REPUBLIC OF KENYA

COUNTY GOVERNMENT OF BUSIA

DEPARTMENTOF FINANCE &ECONOMIC PLANNING

STRATEGIC PLAN 2014-2017

PREAMBLE

Any institution that is keen on excellent performance must have solid and sound plans on which to anchor its operations. The plans should not only address its immediate short-term goals but also position the institution to meet future challenges. This necessitates that the plans are reviewed from time to time to meet the needs of changing circumstances. Over the last two years, the Department of Finance and Economic Planning has operated without a concrete strategic plan. Arising from the realization that organizational success only comes if it is deliberately planned for, we embarked on developing the Strategic Plan which articulates the strategic intentions of the department. We are thankful to the team that put together this Strategic Plan (2014-2017).

We develop a Strategic Plan at a time when there have been several changes both in our external and internal environments. The aspirations of the Kenya Vision 2030 have propelled every player in the public sector to re-orient its approach to service delivery. The Constitution of Kenya, 2010, calls for concerted efforts to ensure citizen-centric development. The devolved government structure and the inherent institutional as well as legal changes have revolutionized the conduct of business more so the financial and economic planning in the devolved units. County governments in the country have become more and more aggressive to ensure they are competitive in attracting investment and mobilizing resources to spur development within their jurisdictions. These and other developments call for a deliberate approach towards understanding their implications to the business of various devolved units. This Strategic plan has therefore been designed to take cognizance of these important changes.

The national government's approach towards funding development in counties has changed too. There's a lot more competition for resources mobilized by the national government which has made counties to seek alternative ways of achieving resource sustainability in order to ensure efficient service delivery to their citizens and invest in development projects. In this Strategic Plan, we have crafted strategies that address this and other strategic issues. Towards this goal, comprehensive implementation as well as monitoring and evaluation frameworks have been developed in this Strategic Plan. Our Annual Operational Plans will be derive from the Strategic Plan to ensure that we stay on course, year after year.

This plan comes at a time when we have hosted a very successful investors' conference which was also recognised by the Middle East Africa Investments Conference (MEAFRIC) in Dubai through an award of a trophy for a job well done. We will leverage on this and other initiatives in an endeavor to take Busia County to the next level. It is on this basis that for the next two years, the Department shall pursue a revenue growth, development, and customer-centric strategy in order to continue playing its rightful role in the development of Busia County.

The development of this Strategic Plan was as a result of a highly participatory and consultative process involving staff at both county and sub-county levels. The process was coordinated by the Head of Budget Ms. Priscah Iseren Omoit, whereas strategic leadership in the process was provided by the Chief Officer for Finance and Economic planning, Mr. Allan Omachar and the Executive Committee Member Hon. Lenard Obimbira.

I believe that together as a team we shall commit ourselves to effective implementation of this Strategic Plan in order to achieve our vision of "A Prosperous County Committed to Prudent Financial Management and Economic Planning". We look forward to working with all our stakeholders to collaboratively implement this plan.

Hon. Lenard Wanda Obimbira
Executive Committee Member,
Treasury, Finance and Economic Planning.
COUNTY GOVERNMENT OF BUSIA

EXECUTIVE SUMMARY

Over the last two and half years of its functioning, the department of finance and economic planning has achieved a lot in areas of its mandate. It has grown to become a key department in ensuring that the County Government of Busia achieves its development agenda and that of the Country at large in matters relating to financial and economic planning. Despite the many achievements, the department has faced a myriad of challenges in discharging its mandate as stipulated in the Public Finance Management Act (PFMA), 2012. Harnessing adequate resources and developing the capacity to ensure efficient and effective utilization of such resources through prudent financial and economic planning to spur the county's economic development and growth remains to be the department's major challenges. This is the challenge being addressed by this strategic plan i.e. consolidating the gains from the past while preparing to overcome the challenges of today and the future.

The strategic plan has been developed within the context of various plans, legislative frameworks, protocols and treaties, both local and international. Concurrent with the realization of its strategic objectives, the department will play its niche role in spurring realization of the economic and social objectives in the plans, the legislative frameworks, and the protocols and treaties, more especially the Busia County Integrated Development Plan, the Kenya Vision 2030, the PFMA, 2012 and the Constitution of Kenya 2010 among others

The strategic plan takes cognizance of the department's internal capability situation as well as the anticipated opportunities and challenges at the local, national, regional and international levels. The plan addresses four key strategic issues viz: financial sustainability and resource mobilization; quality service delivery; internal business process re-engineering; and restructuring & capacity development. These strategic issues are anchored on the department's vision, mission, and core values. The strategic issues form the basis of the department's broad goals, which shall be addressed through strategic objectives and strategies formulated herein.

Vision Statement: "A Prosperous County Committed to Prudent Financial Management and Economic Planning".

Mission Statement: "To provide high quality financial, economic and advisory services through efficient and effective fiscal planning, resource mobilization, budget administration, coordination, formulation and implementation of policies and programs for accelerated, equitable and sustainable development for the citizens of Busia County".

Core Values: The vision and mission of the department shall be realized and accomplished respectively while embracing the following core values:

- Transparency and Accountability
- Integrity
- Professionalism
- Creativity and innovation
- Citizen participation
- Team spirit
- Patriotism

Goals: The department will pursue these four broad goals.

a. To attain high levels of financial reliability and sustainability
b. To attain and sustain high quality service delivery to all our customers
c. To achieve high levels of operational efficiency
d. Attain optimum structural, institutional, and human capacity

Effective execution, monitoring and evaluation will be very critical in ensuring successful implementation of this Strategic Plan. It will provide the feedback necessary for the monitoring of the status of its implementation and enable leadership of the department to make informed decisions based on evidence. Sectional Heads have been tasked to oversee execution strategies addressing specific strategic issues and progress reports shall be discussed by the departmental leadership as well as the County Executive Committee for input and direction. Implementation progress reports shall be generated and presented every half year for deliberation and further direction.

Mr. Allan Ekweny Omachar
Chief Officer,
Treasury, Finance and Economic Planning
COUNTY GOVERNMENT OF BUSIA

TABLE OF CONTENTS

LIST OF TABLES AND FIGURES

ACRONYMS AND ABBREVIATIONS

CIDP:	County Integrated Development Plan
MDGS:	The Millennium Development Goals
COMESA:	Common Market for Eastern and Southern Africa
AGOA:	African Growth and Opportunity Act
ECOWAS:	Economic Community of West African States
IGAD:	Intergovernmental Authority on Development
KNBS:	Kenya National Bureau of Statistics
PWD:	Persons with Disabilities
CoK:	Constitution of Kenya
PFM Act 2012:	Public Finance Management Act
EAC:	East African Community
KPC:	Kenya Pipeline Company
DRC:	Democratic Republic of the Congo
CECM:	Center For Electronic and Computer Music
O&M:	Operations & Maintenance
IFMIS:	Integrated Financial Management Systems
CFSP &CBROP:	Commercial Farm Service Program & County Budget Review Outlook Paper
CFSP:	County Fiscal Strategy Paper
GDP:	Gross Domestic Product
PPOA:	Public Procurement Oversight Authority
PPP:	Public Private Partnership
EPZ:	Export Processing Zones Authority
JAP:	Jubilee Alliance Party
NGOs:	Non-governmental organization
FBOs:	**Faith Based Organizations**
CBOs:	Community based organizations

1.0: INTRODUCTION

1.1 Organizational Success and Strategy

Organizational success does not come by chance. It is the result of consistent and focused hard work by managers seeking survival and continuity of their organization. Successful organizations have a strong sense of focus and a passion to achieve excellent performance. Everybody understands the business of such focused organizations. There is commitment to achieve corporate objectives. These organizations are guided by clear proactive strategies.

Strategy is essential in providing corporate direction and focus. Such strategy specifies how an organization will move from its present position to its desired future; clarifies an organization's strategic positioning; and indicates how an organization will secure sustainable advantage.

Organizations articulate their strategies by going through a structured strategic planning process. This process offers a periodic opportunity to take stock and to challenge the conventional wisdom. It also provides the inspiration to develop a strategy and to ultimately determine the best fit in the prevailing circumstances that guarantees an organization's competitive advantage. The outcome of this process is a strategic plan which is a blueprint for managing the organization.

