

NGORA DISTRICT LOCAL GOVERNMENT

DISTRICT BUDGET CONFERENCE

**FOR
FY 2020/2021**

14th –OCTOBER – 2019 , MONDAY

**ONGABA STEPHEN
DISTRICT PLANNER /BUKEDEA**

Outline the presentation

- Budget Conference & Why BC?
- Legal framework
- Policy framework for FY 2020/21
- Budget strategy for FY 2020/21
- Purpose of BCC
- Focus of BFPs
- Key policy and administrative issues
- Cross Cutting issues

Budget Conference & Why?- Background

- Before decentralization decisions were made at the centre, there was little participation and appreciation of intervention, ownership of projects and programme was limited, hence sustainability was a challenge. Decentralized planning and budgeting now provides room for budget conference with under listed objectives.

Objectives

The Objectives of BC are;-

- Inform the full council and other participants about the **previous year's** financial performance (revenues as well as expenditures).
- Inform the full council about the previous year's **achievements** and shortcomings (based on an assessment of outputs and outcomes achieved against resources spent and activities carried out).
- Present and discuss **sector objectives, development programmes & projects** and associated budget implications.
- Review the **prioritised interventions** including **proposed re-allocations across and within sub-sectors.**

Legal framework

Legal requirement;

- Constitution Art 190, 191 & 193
- Local Government Act 77 (1-4)
- Public Finance Management (PFM) Act 2015,
- **Section 9(5) of Public Finance Management (PFM) Act (2015)**, requires every **Accounting Officer** to prepare a Budget Framework Paper for their vote for submission.
- Public Finance Management Regulations , 2016 (Statutory Instrument No 420)
- Treasury Instructions

Legal framework Cont'd

- ❖ Section 9(3) of the Public Finance Management (PFM) Act 2015 (Amended) requires that, for every financial year, the Minister of Finance Planning and Economic Development should prepare a Budget Framework Paper that is consistent with the National Development Plan and Charter of Fiscal Responsibility.
- ❖ In line with the above, Section 9(1) of Public Finance Management (PFM) Act 2015 (Amended) requires every Accounting Officer, in consultation with the **relevant stakeholders**, to **prepare a Budget Framework Paper for the Vote**, taking into consideration balanced development as well as **gender** and equity **responsiveness**.
- ❖ This should be submitted to the Minister of Finance Planning and Economic Development by **15th November**. This is meant to facilitate analysis, consolidation of the National Budget Framework Paper (NBFP) and onward submission to Parliament on time.

Expected Outputs of Budget Conference

- Dissemination of **Policies**, **Projects** and **Programmes**.
- Financial performance **revenues** by source and **expenditures** by sector.
- **Priorities** of ensuing financial year (FY 2020/2021)
- Identification of **challenges /problems** facing projects implementation in the Local government.

Contents of First Budget Call Circular

It includes:-

1. The Budget Process Calendar for FY 2020/2021.
2. The challenges that affected the planning process for the budget of FY 2019/2020 and the way forward;
3. The **Strategic Policy and Administrative guidelines** to be taken into consideration during preparation of the Budget Framework Papers
4. The Budget Strategy and proposed Strategic Sector Intervention for the Budget of FY 2020/2021 in line with the Third National Development Plan.
5. The preliminary Resource Envelope, Sector Expenditure Ceilings and Local Government Indicative Planning Figures for FY 2020/2021 and the Medium Term.
6. To request you to convene your respective **Sector Working Group/Departmental and Budget Conference Meetings** and, the Local Government Budget Conferences to prepare and submit your Sector and Local Government Budget Framework Papers (BFPs) for FY2020/2021 to *this Ministry accordingly, not later than Friday, **15th November 2019.***

The Budget Process Calendar for FY 2020/2021.

- After this first Budget call Circular ;-
- Carry out data collection
- Support formulation of community actions plans village/parishes
- Drafting of five year plans i.e. sectors , LLGs
- Hold departmental/Sector working committee planning's
- LLGs to hold planning & budgeting consultative meetings
- Hold Budget conferences at LLGs
- District Budget Conference

Issues that posed a challenges that affected the planning process for the budget of FY 2019/2020

- Capturing of all locally raised revenue by **source** and **Non Tax Revenue** for both the District & LLGs – Should be treated with urgency it deserves
- Introduction of the One Time Password (OTP) for a one-time log-in to guarantee the authenticity of whoever is logging in;
- Adherence to timeline of submission of Budget Documents such as the
 - **BFP**
 - **Budget Estimates,**
 - **Quarterly Reports** etc,
- ❖ to enhance the workflow processes. E.g., you can't initiate your BFP when your Q1 report has not yet been submitted and approved.
- ❖ *please ensure that you work within the time frames provided by the PFM Act, 2015 to ensure compliance.*
- Submission of all **staff in-post** and **their NINs**;
- Capturing of all the **Off-Budget** information
- **Capturing and standardizing** the **Assets Register**; and
- Identification of **donor by name** and **amount of funds committed** for contribution in the Budget of a given financial year.

Issues to Cont'd – emphasized

- **Alignment of Work plans, Budgets and Indicators to the NDP III**
- **Delayed Submission of Budget Documents- must be avoided**
- **Remittance of Non-Tax Revenue to the Consolidated Fund**
- **Change of Work plans-must stop**

Alignment & Linkages of Documents

➤ NDP III, DDP III, LLGs III

- Work plans,**
- Procurement**
- recruitment plans,**
- Indicators of NDP III, DDP III & LLG III and**
- detailed Budget Estimates for the FY 2020/21**

□ Why to avoid distortions and misalignments during implementation.

