

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF NYAMIRA

(TO ALL ACCOUNTING OFFICERS)

**BUDGET CALENDER AND GUIDELINES FOR THE
PREPARATION OF MEDIUM TERM EXPENDITURE
FRAMEWORK FOR PERIOD OF 2026/2027 TO
2028/2029**

**COUNTY TREASURY CIRCULAR NO 1
2025/2026**

NYAMIRA COUNTY

August 2025

PART A: PURPOSE

The purpose of this circular is to provide guidelines to all County Departments and Entities on the processes for preparing the Financial Year 2026/2027-2028/2029 Medium Term Budget. These guidelines are issued as per the requirements of Section 128 (2) Public Finance Management Act (PFMA), 2012. These guidelines provide information on the following:

- Key policy issues to guide the preparation of the Medium Term Budget;
- Programme Performance Reviews;
- Programmes and Projects to be funded;
- The framework for public participation in the budget process; and
- The timelines for key activities in the budget process.

PART B: BACKGROUND

The County has just concluded implementation of the FY 2024/2025 Budget and embarked on the implementation of FY 2025/2026 Programme Based Budget. As you are aware, the Constitution of Kenya 2010 and the Public Finance Management Act (PFMA) 2012 introduced fundamental changes to public financial management and specifically to the budget process. Budget preparation and subsequent implementation is geared towards improving the livelihood of the people through improved incomes and social welfare. The County Government of Nyamira therefore intends to invest in broad based programmes and projects aimed at increasing the rate of economic growth at the County and in this regard, public spending will be on the basis of achieving development objectives as outlined in the Nyamira County Integrated Development Plan 2023-2027 and in particular the Annual development Plan 2026/2027.

The focus of the 2026/2027-2028/2029 will therefore be on programmes and projects aimed at enhancing Infrastructure development, Agriculture, rural and urban development, Water and environment, Human resource development, Social creation and enhancement of governance, transparency and accountability in the delivery of public service. The formulation of the budget will be Programme Based and will require realistic costing and identification of priorities as per the County Annual Development Plan 2026/2027.

PART C: THE SPECIFIC GUIDELINES

The following will guide the preparation of 2026/2027-2028/2029 Medium Term Budget proposals:

a) Medium Term Development Strategy

The priorities as outlined in the County Integrated Development Plan and linked to the National and International goals e.g. Kenya Vision 2030, the Constitution of 2010 and its Acts will guide the development of Sector Policies, Plans, Monitoring and Evaluation and the budget preparation of 2026/27-2028/29. The Bottom up Economic Transformation Agenda will also be another factor already mainstreamed into our County Plans when preparing the sector budget proposals, Sector Working Groups (SWGs) are expected to focus on the County priorities as contained in the County Integrated Development Plan 2023-2027. In addition, SWGs should ensure that budget proposals give priority to the following:

- Programmes and Projects Contained in the County Integrated Development Plan, Annual Development Plan and the Departmental Strategic Plans;
- Ongoing projects should be given first preference for funding. New projects **should only** be considered if a department has realized savings from ongoing/completed projects;
- Programmes and Projects that communities/stakeholders have identified and recognised as important through public participation forums;
- Sustainability of programme(s);
- Adequate provision for mandatory expenditures and budgetary ceilings; and
- Projects that can be realistically completed in the specified time especially within the financial year.

b) Programme Performance Review

Departments are expected to undertake a detailed assessment of implementation of the 2024/25- 2026/27 Medium Term Budget before formulating the 2026/27-2028/29 Medium Term Budget. This should entail analyzing the previous budget allocations, disbursement of funds, actual expenditure and outcomes/outputs achieved. The review should focus on the efficiency and effectiveness of programme expenditure and whether spending was directed to the highest priorities. The review will help in tracking the realization of County Government's strategic and policy priorities, and encourage accountability and transparency. The experiences and lessons learnt should be used to make future expenditure decisions.

