State and Local Government Education Planning, Budgeting & Reporting Guidelines

I. Introduction

Purpose of the Guidelines

1.   The Government of the Republic of South Sudan (GRSS) is committed to improving service delivery to the population as one the key priorities elaborated in the South Sudan Development Plan (SSDP). Recognising that States and Counties play a crucial role in achieving this, the Ministry of General Education and Instruction has prepared these guidelines to support State Ministries of Education and County Education Departments to effectively execute their planning and budgeting functions. These guidelines are complementary to the existing laws and regulations governing the operations of States and Counties and do not replace them.

2.   The budget is a translation of the government's policy priorities into monetary terms. As such it is the government's central policy instrument for setting priorities and allocating resources. The budget shows how you plan to utilise the financial resources you receive, and what you plan to achieve with them.

3.   National Government has prioritised strengthening local services across the country, which involves a coherent package of expanded budget funding for social service delivery, which will be complemented by donor programmes. In order to implement this proposal, and to protect gains made so far in service delivery, there are two key reforms in the 2013/14 budget:

- **A New Financing Framework, including Transfers for Counties:** as set out in these guidelines, there are additional conditional transfers for County Education Departments to enable them to effectively manage county education services and transfers for capitation grants to schools to cover their basic running costs. State Ministries of Education must budget for these funds as conditional transfers.
- **New County PFM System**: in order for Local Governments to effectively utilise the additional funding, they must have effective PFM systems. Therefore the Ministry of Finance & Economic Planning and the Local Government Board have issued the Local Government PFM Manual which sets out standard PFM procedures for local governments.
- **County Transfers Monitoring Committee:** each State should establish a County Transfers Monitoring Committee to coordinate monitoring of County performance and Counties' use of transfers.

4.   These guidelines should be read together with the following guidelines and manuals:

- *Guidelines for State Planning & Budgeting for Fiscal Year 2013-14* issued by the Ministry of Finance
- *Guidelines for County Planning and Budgeting for FY 2013-14* issued by the Ministry of Finance and the Local Government Board
- *Local Government PFM Manual* issued by the Ministry of Finance and the Local Government Board.

- *Capitation Grant Manual (forthcoming)* issued by the Ministry of General Education and Instruction

Roles and Responsibilities of States & Local Governments in the education sector

5.   The State Ministries of Education provide leadership for education delivery and management in their respective States, by overseeing County delivery of pre-primary, primary and alternative education and directly managing the delivery of secondary education, teacher training and technical vocational education and training, where such institutes exist. State Ministries of Education should also coordinate in-service training for teachers and instructors, manage construction of secondary schools in the State, manage primary and secondary leaving examinations and consolidate school statistics at State level.

6.   County Education Departments are part of the broader county government, with the head of the department reporting to the County Executive Director. County Education Departments are responsible for managing pre-primary and primary schools and alternative education centres within their County. They also directly manage the Payam Education Offices, which provide the day-to-day contact with schools. The County Education Department will also supervise construction of schools and other education infrastructure, administer examinations and collect and consolidate school statistics at County level.

7.   County Education Departments, including Payam Education Offices, are responsible for ensuring that each school has a functioning Parent-Teacher Association and School Management Committee that provides oversight of school management and approves school budgets and reports.

Roles & Responsibilities of Sector Departments in the Budgeting & Reporting Process

8.   Budgets are the main tools for States and Counties for allocating resources towards the fulfilment of their responsibilities in the management and delivery of services outlined above. Transfers are made in the education sector by the National Government to fund sub-national governments as a contribution to enable them to carry out these responsibilities, alongside the state's and counties other resources.   Reporting on the implementation of the budget helps us understand whether funds are being received and spent as planned accordingly.

9.   As such the National Ministry of Education will monitor the budgets of State Ministries of Education and County Education Departments to check that transfers have been correctly budgeted for, and monitor the budget reports to ensure that transfers are being spent in accordance with this budget.

10.   At each level of government, primary responsibility for coordinating the budget process lies with the finance unit (State Ministry of Finance at the State level and the County Planning & Finance Units at the County level). It is the responsibility of these units to prepare the resource envelope for the State/County and to draw up budget ceilings for each Ministry/Department (making sure to allocate conditional transfers to the correct agency's ceiling) for approval by the Executive (State Council of Ministers or County Executive Council).

11.   In drawing up ceilings, it is important to understand the resources available:

- Conditional grants must be allocated to the correct agency. So education grants must be allocated to the State Ministry of Education or County Education Department.

- There are also discretionary funds that the State or County can allocate in line with their priorities. These include the State & County Block Grant, and own source revenues. In allocating these to priorities, even if an agency or department receives a conditional grant, it can also receive funding from the block grant or own source revenues if the State or County chooses.
- Counties have an additional source of revenue: the County Development Grant. However, this can only be used for capital expenditure. However, it is not earmarked to a sector, with the exception that a maximum of 50% can be spent on administrative infrastructure. The remainder must be spent on service delivery infrastructure, including education infrastructure such as schools and hygiene facilities at schools.

12.   It is then the responsibility of the State Ministry of Education and the County Education Department to draw up budgets in line with these ceilings, and in line with this guidance, and submit the draft budget to the State Ministry of Finance or County Planning Unit. This unit will then compile all agency's submissions into the draft State or County Budget, which is then presented for approval to the executive, and finally to the legislative branch (State Legislative Assembly or County Legislative Council). Only once the budget is approved by the legislative branch is there authority to spend the funds contained in the budget.

13.   Once the budget is passed, the budget is spent by the following process:

- Education units submit payment requests against a specific budget line to the Finance Unit. These must be signed off by the head of unit (DG in SMoE, head of CED). Supporting documentation, such as an invoice must also be included.
- Once approved by the Finance Unit (DG of Finance in SMoF, Executive Director in a County), the payment is made either to the unit (e.g. in the case of travel costs), or directly to the vendor (e.g. in the case of purchasing fuel).
- The Finance Unit has the responsibility of maintaining the financial records of that level of government. At the State level, this is done through the Integrated Financial Management Information System. At the County level, procedures are laid out in the Local Government Public Financial Management Manual.