Planning and Budgeting for Wages, Pension, Gratuity and Salary

Arrears

- **Wages**

Wage Allocations and Ceilings for FY 2020/2021 are based on this current financial year's (2019/2020) approved wage budgets for staff in-post and within the structures cleared by Ministry of Public Service. NINs is a must now

- **Pension, Gratuity and Salary Arrears**

➤ The above should be treated with urgency with accurate records.

Off-Budget Financing

➤ Considering that off budget support does not form part of the MTEF, all activities financed under off budget should be included in the Vote's Annual and quarterly work plan with a token figure of **UShs. 1,000 (Ug Shillings One thousand only)**.

Creation of New Administrative Units

- In the course of FY 2018/2019, created administrative units
- However, resources have not yet been secured for the operationalization of all these Sub-counties and Town Councils.
- Therefore, Government has taken a policy decision that in future, the proposals for creation of any administrative units should first have a **Certificate of Financial Implications to certify that Government actually has the resources to sustainably operationalize any such newly created public institutions**

KEY POLICY ISSUES AND ADMINISTRATIVE ISSUES

- Department & LLGs must ensure that their Programs and Projects are properly aligned to the NDPIII, DDP III , SDPIII as well as their respective Sector Development Plans (SDPs)/PIP.
- All annual work plans should be linked to the **NDP III Results and Reporting framework** and implementation strategy which spell out the **objectives, interventions, indicators and targets as part of the preparation and finalization of their BFPs for FY 2020/21.**

Implementation of Programme Based Budgeting (PBB)

- Please note that, **whereas quarterly reports can be submitted online.**
- Performance Contracts have to be submitted in **both hard and soft copies** to this Ministry but printed off the system.

A master areas;

- IFMs has come to stay, therefore Vote controllers, you must do whatever it takes to Understand IFMs **i.e.**
 - Your budget allocations
 - Charts of Accounts
 - Coding system(to differentiate sources of funds 02, 03, etc)
 - Funds inquiry
 - Own your pass word, understand how to use help line.

Cross cutting issues

➤ **HIV/ AIDS :-**

In line with HIV/AIDS Act (2014), all sectors are required to streamline HIV/AIDS issues in

- Budgets and should demonstrate how HIV/ AIDS is being addressed, Therefore, in FY 2020/21, sectors/departments/ LLGs must clearly outline and cost the HIV/ AIDS related activities such as counseling, social support, care and treatment, awareness campaigns and workplace policies for HIV/ AIDS.

➤ **Gender and Equity Budgeting**

Please note that any sector/LLG/Department BFP that will not demonstrate how Gender and Equity issues shall be addressed will be REJECTED and referred back to the sector/LLG/Department .

➤ ***Environment, Climate Change and Sanitation Issues***

LLG/Department are required to mainstream environmental issues In preparation of sector BFPs for FY 2020/21, you should analyze the key environmental issues/concerns and demonstrate how the proposed budget

- ***Malaria Mainstreaming***

Have provision malaria reeducation campaigns

- **Population Issues**

Population explosion solution /Quality people/ FP

- ***Physical/Spatial Planning and Urbanization***

Planned development to reduce unwanted slums

- ***Nutrition***

Factor nutrition in all what we do to reduce stunted growth

Policy reforms

Changes in the Calendar of Planning and budgeting (as outlined below;-

- District & Sub County Development Plans are now 5 yr to be reviewed after of 2^{1/2} years
- Budget call circulars 1st (15th Sep) & 2nd (15th Feb) to communicate policies & resources from government
- All must adhere to timeline outside that your requested to put it in writing
- **Policy statements: All workplans , procurement Plans and recruitment plan of the vote must be consistent approved at the same time**
- Dates of Approving workplans /Plans have changed to by **January** for LLGs
- Dates of laying budgets by **February**
- Dates of approving the budgets is before **31st May**
- **1st –July**, Effective date of budget. No vote on account now.

Policy reforms Cont'd

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Policy reforms Cont'd

- **Virements (reallocations) only up-to 10%**, any allocations above 10% permission must be thought from Minister Accountant General with minutes of the Council.
- **Grants are now (have been) consolidated** e.g. (LGMSD + PRDP+ Equalization grant)= DDEG (District + Sub Counties), Capital development and transitional grants.
- **E- procurement , please all contractors must be set-up, must be registered with TINs,**
- **E-cash payments (Tel or through accounts)**
- **Expiry of appropriation /Funds not utilized by 30th-June** (close of financial year will be remitted consolidated Account whether committed or not.
- All projects must be implemented **within one financial year (No Multi-year projects** , if any, permission must be thought from Minister, with reasons/minutes of the Council.

Policy reforms Cont'd

- A project that is to be implemented over a period of more than one financial year duration of the shall have priority in the subsequent budgets of the vote, for the duration of the project.
- **Collection of revenues, LGs that fail to collect projected revenue will be required to explain in a report form with clear reasons why you failed to collect the projected revenue.**
- **Local Revenue will be appropriated by parliament-issue to note.**
- Penalties and sanctions have increased on accounting officers (SAS CAO and HODs)
- **Integrated Financial Management System (IFMS)**

What are the implications and pre-requisite

- Prudent planning and budget- make realistic choices on activities and budgets.
- Plan within the available resources.
- **Timely procurement** (Submit procurement plans within agreed period)
- (As **Workplan, budget and recruitments are approved procurement plans** too must be approved)
- Careful costing of projects (proper design of **BOQs Vs Budgets**)-Involve engineering department at all times before submitting your budgets and Procurement Plans.
- Depend on documented evidence at all times.
- Adherence to deadlines will save LGs.

LLGs & departments Ball is in your court