The Department of Finance and Economic Planning of the County Government of Busia was established in 2012 as provided under the Constitution of Kenya 2010 to be responsible for the County's financial, fiscal and economic planning. From its establishment to date, the Department has witnessed commendable functioning while remaining focused on providing high quality financial, economic, and advisory services to its customers. With such functioning, the Department has equally faced enormous challenges due to changes in its operating environment. Continued success necessitated adoption of strategic management. On this basis, the Department is going through the first phase of strategic planning with the resultant strategic plan coming to an end in December 2017. The continued dynamism and complexity within the Department's environment calls for heightened strategic thinking and positioning in order to remain relevant and competitively carry out its mandate. This necessitates an objective assessment of its operating environment and development of the strategic plan for the period 2015-2017. It is expected that this plan will align everybody to excellent service delivery in the Department.

1.2 Context of Strategic Planning

The Department operates within a context which comprises of the policy and legal frameworks as well as the socio-economic and political arena. The main contextual components have been important in the Department's strategic planning include: the Kenya Vision 2030; the Medium Term Plan II - 2013-2018; the Busia County Integrated Development Plan; the Constitution of Kenya 2010; the Millennium Development Goals (MDGs); The Public Finance Management Act 2012; the County Government Act, 2012; the Nile Treaty of 1959 on Full Utilization of the Nile River Waters; the Kyoto Convention of 1974 (The International Convention on the Simplification and Harmonization of Customs Procedures); the East African Protocol; Urban Areas and Cities Act, 2011. The following is how each of these has informed the development of the strategic plan;

1.2.1 The Kenya Vision 2030 and the Medium Term Plan II

Kenya's Vision 2030 aims to transform Kenya into a modern, globally competitive, middle income country providing a high quality of life to all its citizens. The Vision is anchored on three key pillars: economic; social; and political pillars. The Economic Pillar aims to achieve an average Gross Domestic Product (GDP) growth rate of 10 percent per annum through key sectors in this pillar include: tourism, agriculture and livestock, manufacturing, wholesale and retail trade, Business Process Outsourcing (BPO) and financial services as well as oil and mineral resources. The Social Pillar seeks to build a just and cohesive society with social equity in a clean and secure environment through the main sectors that include education and training, health, water and irrigation, environment, housing and urbanization, gender, sports, youth and culture. The Political Pillar aims at realizing a democratic political system founded on issue based politics that respect the rule of law, and protects the fundamental rights and freedoms of every individual in the Kenyan society. Busia County belongs to the Kenyan community and implementation of any Vision 2030 programs within the County would have a positive impact on the residents of the County. Busia County government therefore, has already embraced the Kenya Vision 2030 and Medium Term Plans during preparation of the CIDP. In particular, they are envisaged to support implementation of Vision 2030 flagship projects that may be domiciled in or cut across the county. The Department of Finance and Economic Planning is a pivotal one in facilitating realization of the aspiration of the county. It will play an enabler role of ensuring availability of resources as well as prudent utilization of the same towards the realization of any Vision 2030 projects within the County.

1.2.3 The Constitution of Kenya 2010 and the Enabling Acts of Parliament

The Constitution of Kenya, 2010 created a two tier system of governance, a National government and 47 devolved County governments that requires a paradigm shift in development planning, resource allocation and public finance management. To operationalize the constitutional provisions substantive Acts of parliament have since been enacted. These include; the Urban Areas and Cities Act 2011, The County Governments Act 2012 and the Public Finance Management Act, 2012. These Acts have provisions that directly affect the operations of the County and more specifically the department. The Urban Areas and Cities Act 2011 sets to guide classification of areas as urban areas or cities; governance and management of urban areas and cities as well as participation by the residents in the governance of urban areas and cities. According to the Public Finance Management Act 2012, a budget process for the County governments in any financial year shall consist of among others, the following stages: Integrated development planning process which shall include both long term and medium term planning; planning and establishing financial and economic priorities for the County over the medium term; and making an overall estimation of the County government's revenues and expenditures. The County Governments Act, 2012 requires that a County government shall Plan for the County and no public funds shall be appropriated without a Planning framework. It also states that the County Planning framework shall integrate economic, physical, social, environmental and spatial Planning. The department of Finance and Planning plays a critical role in the planning process. Indeed, development of this strategic plan has been cognizant of the provisions of these Acts and would be implemented along their conceptualizations.

1.2.4 The Millennium Development Goals (MDGs)

The Millennium Development Goals (MDGs) are internationally accepted standards for measuring progress towards poverty alleviation. The eight MDGs have time-bound targets and indicators for measuring progress in the areas of: poverty alleviation, education, gender equality and empowerment of women, child and maternal health, reducing HIV/AIDS and communicable diseases, environmental sustainability, and building a Global Partnership for Development. Kenya is one of the signatories to the Declaration and is committed to achieve the MDGs. This commitment has resulted in commendable progress in achieving a number of these goals though some are still facing challenges. The county Government of Busia is at different stages of achieving the eight goals. The department will continue to allocate resources through this strategic plan with a view of achieving these goals.

1.2.5 County Integrated Development Plan of County Government of Busia

The Department of Finance and Economic Planning draws its strategic issues from the County CIDP where various priority programmes and projects with clear strategic objectives, outputs, outcomes and impact across all the functional and field areas have been identified. The department will play a key role in ensuring that the aspirations of the CIDP are efficiently and effectively implemented. Among the areas the department will play the key roles include:

- Reviewing the Busia County Budget projections over the short, medium and long term horizons;
- Identifying priority development activities, projects and programmes that ought to be initiated and adequately budgeted for and resourced either directly by the County Government and/ or through Strategic partnerships under Public Private Partnership (PPP) framework;
- Indicating indicative resource projections for the capital development expenditure on projects and programmes including the ongoing activities;
- Examining what else is being done in the county in terms of development projects and programmes and their financial outlays;
- Considering viable alternative sources of financing the development of the county projects and review strategies for raising resources to finance priority development projects and programmes and determine how the County Government intends to expand strategies for revenue sharing/generation;
- Considering other viable options for attracting external financing of the development process of the county;
- Reviewing strategies for asset management, financial management and capital development financing and;
- Re-examining in greater details viable development prospects for the County by considering as well as providing opportunities for investor participation to fill the financing gap.

Formulation of this strategic plan has considered these priority areas. This assures that the plan is aligned to the CIDP given the facilitating and coordinating mandate bestowed on the department of Finance and Economic Planning.

1.2.6 The East African Protocol

The protocol on the East African Community common market entered into on 1st July 2010 following ratification by all five partner states of Burundi, Rwanda, Uganda, Tanzania and Kenya. It provides for four freedoms namely free movement of goods;

labour, services; and capital which was envisioned to boost trade and investments within the region. Busia County seats on the border between Uganda and Kenya and is the corridor to Rwanda and Burundi. At the time of preparation of this strategic plan, the Department realizes that great opportunities await the county in form of investments, trade as well as tourism. However, the department recognizes that there may arise uncontrolled influx in the county especially in the border towns leading to poor urban planning among other challenges.

1.2.7 The Nile Treaty

Part of Lake Victoria belongs to Busia County. However, the Nile Treaty of 1959 on the full utilization of the Nile between Egypt and Sudan excluded the other riparian states such as Kenya from the negotiations and their interests were not taken into account; thus, almost no water was made available to them. Because the treaty was made between the two lower-most riparian states, it obligates the two states and cannot bind the other riparian states, Kenya included. With this treaty still in force, Busia County may not unilaterally benefit from the waters of Lake Victoria. As a Department mandated to carry out economic planning activities for the county, the strategic plan realizes a great potential in utilization of the water for economic activities is an opportunity that may not be fully harnessed in the short run until National government negotiations for review of this treaty are undertaken.

1.3. Busia County Demographics

Busia is one of the forty seven (47) counties of Kenya situated at the extreme western region of the country. The County borders three other counties which include: Bungoma to the North, Kakamega to the East and Siaya to the South west. Part of Lake Victoria is in the County on the South East and borders the Lake with the Republic of Uganda to the west. It lies between latitude 0^o and 0^o 45 North and longitude 34^o 25 East. The County covers an area of 1,694.5 km^2. The County has 7 sub counties which are also constituencies namely; Teso North, Teso South, Funyula, Nambale, Matayos, Budalang'i and Butula, and 35 electoral wards and 35 wards. The 2012 population of Busia was estimated to be 816,452 with females numbering 425,622 (53.13%) and the males 390,830 (47.87%) respectively.