II.   Overview of transfers

Purpose of transfers

14. The purpose of the post-primary education transfer is to enable State Ministries of Education to provide oversight, coordination and disseminate policy for education delivery at County level and facilitate delivery of secondary education, TVET and teacher training. The purpose of the basic education transfer is to enable the County Education Department to facilitate the day-to-day management of education delivery in early-childhood development, primary schools and alternative education centres, with special consideration for special needs and gender equity.

Structure of transfers & overview of eligible uses

15. The National Government provides conditional transfers to sub-national governments for the delivery of education services.

- State Ministries of Education receive conditional transfers for salary, operating and capital, budgeted under the Post-Primary Education Programme. Transfers to secondary schools will be made through parallel financing channels, but under the management of SMoEs.

- County education departments receive conditional transfers for salary, operating and capital, as well as funds for transfer to service delivery units (primary schools), budgeted under the Basic Education Programme.

Table 1. Transfers for education provision

Programme	Level of government	Conditional Transfers
Post-primary education	State	Salary
		Operating
		Capital
	Service delivery unit (secondary schools)	Operating (by Development Partners)
Basic education	County	Salary
		Operating
		Capital
	Service delivery unit (primary schools)	Service delivery unit

16. **Conditional transfers to States** should be used for the following:

- The **salary grant** should be used for salaries and allowances of **classified** staff at SMoEs, secondary schools, TVET centres and teacher training institutes. State Ministries of Education should staff the ministry according to the staffing structure issued by MoGEI.

- The **operating grant** should be used for running costs of the SMoEs, TVET centres and TTIs, including utilities, office supplies, transportation costs, workshops and contracted services. The operating transfer cannot be used to finance staff costs such as salaries and allowances.

- The **capital grant** should be used to purchase one vehicle per State to facilitate staff mobility for the purpose of supervision, monitoring and coordination of education activities in the State. The vehicle cannot be reserved for exclusive use by an individual staff member.

- Secondary **school grants** will be introduced in 2014, with funding from the South Sudan Girls Education Programme, to finance basic running costs including stationary and school supplies, school maintenance and minor repairs, extracurricular activities, transport and incentives to volunteer teachers who are not on the government payroll. These grants cannot be used to pay top-ups to teachers on the government payroll and cannot be used for casual workers. These funds will be transferred separately from the government transfers, but responsibility for overseeing and reporting on these funds will lie with the State Ministry of Education. Detailed guidance will be provided in the forthcoming Capitation Grant Manual. The Girls Education Programme State Anchors will work closely with the State Ministry of Education in the management of these grants.

17. As set out above, just because the State Ministry of Education receives a conditional transfer, this does not mean it should not receive a share of the block transfer. State Ministry of Education should develop well-costed plans for how additional funds could be spent. At the civil service level, the DG of the State Ministry of Education should engage with the Ministry of Finance to make them aware of the Ministry of Education's needs. At the political level, the State Education Minister should be able to lobby the Council of Ministers for funds. However, once budget ceilings are set, these must be respected by the Ministry.

18. **Conditional transfers for Counties** should be used for the following:

- The **salary grant** can be used for salaries and allowances for **classified** staff in the County Education Department and Payam education offices, primary schools, pre-primary schools, alternative education centres and County Education Centres. County education departments should be staffed in accordance with the staffing structure issued by MoGEI. In several States the County salary transfer exceeds the amount currently spent on classified staff at County level. Counties are expected to recruit additional teachers or other classified staff up to the level of their salary transfer, or else the transfer will be cut in 2014/15 to the level of current payments to classified staff.

- The **operating grant** will be introduced in the second half of the fiscal year and should be used for running costs of the County Education Department, Payam education offices and County Education Centres, including utilities, office supplies, transportation costs, workshops and contracted services. In 2013/14 these funds should also be used to deepen M&E at county and payam level. At least 60% of these resources should be used on resources for the Payam Education Offices.

- The **capital grant:** In 2014 each County will receive a one-off capital grant to be used to furnish and equip the CED or payam education offices. This grant can be used for motorbikes or other transportation, office equipment, furniture or small office repairs.

- **Service delivery unit grants:** School grants will be introduced in South Sudan in 2013/14. These will be allocated to all non-profit schools in South Sudan and should be used to finance basic running costs including stationary and school supplies, school maintenance and minor repairs, extracurricular activities, transport and incentives to volunteer teachers who are not on the government payroll. These grants cannot be used to pay top-ups to teachers on the government payroll or for non-teaching staff. Funds will be released on the basis of school budgets prepared by the school management and approved by the PTA/SMC and CED. Detailed guidance will be provided in the forthcoming Capitation Grant Manual.

19. As set out above, just because the County Education Department receives a conditional transfer, this does not mean it should not receive a share of the county block transfer and the County Development Grant. The Education Department should develop a well-costed plan for how additional funds could be spent. The head of the County Education Department should engage with the County Planning Officer to make them aware of the Department's needs. The head of the County Education Department should also lobby the County Executive Council for funds when budget ceilings are set. However, once budget ceilings are set, these must be respected by the Department.

20.   **Shadow-aligned donor-provided grants:** Donors may finance grants to schools for basic running costs, school construction and school improvements. Although many donors cannot currently provide these funds through the government's accounts, they should endeavor to 'shadow align' to government systems by using the same planning and budgeting, monitoring and reporting structures as the government. This will reduce duplication and risk of confusion for actors faced with multiple parallel systems. In particular, donor grant design should take account of the following:

- **Capitation grants** must follow the government's capitation grant policy and operating manual. When the grant size is set by donors they must also consider the fiscal sustainability of the intervention to ensure that the government will with time afford to continue provision of the grants.

- **School improvement grants** intended for construction or renovation of schools must be designed to mirror the county and payam development grant system as closely as possible to ensure that government and donor funding is well aligned.

Allocation principles

21. Method for allocating **State** grants:

- **Salary:** Based on the current number of classified staff on the SSEPS payroll working at SMoEs, secondary schools, TTIs and TVETs. MoGEI recognizes that the division between staff at State-level and staff at County-level may change in the course of 2013/14 as SSEPS II is rolled out and States and Counties review their nominal rolls.

