Indicators

PROGRAMME 1: (Name of the Programme)

Programme Outcome: (Each programme should have one outcome)

Sub-Programme (SP)	Delivery Unit	Key Outputs	Key Performance Indicators	Baseline Target 2024/25	Draft Target 2025/26	Projected Target 2026/27	Projected Target 2027/28
SP 1.1							
SP 1.2							
.....							
SP 1.N							

PROGRAMME 2.....N: (Repeat as above in cases where a department has more than one programme).

I. Summary of Human Resource Requirements

Programme Code	Programme Title	Position/Designation	Authorized Establishment	In Post as at 30/6/24	2024/25 Funded Positions	2025/26 Positions to be funded	2026/27 Positions to be funded	2027/28 Positions to be funded
XXI	Gen Admin & Manag.							
XX2								
XX3								
Total Funded Positions								

Annex VII: Sector Working Group Report Format

TABLE OF CONTENTS

(Please ensure that the headings and sub-headings are identical to those in the report)

EXECUTIVE SUMMARY

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

CHAPTER ONE: 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 Decentralized Units and Public Agencies
- 1.6 Role of 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 limitation of the report)

CHAPTER TWO: PERFORMANCE AND ACHIEVEMENT IN THE PERIOD TO JUNE 2023

- 2.1 Performance of Programme
- 2.2 Key indicators of Sector and Sub-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
- 2.4 Review of Pending Bills
 - 2.4.1 Recurrent Pending Bills
 - 2.4.2 Development Pending Bills



CHAPTER THREE: MEDIUM TERM PRIORITIES AND THE FINANCIAL PLAN FOR THE MTEF PERIOD

- 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

3.1.3 Programmes by Order of Ranking

3.2 Analysis of Resource Requirements by:

3.2.1 Sector

3.2.2 Sub-Sectors

3.2.3 Programmes and Sub-programmes

3.2.4 Decentralized Units

3.2.5 Economic Classification

CHAPTER FOUR: CROSS-SECTORAL LINKAGES

CHAPTER FIVE: EMERGING ISSUES AND CHALLENGES

CHAPTER SIX: 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 conclusion 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 SEVEN: RECOMMENDATIONS

This section should outline future actions. The recommendations should be action-oriented and feasible; relate logically to the conclusions; be arranged in order of importance; and be to the point.

REFERENCES

This section should list all 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 VIII: C-ADP Structure

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- 1.1 Overview of the County
- 1.2 Rationale for Preparation of CADP 2025/26
- 1.3 Linkage of the CADP with other Development Plans
- 1.4 CADP Development Process

II. REVIEW OF THE PREVIOUS CADP

- 2.1 Financial Performance
- 2.2 Sector and Sub-Sector Achievements,
 - 2.2.1 Status of Projects
 - 2.2.2 issuance of Grants, Benefits and Subsidies
 - 2.2.3 Contribution to National, Regional and International Aspirations/Concerns
- 2.3 Sector and Subsector Challenges, Emerging Issues, Lessons Learnt and Recommendations.

III. COUNTY STRATEGIC PRIORITIES, PROGRAMMES AND PROJECTS BY SECTOR

- 3.1 Agriculture, Rural and Urban Development Sector
 - 3.1.1 Agriculture
 - 3.1.2 Livestock Production
 - 3.1.3 Blue Economy and Fisheries
 - 3.1.4. Lands and Physical Planning
 - 3.1.5 Housing and Urban Development
- 3.2 Energy, Infrastructure and ICT Sector
 - 3.2.1 Energy
 - 3.2.2 Roads and Transport
 - 3.2.3 Public Works and Infrastructure
 - 3.2.4 ICT and Digital Economy
- 3.3 General Economic and Commercial Affairs Sector
 - 3.3.1 Trade and Industry
 - 3.3.2 Tourism and Investments





3.3.3 Cooperative Development and Marketing

3.4 Health Sector

3.4.1 Preventing and Promotive Health

3.4.2 Curative and Rehabilitative Health

3.4.3 Health Planning and Administration

3.5 Education Sector

3.5.1 Early Learning and Development

3.5.2 Vocational Training

3.5.3 Human Capital Development

3.6 Public Administration and Inter/Intra-Government Relations Sector

3.6.1 Executive Office of the Governor

3.6.2 Governance, Administration, Devolution and Communication

3.6.3 Finance and Economic Planning

3.6.4 County Public Service Board

3.6.5 County Assembly Service Board

3.7 Environmental Protection, Water and Natural Resources Sector

3.7.1 Water and Sanitation

3.7.2 Environment, Forestry and Climate Change

3.8 Social Protection, Culture and Recreation Sector

3.8.1 Gender and Social Services

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IV. IMPLEMENTATION FRAMEWORK AND RESOURCE

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4.2 Resource Mobilization and Management Framework

4.2.1 Resource requirements by Sector and Sub-Sector

4.2.2 Revenue Projections

4.2.3 Estimated Resource Gap

4.3 Risk Management Strategies by Sector and Sub-Sector

V. MONITORING, EVALUATION AND REPORTING

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5.1.1 M&E Instruments

5.1.2 M&E Structures

5.2 Data Collection and Analysis

5.3 Performance Review and Reporting

VII. CONCLUSION

VIII. ANNEX