1.4 Finance and Economic Planning Department

1.4.1 Mandate and Functions

The Public Finance Management Act, 2012: Section 104, highlights clearly the mandate and functions of the county treasury. It stipulates that the County Treasury shall monitor, evaluate and oversee the management of public finances and economic affairs of the county government including:

a) Developing and implementing financial and economic policies in the county;
b) Preparing the annual budget for the county and coordinating the preparation of estimates of revenue and expenditure of the county government;
c) Coordinating the implementation of the budget of the county government;
d) Mobilizing resources for funding the budgetary requirements of the county government and putting in place mechanisms to raise revenue and resources;
e) Managing the county government's public debt and other obligations and developing a framework of debt control for the county;
f) Consolidating the annual appropriation accounts and other financial statements of the county government in a format determined by the Accounting Standards Board;
g) Acting as custodian of the inventory of the county government's assets except where provided otherwise by other legislation or the Constitution;
h) Ensuring compliance with accounting standards prescribed and published by the Accounting Standards Board from time to time;
i) Ensuring proper management and control of, and accounting for the finances of the county government and its entities in order to promote efficient and effective use of the county's budgetary resources;
j) Maintaining proper accounts and other records in respect of the County Revenue Fund, the County Emergencies Fund and other public funds administered by the county government;
k) Monitoring the county government's entities to ensure compliance with this Act and effective management of their funds, efficiency and transparency and, in particular, proper accountability for the expenditure of those funds;
l) Assisting county government entities in developing their capacity for efficient, effective and transparent financial management, upon request;
m) Providing the National Treasury with information which it may require to carry out its responsibilities under the Constitution and this Act;
n) Issuing circulars with respect to financial matters relating to county government entities;
o) Advising the county government entities, the County Executive Committee and the county assembly on financial matters;
p) Strengthening financial and fiscal relations between the national government and county governments in performing their functions;
q) Reporting regularly to the county assembly on the implementation of the annual county budget; and

r) Taking any other action to further the implementation of this Act in relation to the county.

1.4.2 Chronological Profile

The department was established with the inception of the County Governments after the General Election on the 4th March, 2013 by the Transition Authority. Five Officers namely; Transition Principal Officer (Finance), Head of Treasury (Accounting), Head of Treasury (Budgeting and Expenditure Management), Head of Internal Audit and Head of Supply Chain Management were deployed to the County by the Transition Authority to among other duties, establish the Busia County Treasury by developing the required Financial Internal Control systems and Policy documents key among them the FY 2012/2013 Appropriation Act that appropriated the County Expenditure for the four months of the Financial Year. The Transition Authority Officers also prepared the Budget Estimates for the FY 2013/2014 which according the law had to be submitted to the County by the 30th April, 2013. This Budget was pronounced as the best among the Counties by the Chairman, Commission on Revenue Allocation. It is important to note that all the four officers who worked for the department under the Transition Authority maintained their positions after going through a competitive selection process hence ensuring organizational memory and continuity in the department.

1.4.3 The Department's Management Structure

The Department is headed by the County Executive Committee member (CECM) whose main responsibility is to provide policy guideline to the department. The CECM is assisted by a Chief Officer who is the departmental accounting Officer and who oversees the day to day operations of the department.

The chief officer supervises six sectional heads in charge of Revenue collection, Procurement, Budget and Expenditure, Audit, Accounts and Planning. Revenue and Planning units have devolved some functions to the sub-county levels. The rest of the units are centralized with clear reporting structures. The following is a summary of the functions of each section;

1.4.4 Sections

The department is organized along six sections, each with specific functions as described below.

I. Accounting Services Section

This section is in charge of the following functions:

i. Advising the county government on all accounting matters.
ii. Implementing approved government accounting standards
iii. Designing and approving government accounting standards
iv. Advising the county government on the best appropriate and ad hoc financial reporting formats.
v. Providing the link between county and national accounting standards bodies on matters relating to public sector financial reporting management
vi. Developing guidelines for county accounting staffing levels and training to ensure technical competence
vii. Participation in county policy formulation
viii. Overseeing the implementation of the approved accounting standards, policies, bases and concepts to ensure compliance.
ix. Undertake capacity building for all staff at the county level
x. Ensure proper banking arrangements between county government, CBK and commercial banks
xi. Direct and control the operations of the county exchequer account
xii. Participate in the relevant committees of the county assembly as advisor to the members and follow up on the recommendations thereof including county assembly memorandum.

II. Budget and Expenditure Management

This section has the following functions:

i. Consolidating and prioritizing of areas for allocation for public resources for the county
ii. Identifying programmes at the county level, by consolidating programmes at the sub- county for inclusion in the Programme Based Budget
iii. Issuing guidelines on the budget process to be followed by all county government entities
iv. Participation in county policy formulation
v. Preparing the County Fiscal Strategy Paper (CFSP)
vi. Preparing the county Budget Review and Outlook Paper (CBROP)
vii. Publishing and publicizing the CFSP &CBROP
viii. Preparing the County Annual and Revised Budget Estimates and other supporting documents.
ix. Coordinating allocation of resources among sectors through the sector process
x. Provide leadership in budget management in the county

xi. Conduct public participation on budget documents e.g. budget estimates, fiscal strategy papers etc
xii. Taking charge of matters pertaining to the budget including preparation and printing of the estimates
xiii. Undertake capacity building for staff at the county level
xiv. Dealing with questions and Issues pertaining to expenditure, monitoring and control
xv. Advising the County treasury on Budget management among others.

III. Economic Planning Section

i. The main objective of the section is to promote county development through appropriate policies, programmes, and projects that enhance capacity for growth through coordination of all developments from county departments.
ii. The Section also facilitates effective decentralization of planning from the sector department to the sub-county through the proposed Sub-County Monitoring Committee strategy as highlighted in the proposed County Monitoring & Evaluation Policy.
iii. This section also spearheads the preparation of periodic project monitoring and evaluation reports, the Medium Term Expenditure Framework (MTEF), Sub-county Development Plans and Socio-Economic Profiles.

IV. Supply Chain Management

This section is in charge of the following functions:

i. Procure goods and services that are of high quality to meet the county's operational requirement
ii. Ensure that the county procurement system complies to the Public Procurement and Disposal Act 2005 and Public Procurement and Disposal Regulation 2006
iii. Provide advisory on all matters pertaining to the county Procurement
iv. Capacity building for the procurement personnel to enhance professionalism
v. Prepare the county annual procurement plan and strictly align the county procurement to the plan
vi. Preparation of the prerequisites procurement report to the stakeholders as per guidelines and when required
vii. Management of all procurement record as per guideline
viii. Development of procurement manual and policies for the use by the county stakeholders

ix. Manage all the correspondences and queries relating to the county procurement system

V. Revenue Section

i. This Section is responsible for the County's revenue generation and resource mobilization.
ii. The section prepares Finance Bill, its attendant regulations and other relevant legislations (bills) to support efficient and effective revenue collections and management.
iii. The section is also responsible for debt management / donor funding management in the County.
iv. It coordinates revenue collection activities and operations in the rest of the County's sister departments with revenue generation opportunities, as well as maintaining and providing data and other revenue collection reports on weekly, monthly, quarterly and/or on need basis.
v. The section is also very instrumental in conducting public sensitization to the general public and other key stakeholders on the importance of paying taxes, fees and charges to the County; including conducting public participation on critical revenue bills before they are passed by the County Executive Committee and the County Assembly.
vi. This section may also collect revenue on behalf of the National Government on special arrangements such as the 30% of all Sacco audit fees by the department of Trade, Tourism, Cooperatives and Industry; among other function.

VI. Internal Audit Section

i. Undertake all audit in accordance with specified professional standards
ii. Provide an annual assessment, based on internal audit work undertaken, of the effectiveness of the entity's system of internal controls
iii. Advice the audit Committee and entity management of patterns, trends or systemic issues arising from internal audit work
iv. Disseminates lessons learnt from its work, and external audit, to relevant areas of the entity to contribute to organizational learning
v. Facilitate communication between external audit and entity management, where appropriate
vi. Actively manages any external service providers

1.5 The Strategic Planning Process

This 2014-2017 Strategic Plan is a product of extensive consultations among various stakeholders. The process started in early 2014 when the department commissioned a consultant to offer technical assistance and facilitate the development of the plan. Consequently, the consultant held preliminary meetings with the top management of the department and held preliminary discussions on how the exercise will be managed and coordinated. The head of Budget Section was appointed as the project manager and coordinator.

