# **00 Unconditional, Public Sector Management and Accountability**

# 2016/17 Sector Grant and Budget Guidelines

*Final Draft for sign off – 22 February*

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## Introduction

These guidelines are issued by the Ministry of Local Government to local governments to provide information about the unconditional grant guide the preparation of local government budget estimates for the public sector management and accountability sectors. They give details of (i) the national policies for the sector, (ii) the role and mandate of local governments in the sectors, (iii) an overview of central government grants to local governments, (iv) an explanation of how these are allocated to each local government, and (v) requirements that local governments must follow when preparing the budget.

This information is accompanied by a more detailed Budget Requirements Assessment and Compliance Tool which should be used by local governments to ensure compliance and which will be used by central government to verify if local governments have actually complied. This will inform the signing of performance contracts with Accounting Officers by the Permanent Secretary/Secretary to the Treasury.

## National Development Plan and Policy Priorities

This note sets out the Policy Priorities, Roles, Responsibilities and Mandates of Local Governments for LG councils, Administration, Human Resources and Financial Management. It also sets out the purpose and structure of the Unconditional grant and allocation formulae.

There are several NDP priorities which relate to Local Governments in these areas:

* Strengthen Public Financial Management, through the introduction of the IFMS, Performance Based Budgeting and the Reform of Fiscal Transfers.
* Increase taxation.
* Improve statistical data production.
* Increase public demand for accountability and strengthen compliance with accountability rules.
* Enhance public contract management and performance.
* Improve citizen participation and contribution in promoting rule of law, transparency and accountability in the provision of services to achieve equitable and sustainable development.
* Improve the National M&E systems for increased service delivery, efficiency, and effectiveness.
* Improve coordination, and harmonization of policy, planning, budgeting, and M&E at National and Local Government levels.
* Improve democracy and governance for increased stability and development.
* Improve public service management, operational structures and systems for effective and efficient service delivery.
* Enhancing the performance of the public sector and strengthening service delivery.
* The Decentralisation of the Payroll, the Human Resources Function through the IPPS.

## Roles, responsibilities and mandate of Local Governments

The departments of Administration, Finance, Internal Audit, the Planning Unit and statutory Bodies are responsible for political and technical oversight and coordination of the Local Government in these areas. Their Vote Functions and associated mandates are set out below:

| Vote Function | Associated LG Mandate |
| --- | --- |
| District and Urban Administration | * Coordination of LG activities, monitoring, organisation * Human resource management, IPPS, coordination of capacity dev’t * Records management, public relations |
| Financial management & Accountability | * Revenue mobilisation, budgeting, financial management and accountability |
| Local Statutory Bodies | * Council, DEC/MEC, Standing Committees: policy formulation and direction, approval of plans and budgets, monitoring of administration, * PAC: accountability and oversight of administration revenues and expenditures * DSC: staff recruitment, discipline, promotion. * Land Board: processing land rights / land administration issues * Contracts Committees: procurement and disposal of goods and services |
| Local Government Planning Services | * Coordination of Planning Function, Data Management (MIS, surveys etc.), Reporting, M&E. |
| Internal Audit | * Oversight of PFM / management of Internal Controls, Reporting and Recommendations to Council. |

## Overall Structure and Purpose of Grants

The Unconditional Grant is the **minimum amount of money required by Local Governments** to **deliver Decentralised Services.**

|  |  |  |
| --- | --- | --- |
| Grant | | Purpose |
| **District Unconditional Grant** | |  |
| Wage | | To fund the salaries of staff paid from the traditional Local Government payroll (i.e. all staff except teachers, health workers, extension workers) in the higher Local Government and rural areas |
| Non Wage | *o/w District* | To fund both the recurrent and development costs of decentralised services alongside locally raised revenues in the higher Local Government and rural areas |
| *o/w Sub-county* |
| **Urban Unconditional Grant** | |  |
| Wage | *o/w Municipality* | To fund the salaries of staff paid from the traditional local government payroll (i.e. all staff except teachers, health workers, extension workers) in urban areas |
| *o/w Town Council* |
| Non Wage | *o/w Municipality* | To fund both the recurrent and development costs decentralised services alongside locally raised revenues in urban areas |
| *o/w Town Council* |
| **Support Services** | |  |
| o/w Pension and Gratuity | | To provide for pension and gratuity payments for former Local Government employees |
| o/w Urban Ad Hoc | | Ad hoc allocation to local governments for administrative activities. |
| o/w Rural Ad Hoc | |

