All Chairpersons of State Corporations

All Chief Executive Officers of State Corporations

**RE:** BUDGET ALIGNMENT PROCESS FOR FINANCIAL YEAR FY 19/20

The Government is currently seized with the alignment of the Financial Year 2019/2020 Budget towards support for the Big Four Agenda.

In furtherance of the same, the Cabinet has directed that all State Corporations and Semi-Autonomous Agencies (SAGA), are only allowed to spend an amount equivalent to one quarter (1/4) of last year's approved recurrent budget. This amount should support all priority expenses over the first quarter ending 30th September 2019. Further, a moratorium is hereby issued placing in abeyance all capital expenditures until otherwise directed. During the moratorium period, no capital expenditure is to be undertaken unless the particular expenditure item is an ongoing project and is specifically approved in writing by the National Treasury.

During this period, a further review and rationalization of the individual State Corporation and SAGA budgets will be undertaken by a team established by the National Treasury, comprising officials from respective line ministries and the Presidency. Consequently, all State Corporations and SAGAs are required to submit information to the Director General, Public Investment and Portfolio Management, National Treasury as per the attached template by 31st July 2019.
Accordingly, and by the way of this circular, the Board of Directors are required to enforce the full compliance of this directive.

JOSEPH K. KINYUA, E.G.H.
HEAD OF THE PUBLIC SERVICE

Copy:  The Attorney-General
       All Cabinet Secretaries
       All Principal Secretaries/Accounting Officers
       The Central Bank Governor
       The Auditor General
       Director General, Public Investments and Portfolio
       Management, National Treasury
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<th>Total</th>
<th>Other</th>
<th>Cash</th>
<th>Fixed Deposits</th>
<th>Bank Deposits</th>
<th>Treasury Bills/Bonds</th>
<th>Money Market Funds</th>
<th>Imposed Rate</th>
<th>Current Rate</th>
<th>Total</th>
</tr>
</thead>
</table>

Cash and Cash Equivalent Breakdown as at 30th June 2019