To jumpstart the process, the consultant held a number of consultative meetings with the project manager and coordinator, who facilitated the acquisition of relevant documents for review as preparation for the exercise. The review of the relevant documents helped the consultant understand the context within which the planning was to take place. The consultant continued consulting with the project manager as well as scheduled meetings with various stakeholders of the department eventually culminating into organizing for the strategic planning workshop. With the help of the project manager, various stakeholders from both the County and Sub-Counties were mobilized and congregated for the workshop. The workshop was held for three days, which offered the opportunity for brainstorming on the department's vision, mission, core values, internal and external environment to determine the strategic issues, goals, strategic objectives, strategies and activities. The consultant guided the participants in all the stages of the process whose output was the raw content for the strategic plan.

After the workshop, the consultant retreated with the raw content and organized it into the first draft of the strategic plan. Through the project leader, the draft strategic plan was shared among the various officers and other stakeholders for input and any reaction. The valuable input was then forwarded to the consultant who sieved it, enhanced it and organized it further to develop the second draft of the strategic plan. The consultant delivered the second draft of the strategic plan and received some input from the departmental section heads, which was considered and input culminating into the third draft of the 2014-2017 Strategic Plan for the Department of Finance and Economic Planning of the County Government of Busia. A final retreat was held with sectional heads and the Chief Officer. The consultant took the participants through the strategic plan chapter by chapter in which some input was obtained. The input was thoroughly examined, considered and factored into the fourth and final edition of the strategic plan, which was validated and passed for adoption.

2.0: STRATEGIC DIRECTION

2.1 Introduction

The strategic direction of the Department is articulated by the vision, mission, core values, and goals. Together, these indicate the ultimate accomplishment, purpose and business of the department and how the business will be done.

2.2 Vision Statement

"A Prosperous County Committed to Prudent Financial Management and Economic Planning".

2.3 Mission Statement

"To provide high quality financial, economic and advisory services through efficient and effective fiscal planning, resource mobilization, budget administration, coordination, formulation and implementation of policies and programs for accelerated, equitable and sustainable development for the citizens of Busia County".

2.4 Core Values

- Transparency and Accountability
- Integrity
- Professionalism
- Creativity and innovation
- Citizen participation
- Team spirit
- Patriotism

2.5 Goals

- ❖ To attain high levels of financial reliability and sustainability
- ❖ To attain and sustain high quality service delivery to all our customers
- ❖ To achieve high levels of operational efficiency
- ❖ Attain optimum structural, institutional, and human capacity

3.0: STRATEGIC AND STAKEHOLDER ANALYSIS

3.1 Introduction

Strategic analysis is critical in strategic planning as it clarifies the context within which an organization is operating. An understanding of the external and internal environment is important in charting the Department's way forward.

3.2 External Analysis

Analysis of the external environment leads to the identification of any opportunities and threats that may form the basis for future strategic actions. Below is a summary of some major developments in the external environment that have implications on the business of the Department.

3.2.1 Political Factors

- There is relatively high political stability both within the County and nationally.
- There is diversity of interests among various communities within the County.
- Periodic changes in political balance in the county government may lead to uncertainty as priorities change to reflect differing political agenda.

3.2.2 Economic Factors

- Projected GDP growth rate of 6.5% for the current financial year is likely having implications on the investment in various sectors of the economy. If this rate is sustained over the years such implications would be continual;
- High interest rates hence high cost of capital for doing business;
- High inflation rates 5.4% (Source KNBS, Central Bank);
- Low per capita income that affects savings and therefore investments negatively.
- High unemployment rates especially among youth;
- East African Integration e.g. EAC Community and other emerging trading blocks e,g, COMESA, AGOA, Great Lakes, ECOWAS, IGAD;
- There is accelerated development of infrastructure in the country like roads, railway, and rural electrification among others;
- Ease of repatriation of profits by foreign investors;
- Free and easy access to foreign currency exchange;
- Expanding financial services hence financial services inclusion.

3.2.3 Social-Cultural Factors

- High youth (productive) population;
- High population of skilled and unskilled manpower (cheap labour);
- High unemployment rates;
- Rich cultural diversity in the county;
- There is gender imbalance in formal employment;
- Emerging and Lifestyle diseases, Ebola, Maburg, HIV &AIDS, Cancers;
- Low uptake of 1/3 of W,Y, PWD opportunities;
- Varied attitudes and perceptions towards new changes brought about by legislation to implement the CoK 2010, IFMIS, and Technological developments;
- Increased adoption and use of social media hence rapid flow of information;
- Cross border interactions being a gateway to East and Central Africa;
- Knowledge economy potential- well performing schools attracting greater numbers of scholars and students as an economic opportunity.

3.2.4 Technological Factors

- Advancements in information and communication technologies e.g. Fibre optic laying. This has potential to enhance inter-office connectivity and inter-departmental networking as well as inter-linkages with external service providers like banks, media, and telecommunication service providers among others;
- Advancements in various technologies (e.g computer aided budgeting, internal control software and packages etc).

3.2.5 Ecological Factors

- There are unpredictable climatic changes that have effects on the production of economic crops in the County;
- Rich agricultural soils
- Rich ecological zones for fish breeding areas along e.g. Yala Swamp, Sio swamp, Nzoia swamp;
- Potential tourist sites e.g. Samia hills, Kakapel, animal conservancies e,g. hippos e.t.c;
- Some mineral deposits on hills e.g. iron ore;
- Large rivers e,g, Nzoia, Sio, Yala;
- Sand harvesting along rivers;
- Rich alluvial soils;
- Bi modal rainy seasons to enable agricultural activities;

- ❖ Poor, underdeveloped water harvesting methods that has caused overreliance on natural water sources without any means for storage, dependence on rain-fed agriculture instead of use of irrigation potential available.

3.2.6 Legal/Regulatory Factors

- ❖ The Government of Kenya promulgated the new constitution in 2010, instituting devolved governance, hence county governments operate as autonomous entities.
- ❖ PFM Act 2012 for effective and efficient financial management (Provide elaborate framework for formulation of CG Budgets with specific functions, duties and responsibilities to institutions. eg. CE nd CA and stipulates timelines in which they shd execute the tasks. (Sec 126-CIDP, 118, CBROP, 117-CFSP);
- ❖ County Govt Act 2012 , PPP Act;
- ❖ PPOA Act guiding public procurements;
- ❖ Reducing regulatory barriers to business, hence-Ease of new entrants into business.

3.3 Competitive Environment

It goes without saying that competition is an inherent human characteristic that has been in existence since time immemorial. Communities used to outcompete each other in warfare and weaponry manufacture etc. At all times, each community tried to be at the top of things when it came to warfare and each would try to outcompete the other. In the modern set up, countries are competing between themselves in terms of technological advancement, warfare and also in creating conducive environments for business processes. They are competing to attract well-endowed investors to grow their economies.

The thrust of competition is informed by the need of the County government to deliver high quality services to its citizens. When departments compete and they are recognized for high quality service delivery, service delivery to citizens is enhanced with the resultant effect of customer satisfaction which is the overall objective of the county governments.

Counties are competing among themselves in terms of attracting investors to grow their economies (creating the right environment) and service delivery. Counties are in continuous competition with each through creating enabling policy frameworks to spur investment within their jurisdictions. The counties are ranked depending on their rating by the citizens. This has clearly come out in surveys carried out across the country e.g.

the Senators rating by Synovate pollsters. Counties have been ranked in terms of the amount of money allocated to the key areas of Health, Agriculture and Basic Education.

There is competition among the County's Departments along the areas of efficiency in service delivery through customer and employees satisfaction survey ratings as well as other efficiency measure including the number of hours spent by a certain departmental office to perform a certain defined task; number of tasks accomplished within a specified period of time; budget implementation levels and/or capacity to absorb funds; and level of compliance to laid down procedures of doing business/ performing a certain task e.g. procurement process.

3.4 Summary of Opportunities and Threats

3.4.1 Opportunities

- Legal framework; CoK 2010, County Governments Act 2012, PFMA 2012, Other respective County Assembly Bills and Acts;
- County Geographical Location- Gateway to Eastern and Central Africa, Neighboring Uganda;
- The Emerging Market from the neighboring Counties and Countries; Busia, Bungoma, Siaya; Uganda and the rest of Eastern and Central Africa;
- Developed/developing infrastructure; Railway, Airport, Airstrip, Road transport (National Govnt through EPZ have a lot of interest in Busia for EPZ business investment due to the upcoming Standard Gauge Railway line; KPC wants to construct a KPC station in Malaba;
- Technological advancement in the global market; Fibre Optics, GPS;
- Favorable Kenyan socio-economic conditions in the East African Community Set up; Middle income Status;
- Stable political conditions in the neighbouring Counties and the National Government;
- Adequate both skilled and non skilled cheap Human resources within and outside the County;
- Rich Cultural diversity that spurs tourism and cultural integration an opportunity for resource mobilization;
- Favourable climatic conditions for crop farming, livestock, fish farming, among other investment opportunities;
- Natural resources; oil in Turkana, fish from Turkana to DRC and other neighbouring countries, Timber from DRC, etc.