The programme performance review must indicate both financial and non-financial performance against the targets related to each of the programme/sub-programme. The review report should provide implementation details, progress on projects within a programme. The departments will only be allowed to bid for the resources in their respective sectors after the finalization of the review of programme performance. Sector working groups should ensure they discuss all programme performance Reviews before allocating resources to the departments.

c) Programme-Based Budgeting

The appropriation of the budget shall continue to be at programme level in accordance with the PFMA, 2012. The programmes for the medium term Budget will largely remain as presented in the County Integrated Development Plan 2023-2027. In designing a new programme, the structure should match the key areas of services delivered by that respective department.

Departments are expected to define programmes with clear objectives (which usually refer to outcomes), and linked to outputs, performance indicators and targets. In designing programmes, the structure should match up to the main lines of service delivery in the departments. Programme performance indicators should mainly be indicators of programmes outputs (services provided) and outcomes (effectiveness). Programme performance targets should be SMART. Targets should be set only for those key performances which are considered reasonably controllable and for which baseline performance has been reliably measured.

It is emphasized that each programme should be confined within a single department and all functions should fall within programmes. In cases where departments have more than one programme, a third programme should be created to cater for management and administration overhead costs, which cannot be attributed to only one programme. Such a programme should be confined to common services such as general administration, financial services, accounting, internal audit, procurement, planning services, human resource management and ICT services, which are not programme-specific. More so the accounting Officers should ensure that in designing programmes, each and every function or activity undertaken by the department is included in relevant programmes. In particular, care should be taken to ensure that: There are no crosscutting activities or functions, which are not assigned to respective programmes; each programme has a distinctive name that reflects the

overall objective of a programme; and that there is no duplication of programme names used by other departments.

In preparing the narrative justification portion of the programme budget (context for budget intervention), departments are required to include a description of the main services (outputs) provided by the programme, a statement of the programme's overarching objective, a brief discussion of programme achievements to date, and a brief description of the achievements expected in the next year. A description of important issues, concerns and summary of implementation plans should also be included.

Accounting Officers should note that programmes will be the basis of the itemized budget.

d) Gender, Youth and persons with disabilities

The County Government of Nyamira has continued to focus on mainstreaming gender, youths and persons with disabilities in its development agenda. To ensure visibility, monitoring and evaluation, and informative decision-making on these efforts, set targets for programmes should where applicable reflect gender dis-aggregated data.

d) Prioritization and Allocation of Resources to programmes

The County Government of Nyamira will continue with its policy of enhancing expenditure productivity. In this regard, expenditure rationalization will continue with a view to funding only core services and reducing costs through the elimination of duplication, inefficiencies, and wasteful expenditure. These decisions will have implications in the budget ceilings to be provided in the County Budget Review and Outlook Paper (CBROP) and County Fiscal Strategy Paper (CFSP). The following criteria will serve as a guide for allocating resources:

- Linkage of the programme with the objectives of the CIDP and the Vision 2030;
- The governor's manifestos
- Programme Performance Review findings of the on-going programmes;
- Degree to which a programme addresses core poverty interventions;
- Degree to which a programme addresses core mandate of the department;
- Expected outputs and outcomes from a programme;
- Linkages of a programme with other programmes;
- Cost effectiveness and sustainability of the programme; and
- Immediate response to the requirements of the implementation of the Constitution.

Based on the broad guideline, each sector is expected to develop and document the criteria for resource allocation. Further, Sector Working Groups shall undertake a reprioritization exercise which must address the following:

- **Identification of ‘one-off’ expenditure** – This refers to amounts for “one-off” projects or activities where spending was supposed to take place over a defined period say one financial year. This should be excluded when sector working groups re- examine the baseline;
- **Slow spending programmes** - Programmes that may not have met implementation targets due to procurement problems, lack of human resources, poor planning and other challenges should be identified. This will guide the sector working groups in identifying some savings, modifying or cutting down non-priority expenditures;
- **Underperforming programmes**- After undertaking DPER, the baseline examination supported by realistic assessment of actual output against performance indicators (targets) should identify possible areas of savings;
- **Efficiency savings** – The efficiency savings initiative is intended to ensure that funds are directed to service delivery, rather than non – essential spending. Efficiency savings can be achieved through reducing operating cost and non – service delivery activities and should be considered for all programmes;
- **Rescheduling of project or activities** – Where implementation of projects or activities has been rescheduled, Departments should provide a detailed explanation for rescheduling. Departments should also state the savings and financial implications of rescheduling projects and activities.

