

# **National Local Government Finance Committee**

**Vote Number:** 121

**Controlling Officer:** Secretary for Local Government and Rural Development

## **1. Overview**

### **1.1 Mission**

Effective mobilization, equitable distribution and efficient utilisation of financial resources in Local Councils.

### **1.2 Objectives and Strategies**

<b><i>Objectives</i></b>	<b><i>Strategies</i></b>
To project the role of information in fiscal decentralisation and to improve stakeholder awareness of the NLGFC.	Promote sharing of information on fiscal decentralisation; Promote NLGFC awareness by stakeholders.
To improve the provision of administrative support services in the NLGFC and there are adequate personnel to perform all functions at all times	Provide conducive working environment; implement functional structure of NLGFC; allocate resources adequately to all departments; Invest in continuous development of staff in their field of operation and specialisation.
To ensure adequate, equitable and objective resource distribution to and within Local Authorities and promote formulation of technically consistent budgets by Councils on an annual basis'	Ensure application of a formula in the allocation of resources to and within Councils; Lobby for increased funding from GOM and Donors; Monitor flow of funds for the Council development budget; ensure linkage of Councils' budgets to national development;
To reduce the incidence of fund mismanagement in Councils from 25% to 0%.	Strengthen M&E and audit of Councils; Strengthen harmonised internal audits of Councils; Enforce financial reporting guidelines;
To attain standardised accounting and financial management systems in all Councils	Standardise accounting and financial management procedures; Roll out a computerised IFMIS to Councils; Facilitate production and audit of final accounts for Councils; Evaluate performance of Councils in financial management

### **1.3 Summary of Achievements in 2010/ 2011**

- Held nine ordinary and four extra ordinary Committee and Sub Committee meetings;
- Carried out 8 investigative audits to Councils;
- Carried out 28 financial management monitoring and evaluation visits to Councils;
- Facilitated 6 external and three internal trainings for Secretariat staff;
- Held one fiscal decentralization review meeting;
- Facilitated the LA Drug Budget Task force operations and the LA revenue mobilization review meetings;
- Held 4 regional LA budget review meetings;
- Revised NLGFC Terms and Conditions of Services;
- Produced NLGFC IEC Strategy;

## 1.4 Priority Outputs and Measures

Output	What Objective Is Output Contributing To?	2010-11 Planned	2010-11 Preliminary	2011-12	2012-13	2013-14
Fiscal Decentralisation enhanced	To ensure adequate, equitable and objective resource distribution to and within Councils	1 FD review meetings; 1 IGFTS reviewed; 6 FMTA performance appraisals;	1 FD review meetings; 1 IGFTS reviewed; 6 FMTA performance appraisals;	2 FD review meetings; 200 consolidated output and financial reports quarterly, 4 regional budget review meetings, 4 CG publications in news papers, 250 IGFTF documents printed	2 FD review meetings; 200 consolidated output and financial reports quarterly, 4 regional budget review meetings, 4 CG publications in news papers,	2 FD review meetings; 200 consolidated output and financial reports quarterly, 4 regional budget review meetings, 4 CG publications in news papers,
IEC strategy developed and implemented	To promote the role of NLGFC in Fiscal Decentralisation	Develop an IEC strategy	IEC strategy developed	Implement an IEC Strategy; develop IEC materials; distribute IEC materials;	Implement an IEC Strategy; distribute IEC materials	Implement an IEC strategy;
NLGFC Effectiveness enhanced and facilitated	To improve the provision of administrative support services to the NLGFC and ensure adequate personnel to perform all functions all times	12 months office rent paid; 1 NLGFC bill drafted; 5 committee meetings; 1 HACT training; 1 IEC Strategy; 12 months office supplies; 3 desktops procured, 4 sets office furniture procured; 12 months officers medical cover.	12 months office rent paid; 1 NLGFC bill drafted; 9 committee meetings; 1 HACT training; 1 IEC Strategy; 12 months office supplies; 3 desktops procured, 4 sets office furniture procured, 9 months officer medical cover paid	12 months office rent paid; NLGFC Bill implemented; 5 committee meetings; 12 months office supplies; 12 months medical cover; 12 months utility bills paid.	12 months office rent paid; 5 committee meetings; 12 months office supplies; 12 months medical cover; 12 months utility bills paid	12 months office rent paid; 5 committee meetings; 12 months office supplies; 12 months medical cover; 12 months utility bills paid
M & E and internal audits of LA strengthened	To reduce the incidence of fund mismanagement in Councils.	34 M&E visits; 5 investigative audits; 34 Submissions of final accounts;	30 M&E visits, 8 investigative audits, 34 final accounts;	68 M&E visits, 4 investigative audits, 2 joint internal audits,	68 M&E visits, 4 investigative audits, 2 joint internal audits,	68 M&E visits, 4 investigative audits, 2 joint internal audits,
Budget implementation monitoring and reviews carried out	To promote formulation of technically consistent budgets by Councils	4 regional budget review meetings; 34 resource absorption monitoring visits; development of revenue strategies 34,	4 budget review meetings; 14 resource absorption monitoring visits; 12 revenue strategies.	34 resource absorption monitoring visits; 12 revenue strategies.	34 resource absorption monitoring visits; 10 revenue strategies.	4 budget review meetings; 14 resource absorption monitoring visits; 12 revenue strategies.

