

REPUBLIC OF KENYA



NATIONAL TREASURY AND PLANNING



PROGRAM FOR RESULTS TO STRENGTHEN  
GOVERNANCE FOR ENABLING SERVICE DELIVERY  
AND PUBLIC INVESTMENT IN KENYA

2017/2018 ANNUAL REPORT  
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## ACRONYMS

AFD	Agence Française de Développement (French Development Agency)
AFROSAI	African Organization of Supreme Audit Institutions
AMS	Audit Management System
CoA	Chart of Accounts
CPS	Country Partnership Strategy
DL	Disbursement Letter
DLI	Disbursement Linked Indicators
DPO	Development Policy Operation
EACC	Ethics and Anti-Corruption Commission
EACRC	East African Compliant Recycling Company
e-GP	Electronic Government Procurement
e-ProMIS	Electronic Project Monitoring Information System
GESDeK	Governance for enabling service delivery and public investment in Kenya
ESSA	Environmental and Social Systems Assessment
FA	Financing Agreement
FY	Fiscal Year
GAC	Governance and Anti-Corruption
GDP	Gross Domestic Product
GHRIS	Government Human Resource Information System
GoK	Government of Kenya
GRS	Grievance Redress Service
ICPAK	Institute of Certified Public Accountants of Kenya
ICR	Implementation Completion Report
ICT	Information and Communication Technology
IDA	International Development Association
IFMIS	Integrated Financial Management Information System
INTOSAI	The International Organization of Supreme Audit Institutions
IPF	Investment Project Financing
IPPD	Integrated Payroll and Personnel Database
KDSP	Kenya Devolution Support Program for Results
KES	Kenyan Shilling
M&E	Monitoring and Evaluation
MDA	Ministries, Departments and Agencies
MoPSYGA	Ministry of Public Service, Youth and Gender Affairs
MTEF	Medium Term Expenditure Framework
NEMA	National Environment Management Authority
OAG	Office of the Accountant General
OCDS	Open Contracting Data Standards
PAP	Program Action Plan
PDMO	Public Debt Management Office
PDO	Program Development Objective
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PFM SWG	PFM Sector Working Group
PFMR Secretariat	Public Financial Management Reform Secretariat
PFMR Strategy	Public Financial Management Reform Strategy

PforR	Program-for-Results
PIM	Public Investment Management
POM	Project Operations Manual
PPADA	Public Procurement and Asset Disposal Act
PPDR	Public Procurement and Asset Disposal Regulations
PPP	Public Private Partnerships
PS	Permanent Secretary
PSC	Public Service Commission
RAS	Reimbursable Advisory Services
RIFF	Reform Implementation Facilitation Facility
SPP	State Procurement Portal
SRC	Salaries and Remuneration Commission
TSC	Teachers Service Commission
US\$	United States Dollars
QA	Quality Assurance
VA	Verification Agent

## EXECUTIVE SUMMARY

The Program for Results (PforR) to strengthen Governance for Enabling Service Delivery and Public Investment in Kenya (GESDeK) is a GoK/World Bank/AFD funded programme. The objective of the programme is to ensure a public finance management system that promotes transparency, accountability, equity, fiscal discipline and efficiency in the management and use of public resources for improved service delivery and economic development. The programme focuses on the result areas namely Prioritized Public Investments, Reliability of Funding for Service Delivery, Procurement, Consolidating HR data, Financial Statements and External Audit and Transparency and Fiduciary Assurance. In terms of the specific Disbursement Linked Results (DLRs) that were planned to be achieved by the end of October 2018, five DLRs have been achieved, subject to verification (\$7m of WB and €3.5m of AFD resources respectively). This includes The formation of the Public Investment Management (PIM) unit (DLR 1a - \$2.5m and €1m), The completion of User Acceptance Testing (UAT) for the Cash Management System (DLR 2.1a - \$1.5m), ensuring three service delivery Ministries Departments and Agencies (MDAs) financial statements that had undergone Quality Assurance were consistent with IFMIS receipts and payables (DLR 5.1 - \$1m), approval of audit codes that classify risk clusters to enable efficient targeting of audit resources (DLR 5.2a-\$1m and €1m) and complete Diagnostic Study of Internal Audit (6.2a- \$1m). Six DLRs were not achieved by end of October 2018 (\$11m of WB and €3m of AFD resources respectively). This includes approved PIM manual & user requirements for e-ProMIS which addresses key challenges in PIM including prioritization, costing and transparency (DLR 1b-\$2.5m and €1m),guidelines adopted by NT require that revised MDA cash plans protect service and infrastructure budget priorities (DLR2.1b-\$1.5m),in year borrowing plan for 2018/19 consistent with delivering cash for MDAs based on a compilation of the cash plans using the new system (DLR 2.3a-\$2m and €1m),roadmap agreed for upgrading e-procurement system including SPP, aligned to requirements of Public Procurement and Disposal Act (PPADA) and attendant regulations (DLR3a-\$2m and €1m), MDAs can access multi-year itemized and facility level budget and out turn data for all MDAs in searchable form via the budget module in IFMIS (6.1a-\$1m) and plan adopted for GHRIS to be enhanced to handle consolidated HR data from MDAs which interfaces with IFMIS (DLR4a-\$2m).Going forward, to ensure timely implementation of the programme, the process of preparation, consolidation and approval of comprehensive PFMR strategy work plans needs to be expedited as a mechanism for disciplining program expenditures. Further, there is need for the PFMR Secretariat to secure additional budget allocations for 2018/19 and also ensure that the cash balances carried forward are appropriated in financial year 2018/19 accordingly alongside additional resources for the year.

## 1.0. INTRODUCTION

The Program for Results (PforR) to strengthen Governance for Enabling Service Delivery and Public Investment in Kenya (GESDeK) is a GoK/World Bank/AFD funded programme. The objective of the programme is to ensure a public finance management system that promotes transparency, accountability, equity, fiscal discipline and efficiency in the management and use of public resources for improved service delivery and economic development.

The programme focuses on the result areas namely Prioritized Public Investments, Reliability of Funding for Service Delivery, Procurement, Consolidating HR data, Financial Statements and External Audit and Transparency and Fiduciary Assurance.

## 2.0. KEY HIGHLIGHTS

In terms of the specific Disbursement Linked Results (DLRs) that were planned to be achieved by the end of October 2018, the status can be summarized as follows:-

Five DLRs have been achieved, subject to verification (\$7m of WB and €3.5m of AFD resources respectively). This includes:-

- i. The formation of the Public Investment Management (PIM) unit (DLR 1a - \$2.5m and €1m)
- ii. The completion of User Acceptance Testing (UAT) for the Cash Management System (DLR 2.1a - \$1.5m)
- iii. Ensuring three service delivery Ministries Departments and Agencies (MDAs) financial statements that had undergone Quality Assurance were consistent with IFMIS receipts and payables (DLR 5.1 - \$1m)
- iv. Approval of audit codes that classify risk clusters to enable efficient targeting of audit resources (DLR 5.2a-\$1m and €1m)
- v. Complete Diagnostic Study of Internal Audit (6.2a- \$1m).

Six DLRs were not achieved by end of October 2018 (\$11m of WB and €3m of AFD resources respectively). This includes:-

- i. Approved PIM manual & user requirements for e-ProMIS which addresses key challenges in PIM including prioritization, costing and transparency (DLR 1b- \$2.5m and €1m)
- ii. Guidelines adopted by NT require that revised MDA cash plans protect service and infrastructure budget priorities (DLR2.1b-\$1.5m)
- iii. In year borrowing plan for 2018/19 consistent with delivering cash for MDAs based on a compilation of the cash plans using the new system (DLR 2.3a-\$2m and €1m)
- iv. Roadmap agreed for upgrading e-procurement system including SPP, aligned to requirements of Public Procurement and Disposal Act (PPADA) and attendant regulations (DLR3a-\$2m and €1m)

- v. MDAs can access multi-year itemized and facility level budget and out turn data for all MDAs in searchable form via the budget module in IFMIS (6.1a-\$1m)
- vi. Plan adopted for GHRIS to be enhanced to handle consolidated HR data from MDAs which interfaces with IFMIS (DLR4a-\$2m)

### **3.0. ACHIEVEMENT OF RESULTS**

The Programme comprises of result areas namely Prioritized Public Investments, Reliability of Funding for Service Delivery, Procurement, Consolidating HR data, Financial Statements and External Audit and Transparency and Fiduciary Assurance. Progress by results area can be summarized as follows.

#### ***3.1 Results area 1: Prioritized Public Investments***

A PIM unit has been formed. Subsequently, PIM guidelines have been developed and approved by PS in November, 2018. The guidelines are now being turned into regulations. A World Bank consultant is supporting on development of user requirements, with a target of completion in February, 2019.

#### ***3.2 Results area 2: Reliability of Funding for Service Delivery***

There has been progress in automating cash planning and the exchequer system. UAT report is in place. Aggregate cash plans consistent with in-year revenue forecasts and MDAs cash requirements from the system are being finalized, which should form the basis for the domestic borrowing program. The Budget Implementation circular indicated that exchequer releases to priority service delivery programs and associated budget lines would be protected in the cash flow for 2018/19. Interim definition of PSDPs shared with ASD and specific guidance on prioritizing prepared and discussed jointly by ASD and BD, but remain in draft form.

Proposals for strengthened Cash Management Advisory and Technical Committees are in draft, and it is important that these are taken forward to ensure coordinated action in this area. SD drafted revised TORs for Inter-Agency Cash Management Advisory Committee responsible for overseeing cash plans, but not put into operation. Aggregate cash plan was approved within one month of the start of the financial year and included consolidated MDA requirements from the system but not revenue projections. Consolidated cash plan on the system includes revenue projections but does not include projected debt inflows. PDMO did not receive aggregate cash plan, and borrowing plan is not linked to cash plan.

#### ***3.3 Results area 3: Procurement***

A draft e-Procurement Strategy and Roadmap prepared with support from the Kenya Accountable Devolution Program (KADP). The strategy provided a cost-benefit analysis of three different options for the enhancement of the existing Integrated Financial Management Information System (IFMIS) based e-procurement platform. The strategy and roadmap was reviewed by a committee appointed by NT comprising representatives from Public Procurement Department (PPD) and IFMIS to review the report. The committee reported its findings in September, 2018. A decision on the appropriate e-procurement strategy for the country and most viable option for an enhanced e-procurement platform before the preparation of business requirements for the system is now pending from NT top management.