3.4.2 Threats

- Political Environment: Divergent Political interest of the National Government that may differ with the County Government political (interest that uncertainty under "Tyrany of numbers by JAP");
- Government laws and policies; priority areas that may not be County priority projects; Alcoholic control laws, national laws on natural resources – mineral resources, Health sector;
- Technological Changes in the Global Market such as Digital Migration that hinders effective flow of news/information;
- Inadequate national funding transfers to the County;
- Socio-economic issues: Health issues from across the neighbouring Counties and Countries such as HIV, Ebola;
- Insecurity: Risk of terrorism and cross boarder conflicts and crime;
- High level of poverty across the region that leads to a low level of savings and investment;
- Poor leadership and an illiterate electorate that does not such the County and National vision and mission;
- Effects of the Global warming.

3.5 Internal Analysis

This is concerned with assessment of an organization's competency levels to identify its strengths and weaknesses. A good strategy takes into account the organization's strengths and weaknesses to exploit opportunities and deal with threats in the external environment. Certain opportunities and threats in the external environment are not obvious until internal analysis is done. This section covers the department of Finance and Economic Planning's institutional review and a summary of its strengths and weaknesses.

3.6 Institutional Review

The department of finance and economic planning is fairly staffed, playing a pivotal role due to its central placement in the county government structure. It is headed by the Executive Committee Member, with the Chief Officer being the accounting officer. It has six sections (supply chain management, County Revenue, Budgeting and Expenditure, Economic Planning, Accounts and Internal Audit) to be headed by directors who report to the Chief Officer-Finance and Economic Planning.

3.7 Summary of Strengths and Weaknesses

Below is a summary of strengths and weaknesses of the department of finance and economic planning that have strategic implications.

3.7.1 Strengths

- The department has employees who are dedicated to delivering the mandate of the department;
- There are various systems and policies in place that facilitate resource mobilization, revenue collection, budgeting, and utilization;
- The department has financial and capital resources e.g. tools and equipment;
- The county is endowed with natural resources; the lake, agricultural & commercial land, the quarry, untapped natural resources;
- There is clear institutional and legal framework within which the department operates.

3.7.2 Weaknesses

- Despite the staff being committed and dedicated, they are not adequate to effectively and efficiently carry out the department's mandate. All the sections of Budgeting, revenue collection as well as Audit are affected.(strategy- Staff establishment plan);
- The mandate of this department requires adequate technical skills in various fields. While the skills may exist at the strategic and tactical levels, they are inadequate at the operational level;
- Although financial resources are available to facilitate the annual budgets, they are insufficient to address most of the county's pressing needs. Additionally, the department has inadequate working tools and equipment;
- Un-clear reporting channels due to lack of a clear departmental organizational structure;
- Delayed staff harmonization and rationalization strategy on defunct local authority, National Government seconded and county recruited staffs;
- In adequate office space for conducive working environment;
- Lack of departmental strategic plan;
- Lack of an elaborate Monitoring & Evaluation system as well as overall performance management system.

3.8 Stakeholders Analysis

Strategic issues are fundamental challenges affecting an organization's mission, product or service level mix, clients or users, costs, financing, organization, or management. They are key factors in the development of a strategic plan which need to be addressed by the organization. They form the basis for the formulation of strategic objectives and strategies for the organization. It is these issues that the organization needs to deal with expeditiously and effectively in order to survive and prosper. Strategic issues are important and forward-thinking and seize on emerging/ potential opportunities and eliminate weaknesses as well as deal with threats. They emanate from internal, external, and competitive analysis.

Table 3.1 Stakeholders Analysis

Key stakeholders	Functional Relationships	Expectations	Persons responsible
National treasury	Provide finance and supervision of department operations	-Compliance with National financial policies e.g. PFM Act, Circulars, regulations	CEC & CO, Governor
Controller of budget	Approval and clearance of budgets -Budget monitoring	-Compliance to guidelines and ceilings and fidelity to budget	CEC & CO, Governor
Commission for Revenue Allocation	Allocating revenue to the county from the national treasury	-Prudent expenditure, equitable development ,	CEC & CO, Governor
Senate	Legislation on allocating county revenue to the county from the national treasury	-Prudent expenditure, equitable development ,	CEC & CO, Governor
Salaries and Remuneration commission	Guidelines on staff remuneration and benefits -monitoring n control of Wage bill…	-Compliance to guidelines and circulars, -reports on compliance.	CEC & CO, Governor
County assembly	-Financial legislation -Approval and appropriation of county budgets, preparation and approval of supplementary. -Oversight of all county expenditure	-Funding for CA operations -Compliance with all legal procedures as in PFM ACT 2012. -Equitable development in respective wards in entire county.	CEC Member
County budget and economic forum	Financial oversight on behalf of the public.	-Compliance and equitable development	Governor, CEC member, CO

	Advise governor and CEC members on public priorities	-Public participation in all matters concerning public finance management – Devolution.	and county assembly
County departments	Receive funds and utilization guidelines from the county treasury. Contribute towards financial policies and budget preparations. Consulting and advisory services (both ways).	-Funding for operations (facilitation) -Financial advisory services	CECM – Finance and CO
Contractors	-Payments for all Goods, works and services provided by Contractors on behalf of all departments -Provides guidelines and advisory services on procurement issues…	-Prompt payment for all goods, works and services rendered, devoid of too much unnecessary bureaucracy. -Advisory services	CECM- Finance, Public Works, CO - Finance
CSOs e.g. NGOs, FBOs, CBOs	-Funding development projects -Contribution towards policy -Complement and supplement service provision -Provide Consultancy, M&E, oversight and watchdog roles to government -Citizen/public civic awareness on financial matters and engagement avenues.	-Compliance , 3es-value for money, funding for operations, -advisory services -equitable development -Public participation -Transparency and accountability	CECM- Finance, CO
Financial institutions	-Banking services, CSR, Civic education on financial products	-Continued banking services and customer loyalty -Compliance, advisory on guidelines from Central Bank, world back etc.	- CECM- Finance, CO
National chamber of commerce and industry	-Identification of investors and investments advisory. -Marketing the county	-Aggressive id and attraction of investors, provision of capital n	CECM- Finance, CO, Director of

	opportunities and products.	other business development services, incentives to entrepreneurs, -Fair taxation -Economic growth and equitable development.	Trade,
Private sector	-Sources of alternative funding to government programs -Complements and supplements government efforts -Provision of consumables, consultancies, etc	-Infrastructure development -Creation of more business opportunities -Fair competitive /conducive environment for business.	CECM-Finance, CO, Director of Trade, Chamber of Commerce
Statutory Bodies	-Civic education on statutory deductions -Receipt of statutory deductions.	Compliance to requirements of statutory deductions -Provision of services resulting from statutory deductions	County secretary
County Citizens	-Consumers of public service delivered Publicity of the available services to the citizens	quality services -Efficient, effective & timely delivery of quality services	County secretary
The Judiciary	Arbitration	-Timely delivery of justice -Compliance to the law	County secretary

3.9 Analysis of Past Performance

- The department is responsible for economic planning, policy formulation, preparation and implementation of the county's budget, monitoring and evaluation, resource mobilization and provision of financial and technical support services to other departments e.g. on prudent financial management, development of county plans and budgetary allocation to programmes/projects.

- The department's fiscal performance during the year was above average. The total cumulative revenue collection from local sources was Kshs 358,786,824 against the revised budget of Ksh 367,327,150 .This represents a revenue collection of 8.87% of the total Budget from majorly the defunct local authorities' sources of revenue and other devolved ministries, an indication that more could be collected if all the devolved ministries could have been involved in revenue collection and reporting during the year.

❖ The department was allocated Khs.542, 944,966. This constituted 13% of the total budget. The budget for the department was divided as follows;

Table 3.2 Finance and Economic Planning Allocation analysis by economic classification

SNO	DESCRIPTION	AMOUNT	PERCENTAGE
1	Personnel Cost	2,500,000	0.46%
2	Operations and maintenance	117,946,200	21.72%
3	Development	422,498,766	77.82%
	Total	**542,944,966**	**100.00%**

❖ The development cost allocation was the highest 77.82%. This is because the department included Kshs. 350,000,000 for the Ward development fund. Personnel cost (Compensation to employees) cost allocation was too low at 0.46%. This is because most of its staff were catered for under the department of Public Service.