It is important to note that the following grant allocations have been folded into the Unconditional Grants:

|  |  |
| --- | --- |
| * Wage Unconditional Grant   + Conditional transfers to DSC Chairs' Salaries   + Salary & Gratuity for LG elected leaders | * Non-Wage Unconditional Grant   + IPPS Recurrent Costs   + Boards & commissions   + PAF monitoring (Normal and payroll printing)   + DSC Operational Costs   + Councillors Allowances and LLGs Ex-Gratia   + Hard to reach allowances |

## Grant Allocation Formula

The proposed grant allocation formula is described in the table below.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Variable** | **Weighting** | | | | | | | **Justification** |
| **District** | | | **Urban** | | | |
| **W** | **NW** | | **W** | | **NW** | |
| **D** | **SC** | **M** | **T** | **M** | **T** |
| Constant | 65 | 41 | 0 | 68 | 0 | 28 | 0 | To ensure the basic costs of delivering administrative services in a local government can be met, whatever its size. |
| Number of Lower Local Governments | 25 | 0 | 30 | 22 | 30 | 10 | 90 |
| Population (Rural/Urban) | 10 | 40 | 0 | 10 | 0 | 60 | 10 | Reflects the scale of beneficiaries for service delivery in local governments. |
| Land Area | 0 | 3 | 0 | 0 | 0 | 0 | 0 | To cater for the varying costs of delivering services in a local government, which are influenced by their geographical size and terrain and distance from Kampala. |
| Population in Hard to reach and to stay areas | 0 | 15 | 70 | 0 | 70 | 0 | 0 |
| Distance From Kampala | 0 | 1 | 0 | 0 | 0 | 2 | 0 |

Allocations under the **support services grant** would remain ad hoc, and not formula based. The support services grant is current comprised of:

|  |  |
| --- | --- |
| **Item** | **Allocation Basis** |
| o/w Pension and Gratuity | 2015/16 allocations |
| o/w Urban Ad Hoc | Ad hoc |
| o/w Rural Ad Hoc | Ad hoc |

The above formulae will be phased in over the medium term. This formula itself and the **medium term allocations and phase in plan** for the allocation formulae is available on the budget website: [www.budget.go.ug/fiscal\_transfers](http://www.budget.go.ug/fiscal_transfers). An individual local government’s allocation formula can also be found on the site.

## Overview of Sector Budgeting Principles and Requirements

In order for the LG Performance Contract to be approved, Local Governments are required to adhere to a number of specific requirements relating to the relevant sector budgets. These are specified in the following sections, and are summarised in the table below for the Administration, Finance, Planning, Internal Audit and Statutory Bodies.

Standard minimum costs for different functions still need to be developed. Until these are developed, FY 2015/16 grant allocations will be used as a guide for minimum allocations.