Proposed amendments to the PPAD Act 2015 and attendant Regulations pending before parliament. This is critical to the timely achievement of DLR 3a. Business processes and specifications to be prepared after adoption of the strategy and a decision made on e-



Procurement implementation model. Enhancements made to the Tender Portal to provide for publication of contract award.

### ***3.4 Results area 4: Consolidating HR data***

An assessment of GHRIS with support from KADP was undertaken and a stakeholder workshop held. Inception report provided by consultant which includes interface with IFMIS (WB-KADP funded). The assessment report was submitted in November and updated in December. Further work required on the user requirements and technical requirements and roadmap.

### ***3.5 Results area 5: Financial statements and external audit***

The target has been achieved for MDAs with financial statements and quality assured financial reporting. Consolidated financial statements are in place. Review of quality of financial statements was undertaken by ASD. There was agreement to limit consistency with IFMIS to receipts and payables. Four (4) Service Delivery MDA have payables and receipts consistent with IFMIS. The Office of the Auditor General (OAG) is in the process of finalizing risk clusters to target audit resources, audit guidelines with an enhanced methodology and a quality assurance framework.

### ***3.6 Results area 6: Transparency and fiduciary assurance***

On the timely, efficient, quality audits, objectives, principles and criteria for risk ranking of all auditable clients has been developed and approved by OAG. Audit client risk framework, financial and compliance audit manual, policy control manual, compliance audit manual and quality assurance manual have also been approved by OAG.

On the transparency side, payment of schools not on the system. Consultations started between BD and sector Ministries, but progress delayed by budget process. Initial meetings held with line ministries (Ministry of Health and Ministry of Education) on collecting information on transfers to schools and health facilities, before making data available to MDAs alongside expenditure data in the Hyperion analytical repository. Plan agreed to develop analytical repository.

On fiduciary assurance and risk management, three (3) internal audit consultants procured (MDAs, SCs, Counties-Deloitte, KPMG & Matengo Githae) to carry out a diagnostic study and support the strengthening of internal audit. The consultants were expected to prepare three (3) studies. The MDA consultant, Deloitte, has submitted an inception report on which feedback has been provided. Deloitte submitted a preliminary diagnostic assessment on 9<sup>th</sup> October 2018 to IAG. The Technical committee reviewed the report and agreed with Deloitte to make changes and submit the report by 28<sup>th</sup> November, 2018. It is important that the studies are used effectively to strengthen internal audit manuals and procedures.

## 4.0. PROGRAMME MANAGEMENT

This section provides a brief summary of activities under each of the following categories:-

### 4.1 Results Verification Process including update on timing of verification

Implementing agencies/departments will provide evidence of achievement of their respective DLIs to the PFMR Secretariat. The PFMR Secretariat will compile the information on the status of achievement of results (as provided by the responsible implementing agencies/departments and supported by relevant results teams) by end of October, 2018.

An independent verification agent (IVA) will validate achievement of DLIs. Validation of results by the IVA will be based on the verification protocol and the templates elaborated in the Programme Operation Manual. The IVA (hired by the PFMR Secretariat) will conduct the verification of results by end of November, 2018. The IVA will work closely with the implementing agencies, first carrying out a preliminary assessment of each DLR on the basis of the evidence provided, then discussing and attempting to resolve any issues with the implementing agencies before submission to the PFR secretariat.

The PFM Technical Committee, which includes implementing agencies, the World Bank and Development Partners will then review the report and resolve any outstanding issues. The PS/NT will then submit the report to participating Development Partners after which WB and other DPs will communicate their decision on the IVA findings.

As part of the verification process, the PFMR Secretariat will be charged with the responsibility of *inter-alia*: (a) contracting the verification agent (by end of June 2018) (b) facilitating the annual verification process in terms of providing the IVA with the necessary evidence, information and communication linkages between the implementing agencies/departments responsible for achievement of those results) (c) quality assurance that the verification protocol has been followed by the IVA (e) timely conduct of the verification process and (f) ensuring timely reporting of results by the IVA to the Technical Committee and Steering Committee (f) forwarding the verification reported to the WB and other development partners.

The implementation of the programme was extended to October, 2018 due to delays in effectiveness of the programme.

### 4.2 Disbursements including schedule of next disbursement deadlines

Disbursements under the Program will be made in three circumstances: (i) Advance disbursement against achievement of future disbursement linked results (DLRs), up to the limit specified by the development partner<sup>1</sup> (ii) Disbursement against DLR achievement (iii) DP specific requirements specified in individual financing agreements.

The WB financing agreement for the GESDeK reflects this provision for advances. It is envisaged that advance disbursements will be requested by NT on a rolling basis for the WB funding. The WB will provide rolling advances under against future DLR based on:-

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<sup>1</sup> For the World Bank, a rolling limit of 25% of the credit amount, US\$ 37.5 million applies.

- i. An assessment of the likely achievement of DLIs for the current and future years and the adequacy of allocations to variable costs for implementing agencies, consistent with the Expenditure Framework, to enable achievement of future DLRs are provided for in the Budget for the current financial year and the medium term.
- ii. The value allocated to the DLRs expected to be achieved in the Programme in future will be greater than or equal to the value of the advance requested.

The verified DLRs achievement in the previous year will determine any reduction in WB disbursements resulting from lack of achievement of DLIs which will have to be “netted” against expected future achievements. In addition, the assessment of expected achievements in the current and future years will be informed by the actual achievement in the previous year and whether adequate resources have been allocated to implementing agencies to achieve the results in the budget.

AFD will support the GESDeK by disbursing according to the achievement of four (4) DLIs, using the verification protocols of the GESDEK. The DLI are (i) DLI 1: Prioritized Public Investments (ii) DLI 2.3: Reliability of financing and external resources (iii) DLI 3: Efficient and Transparent Procurement (iv) DLI 5.2 Timely, Efficient, Quality Audit.

AFD financing will not provide advance disbursements. However, in the first year, AFD will allow withdrawing a fixed disbursement (5M€), right after the signature of the credit financing agreement and upon request from the Government. This will not be linked with the achievement of DLIs and will enable the implementing agencies to launch the activities.

Once the achievement of DLRs is verified and the World Bank, AFD and other Development Partners (DPs) concur, the Government makes a disbursement request. Confirmation that a DLI is achieved will be based on agreed verification protocols for each DLI.

WB and other DP Funds will be disbursed to the Consolidated Fund. At project effectiveness, funds will be disbursed against DLIs assessment of the likely achievement of results in year one of the PforR.

In 2017/18, \$18.35m was disbursed in July based on additional budget allocations for 2017/18 and effectiveness. Further, \$19.15m will be available after incorporation of GESDeK allocations in 2018/19 budget in line with expenditure framework. The other disbursements will be made against DLIs achieved.

#### **4.3 Program Expenditures**

The GESDeK programme had a total funding of Kshs 607,000,000. The allocation of the funds to result areas were Reform Coordination, Kshs 20,000,000, Macro & IGFRM, Kshs 25,000,000, Strategic Planning, Resource Allocation & PIM, Kshs 55,000,000, PPD, Contract Management & Disposal, Kshs 55,000,000, Budget execution Accounting, Reporting & Internal Audit, Kshs 118,000,000, PFM Systems, Kshs 200,000,000, Independent Audit & Oversight, Kshs 100,000,000 and HRM (MoPSYG & TSC), Kshs 34,000,000. The departments expenditures in 2017/18 were Reform Coordination, Kshs

20,337,166.50, Macro & IGFRM, Kshs 1,409,101.00, Strategic Planning, Resource Allocation & PIM, Kshs 18,384,364.50, PPD, Contract Management & Disposal, 17,328,207.18, Budget execution Accounting, Reporting & Internal Audit, Kshs 9,244,684.75, PFM Systems, 200,000,000.00, Independent Audit & Oversight, Kshs. 43,089,893.00 and HRM (MoPSYG & TSC), Kshs 12,542,520.00. The implementation of the programme was extended to October, 2018 due to delays in effectiveness of the programme.

#### **4.4 Program Action Plan Implementation**

##### ***4.4.1 Planning and Budgeting***

The 2017/18 supplementary allocations were adequate but provided for under one code and not coded by PFMRS theme and not disaggregated by national and county PFM. The 2018/19 budgeted amount is not consistent with the Expenditure Framework in Programme Operation Manual (POM) and not adequately coded. As funding for 2017/18 was carried forward, adjustments to the Expenditure Framework is required to take into account the rolled over funds.

##### ***4.4.2 Internal Control***

Composition of Audit Committee to change for Office of the Auditor General (OAG) as a result of court ruling. PFM standing committees yet to be formed in Ministry of Public Service Youth and Gender Affairs (MoPSYGA) and National Treasury (NT). Draft MDA templates prepared by Internal Audit Department to establish Risk Registers and Internal Control Framework.

##### ***4.4.3 External Audit***

Specific reports yet to be designed in IFMIS to facilitate generation of reports of program expenditures. There is need to ensure 2017/18 financial statements for OAG, MoPSYGA and NT include disclosure notes for GESDeK. Appointment of the auditor for the OAG by Parliament remains outstanding.

##### ***4.4.4 Procurement***

Amendments have been proposed to the existing business standards to enhance efficiency and shorten contracting lead time. Draft amendments to the Act and Regulations not yet approved. Manuals/ templates/standard forms and guidance notes on procurement filing and records management to be prepared consistent with the provisions of the PPAD Act 2015 and attendant Regulations. Debarment and suspended list of firms and individuals not shared with implementing entities. Implementation to start once UAT for upgraded e-procurement and State Procurement Portal is completed

##### ***4.4.5 Governance and Anti-Corruption***

Framework for PFMR complaints and reporting system set out in the POM to be aligned with the NT, OAG and MoPSYG frameworks. Ombudsman has reported that NT has complied with complaints reporting requirements. MoPSYGA to be verified.

##### ***4.4.6 Safeguards Treasury Management and Funds Flow***

Exchequer allocation to PFMRS late (in June) as a result of delays in effectiveness of GESDeK.

