

REPUBLIC OF KENYA



GOVERNMENT OF MAKUENI COUNTY



**PERFORMANCE CONTRACT BETWEEN
THE GOVERNOR OF MAKUENI COUNTY**

AND

**EXECUTIVE COMMITTEE MEMBER FOR FINANCE AND SOCIO-ECONOMIC
PLANNING**

FOR THE PERIOD FROM 1st JULY 2018 TO 30TH JUNE 2019

PERFORMANCE CONTRACT

This Performance Contract (hereinafter referred to as “Contract”) is entered into between the County Government of Makueni (hereinafter referred to as (“CG”) represented by H.E. the Governor of P.O. Box 78-90300 M a k u e n i , (together with its assignees and successors) of the one part, and the County Executive Committee Member for Finance and Socio-economic Planning, County Department of Makueni (hereinafter referred to as the “the CECM), (together with its assignees and successors) of P.O. Box 78-90300, Makueni.

WHEREAS;

The County Government is committed to ensuring that public offices are well managed and they are cost effective in delivering quality service to the public in line with provisions of the Constitution of Kenya;

The County Government recognizes that Departments hold a vital key in the implementation of County priority programmes and projects, other national priorities including the “Big Four” Initiatives in order to improve the quality of lives of the people of Makueni County and make the County competitive;

The purpose of this performance contract is to establish the basis for ensuring that efficient and effective services are delivered to the people of Makueni County in line with the provisions of the Constitution and by requiring Departments to adapt systems that enable innovativeness and adaptability of public services to the needs of users.

This Performance Contract therefore represents a basis for continuous performance improvement that meets the needs and expectations of the county residents.

Therefore, the parties hereto agree as follows:

Part I: Statement of Responsibility by the CECM

The Mandate of the Department is to develop, implement financial and economic policies so as to enhance accountable and effective public finance management.

It is my responsibility to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio- economic development. It is my undertaking to ensure that the Department has a credible strategic plan and performance contract that will deliver the desired goals.

It is also my undertaking that I will perform my responsibilities diligently and to the best of my abilities to support the achievement of the agreed performance targets.

Part II: Vision Statement, Mission Statement, Departmental Mandate and Strategic Objectives

Vision

To be an institution of excellence in management of public finances and economic affairs for a high quality of life

Mission

To facilitate county socioeconomic transformational agenda through offering effective coordination in public finance management and economic policy formulation and tracking of results

Core Mandate

Functions under Socio-economic Planning, Budget and Revenue

1. Preparation of the annual budget for the county and coordinating preparation of estimates of revenue and expenditure of the county government
2. Preparation of County Appropriation Bill
3. County planning including county integrated development plan, annual development plans, county sectoral plans and county spatial plan
4. Monitoring and evaluation of economic affairs and trends
5. County statistics
6. Liquor licensing and control
7. Trade licenses (excluding professionals)
8. County investments management and oversight
9. Public Private Partnerships coordination
10. Mobilizing resources for funding the budgetary requirements
11. County revenue; Putting in place mechanisms to raise revenue and resources
12. County Investment Policy management
13. County investments Oversight
14. Promotion of Economic and Financial Governance
15. Monitor, evaluate and oversee the management of the county government programs
16. Developing and implementing economic policies
17. Coordinate, monitor and evaluate the implementation of the budget of the county government
18. Managing the county's public debt and other obligations and developing a framework of debt control.
19. Dissemination of information related to county planning, budgeting and revenue

Functions under Financial services

1. Operations of the County Treasury
2. Developing and implementing financial policies
3. Establishing and administering county government Emergency Fund and any other public funds as may be necessary
4. Ensuring proper accounts and other records in respect of all public funds administered by the county government

5. Ensuring proper management and control of, and accounting for the finances of the county government and its entities
6. Public resource mobilization and management
7. Management of public procurement and disposal
8. Internal audit services
9. External audit coordination
10. Management of County Government financial management systems and standards
11. Ensure efficient management of resources
12. Financial Institutions oversight
13. Custody and management of County Assets and property
14. Management of County Sector Accountants Standards.
15. Development of County as a Financial Centre
16. Providing support to county government entities in financial management
17. Support the development & implementation of County Risk Management framework
18. Managing the county government's public debt and other obligations
19. Monitor, evaluate and oversee the management of public finances of the county government

Strategic Objectives of the Department

- To develop and implement financial and economic policies in the county,
- To enhance public finance management,
- To strengthen recording, reporting and accountability in public finance management.
- To improve the performance and efficiency of the accounting systems in achieving value for money and quality service delivery, and
- To enhance effective and efficient service delivery in the County Treasury.