| **Area** | **Summary of Requirements** |
| --- | --- |
| **Budget Requirements** | |
| Narrative and performance contract | * The budget narrative summarises information on revenue, expenditure and key outputs in the performance contract. |
| Overview of Revenues and Expenditure | * Total Workplan revenues and expenditures balance and are divided correctly between wage, non-wage recurrent, GoU and donor development. |
| Salaries and related costs | * Salaries of permanent staff must not exceed the overall staff and budget ceilings. * Salaries must be funded from the unconditional wage grant. |
| * Salary allocations to administrative departments must be according to the filled posts within the approved structure, recruitment plan and salary scales. |
| * The hard-to-reach allowance equivalent to 30% of a member of staff’s salary must be provided for staff in the hard-to-reach areas **outside town councils and HLG headquarters,** in line with the Hard-to-Reach Framework and schedule designated by the Ministry of Public Service. |
| * Salaries, allowances and gratuity for elected leaders and members of statutory bodies must be budgeted for in full. * The allocations must be equal to or greater than the FY 2015/16 IPFs. |
| * Pension and gratuity (computed pension) for retired staff must be budgeted for in line with support services allocations. |
| Lower Local Services | * The Unconditional Non-Wage Recurrent Grant must be allocated to Lower Local Governments using the schedule that accompanies the IPFs for districts and municipalities. |
| Higher Local Services | * Non-wage allocations to the Workplan for Statutory Bodies must be equal to, or greater than, the FY 2015/16 IPFs. |
| * The allocation for the IPPS and IFMS must be equal to or greater than the 2015/16 IPFs. |
| Monitoring and Management of Service Delivery | * A maximum of 5%of the non-wage recurrent budget can be used for monitoring and management of service delivery under the Administration Workplan. |
| Capacity Development | * Capacity building activities should be consistent with the positive and negative lists, below. |
| Development Investments | * The development budget should fund administrative capital investments only. |
| * At most, 10% of budget allocations to construction and rehabilitation will finance investment service costs, such as bills of quantities or economic impact assessments. |
| * Local governments must not budget for activities specified in the negative list for capital investment, below. |

The table below provides an indicative list of **capital investments and other development activities** which may or may not be funded under the sector development budget from central government grants:

| **Positive list (what may be funded)** | **Negative list (what may not be funded)** |
| --- | --- |
| * Rehabilitation/construction of (and purchase of land for)   + Administration blocks   + Community centres   + Staff houses at sub-county headquarters in hard to stay areas * Equipment for administrative offices   + Computers and peripherals, office furniture & fittings   + Solar systems, generators, extension of grid power to administrative offices * Purchase of vehicles for entitled officers (MoLG authorisation required) | * Purchase of vehicles for officers who are not entitled * Purchase of military equipment. * Non capital items. |

The table below provides an indicative list of **capacity development activities** which may or may not be funded under the sector development budget from central government grants:

| **Positive list (what may be funded)** | **Negative list (what may not be funded)** |
| --- | --- |
| * Short training courses   + based on established curricula * Career development for areas that are a requirement for confirmation or promotion (max 20%)   + Professional qualifications (e.g. accounting, procurement)   + Masters via correspondence or local courses | * Undergraduate qualifications (degrees, diplomas etc) * Post-graduate qualifications * PhD’s |

## Additional Sector Guidance

[optional]

## Budget Requirements Assessment and Compliance Table

The Budget Requirements Assessment of Compliance is more detailed than the summary of budget requirements presented earlier in the Guidelines. For each summary requirement, detail is given on what the minimum level of compliance is, and how this will be checked in practice. An independent assessment will be conducted for the Budget Framework Paper, Draft Budget Estimates and Final Budget Estimates to determine if local governments are adhering to these requirements. This will be considered as part of the performance assessment of Accounting Officers and inform the appointment of accounting officers. Failure to adhere to these requirements may result delays to the signing of the performance contract for an Accounting Officer, or non-renewal of the contract of the Accounting Officer by the PS/ST of the Ministry of Finance, Planning and Economic Development.

*This assessment applies to the budgets under Local Government Workplans for Administration (01), Finance (02), Statutory Bodies (03), Planning (10) and Internal Audit (11), including expenditures financed by grants from the Public Sector Management and Accountability Sectors.*