#### **4.5 Fraud and Corruption – including cases and actions taken**

There were no cases of fraud and corruption reported in the year under review

#### **4.6 Grievance Redress – complaints and which ones were submitted to the World Bank**

There were no complains within the programme in 2017/18.

#### **4.7 Capacity Building Activities**

The capacity building activities scheduled for 2017/18 were not undertaken due to lack of funds.

## 5.0. LESSONS LEARNED AND WAY FORWARD

The following are lessons learnt and the way forward: -

- i. Work plans:** Currently implementing MDAs do not all have approved work plans. The process of preparation, consolidation and approval of comprehensive PFMR strategy work plans needs to be expedited as a mechanism for disciplining program expenditures.
- ii. Budget Allocations:** There is need to secure additional budget allocations for 2018/19. It was noted that the Kshs 901m was released late in financial year 2017/18 (June 2018) and could not be absorbed in full. A balance of approximately Kshs 800m was carried forward to financial year 2018/19. There is need for PFMR Secretariat to consult with the CFO to ensure the cash balances carried forward are appropriated in financial year 2018/19 accordingly alongside additional resources for the year.

## 6.0. RISKS FOR PROJECT PROGRESS

The key risks to programme implementation are as follows:-

- i. Financial Statements:** The institutional financial statements for 2017/18 for the NT, MoPSYGA and OAG should be prepared reflecting outturns against budget for the GESDEK Program Expenditure Framework in disclosure notes as outlined in the POM.
- ii. External Auditor for OAG:** The recruitment of the external auditor to undertake the delayed external audit for the OAG as outlined in the Constitution and Audit Act 2012 remains outstanding.
- iii. Internal Control Frameworks:** Implementing MDAs are yet to put in place internal control frameworks in line with the Public Financial Management Act (PFMA). Procurement and grievance redress mechanism need to be operationalized in full.
- iv. E-Waste:** Provisions for management and disposal of e-waste need to be aligned with the provisions of procurement legislation. The recently replacement of IFMIS servers highlights the importance of action in this area.

## 7.0. APPENDICES

### Appendix 1: Results Framework Matrix, DLIs Matrix

#### Appendix 1a: Results Framework Matrix

Results Areas Supported by PforR	PDO/Outcome Indicators (Key indicators to measure the achievement of each aspect of the PDO statement)	Intermediate Results Indicators (critical processes, outputs or intermediate outcomes indicators needed to achieve each aspect of the PDO)	DLI #	Unit of Meas.	Baseline (2016/17 unless otherwise stated)	End Target (2021/22)
<b>Result Area 1: Prioritized Public Investments</b>	<b>PDO Indicator 1: Prioritized Public Investments.</b> Projects with capital allocations above KES 100 million which are in compliance with procedures in the PIM manual.		1	Number of Projects	0	30 Projects using e-ProMIS
		IR Indicator 1.1: Dedicated unit established with staff deployed/assigned performing NT PIM roles.	1	Yes/No	No	Yes
		IR Indicator 1.2: Approved PIM Manual which addresses, inter alia, prioritization, costing and transparency	1	Yes/No	No	Yes
		IR Indicator 1.3: Enhanced e-ProMIS automating provisions of PIM Manual	1	Yes/No	No	Yes
<b>Result Area 2: Reliable Funding for Service Delivery and Public Investments</b>	<b>PDO Indicator 2.1: Reliable Funding for Service delivery and investment projects</b> a) Average under-release of priority operational service		2	%	8% on a quarterly basis for recurrent budgets for 25 service delivery MDAs (2015/16)	Below 8% of monthly service delivery cash plans



<b>Results Areas Supported by PforR</b>	<b>PDO/Outcome Indicators (Key indicators to measure the achievement of each aspect of the PDO statement)</b>	<b>Intermediate Results Indicators (critical processes, outputs or intermediate outcomes indicators needed to achieve each aspect of the PDO)</b>	<b>DLI #</b>	<b>Unit of Meas.</b>	<b>Baseline (2016/17 unless otherwise stated)</b>	<b>End Target (2021/22)</b>
	delivery budget allocations expressed as a percentage of revised in-year cash plans on a monthly basis.					
	b) Annual exchequer releases to GOK capital budget allocations as a % of the approved budget.		2	%	90.7 % of GOK development Budget allocations (2015/16)	95 % of GoK capital allocations
		IR Indicator 2.1: Guidelines which require that revised MDA cash plans protect service delivery and infrastructure budget priorities	2	Yes/No	No	Yes
		IR Indicator 2.2: Annual domestic (tax plus non-tax) revenue collections as a percentage of the annual budget.	2	% of Approved Budget	91.87% (2015/16)	94%
		IR Indicator 2.3: Average under-performance of quarterly net domestic borrowing as a percentage of what is planned in revised in year cash plans	2	% of Plan	70% (2015/16)	Under 25 %
<b>Result Area 3: Efficient Procurement</b>	<b>PDO Indicator 3: Efficient Procurement</b> MDAs using the e-Procurement System in compliance with the PPAD Act, 2015, and attendant Regulations for the full fiscal		3	Number	n/a	All MDAs

Results Areas Supported by PforR	PDO/Outcome Indicators (Key indicators to measure the achievement of each aspect of the PDO statement)	Intermediate Results Indicators (critical processes, outputs or intermediate outcomes indicators needed to achieve each aspect of the PDO)	DLI #	Unit of Meas.	Baseline (2016/17 unless otherwise stated)	End Target (2021/22)
	year and procurement data disclosed in SPP following OCDS					
		IR Indicator 3: Upgraded e-procurement system including State Procurement Portal, aligned to requirements of PPAD Act & Regulations operational	3	Yes/No	No <sup>2</sup>	Yes
<b>Result Area 4: Consolidated Staff Data</b>	<b>PDO Indicator 4: Consolidated Staff Data</b> MDAs whose payroll data has been uploaded to GHRIS and are up to date.		4	Number	0	20 MDAs including 4 with major service delivery payrolls
		IR Indicator 4: GHRIS enhanced to handle consolidated HR data from MDAs and interfaces with IFMIS	4	Yes/No	No	Yes
<b>Result Area 5: Timely and Quality Financial Statement and Audits</b>	<b>PDO Indicator 5: Timely and Quality Financial Statements and Audit</b> a) % of MDAs whose financial statement audits have been completed within 3 months after OAG receipt of final accounts using an improved methodology, undergone quality assurance		5	Number	0	50% of MDAs

<sup>2</sup> IFMIS procurement module operational and aligned with 2005 procurement act

<b>Results Areas Supported by PforR</b>	<b>PDO/Outcome Indicators (Key indicators to measure the achievement of each aspect of the PDO statement)</b>	<b>Intermediate Results Indicators (critical processes, outputs or intermediate outcomes indicators needed to achieve each aspect of the PDO)</b>	<b>DLI #</b>	<b>Unit of Meas.</b>	<b>Baseline (2016/17 unless otherwise stated)</b>	<b>End Target (2021/22)</b>
	b) Months between receipt of consolidated financial statements by OAG and submission of audited financial statements to Parliament		5	Number	10 Months	3 Months
		IR Indicator 5.1: Audit codes in place that classify risk clusters to enable efficient targeting of audit resource	5	Yes/No	No	Yes
		IR Indicator 5.2: Enhanced audit methodology and quality assurance framework in place	5	Yes/No	No	Yes
		IR Indicator 5.3: The percentage (%) of MDAs the National Treasury has reviewed the quality of Annual Financial Statements generated from IFMIS and has submitted to the OAG within 4 months	5	Yes/No	10%	50%, generated from IFMIS
<b>Result Area 6: Strengthened Fiduciary Assurance and Transparency</b>	<b>PDO Indicator 6a: Transparent Institutions</b> Number of MDAs where information is publicly available online in searchable form on a) program expenditure, b) project expenditure and c) transfers to service delivery units		6	Number	0	All MDAs, including education, health and infrastructure

<b>Results Areas Supported by PforR</b>	<b>PDO/Outcome Indicators (Key indicators to measure the achievement of each aspect of the PDO statement)</b>	<b>Intermediate Results Indicators (critical processes, outputs or intermediate outcomes indicators needed to achieve each aspect of the PDO)</b>	<b>DLI #</b>	<b>Unit of Meas.</b>	<b>Baseline (2016/17 unless otherwise stated)</b>	<b>End Target (2021/22)</b>
		IR Indicator 6.1: MDAs can access multi-year itemized and facility level budget and outturn data for all MDAs in searchable form through the budget module of IFMIS	6	Yes/No	No	Yes
		IR Indicator 6.2: Functional online public interface which provides information in a searchable form on programs, projects and transfers to service delivery unit	6	Yes/No	No	Yes
	<b>PDO Indicator 6b: Strengthened Fiduciary Assurance and Risk Management</b>		6	Number	0	20 MDAs
	Annual and quarterly MDA Internal Audit Reports have been prepared and undergone quality assurance in line with enhanced procedures for assurance, risk management and audit follow-up					
		IR Indicator 6.3: Updated manuals and QA framework for internal audit in place to strengthen assurance and risk management are in place	6	Yes/No	No	Yes
		IR Indicator 6.4: Complete diagnostic Study of internal audit	6	Yes/No	No	Yes

**Appendix 1b: Disbursement Linked Indicators Matrices**

**a) World Bank**

	Total Financing Allocated to DLI	As percent of Total Financing Amount	DLI Baseline By June 2017	Indicative timeline for DLRs				
				2017/18 - Y1 By June 2018	2018/19 - Y2 By June 2019	2019/20 – Y3 By June 2020	2020/21 – Y4 By June 2021	2021/22 – Y5 By June 2022
<b>Result Area 1: Prioritized Public Investments</b>								
<p><b>DLI 1: Prioritized Public Investments.</b></p> <p>Number of Projects with capital allocations above KES 100 million which are in compliance with procedures in the PIM manual.</p> <p>(Lead: Macro &amp; fiscal Affairs Department, NT)</p>	\$25 million	16.7 percent	Project Identification Circulars in place	PIM Unit established in NT  Approved PIM Manual and user requirements for e-ProMIS which addresses key challenges in PIM including prioritization, costing and transparency.	5 projects  UAT complete for enhanced e-ProMIS automating provisions of PIM Manual	10 Projects	20 Projects using e-ProMIS	30 Projects using e-ProMIS
Allocated amount:				\$ 5 million	\$ 5 million	\$5 million	\$5 million	\$5 million
<b>Allocated amount for results areas 1:</b>	<b>\$ 25 million</b>	<b>16.7 percent</b>		<b>\$ 5 million</b>	<b>\$ 5 million</b>	<b>\$ 5 million</b>	<b>\$5 million</b>	<b>\$5 million</b>
<b>Result Area 2: Reliable Funding for Service Delivery and Public Investments</b>								