Part III: Statement of Strategic Intent by the CECM

In carrying out my duties, I intend to put all my efforts towards contributing effectively and efficiently to the achievement of the county development agenda as espoused in the Kenya Vision 2030, Makueni County vision 2025 and CIDP 2018-2022, keeping in mind the specific priorities of the Department.

Bearing in mind the imperative of inclusivity, I will implement the following Strategic Intentions during the Financial Year: -

1. Ensuring impartiality and fairness in the process of delivery of public services;
2. Ensuring promotion of National Cohesion and National Values
3. Ensuring continuity of public services under all circumstances;
4. Establishing systems to enable innovativeness and adaptability of public services to the needs of users;
5. Ensuring professionalism and ethics in Public Service is achieved and maintained;
6. Establishing systems to ensure promotion and protection of rights of users of public services and public servants as enshrined in the Bill of Rights;
7. Institutionalizing a culture of accountability, integrity, transparency and promotion of values and principles of public service;
8. Ensuring a corruption free public service
10. Ensuring effective, efficient and responsible use of public resources, and
11. Ensuring responsiveness by public servants in delivery of public services.

Part IV: Commitments and Obligations of the County Government

- Acknowledgement of receipt of correspondences and approval of requests are made within the timelines stipulated in the Citizens' Service Delivery Charter.
- Release of budgetary allocation immediately after ex-chequer release. This is aimed at ensuring that the County Governments disburse funds in a timely manner to County Departments and downstream institutions.

Part V: Reporting Requirements

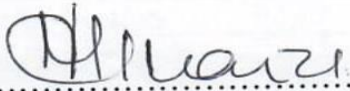
The County executive committee member shall submit Quarterly and Annual performance reports in the prescribed format to the Performance Contract Office as specified in section 12.2 for Purpose of monitoring progress and annual performance evaluation.

Part VI: Duration of the Performance Contract

The Performance Contract will run for one financial year, from 1st July 2018 to 30th June 2019.


Part VII: Signatories to the Performance Contract

For the Department of Finance and Socio-Economic Planning


Signature.....  Date..... 10.9.2018

**MARY K. KIMANZI
COUNTY EXECUTIVE COMMITTEE MEMBER
DEPARTMENT OF FINANCE AND SOCIO-ECONOMIC PLANNING**

WITNESSED BY;


Signature.....  Date..... 10.09.2018

**JUSTUS SUKA
CHIEF OFFICER – FINANCIAL SERVICES**

Signature.....  Date..... 10/9/2018


**ELIUD NGELA MUNYAO
CHIEF OFFICER – PLANNING, BUDGET AND REVENUE**

For Government of Makueni County

Signature.....  Date..... 10/9/2018

**H.E KIVUTHA KIBWANA
GOVERNOR**

WITNESSED BY;

