



NAIROBI CITY COUNTY

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FINANCE AND ECONOMIC PLANNING AFFAIRS

Office of the County Executive Committee Member

CIRCULAR NO. 2/2025

20th May 2025

TO : ALL COUNTY EXECUTIVE COMMITTEE MEMBERS
COUNTY ATTORNEY
ALL ACCOUNTING OFFICERS

GUIDELINES FOR THE PREPARATION OF SUPPLEMENTARY (NO.2) BUDGET ESTIMATES FOR THE FINANCIAL YEAR 2024/2025

INTRODUCTION

1. The guidelines have been prepared pursuant to Section 135 and 154 of the Public Finance Management Act 2012 and regulation No. 39 of the Public Finance Management Regulations 2015.

The purpose of the guidelines is to guide the Accounting Officers in the preparation of the supplementary budget estimates in compliance with the legal requirements and the fiscal responsibility principles.

SPECIFIC GUIDELINES

The following specific guidelines will be followed:

RE-APPROPRIATION OF UNPENT CASH BALANCES:

2. All Accounting Officers are required to ensure that all un spent cash balances from the financial year including all Special Purpose Accounts and any commercial bank accounts are re-appropriated in the financial 2024/2025 budget estimates for the specific purposes for which they were intended.

BUDGET- REALLOCATIONS

3. All Accounting Officers are required to undertake budget reallocations in their respective Sub Sectors to accommodate unforeseen /unavoidable items in accordance with regulation 39 of the PFM Regulations 2015. In addition, while

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undertaking budget reallocations, priority should be given to pending bills and over expenditures incurred in accordance with Sections 135 and 154 of the Public Finance Management Act 2012. Accounting Officers must ensure that the reallocations are authorized by the Sector Working Group before the reallocations are captured in the Hyperion System with the support and assistance of the Sector Budget Officers. Accounting Officers must ensure that all budget reallocations have been financed from the existing budget allocations.

NEW COMMITMENTS

- Accounting Officers are hereby drawn to the Provisions of Regulation 50 of PFM Regulations 2015 which states that: - All commitments for supply of goods or services shall be done not later than the 31st May each year except with the express approval of the accounting officer in writing. In this regard Accounting Officers must ensure that no reallocation is made for purposes of issuance of new LPOs/LSOs /Contracts other than what has already been procured.

BUDGET REDUCTIONS-SAVINGS

- Accounting Officers are advised to review the commitments with a view to identifying unspent balances budget allocations that will not be utilized before the end of the financial year.

The adjustments should also be made in Hyperion thereby reducing the estimates to the extent of the savings created through identified savings. All accounting officers are required to submit a summary of the savings identified as hereunder:

Department	Delivery Unit	Type	Budget Item	Budget Allocation	Uncommitted Balance as at...	Savings
Finance & Economic Planning	Debt Mgt	Recurrent	22110404 Foreign Travel costs	4,000,000	2,000,000	1,000,000

UPLOADING OF THE CHANGES IN HYPERION

- Accounting Officers must ensure all the re-allocations and budget reductions (if any) (are captured in Hyperion with the support County Treasury staff.

ADDITIONAL SUPPLEMENTARY FUNDING REQUESTS

- Accounting Officers are required to ensure that all supplementary requirements are

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finance through reallocations according to Section 154 of the PFMA 2012. Further, pursuant to PFM Regulation 39 (5) Accounting Officers may **ONLY** seek supplementary budget if the expenditure cannot be met by budget reallocation under section 154 of the PFMA Act. The request for supplementary budget shall be presented in a format that facilitates comparison with the original budget and shall contain all the information necessary to enable a decision on the application to be reached and shall include:

- a) the Vote, program, sub-programme and broad expenditure category which it is desired to supplement, the original sum voted thereon and any supplements which may have since been added;
 - b) the actual expenditure and the outstanding liabilities or commitments against the item on the date when the request is made;
 - c) the amount of the supplement required, the reasons why the supplement is necessary and why it has not been possible to keep within the voted provision;
 - d) the basis for the calculation underpinning the supplementary;
 - e) the proposed source of financing of the additional expenditure;
 - f) an analysis of the fiscal impact of the additional expenditure, or of the implications, if any, for the planned outputs and outcomes of the affected programmes;
 - g) any implied deviation from the Medium Term Expenditure Framework (MTEF) and the financial objectives; and
 - h) the latest fiscal projections
8. Any additional funding request must be submitted separately to the County Treasury and any requests that does meet the above set criteria from a-h will not be considered.

SUBMISSION OF THE REVISED BUDGET ESTIMATES

9. Accounting Officers are required to submit the following hard copies to the Chief Officer Economic Planning for review and consolidation:
- i. Revised Programme Based Budget Estimates (Parts A-H)
 - ii. Revised Recurrent Itemized-Print out from Hyperion indicating the changes done
 - iii. Revised Development Itemized-Print out from Hyperion indicating the changes done
 - iv. List of the FY 2024/2025 Revised Development Projects showing the projects affected by any changes

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- v. Additional Supplementary Funding Requests in accordance with format described in Paragraph 7 of this Circular.
- vi. Summary of Budget Savings-Paragraph 5 of this Circular

10. The deadline for submission of the budget documents to the County Executive Committee Member of Finance shall be 23rd May 2025 and copied to the Chief Officer -Economic Planning.



**COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE AND ECONOMIC PLANNING**

- Copy to:
- 1. H. E The Governor
 - 2. H. E The Deputy Governor
 - 3. The Clerk, Nairobi City County Assembly
 - 4. County Secretary & Head of County Public Service

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