	Total Financing Allocated to DLI	As percent of Total Financing Amount	DLI Baseline By June 2017	Indicative timeline for DLRs				
				2017/18 - Y1 By June 2018	2018/19 - Y2 By June 2019	2019/20 – Y3 By June 2020	2020/21 – Y4 By June 2021	2021/22 – Y5 By June 2022
<p><b>DLI 2.1: Reliable funding for Service Delivery and Investment Projects</b></p> <p>Average under-release of priority operational service delivery budget allocations expressed as a percentage of revised in year cash plans on a quarterly then monthly basis.</p> <p>(Lead: Accounting Services, NT)</p>	\$ 19 million	12.7 percent	<p>8% of recurrent budgets for 25 service delivery MDAs (2015/16)</p> <p>Cash management system not operational (2016/17)</p>	<p>UAT of cash management and exchequer systems.</p> <p>Guidelines adopted by NT which require that revised MDA cash plans protect service delivery and infrastructure budget priorities.</p>	Below 8% of quarterly service delivery cash plans	Below 5% of quarterly of service delivery cash plans	Below 10% of monthly service delivery cash plans	Below 8% of monthly of service delivery cash plans
<p>Annual exchequer releases to GOK capital budget allocations as a % of the approved budget.</p> <p>(Lead: Accounting Services, NT)</p>			<p>90.7% of GOK Development Budget Allocations (2016/17)</p>					
Allocated amount:				\$3 million	\$ 4 million	\$4 million	\$4 million	\$4 million

	Total Financing Allocated to DLI	As percent of Total Financing Amount	DLI Baseline By June 2017	Indicative timeline for DLRs				
				2017/18 - Y1 By June 2018	2018/19 - Y2 By June 2019	2019/20 – Y3 By June 2020	2020/21 – Y4 By June 2021	2021/22 – Y5 By June 2022
<p><b>DLI 2.2: Improved Revenue Projections</b></p> <p>Actual domestic (tax plus non-tax) revenue collections as a percentage of the annual budget.</p> <p>(Lead: Macro and Fiscal Affairs Department, NT)</p>	\$8 million	5.3 percent	91.87% (2015/16)	92 percent of forecast	92.5% percent of forecast	93.0% percent of forecast	93.5% percent of forecast	94.0% percent of forecast
Allocated amount:				\$0 million	\$2 million	\$2 million	\$2 million	\$2 million
<p><b>DLI 2.3: Reliability of domestic financing</b></p> <p>Average under performance of quarterly net domestic borrowing as a percentage of what is planned in revised in year cash plans.</p> <p>(Lead: PDMO, NT)</p>	\$10 million	6.7 percent	70% (2015/16)	In year borrowing plan consistent with delivering cash for MDAs based on a compilation of the cash plans using the new system	Under 40% of plan	Under 35% of Plan	Under 30% of Plan	Under of 25% of Plan
Allocated amount:				\$2 million	\$2 million	\$2 million	\$2 million	\$2 million
<b>Allocated amount for results areas 2:</b>	<b>\$ 37 million</b>	<b>24.6 percent</b>		<b>\$ 5 million</b>	<b>\$ 8 million</b>	<b>\$ 8 million</b>	<b>\$ 8 million</b>	<b>\$ 8 million</b>
<b>Result Area 3: Efficient and Transparent Procurement</b>								

	Total Financing Allocated to DLI	As percent of Total Financing Amount	DLI Baseline By June 2017	Indicative timeline for DLRs				
				2017/18 - Y1 By June 2018	2018/19 - Y2 By June 2019	2019/20 – Y3 By June 2020	2020/21 – Y4 By June 2021	2021/22 – Y5 By June 2022
<p><b>DLI 3: Efficient and Transparent Procurement</b></p> <p>Number of MDAs using the e-Procurement System in compliance with the Act, 2015 and Regulations for the full fiscal year and procurement data disclosed in SPP following OCDS.</p> <p>(Lead: Procurement Department, NT)</p>	\$ 21 million	14 percent	IFMIS procurement module operational and aligned with the Public Procurement and Disposal Act, 2005	Roadmap agreed for upgrading e-procurement system including State Procurement Portal, aligned to requirements of PPADA and attendant Regulations	UAT for upgraded e-procurement and State Procurement Portal Complete	5 MDAs (Comprising of 2 high spending Ministry/State Department and 1 Commission)	10 MDAs (Comprising 5 high spending Ministry/State Departments and 1 Commission)	All MDAs
Allocated amount:				\$ 2 million	\$ 4 million	\$ 5 million	\$ 5 million	\$ 5 million
<b>Allocated amount for results area 3:</b>	<b>\$ 21 million</b>	<b>14 percent</b>		<b>\$ 2 million</b>	<b>\$ 4 million</b>	<b>\$ 5 million</b>	<b>\$ 5 million</b>	<b>\$ 5 million</b>
<b>Result Area 4: Consolidated Staff Data</b>								
<p><b>DLI 4: Consolidated Staff Data</b></p> <p>Number of MDAs whose payroll data has been uploaded to GHRIS and are up to date.</p> <p>(Lead: MoPSYGA)</p>	\$ 20 million	13.3 percent	0	Plan adopted for GHRIS to be enhanced to handle consolidated HR data from MDAs which interfaces with IFMIS	2 Pilot MDAs	5 MDAs including 2 with major service delivery payrolls	10 MDAs including 3 with major service delivery payrolls	20 MDAs including 4 with major service delivery payrolls
Allocated amount:				\$ 2 million	\$ 3 million	\$ 5 million	\$ 5 million	\$ 5 million
<b>Allocated amount for results area 4:</b>	<b>\$ 20 million</b>	<b>13.3 percent</b>		<b>\$ 2 million</b>	<b>\$ 3 million</b>	<b>\$ 5 million</b>	<b>\$ 5 million</b>	<b>\$ 5 million</b>



	Total Financing Allocated to DLI	As percent of Total Financing Amount	DLI Baseline By June 2017	Indicative timeline for DLRs				
				2017/18 - Y1 By June 2018	2018/19 - Y2 By June 2019	2019/20 – Y3 By June 2020	2020/21 – Y4 By June 2021	2021/22 – Y5 By June 2022
<b>Result Area 5: Timely &amp; Quality Financial Statements and Audits</b>								
<b>DLI 5.1: Timely, Quality Assured, Financial Statements</b>  The percentage of MDAs the National Treasury has reviewed the quality of annual Financial Statements generated from IFMIS and has submitted to the OAG within 4 months.  (Lead: Accounting Services, NT)	\$9 million	6.0 percent	10%, not generated from IFMIS	15%, generated from IFMIS	20%, generated from IFMIS	30%, generated from IFMIS	40%, generated from IFMIS	50%, generated from IFMIS
Amount allocated				\$ 1 million	\$ 2 million	\$ 2 million	\$ 2 million	\$ 2 million

	Total Financing Allocated to DLI	As percent of Total Financing Amount	DLI Baseline By June 2017	Indicative timeline for DLRs				
				2017/18 - Y1 By June 2018	2018/19 - Y2 By June 2019	2019/20 – Y3 By June 2020	2020/21 – Y4 By June 2021	2021/22 – Y5 By June 2022
<p><b>DLI 5.2 Timely, Efficient, Quality Audit:</b></p> <p>a) % of MDAs whose financial statement audits have been completed within 3 months after OAG receipt of final financial statements using an improved methodology, undergone quality assurance.</p> <p>(Lead: OAG)</p>	\$ 18 million	12 percent	0% of MDAs (new methodology not in place)	None	Enhanced Audit methodology and Quality assurance framework approved	15% of MDAs	33% of MDAs	50% of MDAs
<p>b) Months between receipt of final consolidated financial reports by OAG and submission of the audited financial statements to Parliament</p>			10 months (2015/16)	Approval of audit codes that classify risk clusters to enable efficient targeting of audit resource	8 months	6 months	4 months	3 months
Amount allocated				\$1 million	\$ 1 million	\$ 4 million	\$ 6 million	\$ 6 million
<b>Allocated amount to results area 5:</b>	<b>\$ 27 million</b>	<b>18.0 percent</b>		<b>\$ 2 million</b>	<b>\$ 3 million</b>	<b>\$ 6 million</b>	<b>\$ 8 million</b>	<b>\$ 8 million</b>
<b>Result Area 6: Strengthened Fiduciary Assurance and Transparency</b>								

	Total Financing Allocated to DLI	As percent of Total Financing Amount	DLI Baseline By June 2017	Indicative timeline for DLRs				
				2017/18 - Y1 By June 2018	2018/19 - Y2 By June 2019	2019/20 – Y3 By June 2020	2020/21 – Y4 By June 2021	2021/22 – Y5 By June 2022
<p><b>DLI Indicator 6.1: Transparent Institutions</b></p> <p>Number of MDAs where information is publicly available online in searchable form on a) program expenditure, b) project expenditure and c) transfers to service delivery units.</p> <p>(Lead: Budget Supplies Department, NT)</p>	\$12 million	8.0 percent	0 MDAs	MDAs can access multi-year itemized and facility level budget and outturn data for all MDAs in searchable form through the budget module in IFMIS	UAT of online public interface which provides information in a searchable form on programs and projects and transfers to service delivery unit  2 pilot MDAs, including education	5 MDAS, including education and health	15 MDAs including education, health and infrastructure	All MDAs including education, health and infrastructure
Amount allocated				\$1 million	\$ 2 million	\$ 3 million	\$ 3 million	\$ 3 million
<p><b>DLI 6.2: Strengthened Fiduciary Assurance and Risk Management</b></p> <p>Annual and Quarterly MDA Internal Audit Reports have been prepared and undergone QA in line with enhanced procedures for assurance, risk management and audit follow up.</p> <p>(Lead: Internal Audit, NT)</p>	\$ 8 million	5.3 percent	Audit Management and Data Analysis Software, Internal Audit Manuals & Guidelines in place	Complete diagnostic Study of internal audit	Updated manuals and QA framework for internal audit to strengthen assurance and risk management are in place	10 MDAS	15 MDAs	20 MDAs