| **Area** | **Summary of Requirements** | **Definition of Compliance** | **Source of Information** | **Verification and Reporting on Non-Compliance** | **Point Assessed** |
| --- | --- | --- | --- | --- | --- |
| **Budget Requirements** | |  |  |  |  |
| Narrative and performance contract | The budget narrative is complete and summarises recent performance in revenue, expenditure and key outputs in the performance contract. | The OBT submission includes a narrative for the Workplan. This covers:   * Revenue performance in the current fiscal year and estimates for the budget period. * Expenditure performance in the current fiscal year and estimates for the budget period. * Key outputs for the budget period as listed in the performance contract, and performance against these outputs in the current FY. | Workplan Summary  Performance Contract | State whether the LG **is or is not** Compliant.  State (separately) for Workplans 1, 2, 3, 10 and 11 if:   1. A budget narrative is prepared for the LG budget. 2. The narrative includes a discussion of revenue and expenditures in 2015/16 and 2016/17. 3. The narrative includes all indicators listed in Performance Contract. | BFP  Draft Budget  Final Budget |
| Overview of Revenues and Expenditure | Total Workplan revenues and expenditures balance and are divided correctly between wage, non-wage recurrent, GoU and donor development. | Total recurrent revenues equal total recurrent expenditure.  Total development revenues equal total development expenditure.  Revenue allocation to the unconditional grant wage equals wage recurrent expenditure.  Total wage budget in the staff recruitment plan for each department (filled and vacant positions) is equal to the unconditional wage grant allocation. | Overview of workplan revenues and expenditure  OBT Staff recruitment plan | State whether the LG **is or is not** Compliant.  State (separately) for Workplans 1, 2, 3, 10 and 11:   1. Total Recurrent Revenues and total Recurrent Expenditure, and difference. 2. Total Development Revenues and total Development Expenditures, and difference. 3. Total Unconditional Wage Grant allocation and total wage expenditure, and difference. 4. Total Unconditional Wage Grant allocation and total wages in the staff recruitment plan for the department, and difference.   State differences for (a), (b) and (c) and if difference is not equal to zero.  For (d) state difference and if less than or equal to zero. (Assessed for Draft and Final Budget only) | BFP,  Draft Budget,  Final Budget |
| Salaries and related costs | Salaries of permanent staff must not exceed the overall staff and budget ceilings, and must be funded from the unconditional wage grant. | All allocations to wages (item 211101) are made under the following outputs:   * 138101 Operation of the Administration Department, for Workplan 1 * 138102 Human Resource Management, for Workplan 1a * 138103 Capacity Building for HLGs, for Workplan 1a * 148101 Financial Management Services, for Workplan 2 * 138301 Operation of the District Planning Office, for Workplan 10 * 148201 Management of Internal Audit Office, for Workplan 11   The allocation to wages under these outputs in the detailed department expenditure budget estimates for each Workplan  *is equal to*  the allocation from the unconditional grant (items 321450 and 321451, for urban and rural local governments, respectively) in the Overview of Workplan Revenues. | Overview of work plan revenues  Expenditure details for work plan from the budget estimates  ‘Staff list of all staff’  Approved establishment structure for LG. | State whether the LG **is or is not** Compliant.  State (separately) for Workplans 1, 2, 3, 10 and 11:   1. Unconditional Grant-Wage allocation to the workplan. 2. Total wage expenditure under item 211101 for outputs 138101, 138102, 138103, 148101, 13801, 148201.   Calculate (a) – (b) and state if the difference is equal to zero. | BFP,  Draft Budget,  Final Budget |
| Salary allocations to administrative departments must be according to the filled posts within the approved structure, recruitment plan and salary scales within a given financial year. | The number of staff budgeted for (both in post and for recruitment) at each job title AND salary scale for each administrative department  *must be less than or equal to*  the total number of staff specified in the approved structure for that local government department. | OBT/PBS staff list and recruitment plan  Approved LG establishment structure | State whether the LG **is or is not** Compliant.  State separately for Workplans 1, 2, 3, 10 and 11:   1. The total staff budgeted for and the total staff specified in the approved structure 2. The staff titles and the differences for any specific job titles (where the number of staff budgeted for are more than the approved structure). | Draft Budget,  Final Budget |