- **Operating:** 60% of the operating transfer is allocated equally between States and 40% will be allocated on the basis of the number of the number of schools in the State (secondary and primary), based on the 2012 EMIS school count.

- **Capital:** Allocated in equal share to all States to facilitate purchase of one vehicle for monitoring and inspection.

22. Method for allocating **County** grants:

- **Salary:** Retained at the same level as in the previous fiscal year. However, in 2014/15 the allocation will be cut unless Counties demonstrate that the amount spent on classified staff meets or exceeds the size of the transfer.

- **Operating:** Starting in January 2014 an operating transfer will be introduced for CEDs, 60% of which is allocated in equal share to each county, and 40% allocated on the basis of the number of non-profit primary schools in the county, based on the 2012 EMIS data. This grant will start flowing in January 2014.

- **Capital:** Allocated in equal share to each County.

- **Transfers to service delivery units:** Starting in 2014, each eligible school will receive school grants in two tranches. For the first semi-annual tranche in January 2014, each school will receive a fixed allocation estimated at SSP2,500 and a per student allocation of SSP20, on the basis of 2012 EMIS data. The level may change when the number of eligible schools has been verified. In addition, in 2014 each school will receive a one-off capital grant using the same formula that can be used for furniture, equipment or small construction works.

Eligibility/minimum access conditions

23. To receive education conditional transfers, States and Counties must adhere to the general budgeting and reporting requirements detailed in the *State and County Planning and Budgeting Guidelines 2013/14* and the *LG PFM Manual*.

24. Schools eligible for school grants include all government, government-aided and community primary and secondary schools. To access the grant, schools must produce a budget approved by the PTA/SMC, in accordance with the guidelines set out in the forthcoming *Capitation Grants Manual*. Continued receipt of the grant is conditional on submission of semi-annual reports on the use of funds.

III. State-level Sector Budgeting & Reporting

Budgeting

25. State Agencies must budget according to budget ceilings set by the State Council of Ministers, which will include the state's own resources, the state block transfer and sector conditional transfers. The State Ministry of Finance will ensure that conditional transfers are correctly reflected in these ceilings. If the ceiling for the Ministry of Education is lower than the transfers provided, you should immediately draw this error to the attention of your State Ministry of Finance & your Minister. Directors General should ensure that Ministers are briefed on the expected level of conditional transfers before the Minister attends the Council of Ministers meeting where budget ceilings are discussed.

26. Following the approval of budget ceilings by the Council of Ministers, the Ministry of Finance will issue a State Budget Call Circular and convene a State Budget Workshop. Your agency must prepare a budget within that ceiling, in accordance with the guidance and by the deadline specified by the State Ministry of Finance in the Budget Call Circular.

27. Where the budget is funded by conditional transfers, you must ensure that the budget follows the guidance on use of conditional transfers provided above. In particular, you must ensure that:

- the budget only contains eligible items, for example that the salary transfers is only spent on classified staff, and that the operating transfer is only spent on chapter 22 Use of Goods and Services;
- ear-marked grants for Counties are correctly budgeted against 231 Transfers Conditional Salaries, 232 Transfers Operating and 233 Transfers Capital. Capitation grants to schools should be budgeted against 236 Transfers to Service Delivery Units. The amounts allocated to each County must be in accordance with the allocations set out in the Annexes.

Preparing Ministry Budget Proposals

28. Spending Agencies budget submissions are prepared using the completion of the Agency/Directorate Budget Submission Template in excel – to be prepared by each and every spending agency, in line with their budget ceilings.

PART 1 – Agency Mission and Budget Highlights

29.   The first part of the budget submission sets out the:

- Ministry/Agency Mission Statement, which is a concise statement about the purpose of the spending agency. It is important that this elaborates on the Sector Outcome, explaining what the Spending Agency does to support the Sector Outcome.
- Ministry/Agency Budget Highlights, which provides a brief statement of the major budget allocations in the ministry, key planned activities, and any changes from previous years

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Box: Examples of Mission Statement in the Education Sector: To improve quality and access to general education as well as tackle the issue of illiteracy in the State

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PART 2: Agency/Directorate Narrative and Item Budget Proposal

30.   The second part of the template sets out the Agency/Directorate Narrative and item budget. Most spending agencies will prepare a single narrative and line item budget, which means that they should only prepare one version of this form. However, a few ministries will have to budget for two directorates, which means they should complete the second set of narratives and item budgets.

31.   This section starts with setting out the Agency/Directorate Description and Planned Activities:

- Ministry/Directorate Roles and Responsibilities – These are the tasks or groups of related tasks that Ministry/Directorate undertakes and should be a brief description of its functions. This should be in line with the Ministry/Agency Mission Statement. It should be described briefly in no more than 2-3 sentences.
- Ministry/Agency Activity Outputs Planned – Spending Agencies, through their Activities, deliver goods and services. These contribute to the delivery of the Ministry/Agency Mission, but also must be measurable at directorate level where the DG will be held accountable for the activities. The field for "Specific Activities for the FY2013/14" requires a summary of the quantifiable activities that the activity is planning to achieve next year. Where possible, amounts and location of the planned activities should be provided to be as specific as possible about the plans.

Box: Examples of Roles & Responsibilities and Activity Outputs in the Education Sector

Roles and Responsibilities: The General Education directorate is responsible for inspecting schools and training centres; overseeing the activities of County Education Departments; allocating and recruiting teachers; and overseeing construction of schools in the State.

Examples of planned activity outputs:

Monthly supervision visits to County Education Departments
Termly inspection visits to secondary schools conducted
Annual joint inspection visits to primary, pre-primary schools together with CEDs
10,000 textbooks distributed
5 schools constructed

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32.   It then sets out the Actual Activities Achieved:

- Ministry/Agency Past Directorate Activities - Performance reporting is a key aspect of the planning and budgeting process. Spending agencies should report on performance for the

first half of the 2012/13 Financial Year (July - December 2012). This should provide detail on the activities and outputs which have been carried out during the first six months of the year in relation to 2012-13 plans. Spending agencies will be expected to report on annual performance at the end of the year, and will fill this field in later in the year.