	Total Financing Allocated to DLI	As percent of Total Financing Amount	DLI Baseline By June 2017	Indicative timeline for DLRs				
				2017/18 - Y1 By June 2018	2018/19 - Y2 By June 2019	2019/20 – Y3 By June 2020	2020/21 – Y4 By June 2021	2021/22 – Y5 By June 2022
Amount allocated				\$ 1 million	\$ 1 million	\$ 2 million	\$ 2 million	\$ 2 million
<b>Allocated amount to result area 6:</b>	<b>\$20 million</b>	<b>16 percent</b>		<b>\$ 2 million</b>	<b>\$ 3 million</b>	<b>\$ 5 million</b>	<b>\$ 5 million</b>	<b>\$ 5 million</b>
<b>Total Financing Allocated:</b>	<b>\$150 million</b>	<b>100 percent</b>		<b>\$ 18 million</b>	<b>\$ 26 million</b>	<b>\$ 34 million</b>	<b>\$ 36 million</b>	<b>\$36 million</b>

b) AFD

	Total AFD Financing Allocated to DLI	As percent of Total AFD Financing Amount	DLI Baseline By June 2017	Indicative timeline for DLRs		
				2017/18 - Y1 By June 2018	2018/19 - Y2 By June 2019	2019/20 – Y3 By June 2020
<b>Result Area 1: Prioritized Public Investments</b>						
<b>DLI 1: Prioritized Public Investments.</b> Number of Projects with capital allocations above KES 100 million which are in compliance with procedures in the PIM manual.  (Lead: Macro & fiscal Affairs Department, NT)	€ 10 million	33 percent	Project Identification Circulars in place	PIM Unit established in NT Approved PIM Manual and user requirements for e-ProMIS which addresses key challenges in PIM including prioritization, costing and transparency.	5 projects  UAT complete for enhanced e-ProMIS automating provisions of PIM Manual	10 Projects
AFD allocated amount:				€ 2 million	€ 4 million	€ 4 million
<b>AFD allocated amount for results areas 1:</b>	<b>€ 10 million</b>	<b>33 percent</b>		<b>€ 2 million</b>	<b>€ 4 million</b>	<b>€ 4 million</b>
<b>Result Area 2: Reliable Funding for Service Delivery and Public Investments</b>						

	Total AFD Financing Allocated to DLI	As percent of Total AFD Financing Amount	DLI Baseline By June 2017	Indicative timeline for DLRs		
				2017/18 - Y1 By June 2018	2018/19 - Y2 By June 2019	2019/20 – Y3 By June 2020
<p><b>DLI 2.3: Reliability of domestic financing</b></p> <p>Average under performance of quarterly net domestic borrowing as a percentage of what is planned in revised in year cash plans.</p> <p>(Lead: PDMO, NT)</p>	€ 4 million	13 percent	70% (2015/16)	In year borrowing plan consistent with delivering cash for MDAs based on a compilation of the cash plans using the new system	Under 40% of plan	Under 35% of Plan
AFD allocated amount:				€ 1 million	€ 1 million	€ 2 million
<b>AFD allocated amount for results areas 2:</b>	<b>€ 4 million</b>	13 percent		<b>€ 1 million</b>	<b>€ 1 million</b>	<b>€ 2 million</b>
<b>Result Area 3: Efficient and Transparent Procurement</b>						
<p><b>DLI 3: Efficient and Transparent Procurement</b></p> <p>Number of MDAs using the e-Procurement System in compliance with the Act, 2015 and Regulations for the full fiscal year and procurement data disclosed in SPP following OCDS.</p> <p>(Lead: Procurement Department, NT)</p>	€ 6 million	20 percent	IFMIS procurement module operational and aligned with the Public Procurement and Disposal Act, 2005	Roadmap agreed for upgrading e-procurement system including State Procurement Portal, aligned to requirements of PPADA and attendant Regulations	UAT for upgraded e-procurement and State Procurement Portal Complete	5 MDAs (Comprising of 2 high spending Ministry/State Department and 1 Commission)
AFD allocated amount:				€ 1 million	€ 3 million	€ 2 million
<b>AFD allocated amount for results area 3:</b>	<b>€ 6 million</b>	<b>20 percent</b>		<b>€ 1 million</b>	<b>€ 3 million</b>	<b>€ 2 million</b>
<b>Result Area 5: Timely &amp; Quality Financial Statements and Audits</b>						

	Total AFD Financing Allocated to DLI	As percent of Total AFD Financing Amount	DLI Baseline By June 2017	Indicative timeline for DLRs		
				2017/18 - Y1 By June 2018	2018/19 - Y2 By June 2019	2019/20 – Y3 By June 2020
<b>DLI 5.2 Timely, Efficient, Quality Audit:</b> a) % of MDAs whose financial statement audits have been completed within 3 months after OAG receipt of final financial statements using an improved methodology, undergone quality assurance. (Lead: OAG)	€ 5 million	17 percent	0% of MDAs (new methodology not in place)	None	Enhanced Audit methodology and Quality assurance framework approved	15% of MDAs
b) Months between receipt of final consolidated financial reports by OAG and submission of the audited financial statements to Parliament			10 months (2015/16)	Approval of audit codes that classify risk clusters to enable efficient targeting of audit resource	8 months	6 months
AFD amount allocated				€ 1 million	€ 2 million	€ 2 million
<b>AFD allocated amount to results area 5:</b>	<b>€ 5 million</b>	<b>17 percent</b>		<b>€ 1 million</b>	<b>€ 2 million</b>	<b>€ 2 million</b>
<b>AFD fixed disbursement</b>	<b>€ 5 million</b>	<b>17 percent</b>		<b>€ 5 million</b>		
<b>Total AFD financing Allocated:</b>	<b>€ 30 million</b>	<b>100 percent</b>		<b>€ 10 million</b>	<b>€ 10 million</b>	<b>€ 10 million</b>

## Appendix 2: Programme Action Plan and Program Management

Area	Provisions in the POM/PAP	Status and Issues	Follow Up action	Responsible	Timing
<b>PROGRAM ACTION PLAN</b>					
<b>Budget Allocations</b>	<ul style="list-style-type: none"> <li>Annual budget provisions under the PFMR Secretariat and respective implementing entities are matched to the Program Expenditure Framework which caters for annual estimated costs for the planned program activities to pre-finance inputs contributing to the achievement of the Disbursements Linked Results.</li> <li>Plan and budget resources to finance costs related to the independent verification agent.</li> </ul>	<ul style="list-style-type: none"> <li>2017/18 supplementary allocations were adequate but provided for under one code and not coded by PFMRS theme and not disaggregated by national &amp; county PFM.</li> <li>2018/19 budget and 2019/20 MTEF not consistent with expenditure Framework in POM and not adequately coded</li> <li>Funding for 2017/18 was carried forward, but supplementary budget approval to regularize this delayed and below amount, and article 223 being processed.</li> </ul>	<ul style="list-style-type: none"> <li>Program expenditure framework updated which is aligned to the proposed thematic areas in the draft PFMR Strategy 2018-2023 for national PFM.</li> <li>PFMR FY 2018/19 supplementary prepared including coding of the PFMR GoK budget aligned with PFMR Strategy thematic areas and updated program expenditure framework.</li> <li>2019/20 NT MTEF proposals include provisions for PFMR in line with thematic codes in the PEF/SCOA.</li> </ul>	PFMR, CFO NT  PFMR, CFO NT  PFMR, CFO NT	Sept 2018  Dec 2018  Apr 2018
<b>Cash Management</b>	<ul style="list-style-type: none"> <li>Timely release of exchequer funds commensurate with requests (as reflected in implementing agencies cash plans) from the implementing agencies to pre-finance inputs to achieve the Disbursements Linked Results.</li> </ul>	<ul style="list-style-type: none"> <li>Exchequer allocation to PFMRS late (in June) as a result of delays in effectiveness of GESDeK.</li> <li>Unspent funds carried forward, with no subsequent releases</li> </ul>	<ul style="list-style-type: none"> <li>PFMRS to prepare cash plan based on workplans. Quarterly exchequer requisitions based on the cash plan.</li> </ul>	PFMR	Quarterly, from Oct.
<b>Financial Statements and Audit</b>	<ul style="list-style-type: none"> <li>Design specific reports in line with the expenditure framework to facilitate generation of program expenditures from IFMIS.</li> <li>Prepare Institutional financial statements with disclosure notes for program expenditure framework</li> <li>The three implementing agencies prepare institutional annual financial statements, which are quality assured, on</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure note formats for GESDeK agreed with ASD, and in process of being populated for including in 2017/18 financial statements for OAG for MoPSYGA.</li> <li>Reports yet to be designed in IFMIS to facilitate generation of reports program expenditures</li> <li>Appointment of the auditor for the OAG by Parliament remains outstanding</li> </ul>	<ul style="list-style-type: none"> <li>Reports for notes designed in IFMIS.</li> <li>Implementing agencies provide additional disclosure notes in financial statements.</li> <li>NT follows up with PBO to finalize recruitment of the External Auditor for the Office of the Auditor General.</li> </ul>	ASD, WB, ASD, OAG, MoPSYG, NT OAG  IFMIS, ASD OAG, MoPSYG, NT NT	Sept 2018  Oct 2018