## 2. Summary of Budget

### 2.1 Medium-Term Expenditure Allocations

***Table 2a: Budget by Type***

	MK 000'000s				
	2010-11 Approved	2010-11 Revised	2011-12 Estimate	2012/13 Projection	2013/14 Projection
PE	408.41	459.30	473.63	507.94	565.03
ORT	248.08	248.08	1,270.12	1,293.08	1,318.00
<b>Recurrent - Total:</b>	<b>656.49</b>	<b>707.38</b>	<b>1,743.75</b>	<b>1,801.02</b>	<b>1,883.03</b>
<b>121 - Local Government Finance Committee - Total:</b>	<b>656.49</b>	<b>707.38</b>	<b>1,743.75</b>	<b>1,801.02</b>	<b>1,883.03</b>

***Table 2b: Budget by Program***

	MK 000'000s				
	2010-11 Approved	2010-11 Revised	2011-12 Estimate	2012/13 Projection	2013/14 Projection
03. Management and Support Services	483.42	534.31	1,548.39	1,597.60	1,670.22
04. HR Development and Management	0.00	0.00	1.21	1.26	1.32
08. Local Government Services	169.36	168.86	194.15	202.16	211.49
<b>17. Public Administration - Total:</b>	<b>652.78</b>	<b>703.16</b>	<b>1,743.75</b>	<b>1,801.02</b>	<b>1,883.03</b>
Other	3.72	4.22	0.00	0.00	0.00
<b>Other - Total:</b>	<b>3.72</b>	<b>4.22</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>121 - Local Government Finance Committee - Total:</b>	<b>656.49</b>	<b>707.38</b>	<b>1,743.75</b>	<b>1,801.02</b>	<b>1,883.03</b>

## 4. Itemized Budget Summary

The travel budget has increased due to the increased monitoring and evaluation visits, investigative audits and internal audits activities. The increase is aimed at minimising the incidences of financial mismanagement in the Councils as more resources are devolved in the 2011/2012 fiscal year. K1 billion has also been allocated to cater for drug arrears at Central Medical Stores

***Table 4a - Recurrent Budget by Item***

	MK 000'000s			
	2010-11 Approved	2010-11 Revised	2011-12 Estimate	% Change 2011/12
10 - Salaries	407.95	458.84	473.13	15.98%
11 - Other allowances	0.46	0.46	0.50	8.34%
21 - Internal travel	39.05	39.05	30.98	-20.68%
22 - External travel	7.16	7.16	8.89	24.13%
23 - Public Utilities	8.30	8.30	10.33	24.42%
24 - Office supplies and expenses	13.67	13.67	20.27	48.31%
25 - Medical supplies and expense	3.18	3.18	1,006.42	31548.43%
26 - Rents	11.08	11.08	12.00	8.27%
28 - Training expenses	8.05	8.05	3.89	-51.71%
29 - Acquisition of technical services	0.76	1.26	0.00	-100.00%
33 - Other goods and services	127.53	127.03	155.49	21.93%
34 - Motor vehicle running expenses	17.88	17.88	16.14	-9.72%
35 - Routine Maintenance of Assets	7.35	7.35	2.67	-63.68%
41 - Acquisition of Fixed Assets	4.08	4.08	3.06	-24.95%
<b>121 - Local Government Finance Committee - Total:</b>	<b>656.49</b>	<b>707.38</b>	<b>1,743.75</b>	<b>165.62%</b>