Signature.....  Date..... 10-9-2018

**H.E ADELINA MWAU
DEPUTY GOVERNOR**

PERFORMANCE CONTRACT MATRIX

	CRITERIA CATEGORY	UNIT OF MEASURE	WEIGHT	CURRENT STATUS FY 2017/18	TARGET FY 2018/19
A. FINANCIAL STEWARDSHIP AND DISCIPLINE					
	Absorption of Allocated Funds	%	4	78	100
	Development index for the department	%	2	Depart 6	Depart 12
	A-in-A	Ksh		N/A	
	Asset Management	%	2	N/A	90
	Pending bills	%	2	0	< 1
	Weight Sub Total		10		
B. SERVICE DELIVERY					
	Finalization of Citizens' Service Delivery Charter	%	2	30	100
	Customer Satisfaction	Report	2	N/A	1
	Application of service delivery Innovations	%	2	100	100
	Resolution of Public Complaints	%	2	N/A	100
	Automation	Report	2	100%	1
	Weight Sub Total		10		
C. INSTITUTIONAL TRANSFORMATION					
	Development of Departmental Planning Framework	%	3	100	100
	Youth Internships/ Industrial Attachments/Apprenticeships	No	1	22	35
	Access to Government Procurement Opportunities (AGPO)	Ksh.	3	6,160,719.00	3,750,000.00
	Competence Development	%	2	30	100
	Knowledge Management	%	2	N/A	100
	Work Environment	%	1	N/A	100
	Safety and Security Measures	%	1	N/A	100
	Cascading of Performance Contracts	%	2	90%	100
	Weight Sub Total		15		
D. CORE MANDATE					
	Financial management reporting and dissemination	%	13	100	100
	County Planning and Statistics	%	15	70	100

	County Budget	%	10	100	100
	Procurement and Supplies management	%	4		100
	Construction of a document warehouse	%	1	N/A	100
	Revenue Collection	Ksh.	5	322,019,333.70	620 Million
	Ease of doing business	%	1	N/A	100
	County Asset Management	%	3	N/A	100
	Compliance With Statutory Obligations	%	2	100	100
	County Development Index	%	3	County-37	County-37
	Project Completion Rate	%	1		100
	Weight Sub Total		60		
CROSS-CUTTING ISSUES					
	Prevention of Alcohol and Drug Abuse	%	0.5	N/A	100
	Prevention of HIV Infections	%	1	N/A	100
	Environmental Sustainability	%	1	N/A	100
	Disability Mainstreaming	%	0.5	N/A	100
	Corruption Prevention	%	1	10	100
	Implement measures to promote National Cohesion and values.	%	1	10	100
	Weight Sub Total		5		
	OVERALL TOTAL WEIGHT		100		

EXPLANATORY NOTES

Agreed Target	Explanatory Notes
A. Finance & Stewardship	
1. Absorption of allocated funds	The department commits to ensure that funds are 100% utilized as per the amounts set in the budget as shown below Recurrent Budget - Kshs. 462,500,824.11 Development Budget - Kshs. 61,750,604.00 Total Kshs. 524,251,428.11
2. Development Index for the department	The Department commits to maintain the development index as set out in the Department budget for the FY2018/19 a) For the Department 1) Recurrent Budget - Kshs. 462,500,824.11 2) Development Budget - Kshs. 61,750,604.00 3) Total- Kshs. 524,251,428.11 Development Index= Dev /Total*100 $(61,750,604.00/524,251,428.11)*100=12\%$
3. Asset management	The department commits to; i. Maintain and Update assets and properties register including their status in terms of working conditions in the department- 40% ii. Procure and operationalize assets management automation and asset tagging system for the department- 40% iii. Identify and dispose unserviceable and obsolete assets in accordance with the law- 20%
4. Pending bills	The department commits to ensure pending bills do not exceed 1% of the total budget allocation- 100%
B. Service Delivery	
1. Completion and Implementation of departmental citizens service delivery charter.	The department commits to; i. Do process mapping of all its services-10% ii. Complete the departmental citizens service delivery charter-40% iii. Display the charter prominently at service delivery points in both English and Swahili-40% iv. Establish service charter compliance mechanism-10%
2. Customer satisfaction	The department commits to i. Carry out customer satisfaction survey- 50% ii. Develop an action plan- 30% iii. implement the report- 20%
3. Application of Service delivery innovations	The department commits to; Procure and operationalize Unstructured Supplementary Service Data (USSD) prompt service to increase convenience of revenue payment and collection where the customer will- 100% a. Dial a code which will generate several service options to choose from. b. Select service option. c. Then follow prompts up to end of payment process. d. Self-generate receipt acknowledging payment.
4. Resolution of public complaints	The department undertakes to institute a feedback mechanism and promptly address and resolve public complaints ; i. Develop procedure and guidelines for complain resolution 40%