Area	Provisions in the POM/PAP	Status and Issues	Follow Up action	Responsible	Timing
	<p>time, with appropriate disclosure notes outlining the program expenditures in line with the agreed expenditure framework</p> <ul style="list-style-type: none"> <li>The auditor for the OAG has been appointed.</li> </ul>				
<b>Internal control framework</b>	<ul style="list-style-type: none"> <li>Implementing Agencies (MoPSYG, NT, OAG) Establish and maintain: (i) PFM Standing Committee; (ii) Audit Committees; (iii) Internal Risk Management Framework including F&amp;C risks; (iv) Risk Registers and Internal Control Framework in line with the PFM Act 2012 and PFM Regulations 2015</li> </ul>	<ul style="list-style-type: none"> <li>Composition of Audit Committee to change for OAG as a results of court ruling.</li> <li>PFM standing committees yet to be formed in MoPSYG and NT.</li> <li>Draft MDA templates prepared by IAD to establish Risk Registers and Internal Control Framework</li> </ul>	<ul style="list-style-type: none"> <li>Templates issued by CS to MDAs.</li> <li>Circular to IDs to establish (i)-(iv).</li> <li>MDAs (IAD, NT, OAG) to establish (i)-(iv), writing memos etc.</li> </ul>	IAD IAD MoPSYG, NT,	End Oct End Oct End Dec
<b>Procurement</b>	<ul style="list-style-type: none"> <li>Implementing Agencies - compliance with the applicable business standards as per the Regulations</li> <li>Implementing Agencies establish a filing and records management system in accordance with the provisions of the PPAD Act 2015 and attendant Regulations</li> <li>PPRA shares on a quarterly basis with Implementing Departments the list of firms on the WB, UN, EU and French Financial Sanctions Lists.</li> <li>Implementation of e-procurement in the three implementing agencies as part of the first phase.</li> </ul>	<ul style="list-style-type: none"> <li>Amendments proposed to the existing business standards to enhance efficiency and shorten contracting lead time. Draft amendments to the Act and Regulations not yet approved.</li> <li>Manuals/ templates/standard forms and guidance notes on procurement filing and records management to be prepared consistent with the provisions of the PPAD Act 2015 and attendant Regulations.</li> <li>Debarment and suspended list of firms and individuals not shared with implementing entities Implementation to start once UAT for upgraded e-procurement and State Procurement Portal is completed</li> </ul>	<ul style="list-style-type: none"> <li>Amendments to the PPAD Act 2015 and draft Regulations assented to.</li> <li>Development of guidance note on compliance with business standards and records management.</li> <li>Follow-up with the PPRA on the sharing of sanctions list with implementing entities</li> <li>Debarred and suspended list of firms and individuals shared with implementing entities</li> </ul>	PPD, AG.  PPRA  WB  PPRA	Oct 2018  Feb 2019  Sept 2018  Quarterly



Area	Provisions in the POM/PAP	Status and Issues	Follow Up action	Responsible	Timing
<b>Fraud and Corruption</b>	<ul style="list-style-type: none"> <li>Establishment of complaints and reporting system at the PFMR Secretariat</li> <li>Implementing agencies publish annual performance against the “resolution of public complaints” and “corruption prevention indicators” under the Performance Contacting system.</li> </ul>	<ul style="list-style-type: none"> <li>Framework for PFMR complaints and reporting system set out in the POM to be aligned with the NT, OAG and MoPSYG frameworks.</li> <li>Ombudsman has reported that NT has complied with complaints reporting requirements. MoPSYG to be verified</li> </ul>	<ul style="list-style-type: none"> <li>Follow up discussions with MoPSYGA on status of complaints handling.</li> <li>Alignment of POM with established complaint handling procedures</li> <li>Focal points in PFMR Secretariat and MoPSYG identified.</li> <li>Implementing departments provide reports to PFMR on a quarterly basis on relevant complaints in line with POM.</li> <li>PFMR complies report in line with POM</li> </ul>	PFMR, WB	15 Sept
				PFMR	30 Sept
				PFMR, OAG, NT, MoPSYG	30 Sept
				NT, OAG, MoPSYG, PFMR	End Dec End January
<b>Risk management</b>	<ul style="list-style-type: none"> <li>Establish and maintain risk register for the program</li> <li>Reporting on recommendations made to mitigate against risks identified in the risk register</li> </ul>	<ul style="list-style-type: none"> <li>Risk register based PAP set in the POM, and this table represents first report against actions to address the risks identified. Risk register will updated based on actions completed and emerging MDA risks as they are identified.</li> </ul>	<ul style="list-style-type: none"> <li>PAP status report in GESDeK report at time of IVA.</li> <li>Integrated with risk management framework for implementing MDAs and PFMR Strategy.</li> </ul>	PFMR	December
				PFMR	December
<b>E-waste</b>	<ul style="list-style-type: none"> <li>Managing and mitigating impacts associated with e-waste</li> </ul>	<ul style="list-style-type: none"> <li>Framework set out in POM but yet to be put into operation. Needs alignment with PPAD Act and regulations</li> </ul>	<ul style="list-style-type: none"> <li>WB Meets IFMIS department on disposal of servers</li> <li>Alignment of e-waste provisions in POM with procurement law</li> <li>Implementing MDAs complete updated checklists</li> </ul>	IFMIS, WB PPD, WB NT, OAG, IAD	15 Sept 30 Sept Dec
<b>PROGRAM MANAGEMENT</b>					
<b>Work-planning</b>	<ul style="list-style-type: none"> <li>POM provides for work plan using PFMRs workplans</li> </ul>	<ul style="list-style-type: none"> <li>Most departments implementing provided workplans for 2017/18 which have been rolled over.</li> <li>Lack of consolidated approved workplans for additional GoK allocations for 2018/19. Workplans to approved consolidated under the new strategy and approved by the Steering committee.</li> </ul>	<ul style="list-style-type: none"> <li>Interim consolidated workplans prepared for PFMR strategy which cover all GoK and DP funded expenditures and distinguishing national and county.</li> <li>Consolidated strategy workplans approved alongside new PFMR Strategy by TC and SC.</li> </ul>	Implementing MDAs, PFMR	October
				Implementing MDAs, PFMR	End Nov /Early Dec
<b>Results Teams</b>	<ul style="list-style-type: none"> <li>Results teams are formally constituted</li> </ul>	<ul style="list-style-type: none"> <li>Most GESDeK results teams completed satisfactory action</li> </ul>	<ul style="list-style-type: none"> <li>Lead implementing MDAs to complete draft report on status of DLIs</li> </ul>	Implementing MDAs	Mid Oct.

Area	Provisions in the POM/PAP	Status and Issues	Follow Up action	Responsible	Timing
	<ul style="list-style-type: none"> <li>• POM requires results teams prepare action plans for the FY and quarterly reports on progress</li> <li>• Results teams provide evidence on the achievement of DLRs</li> </ul>	<ul style="list-style-type: none"> <li>plans and costed 2017/18 activities.</li> <li>• PFMR Strategy Results teams formally replace GESDEK following approval in early 2019</li> <li>• Reporting on status of DLIs in progress</li> </ul>	<ul style="list-style-type: none"> <li>• PFMR-Strategy Results Teams and action plans to replace GESDeK teams and action plans. PFMR-Strategy Results team formally appointed and POM update.</li> </ul>	PFMRS, Implementing MDAs	Dec 2018
<b>Reporting on GESDeK Progress</b>	<ul style="list-style-type: none"> <li>• PFMR Secretariat briefs senior management and technical committee quarterly on overall progress towards results</li> <li>• PFMR Secretariat compiles Annual Progress Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Annual progress report drafting near completion.</li> <li>• Initial GESDeK Report on DLI Verification not under preparation.</li> </ul>	<ul style="list-style-type: none"> <li>• PFMRS compiles draft GESDeK Progress report</li> <li>• POM provisions updated for reporting on progress (overall GESDeK, action plans and workplans) are aligned with PFMRS.</li> </ul>	PFMRS PFMRS	End Oct Dec
<b>Verification of Results</b>	<ul style="list-style-type: none"> <li>• Independent verification takes place annually</li> </ul>	<ul style="list-style-type: none"> <li>• TORs in place for verification for first 3 years with a possible extension of 2 years subject to satisfactory performance.</li> <li>• Procurement of verification agent complete, with EY contracted.</li> <li>• Verification to start in January which will enable results teams to catch up.</li> </ul>	<ul style="list-style-type: none"> <li>• IVA to commence in November 2018, 2018/19 results</li> <li>• Implementing MDAs and WB agree update of DLI reporting formats for 2018/19 for inclusion in POM</li> </ul>	PFMRS  Implementing MDAs	Nov 2018  Dec 2018
<b>PFMR Coordination Structures</b>	<ul style="list-style-type: none"> <li>• PFMRS technical Committee and Steering Committee meet regularly in line with the POM to review progress towards achievement of results.</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusion of MoPSYGA and TSC onto PFMR SC and TC in the development of the new PFMR strategy.</li> <li>• Technical Committee met once in FY 2017/18. These were agreed to be semi-annual. The SC expected to meet after completion of the new strategy and constitution of results teams.</li> </ul>	<ul style="list-style-type: none"> <li>• PFMRS TC to meet to review IVA report &amp; strategy</li> <li>• PFMRS SC to meet to approve IVA report &amp; strategy</li> </ul>	PFMRS PFMRS	End Nov/Early Dec 2018
<b>Program Disbursements</b>	<ul style="list-style-type: none"> <li>• The WB will provide rolling advances against future DLRs based on:</li> </ul>	<ul style="list-style-type: none"> <li>• Up to \$37.5m available from WB as advance disbursements against future results.</li> </ul>	<ul style="list-style-type: none"> <li>• PforR disbursement schedule to be discussed for inclusion in MT Fiscal Framework.</li> </ul>	WB, PFMRS  PFMRS	Dec  Oct