33.   The final part involves the preparation of the item budget for the agency/directorate:

- Staffing Requirements - This section requires directorates to identify all of the staff positions that work on agency/directorate activities and are funded from the directorate budget. The tables require current staff and proposed for the new budget. It also requires information on the number of appointed staff.
- Operating and capital inputs - This section requires directorates to describe the inputs that will be purchased using the operating and capital budget chapters and allocate funds to them. These should clearly reflect the inputs required to deliver the directorate activities, and where possible be quantified.

Budgeting for County Transfers in Ministry Budget Proposals

34.   Where an agency budgets include a transfer to Counties, it is important that it provides a comprehensive narrative stating:

- The purpose of the transfer, a brief statement of what the transfer is designed to fund
- Description of the transfer, including what activities are to be funded from the operating & capital transfers, and which staff can be paid from the salary transfer.
- how the transfer is allocated across Counties (e.g. according to a set formula)

Box: Example Narratives for the Education Grant

Purpose: The County Education Operating Transfer is intended for the day-to-day coordination and management of pre-primary, primary and alternative education in the County.

Description: The operating transfer should be used for the running costs of CEDs and Payam Education Offices, including utilities, office supplies, transportation and contracted services.

Allocation principle: 60% of the total operating transfer is allocated equally between Counties and 40% on the basis of the number of schools in the County.

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35.   State Ministries of Education should submit their proposals to the State Ministry of Finance by the date stipulated in the Budget Call Circular. The State Ministry of Finance will enter the data from the agency submissions into the BPS, to enable the compilation of the budget book.

36.   Once your Ministry has made its budget submission to the State Ministry of Finance, the Ministry will compile all budget submissions using the electronic Budget Preparation System. This will then be used to produce a draft Budget book.

37.   This is then submitted to the State Council of Ministers for review and approval. Once approved, the Ministry of Finance will make any changes required by the Council, and then submit the budget for approval to the State Legislative Assembly. Only once the budget is approved by the State Legislative Assembly is the spending contained in the budget legally authorised.
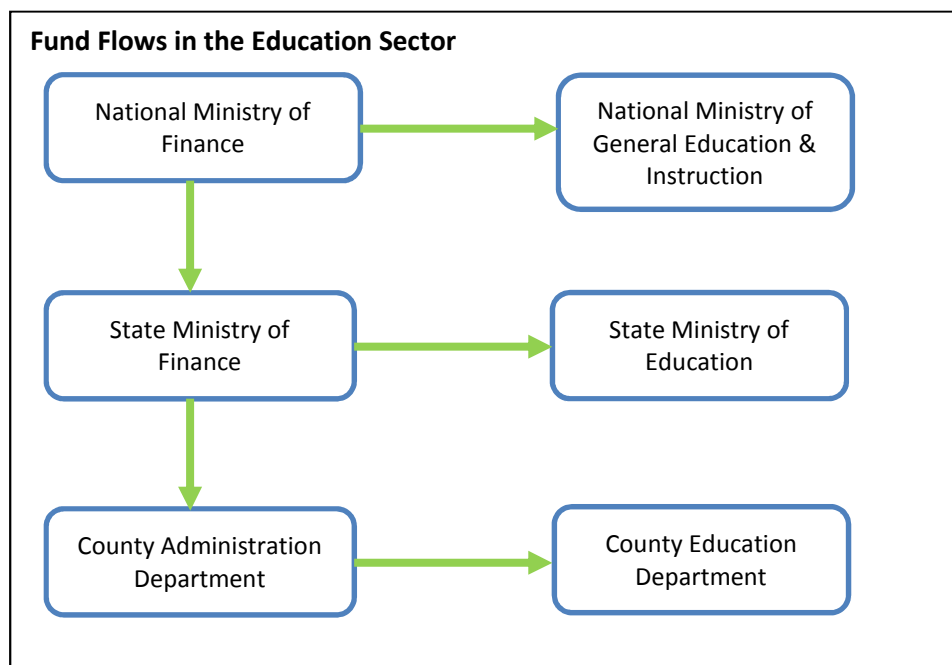
Budget execution

38.   State Budget execution is based on the centralised payment processes and Treasury Single Account. This means that State Agencies make payment requests to the State Ministry of Finance, who then pays the beneficiary directly. The State Ministry of Education cannot ask to receive the conditional transfer in one lump sum.

39.   Payment requests must:

- use the payment request form
- identify the budget line against which the payment request is to be charged
- be accompanied by supporting documentation, such as an invoice
- be signed by the accounting officer, who is the Director General of Education

40.   The State Ministry of Education should budget for CED grants as transfers to Counties, as set out above. These funds should not pass through the State Ministry of Education. Instead, each month, they should be sent direct to the County bank account by the State Ministry of Finance, and charged to the State Ministry of Education budget.

Fund Flows in the Education Sector

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National Ministry of          ───►    National Ministry of
Finance                                General Education &
  │                                    Instruction
  ▼
State Ministry of              ───►    State Ministry of
Finance                                Education
  │
  ▼
County Administration          ───►    County Education
Department                             Department
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41.   Counties should produce quarterly budget performance reports to demonstrate that these transfers are being spent in accordance with their budget, and with these guidelines. These reports should be sent to a County Transfers Monitoring Committee (CTMC), established by the State Ministries of Finance and Local Government, with the participation of all Ministries making conditional transfers.

42.   If Counties are not sending reports, or the reports show that Counties are not spending transfers in line with the budget and guidance, then the CTMC can recommend action, up to and including suspension of the transfer until remedial action is taken by the County. Where this is the case, the DG of Education should put this in writing to the DG of Finance.

Reporting

43.   States are required to report to the State Council of Ministers, the State Legislative Assembly, and to the National Government.

