



## REPUBLIC OF KENYA

### THE NATIONAL TREASURY AND PLANNING

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The National Treasury  
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NAIROBI.

**Ref:** DGIPE/A/1/10

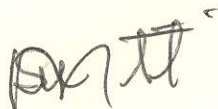
**Date:** April 15<sup>th</sup>, 2019

**All Chief Executive Officers of State Corporations**

#### **Approval of the State Corporations Annual Budgets for 2019/2020 FY:**

1. In accordance with of the State Corporations Act, Cap 446, Section 11 & 12 and the Public Finance Management Act, 2012, Section 68, State Corporation are required to prepare and submit their annual budgets to the parent ministries and the National Treasury for approval. In this regard, the Cabinet Secretary/National Treasury issued Treasury Circular No. 14/2018 dated November 27<sup>th</sup>, 2018 to guide budget preparation for 2019/2020 FY.
2. The National Treasury is currently reviewing the submitted budgets from respective State Corporations for 2019/2020 FY. In the process of the review, it has been noted that concise explanatory notes to the submitted budget and Financial Statements were not provided by the majority of State Corporations as required by Treasury Circular No. 14/2018 of November 27<sup>th</sup>, 2018. Further, it has been noted that some State Corporations have factored GOK grants for both recurrent and development budgets that are above what has been agreed and allocated by the line Ministries during the 2019/2020 FY Sector Working Groups.
3. For the National Treasury to be in a position to review, analyze and make recommendations for approval or otherwise as required by the law, it has become necessary to request State Corporation to provide detailed breakdown/itemized budget of the rationalized recurrent and development budgets for 2019/2020 FY.

4. The detailed breakdown/itemized budget of the rationalized recurrent and development budgets for State Corporations that rely on budgetary support from the Exchequer should be within the agreed and allocated resources by the line ministry during the 2019/2020 FY Sector Working Groups.
5. The detailed breakdown/itemized budget of the rationalized recurrent and development budgets should be provided as per the attached Annex I and II for recurrent and development budgets respectively.
6. The management of respective State Corporations are requested to submit the detailed breakdown/itemized budget of the rationalized recurrent and development budgets to the office of the Director General, Public Investments and Portfolio Management, the National Treasury not later than April 19<sup>th</sup>, 2019. A soft copy of the same should be mailed to [dgipescbudgets2019@treasury.go.ke](mailto:dgipescbudgets2019@treasury.go.ke). Details of (telephone number and e-mail address) the person to be contacted for any clarification should be provided.



**ENG. STANLEY KAMAU**

**FOR: PRINCIPAL SECRETARY/NATIONAL TREASURY**

**Copy to: All Principal Secretaries/Accounting Officers**



## Annex I

### Detailed Breakdown/Itemized and Rationalized Recurrent Budget/Expenditures, (Figures in Kshs. '000')

Details		Actual	Actual	Actual	Forecast	Budget
		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
A	<b>Recurrent Revenue:</b>					
1	Internally Generated revenue from fees, charges, levies, cost sharing etc.					
2	Governments Grants for Recurrent Exp.					
3	Grants, Dev't Partner for Recurrent Exp.					
4	Other Incomes for Recurrent Exp. (Specify)					
5	<b>Total Recurrent Revenue</b>					
	<b>Operating Expenses:</b>					
6	Personnel Emoluments					
	i. Basic Salary					
	ii. House Allowances					
	iii. Commuter/Transport Allowances					
	iv. Acting/Other Remunerative Allowances					
	v. Other Remunerative Benefits, Specify; Leave, Medical, Holiday, End of Year Staff Gifts, etc					
	vi.					
	<b>Sub-Total</b>					
7	Boards Expenses					
	i.					
	ii.					
	iii.					
	<b>Sub-Total</b>					
8	Contracted Services					
	i. Outsourced Legal Services					
	ii. Consultancies, Specify each Consultancy					
	iii. Other Outsourced Services					
	iv. Medical Insurance					
	v. Assets and Equipment Insurances					
	vi.					
	<b>Sub-Total</b>					
9	Expenses on Operations Relating to Core Mandate:					
	i.					
	ii.					
	iii.					
	<b>Sub-Total</b>					
9	Administrative Expenses					
	i. Motor Vehicle Operations					
	ii. Office Stationary, Printing, etc					
	iii. Hospitality					
	iv.					
	<b>Sub-Total</b>					
	Repairs and Maintenance					
	i. Buildings					
	ii. Motor Vehicles/Cycles					
	iii. Computers and other Office Equipment					
	iv. Other					
10	Depreciation					
11	Total Operating Expenses					
12	Operating Surplus/(Deficit)					
13	Finance Charges (Interest on Loans)					
14	Retained Operating Surplus					