Area	Provisions in the POM/PAP	Status and Issues	Follow Up action	Responsible	Timing
	<p>i. The verification of results from the previous FY.</p> <p>ii. An assessment of the likely achievement of DLRs for the current and future years and allocations to variable costs being provided for in the budget for a) the current FY and b) the MT consistent with the expenditure framework.</p> <p>iii. The value of DLRs expected to be in future will be greater than or equal to the value of the advance requested.</p>	<ul style="list-style-type: none"> <li>○ \$18.35m was disbursed in July based on additional budget allocations for 2017/18 and effectiveness</li> <li>○ \$19.15m available after incorporation of GESDeK allocations in 2018/19 budget in line with expenditure framework.</li> </ul>	<ul style="list-style-type: none"> <li>● NT to request second advance disbursement of \$19.15m from WB following approval of additional budget allocation for 2018/19 using agreed coding structure.</li> <li>● NT to request disbursements of €5m as an advance disbursement following signature of AFD Credit Facility Agreement.</li> <li>● Between €0M and €5M available as variable disbursement depending on the achievement of DLRs to be included in the 2018/19 budget.</li> </ul>		
<b>POM</b>	<p>POM Updated Annually to incorporate</p> <ul style="list-style-type: none"> <li>● updated list of Service Delivery MDAs,</li> <li>● updates to reporting on achievement of results</li> <li>● other agreed changes required</li> </ul>	<ul style="list-style-type: none"> <li>● POM agreed for 2017/18</li> <li>● PFMR draft POM in place but requires further alignment in the strategy and other issues to be addressed for GESDeK to be aligned.</li> <li>● Draft list of Service Delivery MDAs in place, which form the basis of GESDeK results, but not yet issued for 2018/19</li> <li>● Agree updates for 2018/19, and align with new PFMR Strategy and its POM</li> </ul>	<ul style="list-style-type: none"> <li>● Budget department to prepare list of Priority Service Delivery Programs and Service Delivery MDAs for 2018/19.</li> <li>● PFMRS to compile updates of POM, including updated PEF, reporting formats for DLIs and alignment with PFMRS POM</li> </ul>	<p>BD</p> <p>PFMRS</p>	<p>Sept 2018</p> <p>December 2018</p>
<b>PFMR Secretariat Staffing</b>	<ul style="list-style-type: none"> <li>● PFMRS appoints focal points and alternates for:</li> <li>● GESDeK results teams.</li> <li>● program coordination, complaints handling and e-waste.</li> </ul>	<ul style="list-style-type: none"> <li>● PFMR focal points for results team, Fiduciary, safeguards, complaints handling focal points to be aligned with the new PFMR Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>● PFMR fiduciary. safeguards, complaints handling focal points need to be appointed</li> <li>● GESDEK coordinator appointed (AFD) , after signature of Memorandum Of Understanding.</li> <li>● PFMRS focal points appointed for results teams</li> </ul>	<p>PFMRS</p> <p>PFMRS</p> <p>PFMRS</p>	<p>Sept</p> <p>End Oct</p> <p>Dec</p>

*Appendix 3: Details of Program Expenditures*

<b>GESDeK EXPENDITURE, COMMITMENT VS ACTUAL BUDGET PER COMPONENT AS AT OCTOBER 2018</b>					
<b>STATE AGENCIES</b>	<b>NATIONAL</b>	<b>ACTUAL EXP 17/18</b>	<b>BAL ROLLED OVER 18/19</b>	<b>ACTUAL EXPENDITURE 18/19</b>	<b>BALANCE</b>
<b>Reform Coordination</b>	20,000,000.00	7,701,530.50	12,298,469.50	20,337,166.50	(8,038,697.00)
<b>Macro &amp; IGFRM</b>	25,000,000.00	1,409,101.00	23,590,899.00	-	23,590,899.00
<b>Strategic Planning, Resource Allocation &amp; PIM</b>	55,000,000.00	4,766,825.00	50,233,175.00	18,384,364.50	31,848,810.50
<b>PPD, Contract Management &amp; Disposal</b>	55,000,000.00	-	55,000,000.00	17,328,207.18	37,671,792.82
<b>Budget execution Accounting, Reporting &amp; Internal Audit - GESDeK</b>	118,000,000.00	15,201,674.70	102,798,325.30	9,244,684.75	93,553,640.55
<b>PFM Systems</b>	200,000,000.00	-	200,000,000.00	200,000,000.00	-
<b>Independent Audit &amp; Oversight ( OAG )</b>	100,000,000.00	15,012,900.00	84,987,100.00	43,089,893.00	41,897,207.00
<b>HRM ( MoPSYG &amp; TSC )</b>	34,000,000.00	19,589,233.50	14,410,766.50	12,542,520.00	1,868,246.50
<b>TOTAL</b>	<b>607,000,000.00</b>	<b>63,681,264.70</b>	<b>543,318,735.30</b>	<b>320,926,835.93</b>	<b>222,391,899.37</b>

**Appendix 4: Individual reports by each Results Team responsible for each DLI and feasible steps**

	<i>DLRs to be achieved by end June 2018</i>		<i>DLRs to be achieved by end June 2019</i>		<b>Follow up Actions</b>	<b>Responsible</b>	<b>Timing</b>
<b>DLI 1: Prioritized Public Investments.</b> Lead: PIM Department	<i>DLR1a: PIM unit established in NT.</i>	<ul style="list-style-type: none"> <li>PIM Unit formed and evidence of DLI being met provided to PFMR</li> </ul>	<i>DLR1c: UAT complete for enhanced e-ProMIS automating provisions of PIM Manual</i>	<ul style="list-style-type: none"> <li>Development may be delayed by user requirements.</li> </ul>	<ul style="list-style-type: none"> <li>User requirements to be prepared after finalization of the PIM Guidelines. World Bank to investigate possibility of providing support to expedite user requirements preparation. (DLR 1c)</li> <li>PIM Department (PIMU) to identify projects up front to enable compliance, and support preparation. (DLR 1d)</li> <li>WB and PIMU to agree compliance based on draft manual for inclusion in POM. (DLR 1d)</li> </ul>	WB	Nov 2018
	<i>DLR 1b: Approved PIM Manual &amp; user requirements for e-ProMIS which addresses key challenges in PIM including prioritization, costing and transparency</i>	<ul style="list-style-type: none"> <li>Guidelines updated following consultations and approved by PS in November. They are now being turned into regulations.</li> <li>World Bank consultant supporting on development of user requirements, with a target of completion in February.</li> </ul>	<i>DLR1d: 5 Projects with capital allocations above KES 100 million which are in compliance with procedures in the PIM manual.</i>	<ul style="list-style-type: none"> <li>PIMD yet to identify projects up front to enable compliance, and support preparation.</li> <li>WB and PIMU to agree compliance based on draft manual for inclusion in POM.</li> </ul>		PIMU	Jan 2019
<b>DLI 2.1: Reliable Funding for Service Delivery and Investment Projects</b> Lead: ASD	<i>DLR 2.1a: UAT of cash management and exchequer systems</i>	<ul style="list-style-type: none"> <li>UAT Report in place. ASD (Exchequer) to report against compliance with DLI verification protocols to ensure DLI met</li> <li>Circular issues on automating cash. COB process not yet automated.</li> </ul>	<i>DLR2.1c: Average under-release of operational PSDP budgets less than 8% of revised in year quarterly cash plans.</i>	<ul style="list-style-type: none"> <li>Delays in issuance of PSDP definitions and guidance is undermining the ability for DLI to be met.</li> <li>Adjustment of budget and cash management modules to allow for tagging and protection of</li> </ul>	<ul style="list-style-type: none"> <li>Validation of PSDPs and letter providing guidance to MDAs on prioritizing exchequer release issued following agreement between BD &amp; ASD and consultations with MDAs during program perf. reviews. (DLR 2.1b)</li> <li>Deployment and operationalization of fully automated exchequer processes, including COB.</li> </ul>	ASD, BD	Jan 2019
	<i>DLR2.1b Guidelines adopted by NT require that</i>	<ul style="list-style-type: none"> <li>Budget Implementation circular includes reference to Priority</li> </ul>	<i>DLR2.1d: Annual exchequer releases to GoK capital budget allocations</i>			Selected MDAs, NT, and CoB	October 2018  June 2019

	<i>DLRs to be achieved by end June 2018</i>	<i>DLRs to be achieved by end June 2019</i>	<i>Follow up Actions</i>	<i>Responsible</i>	<i>Timing</i>		
	<i>revised MDA cash plans protect service and infrastructure budget priorities.</i>	Service delivery programs (PSDPs) <ul style="list-style-type: none"> <li>Interim definition of PSDPs shared with ASD &amp; specific guidance on prioritizing prepared and discussed jointly by ASD and BD, but remain in draft form.</li> </ul>	<i>at least 92% of the approved budget</i>	PSDP budget lines to facilitate 2019/20 achievement yet to start.	<ul style="list-style-type: none"> <li>Adjustment of budget and cash management modules to allow for tagging and protection of PSDP budget lines to facilitate 2019/20 achievement (DLR 1.1c&amp;d)</li> </ul>	ASD, IFMIS	
<b>DLI2.2. Improved Revenue Projections</b> Lead: MFAD	<i>n/a</i>	<ul style="list-style-type: none"> <li>KRA performed in at 91.6 % of 2017/18 suppl. budget.</li> <li>Training on revenue forecasting by IMF taken place, and WB supporting a new model.</li> <li>Baseline and Targets for DLI 2.2. agreed to be based on printed estimates.</li> </ul>	<i>DLR 2.2: Domestic (tax plus non-tax) revenue collections for 2017/18 at least 92.5% percent of the annual budget</i>	<ul style="list-style-type: none"> <li>Need to ensure conservative estimates in BROP</li> <li>WB supporting new revenue projection model (MTI)</li> </ul>	<ul style="list-style-type: none"> <li>Investigate options for improving the realism of revenue estimates in advance of the BROP, including the possibility of applying a discount factor equivalent to the average over-projection in recent years.</li> </ul>	MFAD	Sept 2019
<b>DLI 2.3: Reliability of domestic financing</b> Lead: ASD	<i>DLR 2.3a: In year borrowing plan for 2018/19 consistent with delivering cash for MDAs based on a compilation of the cash plans using the new system</i>	<ul style="list-style-type: none"> <li>ASD drafted revised TORs for Inter-Agency Cash management advisory committee responsible for overseeing cash plans, but not put into operation.</li> <li>Aggregate cash plan was approved within one month of the start of the FY and included consolidated MDA requirements from</li> </ul>	<i>DLR 2.3b: Average under performance of quarterly net domestic borrowing below 40 % of what is planned in revised in year cash plans</i>	<ul style="list-style-type: none"> <li>In year borrowing plan to be approved by end of July 2018</li> <li>PDMO needs to put in place measures to verify whether PDMO is tracking this indicator</li> </ul>	<ul style="list-style-type: none"> <li>PS approves cash plan which includes revenue projections and interest payments (CFS) from the system in aggregate cash plan in line with the definition of DLR 2.3b for 2017/18.</li> <li>PDMO to ensure consistency of borrowing program with cash plan and put in place mechanism for monitoring achievement of DLI.</li> </ul>	WB, PDMO ASD, PDMO  PDMO	-Jan 2019  Jan 2018  Jan 2018