44.   The State Ministry of Finance produces monthly financial reports using the Integrated Financial Management Information System (IFMIS). These are sent to the national Ministry of Finance & Economic Planning, and should also be sent to each State Ministry and to the State Council of Ministers. These should be sent by the 5th of the following month (so reports for August should be sent by 5th September). Electronic payroll reports should also be submitted to the national Ministry of Labour, Public Service & HRD by the 5th of each month.

45.   The State Ministry of Finance should also coordinate the production of semi-annual and annual budget performance reports. These combine financial data with a narrative of performance. The half-year performance report should be produced by 30th January (one month after the end of the first half) and the annual performance report by the 30th July (one month after the end of the fiscal year). These reports should be sent to the State Council of Ministers, and once approved, to the State Legislative Assembly. They should also be sent to the national Ministry of Finance & Economic Planning.

46.   Reports sent to the national Ministry of Finance & Economic Planning will be scrutinised by the State Transfers Monitoring Committee (STMC).

47.   Where the reports show evidence of transfers being mis-used (e.g. salary transfers being used to fund unclassified support staff rather than classified service delivery staff) the STMC will take action, up to and including, recommending the suspension of the transfer to the affected State until remedial action is taken.

48.   Where reports submitted by States show that transfers to Counties were not being reliably executed, or being made to counties which have not reported, then releases will be suspended. If budgeted funds are not transferred to Counties, they will not be able to perform the activities undertaken in their budgets, nor will they be able to deliver basic services.

Managing County Transfers

49.   State Ministries of Finance should send one-twelfth of the budgeted salary and operating transfers to each County's bank account each month, if Counties have complied with the reporting set out below. When transferred, these funds will be charged against the State Ministry of Education.

50.   Each State should establish a County Transfers Monitoring Committee (CTMC) to coordinate monitoring of County performance and their use of transfers. The CTMC should be chaired by the State Ministry of Finance and the State Ministry of Local Government. Any line Ministry making conditional transfers to Counties should be a member.

51.   Counties should make the following reports to the CTMC:

- Draft Budget submitted so CTMC can ensure that Counties have followed this guidance on budgeting.
- quarterly budget performance reports, due by 30th of the month following the quarter

52.   The CTMC should meet each month to review a report from the State Ministry of Finance setting out the transfers that have been made to each County in the state, and the reports set out above from the Counties.

53.   On the basis of these reports, the CTMC should authorise the release of transfers to local governments for the next month.

54.   If Counties are not sending reports, or the reports show evidence of Counties mis-using transfers and not spending them in line with this guidance, the CTMC should recommend action, up to and including suspension of the transfer until remedial action is taken by the County. Where this is the case, the DG of Education should put this in writing to the DG of Finance. The DG of Finance should then ensure that it only releases those funds to Counties authorised by the County Transfers Monitoring Committee. The CTMC should ensure that it enforces the rule *no report, no transfers*.

Managing transfers to service delivery units

55.   State Ministries of Education will be responsible for the roll-out of capitation grants to non-profit secondary schools starting in 2014. Support for this roll-out will be provided by the Girls Education State Anchors funded by DFID. Funds will be released in two tranches; the first in January ahead of the start of the school year, and a second tranche in August.

56.   Ahead of the first transfer in January 2014, the State Ministry of Education should review the list eligible secondary schools, makes adjustments in case of errors and calculates individual school allocations. The State Ministry of Education should then issue all eligible schools with their budget ceiling and guidelines on their completion. School budgeting guidelines will be detailed in the *Capitation Grants Manual.*

57.   Schools in close proximity to banking facilities are encouraged to establish a bank account. Signatories should be the school principle and the chair of the PTA.

58.   School inspectors should then review the budget submission with the school management of each school to ensure that it complies with the budgeting guidelines. The State Ministry of Education then consolidates the school budget information and produces a final list of schools meeting minimum conditions for grant receipt that is sent to MoGEI and MoFEP to trigger disbursement of funds. In parallel, each County Education Department should submit lists and budget information for eligible primary schools that the SMoE consolidates.

59.   Schools are also required to produce semi-annual and annual budget reports in July and December in order to remain eligible for school grants, in accordance with the *Capitation Grant Manual*. Secondary schools will report directly to the SMoE in July while Counties will submit consolidated reports on primary school expenditure to the SMoE by early August. The SMoE should consolidate and submit this report to MoGEI.

IV.   Local Government Budgeting & Reporting

Budgeting for education transfers

60.   County Departments must budget according to budget ceilings set by the County Executive Council, of which each Department head is a member. Budget ceilings are drawn up according to the County's own resources, the county block transfer and sector conditional transfers. The County Planning Unit will ensure that conditional transfers are correctly reflected in these ceilings. If the ceiling for the County Education Department is lower than the transfers provided, you should immediately draw this error to the attention of your Planning Officer and your Executive Director. Heads of County Education Departments should ensure they are aware of the expected level of

conditional transfers before they attend the County Executive Council where budget ceilings are discussed.

61. Following the approval of budget ceilings by the County Executive Council, the County Planning Unit will issue a Budget Call Circular setting out the ceilings for each Department. It is the responsibility of each Department Head to ensure his/her Department draws up a budget in line with the guidance in the Budget Call Circular and the budget ceiling, and by the deadline set.

62. County Departments must prepare a budget within that ceiling, and by the deadline specified by the County Planning Unit. The budget should be drawn up according to the guidance and formats set out in the *Local Government PFM Manual* and *Guidelines for County Planning and Budgeting for FY 2013-14*. In particular, the budget must include:

- Detailed estimates by item for the department
- Details of capital projects
- Narrative of current year performance (what results the Department has achieved with the funds it has spent in the past year)
- Narrative of plans for the coming year (what results the department plans to achieve with the funds allocated to it in the budget for the coming year)

63. The capitation grants should be budgeted under 236 Transfers to Service Delivery Units. The narrative of plans for the coming year should include a description of what capitation grants are intended for and how they will be allocated to schools.