Table 3.3 Finance and Economic Planning Economic Absorption Level

S.N	DESCRIPTION	AMOUNT ABSORBED	AMOUNT BUDGETED	% AGAINST ALLOCATION
1	Personnel Cost	2,295,618	2,500,000	92%
2	Operations and maintenance	231,581,103	117,946,200	196%
3	Development	0	422,498,766	0%
		233,876,721	**542,944,966**	**47%**

❖ There was zero expenditure on the development vote. This was because of the non-existence of a legal framework to operationalize the Ward Development Fund of Kshs. 350,000,000 which is 82.8 % of the development vote. The balance of Ksh. 72,498,766 was not spent because it had been budgeted for emergency fund and creditors which need legislation and treasury circular respectively. Automation and construction of county treasury was also not utilized and have been brought forward. The Operations and Maintenance Vote was over expended at 196%. This was due to other departments relying on finance department for their O&M operations. The same has been rectified in the current financial year.

- The department has been faced with a major challenge of revenue collection in terms of revenue leakages, manual systems of collection and reporting; inadequate and incompetent human resources and lack of office space to decentralize its functions to all the sub counties within the county.
- The department intends to automate all its major revenue collection points to mitigate against the current revenue leakages and to enhance efficiency in revenue collection and reporting function. This is an on-going process to be completed by 2017. The department also intends to acquire two vehicles in the financial year 2014/2015 to enhance field revenue collection, reinforcement and the general supervision.
- To enhance capacity building, the department intends to train all its staffs based on a departmental training needs assessment which is ongoing. The department has currently trained most of its accounts staff on IFMIS and others enrolled on part time educational and professional qualification courses in Finance, Accounting, Auditing, Information Systems and other related areas.
- To manage the treasury office space challenge, the department intends to start constructing treasury offices in the financial year 2015/2016.

4.0: STRATEGIC ISSUES

4.1 Introduction

Strategic issues are fundamental challenges affecting an organization's mission, product or service level mix, clients or users, costs, financing, organization, or management. They are key factors in the development of a strategic plan which need to be addressed by the organization. They form the basis for the formulation of strategic objectives and strategies for the organization. It is these issues that the organization needs to deal with expeditiously and effectively in order to survive and prosper. Strategic issues are important and forward-thinking and seize on emerging/ potential opportunities and eliminate weaknesses as well as deal with threats. They emanate from internal, external, and competitive analysis.

The review of the past performance, challenges, strengths and weaknesses revealed that there are five keys strategic issues would be addressed by strategic objectives and various strategies. This section presents a description of why it is a priority issue and what the department would do to address the issue.

4.2 Financial Sustainability and Resource Mobilization

The department's key mandate is to ensure sufficient resources and effective utilization of the same. Lack of adequate resources to facilitate all the county's programs, underutilization of other resources as well as challenges of financial obligations arising from the defunct Busia Municipal and county councils makes this a key issue to be addressed. Enhanced resource mobilization and revenue collection will ensure financial growth of Busia County. This will determine its future resource self-sufficiency and sustainability. Financial sustainability is critical for the County because it determines the achievement of outlined strategic objectives and eventual realization of the vision. Finances affect the nature of skills and competencies at the disposal of the County in the form of resource persons and other staff. It also determines the nature and level of technology that is incorporated in the delivery of services and hence affects the quality, which is a key concern. Therefore, for the Department to achieve its vision of "**A Prosperous County committed to prudent financial management and economic planning"**, financial sustainability would be a necessary pre-condition. To address this concern, strategic objectives and strategies have been put in place to ensure improved revenue collection and market inspection, enhanced resource mobilization as well as payment of contractors under the defunct councils.

4.3 Quality Service Delivery

Quality public service delivery sits top on the Department of Finance and Economic Planning's agenda. The department envisions that the citizens and residents of Busia County should receive high quality services in a timely manner to their satisfaction. To ensure this, the department will embed public participation in all its programs, projects and activities that have a direct or indirect effect on the citizens as enshrined in the Constitution of Kenya 2010. Further, Department will ensure that the actual service delivery is evaluated by the customers through a properly documented feedback mechanism. This will be used to improve service delivery through analysis and consideration of citizens' suggestions. The Department has also put in this plan, strategies to enhance public service delivery through automation of financial transactions.

4.4 Internal Business Process Re-engineering

Weak and inadequate systems and structures, weak delegation, poor asset management processes are current manifestations in the department. This is attributable to the infancy stage of the department and county at large. Taking this into consideration, a review of the Department's internal systems and processes through business process re-engineering will be given critical focus with the objective of aligning them to the strategy. The aim is to create an efficient department delivering high quality public service to the citizens and improved overall cost containment. This shall be done through proper planning, revamping the budgeting process, ensure automation of financial transactions, installation of asset management systems as well as overall strengthening of internal processes.

4.5 Restructuring and Capacity Development

At the time of developing this plan, the department acknowledges that it has inadequate skills and capacity in terms of equipment and infrastructure to effectively and efficiently operationalize its mandate. Competent and adequate human capital is a crucial component that determines the achievement of any organization's Mission and Vision. In order to realize its vision and mission, the department will need to invest in the acquisition and development of adequate and competent personnel. This will go a long way in addressing the current inadequacy which poses many challenges to the operations and effectiveness of the department more so at a time when it is pursuing proper institutionalization of its functions and mandate. Additionally, the department will need to construct a county treasury that will facilitate proper implementation of its tasks. Restructuring will also be necessary to ensure improved functional relationships among the sections.

5.0: DEPARTMENT OBJECTIVES AND STRATEGIES

5.1 Introduction

The department of Finance and Economic Planning will address each of the strategic issues identified in Chapter Four by achieving a number of corporate strategic objectives set to address each issue. The objectives provide a link between the strategic issues and the strategies that the department will pursue in order to achieve its mission and realize its vision. Consequently, for the period 2014-2017 the department will work towards achieving the set 10 strategic objectives through pursuing the identified strategies. The objectives are based on the projected overall financial performance for the plannned period as shown below.

Revenue Sources	2014/2015	2015/2016	2016/2017
County Own Sources	311,828,458	543,036,928	597,340,621
Grants & Development Partners	688,400,044	791,660,051	910,409,059
Total Grants & Own Sources	**1,000,228,502**	**1,334,696,979**	**1,507,749,680**

5.2 Objectives and Strategies

Objective 1: To maximize revenue collection against set targets

Strategies:

i. Undertake resource mapping
ii. Optimally deploy the revenue collection staff
iii. Formulate and implement an effective enabling legal framework for revenue collection
iv. Ensure full enforcement of existing legislations on applicable tax, fees and charges
v. Automate revenue collection
vi. Intensify market inspection
vii. Sensitize tax, fees and charges payers on relevant matters.

Objective 2: To enhance existing and create more revenue streams

Strategies:

i. Review and revise rates, fees and levies
ii. Explore and exploit other non-traditional sources of revenue
iii. Create a conducive environment for increased investment opportunities

iv. Mobilize funds for County investment

Objective 3: To increase public participation in pertinent financial and planning matters

Strategies:

i. Embrace public participation in all relevant planning and budgeting aspects

Objective 4: To achieve high levels of customer satisfaction

Strategies:

i. Enhance customer focus
ii. Enhance service quality

Objective 5: To Embed Performance Management in the Planning System

Strategies:

i. Pursue performance management
ii. Streamline procurement processes
iii. Pursue prudent risk management

Objective 6: To Enhance Effectiveness in Budget Development and Administration

Strategies:

i. Pursue prudent budget development.
ii. Pursue prudent budget administration
iii. Automate all financial transactions
iv. Develop and implement financial management best practice model

Objective 7: To Attain Optimum Asset Portfolio

Strategies:

i. Pursue Asset Restructuring
ii. Pursue Prudent Asset Management

Objective 8: To put in place an optimal organizational structure for efficient and effective functioning of the Department

Strategies:

i. Strengthen institutional capacity
ii. Strengthen the department's governance system

Objective 9: To attract, develop and maintain adequate, qualified, and competent staff.