| The hard-to-reach allowance equivalent to 30% of a member of staff’s salary must be provided for staff in hard-to-reach areas outside town councils and HLG headquarters. | The hard-to-reach allowance must be applied to staff in the lower local governments that are rural, and designated “hard-to-reach” by the Ministry of Public Service.  In the Workplan 1 outputs, the number of staff receiving the hard-to-reach allowances is provided as a “non-standard outputs” under the following output:   * 138151 Lower Local Government Administration   The allocations to hard-to-reach should be made to item 211103 Allowances under the wage recurrent budget to these outputs. The allocations must be assigned to individual LLGs.  The amount of the hard-to-reach allowance should be *equal to 30%* of the allocation under item 211101 (General Staff salaries) for a given LLG.    None of the LLGs with allocations for hard to reach allowances should be in a town council or HLG headquarters, and they must be in the area stipulated by Ministry of Public Service as Hard to Reach. | Workplan outputs  Expenditure details in the detailed budgets estimates  Schedule from Ministry of Public service that designates Hard-to-Reach Areas. | State whether the LG **is or is not** Compliant.  State separately for Workplans 1, 2, 3, 10 and 11:   1. If the LG qualifies as a hard-to-reach area in the Framework, or not.   If the LG qualifies, then state:   1. The eligible LLGs and staff listed in the Framework. 2. The total number of staff that will receive a hard-to-reach allowance in these units, from the non-standard output indicators for output 138151 3. For each of the eligible LLGs (b), check that the wage allocation for 211103 is **NOT** more than 30% of their respective wage recurrent budget allocation under item 211101.   List any LLGs that are eligible, but do not have a non-standard output for staff receiving the hard-to-reach allowance.  List any LLGs that are eligible, but whose allocation for hard to reach does not comply as in (d) above. | Draft Budget,  Final Budget |
| Salaries, allowances and gratuity for elected leaders and statutory bodies must be budgeted for in full.  FY 2015/16 grant allocations will be the minimum budget allocations for FY 2016/17. | In ‘expenditure details for work plan,’Workplan 3 includes salaries, allowances and gratuity for elected leaders and statutory bodies.  This budget is under items 211101 ‘General Staff Salaries’, 211102 ‘Contract Staff Salaries’, 211103 ‘Allowances’ and 211104 ‘Statutory Allowances’. The total amount is  *equal to, or greater than*  the allocation for salaries, allowances and gratuity for elected leaders and statutory bodies in the FY 2015/16 IPFs. | Overview of work plan revenues  Expenditure details for work plan from the budget estimates  Expenditure details for work plan in 2015/16 | State whether the LG **is or is not** Compliant.  State for Workplan 3 the total allocation for salaries and gratuity of LG elected leaders for output 138201 under items 211101-04   1. IPF in FY2015/16 for non-wage grant earmarked (o/w) to ‘DSC Chairs' Salaries’ and ‘Salary & Gratuity for LG elected leaders’. 2. total allocation in FY2016/17 for salaries and gratuity of LG elected leaders for output 138201 under items 211101-04   Calculate (b) - (a) and state if the difference is equal to or greater than zero. | Draft Budget,  Final Budget |
| Pension & Gratuity (computed pension) for retired staff must be budgeted for under Administration department in line with support services allocations. | Pension and Gratuity for Local Governments (item 212105) are budgeted under Workplan 1, output 138101 Operation of the Administration Department. The budget is  *equal to*  the total IPF allocated to the local government under the support services grant (321469) for pension and gratuity | Expenditure details for work plan from the budget estimates  IPFs for FY16/17 | State whether the LG **is or is not** Compliant.  State for Workplan 1:   1. Total allocation for output 138101, item 212105. 2. IPF for pension and gratuity under the support services grant for Public Sector Management.   Calculate (a) - (b) | Draft Budget,  Final Budget |
