

# Progress on Public Financial Management (PFM)



Kedar Bahadur Adhikari  
Joint Secretary  
HRFMD- MoHP

# Budget of FY 2012/13

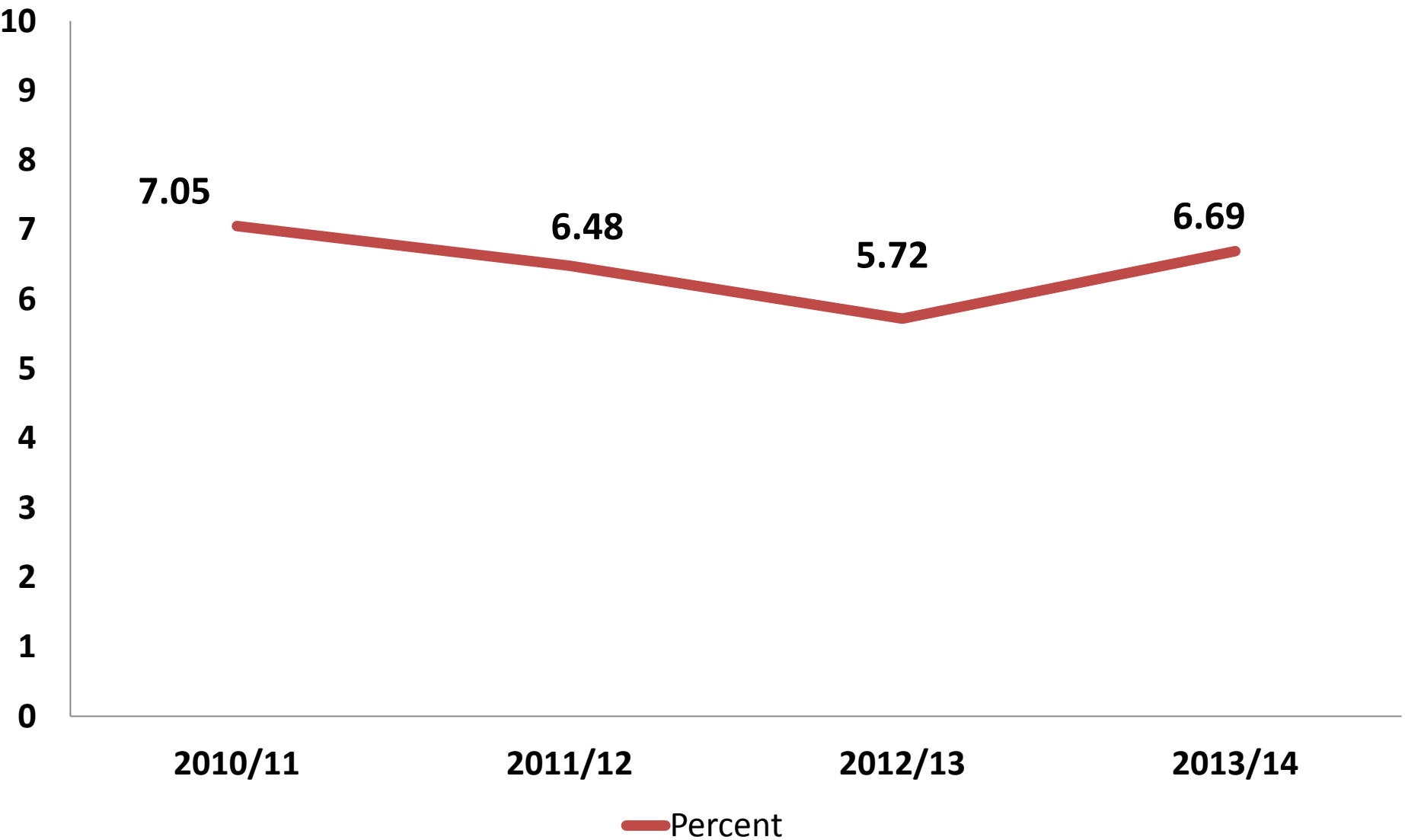
- **National Budget NPR 353.5 billions**
- **Health Sector Budget NPR 20.24 billions**
  - not included other ministries health related budget
- **It is 5.72 Percent of the National Budget**