f) Expenditure Proposals for the Medium Term Budget

Departments are required to remain within the ceilings provided in the 2026 County Fiscal Strategy Paper (CFSP). The outer years of the 2025 CFSP will form the basis for the first two years of the medium term budget having removed the ‘one-off’ expenditure. The indicative ceilings will however be firmed in the County Budget and Review Paper 2025 (CBROP).

g) Current Expenditure

Departments should ensure that the necessary current expenditure required for delivery of services, and implementation of capital projects is provided. The following guidelines should be adhered to while allocating resources for current expenditure;

Personnel emoluments: Departments should provide for funding to cater for salaries, allowances and other approved benefits for the in-post staff. Departments should not allocate resources for new recruitments and upgrading unless they have prior approval for funding from the County Treasury. Allocation for personnel emoluments must be supported by integrated personnel payroll Data (IPPD) for the current and last financial years. It is mandatory that each department provides this information to support their requirements.

Utilities, bills, services, policies and other Mandatory Obligations: Departments should ensure that priority is given to these spending needs. Each allocation should be supported by service provision agreements, demand notes, and documentary evidence of past expenditure.

h) Capital Projects

Projects should be based on a comprehensive needs assessment and must have a time frame for completion and realization of the desired results. Departments should also indicate how their proposed projects will contribute to economic growth, job creation and increased citizen's welfare. Any proposal for additional allocation of resources must indicate a resultant increase in its efficiency with the adoption of new technology improvements. The proposed additional or new expenditure will have to be aligned with the Departmental mandate and should be subject to the available budgetary resources.

Departments should also indicate how their proposed projects will contribute to economic growth, job creation and increased citizen's welfare. Lastly projects proposed should not be outside the CIDP 2023-2027 and to be particular the Annual Development Plans 2025/2026.

i) Departmental Budget Planning and Implementation Committees

The accounting officers are required to establish Budget Planning and Implementation Committees' comprised of the following;

- County Executive Committee Member or Chairs of the Boards (Chairperson)
- Accounting Officers (Secretary)
- Departmental Planning and Budgeting Officer (Sector technical Secretariat)
- Departmental Accountant
- Departmental Head of procurement

- Departmental Head of Revenue
- Head of ICT in the department
- All the departmental Directors (Appointed Programme coordinators)

The terms of reference for the committee shall include;

- Prioritization of projects based on the Annual Development Plan 2026/2027, Departmental Strategic Plan 2023-2027, County Intergareyaed Development Plan 2023-2027 and the Governors manifesto;
- Assessment of the viability and sustainability of new projects;
- Approval of projects to be implemented based on established criteria;
- Identification of the potential project risks and mitigating measures;
- Providing guidance on any changes in the project design during implementation;
- Monitoring and evaluating the achievements of programmes/projects outputs and outcomes; and
- Recommending the mode of project financing.
- Allocation of resources (Budgeting)
- Procurement of goods and services in line with the procurement and disposal act 2015.
- Monitor the implementation of the budget
- Revenue enhancing measures
- Cash planning and prioritisation for payments

j) Project identification and design

While identifying and prioritizing projects the Project Committees will take the following into consideration:

- The strategic importance of the project in line with the medium and long term developmental agenda;
- Impact of the project on extreme poverty;
- Support to strategic investments for promoting growth and job creation;
- Fiscal viability and sustainability.