	<i>DLRs to be achieved by end June 2018</i>	<i>DLRs to be achieved by end June 2019</i>	<b>Follow up Actions</b>	<b>Responsible</b>	<b>Timing</b>	
		<p>the system but not revenue projections.</p> <ul style="list-style-type: none"> <li>Consolidated cash plan on the system includes revenue projections but does not including projected debt inflows. PDMO did not receive aggregate cash plan, and borrowing plan is not linked to cash plan. Therefore it is not in compliance with DLR.</li> </ul>		<ul style="list-style-type: none"> <li>Revised TORs for Inter-Agency Cash management advisory committee responsible for overseeing cash plans adopted and committee operational.</li> </ul>	ASD, PDMO, MFAD, BD	
<p><b>DLI 3: Efficient, and Transparent Procurement</b> Lead: PPD</p>	<p><i>DLR3a: roadmap agreed for upgrading e-procurement system including SPP, aligned to requirements of PPADA and attendant regulations.</i></p>	<ul style="list-style-type: none"> <li>Draft e-Procurement strategy and Roadmap is under review and NT appointed a committee to review the Report which reported its findings during the week of September 09, 2018.</li> <li>A decision on e-Procurement business model is now pending from NT top management.</li> <li>Proposed amendments to the PPAD Act 2015 and attendant Regulations pending before parliament. This is critical to the timely achievement of DLR 3a</li> </ul>	<p><i>DLR 3b: UAT for upgraded e-procurement and State Procurement Portal Complete</i></p> <ul style="list-style-type: none"> <li>May be delayed by delays in achieving y1 results.</li> </ul>	<ul style="list-style-type: none"> <li>Follow-up on the approval on decision on e-Procurement model and finalization of e-Procurement strategy and Roadmap by NT</li> <li>Follow-up on the approval of proposed amendments to the PPAD Act 2015 and attendant Regulations by Parliament</li> <li>Follow up with the World Bank consultant on the development of e-Procurement business processes and infrastructure specifications</li> </ul>	<p>PPD</p> <p>PPD</p> <p>WB</p>	<p>Jan 2018</p> <p>Oct 2018</p> <p>Oct 2018</p>

	<i>DLRs to be achieved by end June 2018</i>	<i>DLRs to be achieved by end June 2019</i>	<b>Follow up Actions</b>	<b>Responsible</b>	<b>Timing</b>
		<ul style="list-style-type: none"> <li>• Business processes and specifications to be prepared after adoption of Strategy and decision on e-Procurement implementation model</li> <li>• Enhancements made to the Tender Portal to provide for publication of contract awards</li> </ul>			

	<i>DLRs to be achieved by end June 2018</i>	<i>DLRs to be achieved by end June 2019</i>	<b>Follow up Actions</b>	<b>Responsible</b>	<b>Timing</b>		
<b>DLI 4: Consolidated Staff Data</b> Lead: MOPSYG	<b>DLR4a:</b> <i>Plan adopted for GHRIS to be enhanced to handle consolidated HR data from MDAs which interfaces with IFMIS</i>	<b>DLR 4b:</b> <i>2 MDAs have payroll data uploaded to GHRIS and data are up to date.</i>	<ul style="list-style-type: none"> <li>• Delays in GHRIS study may impact on upgrading GHRIS</li> <li>• Need to define data structure to enable alignment of data.</li> </ul>	<ul style="list-style-type: none"> <li>• Plan/Strategy Report for GHRIS drafted.</li> <li>• Plan/Strategy Report discussed with stakeholders, finalized and endorsed by stakeholders.</li> </ul>	MoPSYGA & EY  MOPSYGA, NT, PSC, RSC, TSC	Jan 2019  Mar 2019	
<b>DLI 5.1: Timely, Quality Assured,</b>	<b>DLR 5.1:</b> <i>2016/17 Consolidated accounts submitted on time and, for 15% of (4) MDAs</i>	<ul style="list-style-type: none"> <li>• Consolidated financial statements in place, and ASD reviewed quality</li> </ul>	<b>DLR 5.1:</b> <i>2017/18 Consolidated accounts submitted on time and, for 20% of</i>	<ul style="list-style-type: none"> <li>• Consistency to include financial assets and liabilities.</li> <li>• IFMIS hardware upgrade should address</li> </ul>	<ul style="list-style-type: none"> <li>• For the target MDAs, full reconciliation between the Financial</li> </ul>	ACD: FRU and PSASB ACD:	Jan 31, 2018



	<i>DLRs to be achieved by end June 2018</i>		<i>DLRs to be achieved by end June 2019</i>		<b>Follow up Actions</b>	<b>Responsible</b>	<b>Timing</b>
<b>Financial Statements</b> Lead: ASD	<i>the National Treasury has reviewed the quality of Annual Financial Statements generated from IFMIS and has submitted to the OAG within 4 months.</i>	of financial statements took place <ul style="list-style-type: none"> <li>Agreed to limit consistency with IFMIS to receipts and payables</li> <li>4 Service Delivery MDA met DLI, with payables and receipts consistent with IFMIS.</li> </ul>	<i>(6) MDAs the National Treasury has reviewed the quality of Annual Financial Statements generated from IFMIS and has submitted to the OAG within 4 months.</i>	auto-reconciliation challenges <ul style="list-style-type: none"> <li>7 MDAs selected for reconciling financial assets &amp; liabilities (Env, livestock, crops, fisheries, TSC, DPP, OAG).</li> </ul>	Statements checklists and IFMIS balances (revenue, receipts, financial assets and liabilities) <ul style="list-style-type: none"> <li>Revision of the checklist to include provision for the PforR PEF disclosure notes and checklists</li> <li>Consistently ensure Financial Statements review evidence maintained by the ASD FRU</li> </ul>	IFMIS, FRU and PSASB  ASD: FRU and PSASB	Quarterly.
<b>DLI 5.2: Timely, Efficient, Quality Audits</b> Lead: OAG	<i>DLR 5.2a: Approval of audit codes that classify risk clusters to enable efficient targeting of audit resources</i>	<ul style="list-style-type: none"> <li>Objectives, principles and criteria for Risk Ranking of all auditable clients has been developed, and approved by OAG.</li> </ul>	<i>DLR5.2c: OAG completes 5 MDAs financial statement audits within 3 months after OAG receives final FS using an improved methodology</i>	<ul style="list-style-type: none"> <li>OAG applying new methodology with a view to achieving DLR5.2c a year early.</li> </ul>	<ul style="list-style-type: none"> <li>New: Agree a checklist for compliance with new methodology and manuals.</li> </ul>	OAG, WB	Jan 2019
	<i>DLR 5.2b: Enhanced Audit methodology and Quality assurance framework approved (2019)</i>	<ul style="list-style-type: none"> <li>Audit client risk framework, and compliance audit manual, policy control manual,</li> </ul>	<i>DLR 5.2d: 8 Months or fewer between receipt of final consolidated financial reports by OAG and</i>				

	<i>DLRs to be achieved by end June 2018</i>		<i>DLRs to be achieved by end June 2019</i>		<b>Follow up Actions</b>	<b>Responsible</b>	<b>Timing</b>
		compliance audit manual and QA manual approved by OAG.	<i>submission of the audited FS to Parliament</i>				
<b>DLI 6.1: Transparent Institutions</b> Lead: BD	<i>6.1a MDAs can access multi-year itemized and facility level budget and outturn data for all MDAs in searchable form via the budget module in IFMIS</i>	<ul style="list-style-type: none"> <li>• Payment of schools not on the system. Consultations started between BD and Sector Ministries, but progress delayed by budget process.</li> <li>• Plan agreed to develop analytical repository.</li> <li>• Initial meetings held with MoH and Education.</li> </ul>	<i>DLR 6.1b UAT of online public interface that provides information in a searchable form on programs, projects and transfers to service units</i>	<ul style="list-style-type: none"> <li>• SOUR not yet in place which may result in delays.</li> <li>• Maintaining the current Hyperion programming team important to deliver results.</li> </ul>	<ul style="list-style-type: none"> <li>• Follow up meetings with MoH and MoE on collecting data on transfers service delivery facilities (schools and national health facilities) for data repository</li> </ul>	Budget Department	Jan 2019
					<ul style="list-style-type: none"> <li>• Develop service delivery data repository in Hyperion and enables access to MDAs for this and the analytical repository.</li> </ul>	Budget Department	Mar 2019
					<ul style="list-style-type: none"> <li>• Training of MDAs and counties on AR by end of October.</li> </ul>	Budget Department	Apr 2019
					<ul style="list-style-type: none"> <li>• User requirements for online public budget interface developed.</li> </ul>	Budget Department	Apr 2019

	<i>DLRs to be achieved by end June 2018</i>	<i>DLRs to be achieved by end June 2019</i>	<b>Follow up Actions</b>	<b>Responsible</b>	<b>Timing</b>
<b>DLI 6.2: Fiduciary Assurance &amp; Risk Management</b> Lead: IAD	<i>6.2a: Complete Diagnostic Study of Internal Audit</i>	<i>DLR 6.2b: Updated manuals and QA framework for internal audit to strengthen assurance and risk management are in place</i>	<ul style="list-style-type: none"> <li>• New Manuals issued by IAD.</li> <li>• Recommendation of Update of manuals part of TORs for Deloitte and manuals may require updating.</li> <li>• QA framework is in draft, awaiting validation</li> </ul>	<ul style="list-style-type: none"> <li>• Consultations on diagnostic study carried out and study finalized.</li> <li>• Final/complete diagnostic report and verification of achievement of DLI</li> </ul>	Deloitte/IAD

	DLR has either not been achieved, or the delay in achievement is impacting negatively on achievement of future results under the DLI
	DLR is likely to be achieved, but with delay
	DLR on track for being achieved on time
	DLR has been substantively achieved (subject to verification)