| Unconditional Non-Wage Grant Allocations to Lower Local Governments | The Unconditional Non-Wage Recurrent Grant is allocated to Lower Local Governments using the schedule for LLG IPFs accompanying the IPFs for districts and municipalities. | Revenues for each LLG from 321401 and 321402 Unconditional Grant (non-wage) and from 321469 Support Services Ad Hoc in the ‘revenues and expenditures by LLG’ are  *equal to or greater than*  the grant allocation in the IPF schedule from MoFPED. | Annex 1: Transfers to LLGs  Most recent IPFs from MoFPED | State whether the LG **is or is not** Compliant.  State for each LLG:   1. IPF for items 321401, 321402 and 321469 (Ad Hoc Rural and Ad Hoc Urban). 2. Revenues from the Unconditional Non-Wage Grant (items 321401, 321402) and Support Services Ad Hoc grant (item 321469).   Calculate (a) - (b) and state if difference is greater than zero | Draft Budget,  Final Budget |
| Higher Local Services | Non-wage allocations to Statutory Bodies must be budgeted for, at least to the level of FY 2015/16 grant allocations for:   * Contracts Committee * District Service Commission (DSC) * Land Board * LG Public Accounts Committee (PAC) | In the annual workplan details for Statutory Bodies, non-wage allocations are made to outputs:   * 138202 LG Procurement and management services * 138203 LG Staff management services * 138204 LG Land management services * 138205 LG financial accountability * 138206 LG Political and executive oversight   The total non-wage allocation to these outputs is  *equal to or greater than*  non-wage support services grant allocations earmarked (o/w) to Boards and Commissions and DSC Operational Costs. | Expenditure details for workplan from the budget estimates  Expenditure details for 2015/16. | State whether the LG **is or is not** Compliant.  State for Workplan 3:   1. FY2016/17 non-wage allocations to outputs 138202, 138203, 138204, 138205, 138206. 2. FY2015/16 IPF for non-wage support services grant allocations earmarked (o/w) to Boards and Commissions and DSC Operational Costs.   Calculate (a) - (b) and state if difference is greater than or equal to zero. | DB, FB |
| Running costs of the IPPS and IFMS budgeted for in line with FY 2015/16 grant allocations. | Allocations are made to the following outputs:   * 138109 ‘Integrated Personnel, Payroll and Pension System’ in Workplan 1a; and * 148106 Integrated Financial Management System in Workplan 2   The budget for these items should be equal to or greater than the IPF in 2015/16. | Expenditure details for work plan from the budget estimates  IPFs for FY15/16 | State whether the LG **is or is not** Compliant.  State for Workplans 1a and 2:   1. The budget allocated for output 138109 in Workplan 1a 2. 2015/16 IPF for IPPS grant   Calculate (a) - (b) and state if difference is greater than or equal to zero.   1. The budget allocated for output 148106 in Workplan 2 2. 2015/16 IPF for IFMIS grant   Calculate (c) – (d) and state if the difference is greater than or equal to zero. |  |
| Monitoring and Management of Service Delivery | A maximum of 5%of the non-wage recurrent budget can be used for monitoring and management of service delivery by the Administration department. | In the detailed LG workplan, non-wage allocations are made to “Supervision of sub-county implementation” (output 138104).  The total non-wage allocation to this output is    *equal to, or less than, 5%*  of the total non-wage budget of Workplan 1. | Expenditure details for work plan from the budget estimates | State whether the LG **is or is not** Compliant.  For Workplan 1, state:   1. Total non-wage allocation to output 138104. 2. Total non-wage allocation to Workplan 1.   Calculate (a) as a percent of (b) and state if this is less than or equal to 5%. | Draft Budget,  Final Budget |
| Capacity Development (development) | Local governments must not budget for activities specified in the negative list for capacity development | Outputs and activities for capacity development are specified under outputs   * 148107 Sector Capacity Development   The work plan details do not include activities in the negative list in the Grant and Budget Information Paper.  In 2016/17 these are:   * Undergraduate qualifications (degrees, diplomas etc) * Post-graduate qualifications * PhD’s   The line ministry may approve an exemption in writing, in which case a copy of the written exemption must be provided to MoFPED alongside budget submissions.  *NB: note that ‘workplan’ is used in two ways. A ‘Workplan’ refers to the department budget, while ‘work plan’ refers to the details of activities to be undertaken.* | Work plan  Grant and Budget Information Paper  Written exemption | State whether the LG **is or is not** Compliant.  State allocations to outputs 148107, in workplan 2  Provide details of activities in the negative list that have been included in workplans 2  State whether a copy of the written exemption was provided/available and seen. | Draft Budget,  Final Budget |