	<ul style="list-style-type: none"> ii. Open complaints register-15% iii. Receive and register complaints-15% iv. Resolve the complains and give feedback-30%
5. Automation	<p>The Department commits to;</p> <ul style="list-style-type: none"> i. Procure an automated audit system and automate audit operations-70% ii. Undertake ICT capacity building for staff-30%
C. Institutional Transformation	
1. Development of Departmental Planning Framework	<p>The department undertakes to ;</p> <ul style="list-style-type: none"> i. Prepare departmental annual work plans -60% ii. Prepare individual staff work plans -40%
2. Youth Internships/Industrial Attachments/Apprenticeships	The department commits to engaging 15 interns and 20 attachees- 100%
3. Access to Government Procurement Opportunities (AGPO)	<p>Uptake of 30% Actual Value of Tenders Awarded;</p> <p>The department commits to ensure that 30% of actual value of tenders is awarded to the preferred groups, by spending a minimum of Kshs 3,750,000 out of the budget of Ksh 12,500,000 on the preferred groups.</p> <p>$30/100 \times 12,500,000 = \text{Kshs } 3,750,000$ -100%</p>
4. Competence development	<p>The department undertakes to</p> <ul style="list-style-type: none"> i. Determine departmental competency requirements- 15% ii. Assess available competencies and identify any gaps- 15% iii. Develop a plan of bridging the gaps- 20% iv. Training needs analysis- 15% v. Develop a training plan- 20% vi. Implement the plan- 15%
5. Knowledge management	<p>The department commits to;</p> <ul style="list-style-type: none"> i. Identify sources of information including staff with historical data (institutional memory)- 40% ii. Retrieve and package the information- 30% iii. Develop a mechanism of sharing the information- 30%
6. Work environment	<p>The Department commits to;</p> <ul style="list-style-type: none"> i. Undertake work environment satisfaction survey-20% ii. Prepare a report with recommendations-20% iii. Prepare a work plan for implementations of the recommendations - 40% iv. Implement the report-20%
7. Safety and security measures	<p>The department commits to;</p> <ul style="list-style-type: none"> i. Ensure that fire extinguishers are serviced -30% ii. Ensure smoke detectors are tested on quarterly basis -20% iii. Designate and create a fire assembly point. -30% iv. Ensure the CCTV surveillance cameras are regularly reviewed and prepare report -20%

8. Cascading Performance Contracts of	The Department commits to cascade the performance contract to all levels; i. Cascading -40% ii. Carry out performance evaluation at the end of the contract period - 60%
D. CORE MANDATE	
1. Financial management, reporting and dissemination.	The department undertakes to ensure proper financial management and reporting as per statutory requirements; i. Prepare monthly financial reports and submit to cabinet- 10% ii. Prepare quarterly reports and submit to the National Treasury, Controller of Budget and County Assembly- 15% iii. Prepare annual financial statements and submit National Treasury, Controller of Budget, Office of the Auditor General and County Assembly- 30% iv. Monthly bank reconciliations- 10% v. Timely processing of payments and salaries- 10% vi. Implement centralized invoicing - 5% The Department also commits to disseminate the documents- 20%
2. County Planning and Statistics	The department commits to prepare and submit the statutory planning and budget documents within the statutory timelines- i. Approval and tracking the implementation of the CIDP- 20% ii. Prepare and submit 2019 Annual Development Plan by 30 th August, 2018- 20% iii. Prepare the county statistics profile- 20% iv. Operationalize a county statistics unit - 10% v. Coordinate preparation of 10 year sectoral plans 20% The Department also commits to disseminate the documents through the County website and broadcast media - 10%
3. County Budget	The department commits to prepare and submit all the statutory budget documents within the statutory timelines; i. Prepare and circulate the budget circular by 30 th August, 2018- 10% ii. Prepare and submit the County Budget and Outlook Paper (CBROP) by 30 th October, 2018- 20% iii. Prepare and Submit the County Fiscal Strategy Paper (CFSP) by 28 th February, 2019- 20% vi. Prepare and submit 2019/2020 budget by 30 th April, 2019- 20% vii. Participatory planning and budget-participation- 10% The Department also commits to disseminate the documents through the County website and broadcast media- 20%
4. Procurement and Supplies management	The Department Commits to i. Review all procurement files and issue professional opinion-20% ii. Prepare and consolidate annual procurement plan 2019/2020 by June 30 th 2019--20% iii. Prepare and submit AGPO report by 14 th January 2019 Public Procurement (PPRA) and Cabinet --10% iv. Prepare and submit all contracts awards by the 7 th day of the quarter-10% (PPRA)