# Status of Health Sector Budget in National Budget FY 2010/11 to 2013/14

NPR Billion

FY	National Budget	MoHP Budget	% of MoHP Budget against National Budget	MoHP Budget increase against national budget	% Increase
<b>2010/11</b>	<b>337.90</b>	<b>23.81</b>	<b>7.05</b>	<b>5.97</b>	<b>33.48</b>
<b>2011/12</b>	<b>384.90</b>	<b>24.93</b>	<b>6.48</b>	<b>1.12</b>	<b>4.71</b>
<b>2012/13</b>	<b>353.29</b>	<b>20.24</b>	<b>5.72</b>	<b>-4.69</b>	<b>-18.82</b>
<b>2013/14</b>	<b>454.72</b>	<b>30.43</b>	<b>6.69</b>	<b>10.19</b>	<b>50.35</b>

# Percentage of Health Budget against National Budget



# Status of Budget Expenditure

NPR Billion

<b>Budget</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>Annual Budget</b>	<b>23.81</b>	<b>24.93</b>	<b>20.24</b>
<b>Expenditure</b>	<b>18.17</b>	<b>20.23</b>	<b>19.03</b>
<b>Utilization %</b>	<b>76.32</b>	<b>81.17</b>	<b>94.04</b>

# Status of Recurrent/Capital Budget Expenditure

NPR Billion

<b>Particulars</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>Recurrent</b>			
Annual Budget	17.05	20.36	17.07
Expenditure	13.74	16.97	16.27
Utilization %	80.55	83.35	95.33
<b>Capital</b>			
Annual Budget	6.76	4.57	3.17
Expenditure	4.44	3.27	2.76
Utilization %	65.65	71.48	87.11

# Budget and Expenditure By Source

Fiscal Year	Government			EDP		
	Budget	Expenditure	% expenditure of budget	budget	Expenditure	% expenditure of budget
2009/10	9.31	9.23	99.1	8.53	6.68	78.3
2010/11	13.93	11.9	85.4	9.88	6.27	63.5
2011/12	15.21	13.82	90.9	9.72	6.42	66.0
2012/13	11.72	11.89	101.5	8.52	7.14	83.8









# Progress Made in FY 2012/13

- Audit clearance guidelines endorsed
- Internal control guidelines endorsed
- Transaction Accounting and Budget Control System (TABUCS) piloted and is going to be roll out in 278 cost centers
- Financial management improvement plan (FMIP) revised
- PFM committee strengthen
- PFM working group formed
- Audit status improved

# Challenges Financial Management

- Exception year in Nepalese Budget history- budget came in 3 times in year
- Need to evaluate our budget and implementation process and prioritize program
- Focus on output based budgeting system in coordination with NPC and MoF
- Early approval of program and procurement plan

# Challenges in Financial Management

- Hospital generated revenue and budget should be incorporate in Health budget
- Need to find out way of regular reporting mechanism to ensure all expenditure reported against budget
- Enhancing fund management practices at all level
- Timely reporting, reimbursement and auditing
- Enhancing financial discipline
- To identify liabilities generated by different health facilities

# Way Forward

- Ensure proper implementation of TABUCS in all cost centers
- Implement the audit clearance guidelines
- Implement the internal control guidelines
- Develop a budget preparation manual clearly defining the role of the institutions and individuals
- Finalise the implement the procurement implementation plan from the fiscal year 2014/15

# Way Forward

- Prepare a national framework to report the local revenues and their expenditure in health facilities
- Develop human resource capacity in the areas of financial management, strategic planning and use of technology based solutions
- Strengthen the existing audit committee through regular meetings

Thank you