64. In drawing up the budget, the guidance in section II above must be followed, so that conditional transfers are only allocated to permissible uses. The budget narrative should set out what the Department will achieve with the allocated funds over the fiscal year in line with its roles and responsibilities in the management and delivery of services. This narrative should include:

65. Main activities to be carried out with respect to:

- Pre-primary education
- Primary education
- Alternative education
- Gender and special needs
- Construction activities

66. Planned progress against key outcomes:

- Number of planned inspection visits to schools
- Number of planned to schools to receive capitation grant support
- Number and type of school infrastructure to be constructed
- Number of planned meetings with School Management Committees
- Number of planned meetings with development partners

67. In the narrative, you should be careful to ensure it is as quantified as possible. Quantification of outputs is essential for performance monitoring. For example, if you plan to undertake inspection visits to schools, the narrative should set out the number of inspection visited planned in each quarter. The number actually carried out can then be compared to the planned figure.

68. Once your Department has made its budget submission to the Planning Unit, the Unit will compile all budget submissions into the draft County Budget.

69. The draft County Budget is then submitted to the County Executive Council for review and approval. Once approved, the Planning Unit will make any changes required by the Council, and then submit the budget for approval to the County Legislative Council. Only once the budget is approved by the Legislative Council the spending contained in the budget legally authorised.

70. Once presented to the Legislative Council, the Local Government budget is a public document. It is therefore good practice that the budget should be made conveniently available to the communities. Extracts of the key budgets shall be posted on public notice boards or other public places and/or the media (radio, newspapers etc.); traditional leadership structures may also be used to disseminate information about a LG budget.

Budget execution

71. County Budget execution is based on the centralised payment processes and Treasury Single Account. This means that County Departments make payment requests to the Finance Unit, who then pays the beneficiary directly. County Departments cannot ask to receive the conditional transfer in one lump sum.

72. Payment requests must:

- use the payment request form
- identify the budget line against which the payment request is to be charged
- be accompanied by supporting documentation, such as an invoice
- be signed by the Head of Department

73. The payment request is then received by the Finance Unit, who will confirm that there are funds available in the Department Budget to pay the request. If funds are available, the payment request will then move to the Executive Director for approval. As the Accounting Officer for the County, the Executive Director must approve all payments. Following approval by the Executive Director, the payment can then be made by the Finance Unit. This process is shown below.

What steps		What/Who is involved?
6. Sign off and pay	↑	A payment order and, if applicable the pay cheque is signed by the Head of Finance and then the Chief Administrator. The cashier makes payment.
5. Processing the Payment		Checking by the controller of accounts, preparation of payment order by the accountant, examination of payment order and entry into the budget control book by controller of accounts.
4. Authorization		Authority to pay is given by the Chief Administrator after confirming the regularity of expenditure.
3. Budget control		Controller of Accounts confirms availability of funds and regularity of expenditure.
2. Certification		Sector head vets the payment request form and certifies it.
1. Payment requisition		The officer responsible who completes a payment request form raises request for payment.

Reporting

74. Local Governments should produce the following financial reports:

- **Quarterly Budget Performance Reports**. These are to be produced and submitted to the Executive Council, and to the State Ministry of Local Government for scrutiny at the County Transfers Monitoring Committee, within 30 days of the end of the quarter.
- The **half-year** (quarter two) and **annual** (quarter four) **budget performance reports** should also be presented to the County Legislative Council, in line with section 84 of the LGA, 2009, again within 30 days of the end of the quarter.

75. These reports consist of both financial reports showing expenditure against the budget, and narrative of performance. The Executive Director is responsible for ensuring that all of these reports are prepared in a timely fashion, and for submitting reports to the Director General of Local Government of the State. The Finance Unit should ensure that timely and accurate financial data is available. The County Education Department is responsible for providing a narrative explaining the activities carried out or outputs achieved. These are to be compared to the narrative plan set out in the Budget.

76. The objective of this narrative is to reinforce the financial report by showing exactly the activities for which the money has been spent and what has been attained compared with what was planned. The narratives should quantify the outputs achieved as far as possible. The narrative should include:

77. Progress against main activities:

- Pre-primary education
- Primary education
- Alternative education
- Gender and special needs
- Construction activities

78. Planned progress against key outcomes:

- Number of inspection visits to schools
- Number of schools receiving capitation grants
- Number and type of school infrastructure constructed and handed over to the communities (indicate the source of funding, GRSS/Donor)
- Number of meetings with School Management Committees
- Number of meetings with development partners

79. In addition to budget reporting the County Education Department is also responsible for annual collection of EMIS data.

Managing transfers to service delivery units

80. The County Education Department will be responsible for the roll-out of capitation grants to non-profit primary schools starting in 2014. Support for this roll-out will be provided by the Girls Education State Anchors funded by DFID. Funds will be released in two tranches; the first in January ahead of the start of the school year, and a second tranche in August. Ahead of the first transfer in January 2014, the CED should review the list eligible secondary schools and calculate individual school allocations. The CED should then issue all eligible schools with their budget ceiling and

guidelines on their completion. School budgeting guidelines will be detailed in the *Capitation Grants Manual.*

81.   Schools in close proximity to banking facilities are encouraged to establish a bank account. Signatories should be the school principle and the chair of the PTA.

82.   School inspectors review the budget submission with the school management of each school to ensure that it complies with the budgeting guidelines and submits all PTA-approved budgets to the CED.

83.   The CED should then consolidate the school budget information and produce a final list of schools meeting minimum conditions for grant receipt and submit it to the State Ministry of Education.

84.   Schools are also required to produce semi-annual and annual budget reports in July and December in order to remain eligible for school grants, in accordance with the *Capitation Grant Operational Manual*. Secondary schools will report directly to the SMoE in July while Counites will submit consolidated reports on primary school expenditure to the SMoE by early August. The SMoE consolidates and submits this report to MoGEI.