Completion of the 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 department's mandate and should be subject to the available fiscal space.

k) Public Participation and Stakeholder Involvement

Public participation and involvement of other stakeholders in Medium Term Budget process is essential and a constitutional requirement. County entities should identify their critical stakeholders outside County Government Departments and engage them in programme prioritization. Public Participation process/consultations should be documented for reference purposes. Departments will be required to show how the input /recommendations from public forums have informed the Sector Budget Proposals.

l) Sector Working Groups

Sector working groups are the only recognized avenue for bidding for the resources. Accounting officers are therefore reminded to ensure full participation of their sector process. Participation of departments in the sector process should be by officers, who are senior enough to articulate their mandates, make decisions, and justify the resources requirement during the bidding of resources within the available ceilings. The macro-sector working group will be mandated to vet all the sectors with the memberships as follows:

- **Chairpersons**-County Executive Committee Member for Finance and Economic Planning and County Secretary.
- **Secretary**- The Accounting Officers for Finance and Economic Planning;
- **Technical Secretariat**- Director Economic Planning and Budgeting.
- **Technical Vetting Group**- Directors Accounting Services, Audit and Risk Management Services, Supply Chain Management, Chief Executive Officer Revenue Board and Director Planning and Budgeting.
- All County Budget and Economic forum members Non state actors.
- County Budget Coordinator (COB)

m) Composition of Sector Working Groups

The County Government of Nyamira will align its sector working groups to conform to requirement that addresses the COFOG classification of planning and budget making process. The fourth schedule of the Kenya Constitution 2010 has the functions specifically for the county government. In order to support Performance and Programme Based

Budgeting, the functions of County Government of Nyamira have been mapped into the following sectors namely;

Core functions of the County Government.	SECTORS	SECTOR WORKING GROUP VISIONS
Economic affairs.	Agriculture, Livestock, and Fisheries development (Crop development and livestock and fisheries development)	The vision of the department is “a food secure and agriculturally prosperous county.”
	Lands, Housing and Urban Development including the Nyamira and Keroka Municipality Boards.	To be a leading entity in the provision of efficient, sustainable, equitable use of county land resources and facilitation of adequate housing provision to the residents of County
	Roads, Transport and Public Works	To provide reliable transport system and state of the art public works for improved quality of life.
	Trade, Co-operative and Tourism Development including the Nyamira Investments board.	To promote, co-ordinate and implement integrated socio-economic policies and programs for a rapidly industrializing, investing and entrepreuneuring economy.
Human resources development.	Education and vocational training	To provide quality Education and Vocational Training skills for creativity, innovation and development.
	Health Services. (Primary and medical health services)	An efficient and high quality health care system that is accessible, equitable and affordable for everybody.
General public services.	County Public administration and intergovernmental relations (County Public Service Board, Public service Management, Governors’ Office, the County Assembly and County Attorney)	A leading sector in public policy formulation, implementation, coordination, supervision and prudent resource management.
	Macro-working group (Finance, ICT and Economic Planning) (Finance and Accounting, Economic Planning, ICT and resources mobilization as well as the Nyamira Revenue Board).	A leading sector in public policy formulation and prudent resource management.
Creation culture and social protection.	Gender, Sports, Youth and culture including Nyamira Disability Board.	To be the leading county in social development, having high levels of gender disparity in all spheres of life.
Environmental protection and community amenities.	Water, Environment, Mining, Natural Resources and Energy. (Water and sanitation/ Environment and natural resources)	To be a leading county with equitable and sustainable management, utilization, conservation and use for environment, water, renewable energy and natural resources for social economic development.

n) Structure and Terms of Reference for Sector Working Groups

SWGs shall be responsible for formulating sector budget proposals and developing sectoral policies and approval of programmes. SWGs shall comprise the following;

- **Chairperson**-County Executive Committee Member relevant to that Sector; Chairman Public Service Board; County Secretary.
- **Sector Convenor**- The Accounting Officers relevant to that sector;
- **Technical Working Group**- All the Directors, Heads of departments marching the programmes appropriated in that Sector.
- **A Sector Working Group Secretariat**- Heads of Central Planning and Budgeting Units.
- **Community Representatives**- County Budget and Economic Forum Member (Non-State Actor)- Appointed in writing by the County Executive Committee Member for Finance, ICT and Economic Planning;
- All stakeholders invited for the sector hearing.