	<ul style="list-style-type: none"> v. Update and validate prequalification every fifth day of the quarter- 10% vi. Ensure 30% AGPO in the county.- 10% vii. Ensure 20% component of local content in all procurement for the county.- 10% viii. Implement open contracting- 10%
5. Construction of document warehouse	<p>The department commits to</p> <ul style="list-style-type: none"> i. Prepare designs and bill of quantities for the document warehouse- 25% ii. Prepare bidding documents- 15% iii. Advertise the works- 10% iv. Award the contract- 10% v. Construction- 30%
6. Revenue Collection	<p>The department undertakes,</p> <ul style="list-style-type: none"> i. Conduct a revenue potential -10% ii. To collect Kshs.620M -80% <ul style="list-style-type: none"> Qtr 1- Kshs. 124M Qtr 2- Kshs. 93M Qtr 3- Kshs. 217M Qtr 4- Kshs. 186M iii. Prepare and submit 2019 finance bill by 30thJune, 2019 -10%
7. Ease of Doing Business	The department shall simplify and shorten the process of registration and permitting businesses and implement cashless transactions within the financial year
8. Asset Management County level	<p>The department commits to</p> <ul style="list-style-type: none"> i. Maintain and update assets and properties register including their status -40% ii. Procure and operationalise asset management automation system and asset tagging for the whole county -40% iii. Identify all unserviceable , obsolete and excess assets for purposes of disposal in accordance with the law -20%
9. Compliance With Statutory Obligations	<p>The department commits to comply with and enforce all relevant legislations/regulations by:</p> <ul style="list-style-type: none"> i. Submission of reports and plans required by Public Finance Management Act, 2012; County Government Act, 2012, Public Procurement and assets Disposal Act - (<i>Receiver of Revenue Report, Financial Reports e.t.c</i>)-60% ii. Remit statutory deductions e.g. Withholding taxes, PAYE, NHIF, NSSF, HELB LAPTRUST and LAPFUND – 40%
10. County Development Index	<p>For the whole County-100%</p> <ul style="list-style-type: none"> 1) Recurrent Budget –Kshs. 5,619,530,098.00 2) Development Budget-Kshs.3,306,329,616.00 Total-Kshs. 8,925,859,714.00 <p>Development Index= Dev /Total *100 at least 30%</p>

	(3,306,329,616/8,925,859,714)*100=37%
11. Project Completion Rate	The department will complete the construction of document warehouse within the contract year- 100%
E. CROSSCUTTING ISSUES	
1. Prevention of Alcohol and Drug Abuse	The Department commits to; <ul style="list-style-type: none"> i. To conduct a baseline survey on alcohol and drug abuse for both staff and members of public-50% ii. Sensitize for both staff and members of public on alcohol and drug abuse -20% iii. Undertake counseling, treatment and rehabilitation of both staff and members of public suffering from alcohol and drug addiction -20% iv. Facilitate appointment of liquor Enforcement and Review Committees-10%
2. Prevention of HIV Infections	The department will make interventions to prevent HIV prevalence through sensitization of staff 200 staff.
3. Environmental Sustainability	The department will adapt and mitigate climate change through <ul style="list-style-type: none"> i. planting of 500 trees at County Treasury offices- MAP -50% ii. Rain water harvesting-buy and install two 24,000 litres water tanks -50%
4. Disability Mainstreaming	The department will ensure that it builds ramps and repairs the existing ones.
5. Corruption Prevention	The department commits to undertake a corruption perception survey to establish corruption perception index in the first quarter and implement 4 indicators of the findings during the year. <p>Survey -60% Action plan -30% Implement -10%</p>
6. National Cohesion and Values	The department commits to undertake the following to enhance national cohesion and values :- <ul style="list-style-type: none"> i. Enhance access to government procurement opportunities-20% ii. Protection of the environment through mitigation against climate change-20% iii. Enhance fight against corruption-20% iv. Create awareness among staff on national values and principles of governance-20% v. Submit a report in the prescribed format to the directorate of national cohesion and values-20%