Strategies:

i. Enhance Human Capital Capacity
ii. Embed the culture of innovation and continuous learning

Objective 10: To prudently streamline and enhance the capital investment ventures

Strategies:

i. Pursue prudent capital investment

Objective 11: To build and enhance the Department's infrastructural capacity and ICT utilization

Strategies:

i. Undertake prudent investment in infrastructural development
ii. Optimize utilization of ICT

To pursue the chosen strategies, appropriate specific strategic activities will be identified and undertaken to achieve each of the strategic objectives and address the relevant strategic issues. This link is made explicit in the Strategic Action Plan (Appendix I)

6.0: OVERALL DEPARTMENT STRATEGY

The Department of Finance and Economic Planning falls under the National Treasury. Since its operationalization at the County level, the department has continued to play its rightful role of delivering its mandate. Relevant personnel have been appointed and deployed to Sub-counties to undertake the functions of the department. However, the department has been "flying without a compass" because it had no well thought out strategy on how to deliver on its mandate. The demand of the department's services has increased tremendously. This increase in demand has to be addressed during this plan period so that other emerging needs can be addressed.

The department has a huge task of ensuring the County achieves sustained economic growth. To achieve this enormous goal, the department has made its purpose of existence clear and explicit: to provide high quality financial, economic and advisory services through efficient and effective fiscal planning, resource mobilization, budget administration, coordination, formulation and implementation of policies and programs for accelerated, equitable and sustainable development for the citizens of Busia County.

While the department has made strides in carrying out its functions, unexploited opportunities still exist to achieve high levels of excellence. These opportunities have to be exploited. The strategy here will be to optimize on existing internal and external revenues and resource raising and upscale the advisory and coordination role while developing and implementing supportive policies and programs. There is need to continue doing the best possible in tapping into every source of revenues as well as coordinating, directing and advising on prioritized utilization. During this plan period, the Department will maintain this focus. Additional revenue inflows will be sought from the existing internal and external sources. Additionally, high quality advisory and coordinating services will continue to be the focus of the department.

Our new vision is that of "A Prosperous County Committed to Prudent Financial Management and Economic Planning". We will need to continuously think of and implement novel and innovative mechanisms of doing our "business", undertake relevant institutional, legal, policy, capacity and cultural restructuring to evolve a robust and progressive Busia County economy. This will enhance future value creation for Busia County and its citizens.

7.0: IMPLEMENTATION PLAN

7.1 Introduction

This Strategic Plan will deliver desired results only if it is effectively implemented. The leadership and management of the Finance and Economic Planning Department shall therefore ensure its effective institutionalization and operationalization. Institutionalization requires that the plan is acceptable in the Department at County, Sub-County, and Ward Levels. Therefore, the structure, culture, policies, staff, resources, and leadership style should all support the plan. Where there are inconsistencies, internal adjustment will be necessary. Operationalization requires the strategic plan to be broken into shorter time frames for implementation. The plan should be cascaded to all staff (at County, Sub-County, and Ward Levels) so that everyone knows what they are expected to do.

7.2 Annual Action Planning

Effective implementation is facilitated through action planning. An annual action plan indicates what will be done, by whom, when and with what expected results. The action plan provides a link between strategy formulation and action. It is also a tool for monitoring and evaluation. The action plans for the Department of Finance and Economic Planning will derive from the Implementation Action Plan (Appendix I). While the Implementation Action Plan covers the entire plan period, the Annual Work Plan covers one (1) year. Each of the sections of the department will be expected to develop an annual work plan extracted from the department's action plan.

7.3 Budgets

It is recognized that Department of Finance and Economic Planning has been developing the budget without a strategic plan. The development of this strategic plan marks a major shift towards linking what the department intends to do with the budget. As pointed out in Section 7.1, the annual work plans are important tools in operationalizing the strategic plan. They form the basis upon which the annual budgets are developed. Ideally, these work plans should be completed before developing the budgets.

7.4 Institutional Framework

Effective implementation of a strategic plan requires an appropriate institutional framework in place. To support implementation of this Strategic Plan, there will be need to assess the optimality of the current organizational structure of the department and review it if necessary, undertake culture change management at all levels, undertake the requisite training, recruit adequate staff, enhance the internal systems and procedures, and mobilize adequate resources to undertake the critical tasks.

7.5 Monitoring and Evaluation

Continuous monitoring and evaluation is essential for successful implementation of a strategic plan. Performance monitoring and evaluation shall be the responsibility of those who are most closely involved in the implementation of the annual work plans. In this respect, the Heads of Sections will carry out continuous performance monitoring and evaluation in their respective sections.

Specifically, the Heads of Sections will track all the activities for implementing the strategic plan to ensure that they are on course. At the same time, they will also ascertain whether expected outcomes have been achieved within specified timelines. Any deviations will be noted and explained. The Evaluation Tool (Appendix II) shall be used. Out of the monitoring and evaluation exercise, the Heads of Sections will prepare quarterly reports to be presented to the Chief Officer and the Executive Committee Member, who will then present to the relevant county organs for direction. This entire exercise will be coordinated by the Head of Budgeting under the leadership of the Chief Officer of the Department.

Appendix I: IMPLEMENTATION MATRIX

PRIORITY AREA I: FINANCIAL SUSTAINABILITY AND RESOURCE MOBILIZATION						
Overall Goal: To Attain High Levels of Financial Reliability and Sustainability						
Objective 1: To maximize revenue collection against set targets						
Strategies	Activities	Performance Indicators	Expected Outcomes	Timelines	Responsi-bility	Estimated Costs
i. Undertake resource mapping	i. Identify potential sources of revenue	No. of potential revenue streams	Increased revenue collection	2015/2016	Head of County Revenue	5M
	ii. Register/ Geo-tag all businesses	No. of registered businesses		2015/2016		
	iii. Develop a county resource database	Database in place		2015/2016		
ii. Optimally deploy the revenue collection staff	i. Carry out a revenue staff establishment survey.	Staff establishment report.	Enhanced revenue collection		Head of County Revenue	5M
	ii. Develop a revenue collection and remittance plan.	Revenue collection plan in place		2014/2015		
	iii. Assign adequate revenue collection staff as per the revenue collection plan	No. of staff assigned to identified revenue sources				
	iv. Establish revenue monitoring unit	Revenue monitoring unit in place				
iii. Formulate and implement an effective enabling legal framework for revenue	i. Identify gaps in the legal framework	No. of legal gaps identified	Strong legal			
	ii. Draft, involve the public and lobby county assembly to pass the laws	No. of issues raised and considered				

collection	iii. Present relevant laws that address identified gaps to the county assembly	No. of bills drafted &submitted to the county assembly	framework supporting revenue collection			
	iv. Implement the enacted laws	Laws institutionalized and operationalized				
iv. Ensure full enforcement of existing legislations on applicable tax, fees and charges	i. Breakdown existing laws into actionable tasks	Actionable tasks in place	Enhanced enforcement and compliance to taxation laws			
	ii. Execute provisions of the laws	Compliance to provisions of the laws				
v. Automate revenue collection	i. Conduct a feasibility study	Feasibility study report	Enhanced revenue collection			
	ii. Implement the recommendations of the feasibility study report	Revenue collection automated system in place				
vi. Intensify market inspection	i. Map all markets in the county and days and times of operation in a week	No. of markets mapped	Enhanced revenue collection			
	ii. Develop a market inspection plan	Market inspection plan in place				
	iii. Implement the market inspection plan	Market inspection schedules executed				
vii. Sensitize tax, fees and charges payers on relevant matters.	i. Develop a sensitization plan	Sensitization plan in place.	Enhanced tax compliance			
	ii. Implement a sensitization plan	No. of sensitization programs undertaken				