SWGs are expected to ensure that proposed programmes and projects are in line with the CIDP. Specifically, the terms of reference for SWGs will be to:

- Review sector objectives and strategies in line with the CIDP and the overall goals outlined in the Vision 2030;
- Identify the programmes and the necessary policy, legal and institutional reforms required;
- Analyze cost implications of the proposed programmes, projects and policies for the MTEF period;
- Prioritize sector programmes and allocate resources appropriately in accordance with an agreed criteria and justification for the prioritization;
- Identify programmes and projects to be funded under Public Private Partnership; and
- Coordinate activities leading to the development of sector reports and indicative sector Budget Proposals; including issues across the sectors.

PART D: BUDGET ACTIVITIES, RESPONSIBILITIES AND TIMELINES

The accounting Officers are expected to adhere to below timelines while preparing the budget. Further the accounting officers are reminded that the specified timelines becomes in force and should be adhered to the latter. The specified dates conform to the provisions of section 128 (2) of the PFM Act 2012. Below are the budget activities, responsibilities and timelines.

HEAD	SUB-HEAD	BUDGET ACTIVITY	RESPONSIBILITY	TIME FRAME
1	1.0	Preliminaries		
	1.1	Submission of the 4 th Quarter Budget Implementation Report 2024/2025 F/Y to the County Treasury	All the Accounting Officers	15 th July 2025
	1.2	Develop and issue MTEF Guidelines and Budget Calendar.	County Treasury	29 th July 2025
	1.3	Submission of the 4 th Quarter Budget Implementation Report 2024/2025 F/Y to the County Assembly	County Treasury	30 th July 2025
	1.4	Formation of Sector Working Groups, appointment of Sector Conveners and Co-conveners	County Treasury	2 nd August 2025
	1.5	Launch of the Sector Working Groups.	Each Sector Convener	8 th August 2025
2	2.0	Approval of the Annual Development Plan 2026/2027		
	2.1	Draft Annual Development Plan 2026/2027 and validated by the key stakeholders	Sector Working Groups.	15 th August 2025
	2.2	Public participation on the Annual Development Plan 2026/2027	Sector Working Groups	August 2025
	2.3	Finalization of the Annual Development Plan 2026/2027	County Treasury	26 nd to 27 th August 2025
	2.4	Approval of the County Annual Development Plan 2026/2027	County Executive Committee	29 th August 2025
	2.5	Submission of the Annual Development Plan 2026/2027 to the County Assembly and copied to the Commission on Revenue Allocation, National Treasury and the Controller of Budget	County Assembly	1 st September 2025
	2.6	Publish and Publicize the Annual Development Plan 2026/2027	The County Treasury	8 th September 2025
3	3.0	The County Budget and Review Outlook Paper 2025		
	3.1	Developing draft County Budget Review and Outlook Paper (CBROP) and validated by the Key stakeholders	County Treasury and Accounting Officers	13 th September 2025
	3.2	Submission and approval of County Budget Review and Outlook Paper (CBROP) by County Executive Committee	County Executive Committee	30 th September 2025
	3.3	Submission of the 1 th Quarter Budget Implementation Report 2024/2025 F/Y to the County Treasury	All the Accounting Officers	15 th October 2025
	3.4	Submission of the approved County Budget Review and Outlook Paper (CBROP) to the County Assembly	County Treasury	21 st October 2025
	3.5	Publish and Publicize the County Budget Review Outlook Paper	County Treasury	21 st October 2025
	3.6	Submission of the 1 th Quarter Budget Implementation Report 2025/2026 F/Y to the County Assembly	County Treasury	30 th October 2025
4	4.0	Adoption of the County Fiscal and Debt Management Strategy Papers 2026		
	4.1	Submission of the 2 nd Quarter Budget Implementation Report 2025/2026 to County Treasury	All Accounting Officers	15 th January 2026
	4.2	Hold Sector hearing and submit Sector Reports	Sector Working Groups	12 th to 23 rd January 2026
	4.3	Submission of the 2 nd Quarterly Budget Implementation Report 2025/2026 to	County Treasury	30 th January 2026