| Development Investments | The development budget should fund administrative capital investments, not capital investments for services provided by other workplans. | Allocations for capital investment should be made under the GoU development budget using output:   * 138172 Administrative Capital Investment, for Workplan 1a * 148172 Administrative Capital Investment, for Workplan 2 * 138272 Administrative Capital Investment, for Workplan 3 * 148272 Administrative Capital Investment, for Workplan 11   The total allocation to that output in the administrative workplans should be  *equal to*  the total development budget, excluding any allocations to ‘Sector Capacity Development’ (outputs, 148107,). | Expenditure details for work plan from the budget estimates | State whether the LG **is or is not** Compliant  State separately for Workplans 1, 2, 3, 10 and 11:   1. Total development allocation to capital outputs 138172, 148172, 138272, 148272. 2. Total allocation to the development budget for the Workplan. 3. Total development allocation to capacity development output 148107.   Calculate (b) – (c) – (a) and state if the difference is equal to zero. |  |
| At most, 10% of budget allocations to construction and rehabilitation (capital outputs) will finance investment service costs, such as bills of quantities or economic impact assessments. | Allocations to investment servicing costs must be made to items:   * 281501 Environment Impact Assessment for Capital Works * 281502 Feasibility Studies for Capital Works * 281503 Engineering and Design Studies & Plans for capital works * 281504 Monitoring, Supervision & Appraisal of capital works   Budgets for these items must be made under capital outputs for administrative capital investment (138172, 148172, 138272, 148272).  Total GoU development allocations to investment servicing cost items 281501-04  *must be less than or equal to 10%*  ofthe total allocation to capital outputs in the GoU Development budget for the Workplan. | Expenditure details for work plan from the budget estimates | State whether the LG **is or is not** Compliant  State separately for Workplans 1, 2, 3, 10 and 11:   1. The total allocation to items 281501, 281502, 281503, 281504 in the GoU Development budget 2. The total allocation to outputs 138172, 148172, 138272, 148272 in the GoU development budget.   Calculate (b) as a % of (c) and state if this is less than or equal to 10%.  State if any of items 281501, 281502, 281503, 281504 have not been budgeted for, or have not been budgeted for against the correct outputs. List details. | Draft Budget,  Final Budget |
| Local governments must not budget for activities specified in the negative list for capital investment. | Outputs and activities are specified under outputs   * 138172 Administrative Capital Investment, for Workplan 1a * 148172 Administrative Capital Investment, for Workplan 2 * 138272 Administrative Capital Investment, for Workplan 3 * 148272 Administrative Capital Investment, for Workplan 11   The work plan details should not include investments in the negative list in the Grant and Budget Information Paper.  In FY2016/17 these are:   * Purchase of vehicles for officers who are not entitled * Purchase of military equipment. * Non capital items.   The line ministry may approve an exemption in writing, in which case a copy of the written exemption must be provided to MoFPED alongside budget submissions.  *NB: ‘outputs’ is used in two ways. One for grouping activities under a common code, and one referring to the individual activities themselves.* | Work plan  Grant and Budget Information Paper  Written exemption | State whether the LG **is or is not** Compliant.  Assess separately for Workplans 1, 2, 3, 10 and 11:  Provide details of investments in the negative list that have been included in the ‘annual work plan’.  State whether a copy of the written exemption was provided/available and seen. | Draft Budget,  Final Budget |