Objective 2:To enhance existing and create more revenue streams						
Strategies	Activities	Performance Indicators	Expected Outcomes	Timelines	Responsibility	Estimated Costs
i. Review and revise rates, fees and levies	i. Develop a checklist of all applicable current rates, fees and levies	-Valuation roll -Revised rates	Increased revenue base.		Head of revenue collection	
	ii. Carry out valuation of services against the current rates, fees and levies.					
ii. Explore and exploit other non-traditional sources of revenue	i. Conduct a feasibility study on new and non-traditional sources of revenue.	Feasibility report in place	Increased revenue base			
	ii. Implement the recommendations of the study report	New revenue streams in place				
	iii. Benchmark with other counties locally and internationally	Benchmarks in place				
iii. Create a conducive environment for increased investment opportunities	i. Establish obstacles to investment and identify new investment opportunities	Situation analysis report	Increased revenue base			
	ii. Develop investment framework.	Investment framework in place.				
	iii. Implement the investment framework	Investment programmes in place				
iv. Mobilize funds for County investment	i. Identify sources (both local and international)of funds for investment	Number of sources identified	Enhanced county investment			
	ii. Develop a county investment plan and submit to the county assembly for ratification.	County investment plan in place				

	iii. Implement the county investment plan	Number of new investments				
PRIORITY AREA II: QUALITY SERVICE DELIVERY						
Overall Goal: To attain and sustain high quality service delivery to all our customers						
Objective 1: To increase public participation in pertinent financial and planning matters						
Strategies	Activities	Performance Indicators	Expected Outcomes	Timelines	Responsibility	Estimated Costs
i. Embrace public participation in all relevant planning and budgeting aspects	i. Study the constitutional provisions and develop a public participation policy framework	Public participation Act in place	Enhance public participation	2015/2016	CEC Finance and Economic planning	
	ii. Institutionalize and mainstream the public participation policy framework	Public participation mainstreamed		2015/2016-2017		
Objective 2: To achieve high levels of customer satisfaction						
Strategies	Activities	Performance Indicators	Expected Outcomes	Timelines	Responsibility	Estimated Costs
i. Enhance customer focus	i. Carry out customer satisfaction baseline survey.	Survey report with CSI	High levels of customer satisfaction	2015/16-2017	CEC Finance and Economic planning	
	ii. Implement the recommendations of the survey findings	Improvement programs				
	iii. Develop and implement service delivery charter	Service charter in place				
	iv. Carry out follow up surveys	Follow up surveys reports				
ii. Enhance service quality	i. Develop and implement a quality management policy	Quality management policy in place Implementation programme	Enhanced service quality	2015/16-2017	CEC Finance and Economic planning	
	ii. Acquire and install a quality management system	Quality management system in place				

PRIORITY AREA III: INTERNAL BUSINESS PROCESS RE-ENGINEERING						
Overall Goal: To Achieve High Levels of Operational Efficiency						
Objective 1: To Embed Performance Management in the Planning System						
Strategies	Activities	Performance Indicators	Expected Outcomes	Timelines	Responsibility	Estimated Costs
i. Pursue performance management	Design and implement formal performance management system	Formal performance management system in place Implementation programme	Enhanced operational efficiency	2014/15-2018	Chief Officer	
ii. Streamline procurement processes	i. Develop and consolidate the county procurement plan	Procurement plan developed	Enhanced operational efficiency	2014/15-16/17	Director-Supply Chain	
	iii. Implement county procurement plan	Institutionalization and operationalization of the plan				
	iv. Monitor and evaluate the procurement plan implementation process	Monitoring and evaluation reports				
v. Pursue prudent risk management	ii. Develop the County risk management plan	County risk management plan in place	Enhanced operational efficiency	2014/15-16/17	Director Audit	
	vi. Implement county risk management plan	Implementation programme				
	vii. Monitor and evaluate the risk plan implementation process	Evaluation reports				
Objective 2: To Enhance Effectiveness in Budget Development and Administration						
Strategies	Activities	Performance Indicators	Expected Outcomes	Timelines	Responsibility	Estimated Costs
i. Pursue prudent budget	iii. Develop a budget development framework	Budget development framework in place	Enhanced efficiency	2014/2015-2018	-Head of Budget	

development.	iv. Implement the framework	Institutionalized framework Working groups in				
	v. Establish a county sector working groups for budget development	sector working groups in place			Head of planning	
ii. Pursue prudent budget administration	i. Develop a budget administration and control framework.	BA&C framework in place	Enhanced efficiency			
	ii. Implement the framework	Institutionalized framework				
	iii. Develop and implement a vote book control and management system.	Vote book management system in place				
	iv. Establish county sector working groups for budget administration	Working groups in place				
iii. Automate all financial transactions	i. Carry out an automation feasibility study	Feasibility study report in place	Enhanced efficiency			
	ii. Procure and install appropriate Integrated Financial Management Information Systems.	Specifications and installation prototype				
	iii. Operationalize the systems	Working system in place				
iv. Develop and implement financial management best practice model	i. Develop a financial management model ii. Implement the model iii. Monitor, evaluate and take corrective action	Financial Management (FM) best practice model in place	Enhanced efficiency	2014/15-16-17	Chief officer	
Objective 3: To Attain Optimum Asset Portfolio						
Strategies	Activities	Performance	Expected	Timelines	Responsibility	Estimated

		Indicators	Outcomes			Costs
i. Pursue Asset Restructuring	i. Develop an asset inventory	Asset inventory status report	Enhanced efficiency		Directorate of procurement	
	ii. Disaggregate the different types of assets	Disaggregated assets				
	iii. Undertake a 100% fixed assets tagging and develop a fixed assets register.	Fixed assets register				
	iv. Conduct and evaluation of all assets.	Evaluation report				
	v. Develop an assets acquisition and disposal policy.	Policy in place				
	vi. Implement the policy	Implementation programme				
ii. Pursue Prudent Asset Management	i. Establish an asset management unit	Unit in place	Enhanced efficiency			
	ii. Formulate an asset management policy	Policy in place				
	iii. Implement the policy	Implementation programme				
PRIORITY AREA IV: RESTRUCTURING AND CAPACITY DEVELOPMENT						
Overall Goal: Attain Optimum Structural, Institutional, and Human Capacity						
Objective 1: To put in place an optimal organizational structure for efficient and effective functioning of the Department						
Strategies	Activities	Performance Indicators	Expected Outcomes	Timelines	Responsibility	Estimated Costs
i. Strengthen institutional capacity	i. Undertake a job evaluation and analysis for the department.	Job analysis report	Enhanced institutional capacity	2016/2017	Chief officer Finance and planning	
	ii. Implement the recommendation of the job evaluation report	Implementation programme				
	iii. Review and develop the appropriate organizational structure.	Revised organogram				

	iv. Operationalize the new organizational structure.	New structure in place				
ii. Strengthen the department's governance system	i. Develop and implement a departmental corporate governance policy manual.	- Corporate governance policy in place - Policy Implementation programme	Enhanced departmental and county governance	2015/2016	CEC Finance and Economic planning	
Objective 2: To attract, develop and maintain adequate, qualified, and competent staff.						
Strategies	Activities	Performance Indicators	Expected Outcomes	Timelines	Responsibility	Estimated Costs
i. Enhance Human Capital Capacity	i. Conduct job evaluation and analysis ii. Implement the recommendations of the job evaluation and analysis report	Job evaluation and analysis report Report implementation programme	Improved and sustained work performance	2014/2015	Section heads/ directors	
	iii. Develop strategic HRM policy	Strategic HRM Policy				
	iv. Implement and operationalize HRM policy	Implementation programme		2016/2017		
ii. Embed the culture of innovation and continuous learning	i. Develop and implement a change management program	Change management program	Enhanced human capital capacity	2015/2016	Chief officer finance and planning	
	ii. Develop a training curriculum for department	Training and development policy				
	iii. Cascade the department's strategic plan throughout the sub counties	Ownership and alignment to departmental goals				
	iv. Adopt and implement best practice	Shared best practices				
Objective 3: To prudently streamline and enhance the capital investment ventures						

Strategies	Activities	Performance Indicators	Expected Outcomes	Timelines	Responsibility	Estimated Costs
i. Pursue prudent capital investment	i. Review current investment portfolio	Current capital investment portfolio status	Enhanced capacity	2015/2016	CEC finance and economic plan	
	ii. Map and identify potential investment opportunities.	Mapped Investment opportunities				
	iii. Develop and implement an investment policy	Policy in place; implementation programme				
	iv. Establish an investment unit	Unit in place				
Objective 4: To build and enhance the Department's infrastructural capacity and ICT utilization						
Strategies	Activities	Performance Indicators	Expected Outcomes	Timelines	Responsibility	Estimated Costs
i. Undertake prudent investment in infrastructural development	i. Carry out a comprehensive audit of the department's current infrastructural capacity	Audit report	Value addition investment that propels growth and improved quality of services offered	2014/2015 -2017	CEC finance and economic plan	
	ii. Develop capacity expansion proposals	Project proposal				
	iii. Prepare proposals for funding and development					
	iv. Seek services of qualified contractor(s) to put in place approved infrastructural expansion	Structural/ architectural plans				
ii. Optimize utilization of ICT	i. Assess and document the level of ICT utilization in the department	ICT assessment report	Enhanced efficiency and effectiveness in departmental processes	2014/2015 -2017	CEC finance and economic plan and Chief officer	
	ii. Identify candidate and potential areas for ICT application					

	iii. Procure and install enabling telecommunication and networking technology	ICT internetworked operations in place			Finance and economic planning	

Appendix II: Strategic Plan Evaluation Framework

Strategic Objective	Strategy	Time Frame	Status of Strategy	Variance & Why	Responsibility	Improvement Program(s)