		County Assembly		
	4.4	Publicize Sector Reports	County treasury	9 th February 2026
	4.5	- Economic and Budget Forum Members consultation on County Fiscal Strategy Paper and Debt Management Strategy Paper 2026 - Seek views from the interested persons or groups	- County Budget and Economic Forum Members and the Secretariat - Special interest groups	12 th February 2026 13 th February 2026
	4.6	Conduct Public participation on the County Fiscal Strategy Paper and Debt Management Strategy Paper	Sector Working Groups	16 th to 17 th February 2026
	4.7	Draft County Fiscal Strategy Paper and Debt Management Strategy Paper Prepared	County Treasury	18 th to 22 nd February 2026
	4.8	Submission of County Fiscal Strategy Paper and Debt Management Strategy Paper to County Executive Committee for approval	County Executive Committee	26 th February 2026
	4.9	Submission of County Fiscal Strategy Paper and Debt Management Strategy Paper to County Assembly for approval and submit to Commission on Revenue Allocation and Intergovernmental Budget and Economic Council	County Treasury	28 th February 2026
	4.10	Publicize County Fiscal Strategy Paper and Debt Management Strategy Paper	County treasury	7 th March 2026
	4.11	Deadline in which the assembly must Approve and Adopt the County Fiscal Strategy Paper	County Assembly	14 th March 2026
5	5.0	Submission and approval of the Programme Based Budget 2026/2027		
	5.1	Submission of Budget proposals to County Treasury	Accounting Officers	26 th March 2026
	5.2	Consolidation of the Draft Budget Estimates	County Treasury	6 th - 10 th April 2026
	5.3	Public Participation on the Programme Based Budget 2026/2027	County Sector Working Group	14 th to 16 th April 2026
	5.4	Economic and Budget Forum Members consultation on the Programme Based Budget	County Budget and Economic Forum Members and the Secretariat	22 nd April 2026
	5.5	Submission of Draft Budget Estimates to County Executive Committee	County Treasury	23 rd April 2026
	5.6	Submission of Draft Budget Estimates to County Assembly	County Treasury	27 th April 2026
6	6.0	Statutory documents submitted to the County Assembly for Budget Implementation		
	6.1	Submission of the 3 rd Quarter Budget Implementation Report 2025/2026 to County Treasury	All Accounting Officers	15 th April 2026
	6.2	Submission of the 3 rd Quarter Budget Implementation Report 2025/2026 to County Assembly	All Accounting Officers	30 th April 2026
	6.3	Developing draft Finance Bill 2026/2027 and validated by the Key stakeholders	County Treasury and Accounting Officers	11 th June 2026
	6.4	Preparation of the Cash Flow Projection submitted to the Controller of Budget, intergovernmental Budget and Economic Council and National Treasury	County Treasury	15 th June 2026

	6.5	Public participation on the County Finance Bill 2026/2027	Sector Working Groups	23 rd to 24 th June 2026
	6.6	County Budget and Economic Forum Members Consultative meeting on the Finance Bill 2026/2027	County Budget and Economic Forum Members and the secretariat.	25 th June 2026
	6.7	Submission and approval of the Finance Bill 2026/2027 by County Executive Committee	County Executive Committee	26 th June 2026
	6.8	Presentation of the Revenue Raising Measures and Finance Bill 2026/2027 to the County Assembly	County Treasury	30 th June 2026

PART E. CONCLUSION

Finally, Accounting Officers are required to ensure strict adherence to the medium term budget guidelines including the timelines for the specific activities and to bring the contents of this circular to the attention of all Officers working under them. The guidelines are available in the county website (www.nyamira.go.ke.)

JONES OMWENGA

County Executive Committee Member,

FINANCE, ECONOMIC PLANNING AND RESOURCE MOBILIZATION

- **Copy to:**
 - H.E. The Governor
 - H.E. The Deputy Governor
 - The Controller of Budget
 - The Chairman, Commission on Revenue Allocation
 - The Speaker, County Assembly
 - The County Secretary and Head of Public Service
 - The County Attorney
 - All the County Budget and Economic Forum Members