Annex A: Details of State Transfers

State	Schools	State Education Salary Transfer	State Education Operating Transfer	State Education Capital Grant	Total State Grants
Central Equatoria	374	8,471,112	750,423	180,000	9,343,287
Eastern Equatoria	279	5,418,468	609,737	180,000	6,213,888
Jonglei	397	4,939,392	706,877	180,000	5,830,150
Lakes	272	2,724,744	603,038	180,000	3,514,508
Northern Bahr el Ghazal	409	4,532,253	701,518	180,000	5,432,707
Unity	309	4,295,775	599,018	180,000	5,115,433
Upper Nile	362	7,077,108	679,410	180,000	7,939,588
Warrap	408	4,161,924	708,887	180,000	5,061,570
Western Bahr el Ghazal	131	3,125,988	523,316	180,000	3,801,830
Western Equatoria	277	3,554,544	617,776	180,000	4,348,348
Total	**3,218**	**48,301,308**	**6,500,001**	**1,800,000**	**56,601,309**

Annex B: Detail of County Transfers by State

State	County Education Salary Transfer	County Education Operating Grant	County Education Capital Grant	County Transfers to Service Delivery Units	Total County Grants
Central Equatoria	23,877,369	1,643,023	1,386,076	5,437,498	32,819,928
Eastern Equatoria	18,126,703	1,732,998	1,848,101	4,864,246	26,557,718
Jonglei	18,770,668	2,516,101	2,541,139	10,490,148	33,511,090
Lakes	14,124,255	1,771,406	1,848,101	5,066,660	22,741,805
Northern Bahr el Ghazal	17,049,905	1,612,439	1,155,063	6,969,864	27,465,619
Unity	16,160,295	1,864,404	2,079,114	5,662,959	25,596,686
Upper Nile	26,019,917	2,589,271	3,003,165	7,570,425	38,038,434
Warrap	14,804,968	1,796,657	1,386,076	7,642,945	26,030,102
Western Bahr el Ghazal	13,441,926	694,284	693,038	2,362,472	18,342,393
Western Equatoria	16,681,915	2,029,417	2,310,127	3,872,127	24,393,490
Total	**179,057,921**	**18,250,000**	**18,250,000**	**59,939,344**	**275,497,265**

Annex C: Detail of County Transfers by County

State	County	County Education Operating Grant	County Education Capital Grant	County Transfers to Service Delivery Units
Central Equatoria	Juba	335,451	231,013	1,687,800
Central Equatoria	Kajo-Keji	323,448	231,013	1,117,156
Central Equatoria	Lainya	237,029	231,013	517,301
Central Equatoria	Morobo	249,032	231,013	627,040
Central Equatoria	Terekeka	196,220	231,013	264,608
Central Equatoria	Yei River	301,843	231,013	1,223,592
Eastern Equatoria	Budi	237,029	231,013	692,483
Eastern Equatoria	Ikotos	234,629	231,013	702,188
Eastern Equatoria	Kapoeta East	181,817	231,013	196,855
Eastern Equatoria	Kapoeta North	150,610	231,013	41,335
Eastern Equatoria	Kapoeta South	165,013	231,013	221,180
Eastern Equatoria	Lopa/Lafon	198,621	231,013	456,197
Eastern Equatoria	Magwi	287,440	231,013	1,438,265
Eastern Equatoria	Torit	277,838	231,013	1,115,742
Jonglei	Akobo	261,034	231,013	1,396,457
Jonglei	Ayod	193,820	231,013	499,081
Jonglei	Bor	263,435	231,013	1,273,534
Jonglei	Duk	191,419	231,013	552,863
Jonglei	Nyirol (Diror)	251,432	231,013	1,133,298
Jonglei	Old Fangak	232,228	231,013	878,074
Jonglei	Pibor	193,820	231,013	396,766
Jonglei	Piji/Piegi	222,626	231,013	656,275
Jonglei	Pochalla	174,615	231,013	430,330
Jonglei	Twic East	215,424	231,013	1,394,965
Jonglei	Uror (Wunror)	316,247	231,013	1,878,505
Lakes	Awerial	193,820	231,013	373,718
Lakes	Cuiebet	306,644	231,013	1,134,342
Lakes	Rumbek Centre	241,830	231,013	975,402
Lakes	Rumbek East	222,626	231,013	711,604
Lakes	Rumbek North	210,623	231,013	508,900
Lakes	Wulu	198,621	231,013	412,120
Lakes	Yirol East	201,021	231,013	357,562
Lakes	Yirol West	196,220	231,013	593,011
Northern Bahr El Ghazal	Aweil Centre	253,833	231,013	1,004,670
Northern Bahr El Ghazal	Aweil East	517,891	231,013	2,999,272
Northern Bahr El Ghazal	Aweil North	330,650	231,013	1,399,760
Northern Bahr El Ghazal	Aweil South	227,427	231,013	595,000
Northern Bahr El Ghazal	Aweil West	282,639	231,013	971,162
Unity	Abiemnom	157,812	231,013	138,086
Unity	Guit	198,621	231,013	436,292
Unity	Koch	227,427	231,013	730,334

State	County	County Education Operating Grant	County Education Capital Grant	County Transfers to Service Delivery Units
Unity	Leer	210,623	231,013	776,193
Unity	Mayiandit	217,825	231,013	897,234
Unity	Mayom	196,220	231,013	644,304
Unity	Panyinjiar	205,822	231,013	517,252
Unity	Rubkona	229,828	231,013	954,050
Unity	Ruweng	220,225	231,013	569,213
Upper Nile	Akoka	150,610	231,013	102,561
Upper Nile	Baliet	174,615	231,013	403,636
Upper Nile	Fashoda	172,215	231,013	246,501
Upper Nile	Longchok	186,618	231,013	557,413
Upper Nile	Maban	184,218	231,013	432,366
Upper Nile	Maiwut	215,424	231,013	758,839
Upper Nile	Malakal	227,427	231,013	1,231,358
Upper Nile	Malut	165,013	231,013	256,411
Upper Nile	Manyo	184,218	231,013	311,349
Upper Nile	Nasir	297,042	231,013	1,290,339
Upper Nile	Panyikang	181,817	231,013	346,158
Upper Nile	Renk	215,424	231,013	751,428
Upper Nile	Ulang	234,629	231,013	882,065
Warrap	Gogrial East	253,833	231,013	742,305
Warrap	Gogrial West	354,655	231,013	1,845,597
Warrap	Tonj East	225,027	231,013	603,735
Warrap	Tonj North	301,843	231,013	1,116,621
Warrap	Tonj South	258,634	231,013	855,784
Warrap	Twic	402,665	231,013	2,478,903
Western Bahr El Ghazal	Jur River	275,438	231,013	1,010,482
Western Bahr El Ghazal	Raja	177,016	231,013	276,871
Western Bahr El Ghazal	Wau	241,830	231,013	1,075,118
Western Equatoria	Ezo	225,027	231,013	506,192
Western Equatoria	Ibba	155,411	231,013	76,283
Western Equatoria	Maridi	217,825	231,013	481,453
Western Equatoria	Mundri East	217,825	231,013	426,396
Western Equatoria	Mundri West	215,424	231,013	411,540
Western Equatoria	Mvolo	208,223	231,013	312,500
Western Equatoria	Nagero	157,812	231,013	95,756
Western Equatoria	Nzara	191,419	231,013	373,568
Western Equatoria	Tambura	201,021	231,013	494,099
Western Equatoria	Yambio	239,430	231,013	694,340
Total		**18,250,000**	**18,250,000**	**59,939,344**