## Outputs and Indicators

**Sector: 12 Justice, Law and Order**

***Vote Function: 1281 Local Police and Prisons***

Output: 128109 Local Policing

Output: 128110 Local Prisons

Output: 128159 Multi sectoral Transfers to Lower Local Governments

**Sector: 13 Public Sector Management**

***Vote Function: 1381 District and Urban Administration***

Output: 138101 Operation of the Administration Department

Output: 138102 Human Resource Management

Output: 138103 Capacity Building for HLG

Indicator: Availability and implementation of LG capacity building policy and plan

Indicator: No. (and type) of capacity building sessions undertaken

Output: 138104 Supervision of Sub County programme implementation

Indicator: %age of LG establish posts filled

Output: 138105 Public Information Dissemination

Output: 138106 Office Support services

Output: 138107 Registration of Births, Deaths and Marriages

Output: 138108 Assets and Facilities Management

Indicator: No. of monitoring visits conducted

Indicator: No. of monitoring reports generated

Output: 138109 Payroll and Human Resource Management Systems

Output: 138111 Records Management

Output: 138112 Information collection and management

Output: 138113 Procurement Services

Output: 138159 Multi sectoral Transfers to Lower Local Governments

Output: 138151 Lower Local Government Administration

Output: 13815y Town/Division Administration

Output: 138172 Administrative Capital Investment

***Vote Function: 1382 Local Statutory Bodies***

Output: 138201 LG Council Adminstration services

Output: 138202 LG procurement management services

Output: 138203 LG staff recruitment services

Output: 138204 LG Land management services

Indicator: No. of Land board meetings

Indicator: No. of land applications (registration, renewal, lease extensions) cleared

Output: 138205 LG Financial Accountability

Indicator: No.of Auditor Generals queries reviewed per LG

Indicator: No. of LG PAC reports discussed by Council

Output: 138206 LG Political and executive oversight

Output: 138207 Standing Committees Services

Output: 138259 Multi sectoral Transfers to Lower Local Governments

Output: 138272 Administrative Capital Investment

***Vote Function: 1383 Local Government Planning Services***

Output: 138301 Management of the District Planning Office

Output: 138302 District Planning

Indicator: No of qualified staff in the Unit

Indicator: No of Minutes of TPC meetings

Indicator: No of minutes of Council meetings with relevant resolutions

Output: 138303 Statistical data collection

Output: 138304 Demographic data collection

Output: 138305 Project Formulation

Output: 138306 Development Planning

Output: 138307 Management Information Systems

Output: 138308 Operational Planning

Output: 138309 Monitoring and Evaluation of Sector plans

Output: 138359 Multi sectoral Transfers to Lower Local Governments

**Sector: 14 Accountability**

***Vote Function: 1481 Financial Management and Accountability(LG)***

Output: 148101 LG Financial Management services

Indicator: Date for submitting the Annual Performance Report

Output: 148102 Revenue Management and Collection Services

Indicator: Value of LG service tax collection

Indicator: Value of Hotel Tax Collected

Indicator: Value of Other Local Revenue Collections

Output: 148103 Budgeting and Planning Services

Indicator: Date of Approval of the Annual Workplan to the Council

Indicator: Date for presenting draft Budget and Annual workplan to the Council

Output: 148104 LG Expenditure mangement Services

Output: 148105 LG Accounting Services

Indicator: Date for submitting annual LG final accounts to Auditor General

Output: 148106 Integrated Financial Management System

Output: 148107 Sector Capacity Development

Output: 148108 Sector Management and Monitoring

Output: 148159 Multi sectoral Transfers to Lower Local Governments

Output: 148172 Administrative Capital Investment

***Vote Function: 1482 Internal Audit Services***

Output: 148201 Management of Internal Audit Office

Output: 148202 Internal Audit

Indicator: Date of submitting Quarterly Internal Audit Reports

Indicator: No. of Internal Department Audits

Output: 148203 Sector Capacity Development

Output: 148204 Sector Management and Monitoring

Output: 148259 Multi sectoral Transfers to Lower Local Governments

Output: 148272 Administrative Capital Investment