Annex D: State Ministry of Education and County Education Department Structure

Figure 1: State Ministry of Education Structure
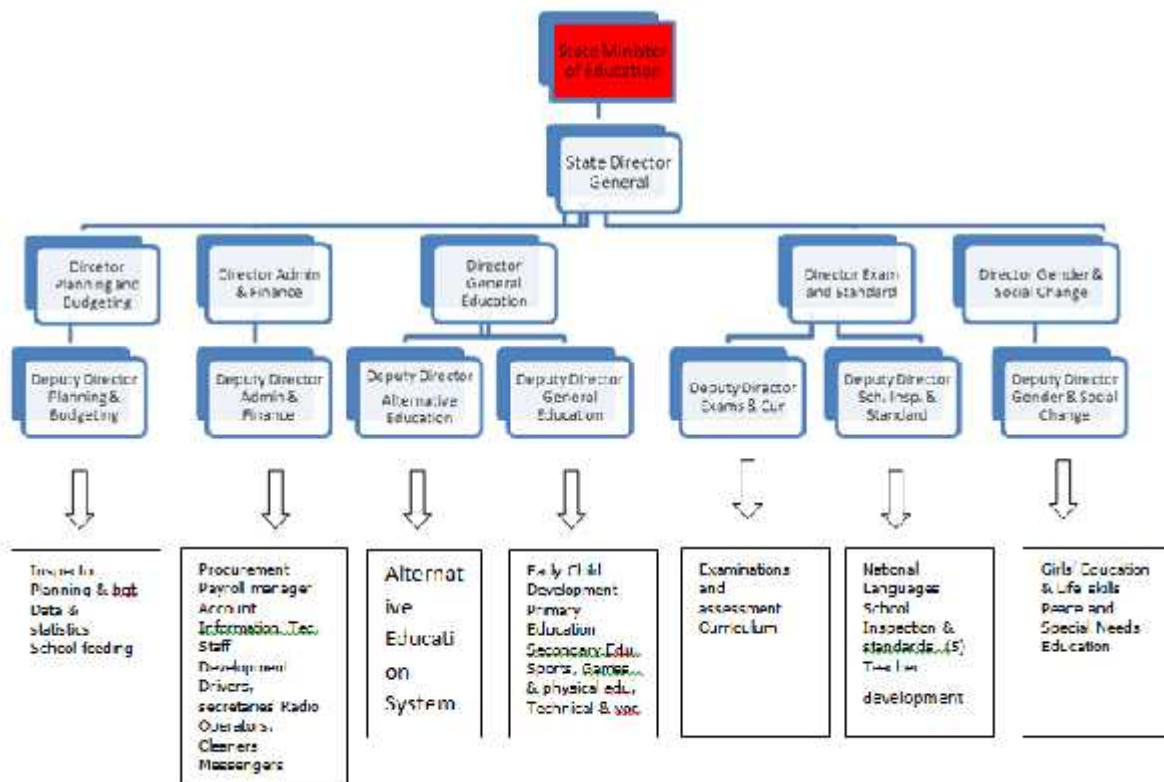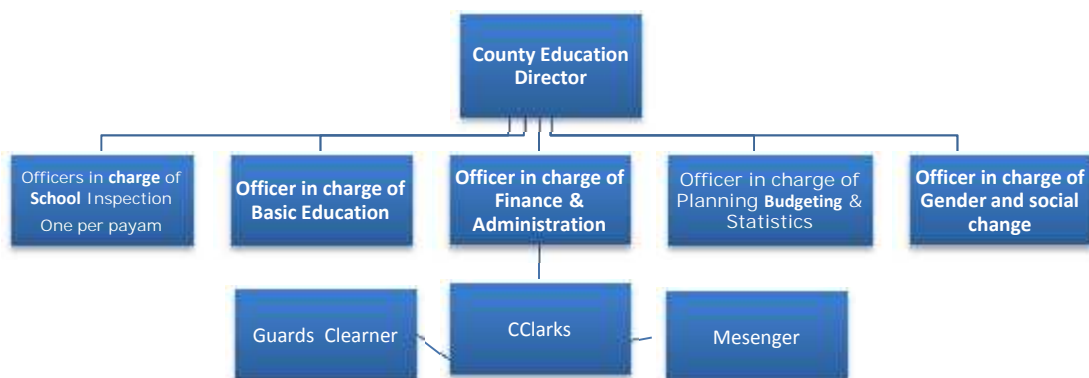

Figure 2: County Education Department Structure

Annex E: State Agency Transfers Narrative Formats

State Transfers Planning Form

This form is for preparation of the narrative for transfers to states and counties under a state ministry/agency.

Agency		Directorate	

Provide a description of transfers below

Purpose of Transfers	
Allocation principles	
Description and justification of Transfer	

Provide Details of the Allocations to Counties below:

County	Salaries	Operating	Capital	Total
Total				

_____   _____
       _____

Signed   **Position**   **Date**